

TATA MOTORS

Reports and Accounts of Subsidiary Companies Volume 2



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Jaguar Land Rover Automotive PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered number: 06477691

Year ended 31 March 2014

CONSOLIDATED INCOME STATEMENT

Year ended 31 March (INR millions)	Note	2014	2013 (restated)	2012 (restated)
Revenue	3	1,931,343	1,301,237	1,113,932
Material and other cost of sales	4	(1,185,943)	(816,488)	(719,950)
Employee cost	5	(164,781)	(109,975)	(85,655)
Other expenses	8	(370,309)	(253,504)	(208,492)
Development costs capitalised	9	102,614	70,899	61,912
Other income		15,243	5,771	3,050
Depreciation and amortisation		(87,172)	(51,278)	(38,335)
Foreign exchange gain / (loss)		23,512	(8,986)	1,154
Finance income	10	3,786	2,803	1,319
Finance expense (net)	10	(18,430)	(1,484)	(7,007)
Share of loss from joint ventures	13	(697)	(989)	-
Profit before tax	11	249,166	138,006	121,928
Income tax expense	12	(61,966)	(37,922)	(1,566)
Profit for the year		187,197	100,082	120,363

The consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and related notes (where relevant) have been restated for the comparative prior years presented following the adoption of IAS 19 *Employee Benefits* (2011) in the year as detailed in note 2 to the consolidated financial statements. The adoption of this revised standard had no impact on the consolidated balance sheet in any of the years presented.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March (INR millions)	Note	2014	2013 (restated)	2012 (restated)
Profit for the year		187,197	100,082	120,363
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	30	(13,448)	(28,525)	(10,057)
Income tax related to items that will not be reclassified	18	(399)	6,018	12,531
		(13,847)	(22,507)	2,474
Items that may be reclassified subsequently to profit or loss:				
Gain / (loss) on effective cash flow hedges		103,710	(23,743)	(2,968)
Cash flow hedges reclassified to foreign exchange (loss) / gain in profit or loss		(11,158)	4,864	(1,649)
Income tax related to items that may be reclassified	18	(19,327)	4,369	1,154
		73,225	(14,510)	(3,463)
Other comprehensive income / (expense) net of tax		59,378	(37,017)	(989)
Total comprehensive income attributable to shareholders		246,575	63,065	119,374

CONSOLIDATED BALANCE SHEET

As at 31 March (INR millions)	Note	2014	2013	2012
Non-current assets				
Equity accounted investees	13	14,446	4,947	82
Other financial assets	14	47,124	16,077	8,821
Property, plant and equipment	15	317,208	192,498	130,750
Intangible assets	16	422,413	290,354	230,915
Pension asset	30	-	-	165
Other non-current assets	17	3,287	659	907
Deferred tax assets	18	28,294	41,880	39,077
Total non-current assets		832,771	546,414	410,717
Current assets				
Cash and cash equivalents	19	225,154	170,816	200,330
Short term deposits		119,451	63,891	-
Trade receivables		82,789	76,422	54,575
Other financial assets	14	39,054	14,510	15,086
Inventories	21	216,586	147,981	123,413
Other current assets	17	35,367	35,779	37,675
Current tax assets		1,893	2,473	495
Total current assets		720,294	511,871	431,575
Total assets		1,553,065	1,058,285	842,292
Current liabilities				
Accounts payable	22	476,908	348,475	270,816
Short term borrowings and current portion of long term debt	23	16,637	27,040	40,396
Other financial liabilities	24	27,596	35,697	25,804
Provisions	25	39,353	27,618	23,001
Other current liabilities	26	39,352	39,736	46,084
Current tax liabilities		11,258	15,829	9,481
Total current liabilities		611,104	494,394	415,581
Non-current liabilities				
Long term debt	23	183,610	151,608	122,341
Other financial liabilities	24	6,874	18,714	6,019
Provisions	25	57,982	38,583	28,360
Retirement benefit obligation	30	67,149	54,162	26,793
Other non-current liabilities	26	7,671	1,979	412
Non-current tax liabilities		-	-	1,484
Deferred tax liabilities	18	34,470	7,090	82
Total non-current liabilities		357,756	272,135	185,655
Total liabilities		968,860	766,529	601,237
Equity attributable to shareholders				
Ordinary share capital	27	149,538	123,743	123,743
Capital redemption reserve		16,637	13,768	13,768
Other reserves	28	418,030	154,245	103,544
Equity attributable to shareholders		584,205	291,756	241,055
Total liabilities and equity		1,553,065	1,058,285	842,292

CONSOLIDATED BALANCE SHEET (CONTINUED)

These consolidated financial statements were approved by the board of directors and authorised for issue on July 2014. They were signed on its behalf by:

Dr Ralf Speth

Chief Executive Officer

Company registered number: 06477691

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(INR millions)	Ordinary share capital	Capital redemption reserve	Other reserves	Total equity
Balance at 1 April 2013	149,538	16,637	186,400	352,575
Profit for the year	-	-	187,197	187,197
Other comprehensive income for the year	-	-	59,377	59,377
Total comprehensive income	-	-	246,574	246,574
Dividend paid	-	-	(14,944)	(14,944)
Balance at 31 March 2014	149,538	16,637	418,030	584,205
Balance at 1 April 2012	123,743	13,768	103,545	241,056
Profit for the year (restated)	-	-	100,082	100,082
Other comprehensive loss for the year (restated)	-	-	(37,016)	(37,016)
Total comprehensive income	-	-	63,066	63,066
Dividend paid	123,743	13,768	(12,366)	(12,366)
Balance at 31 March 2013 (restated)	123,743	13,768	154,246	291,756
Balance at 1 April 2011	123,743	13,768	(15,829)	121,682
Profit for the year (restated)	-	-	120,363	120,363
Other comprehensive loss for the year (restated)	-	-	(989)	(989)
Total comprehensive income	-	-	119,374	119,374
Balance at 31 March 2012 (restated)	123,743	13,768	103,545	241,056

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March (INR millions)	2014	2013 (restated)	2012 (restated)
Cash flows from operating activities			
Profit for the year	187,197	100,082	120,363
Adjustments for:			
Depreciation and amortisation	87,172	51,278	38,417
Loss on sale of assets	399	165	660
Foreign exchange (gain) / loss on loans	(8,667)	3,050	824
Income tax expense	61,967	37,923	1,566
Loss / (gain) on embedded derivative	4,682	(3,875)	-
Finance expense (net)	13,748	1,484	7,007
Finance income	(3,786)	(2,803)	(1,319)
Foreign exchange (gain) / loss on derivatives	(5,679)	907	4,864
Foreign exchange loss on short term deposits	4,085	-	-
Share of loss from joint ventures	697	989	-
Cash flows from operating activities before changes in assets and liabilities	341,815	189,200	172,382
Trade receivables	9,564	(21,847)	(7,832)
Finance receivables	-	82	-
Other financial assets	996	(20,033)	824
Other current assets	12,055	1,896	(13,108)
Inventories	(37,758)	(23,413)	(28,112)
Other non-current assets	(2,391)	82	(330)
Accounts payable	53,200	65,705	73,619
Other current liabilities	(8,568)	(6,348)	16,406
Other financial liabilities	399	20,198	4,534
Other non-current liabilities and retirement benefit obligation	(6,276)	1,237	2,721
Provisions	17,933	13,932	(2,556)
Cash generated from operations	380,969	220,691	218,548
Income tax paid	(40,050)	(20,445)	(12,448)
Net cash generated from operating activities	340,919	200,246	206,100
Cash flows used in investing activities			
Investment in joint ventures	(92)	(71)	(1)
Movements in other restricted deposits	133	54	(147)
Investment in short term deposits	(464)	(775)	-
Purchases of property, plant and equipment	(1,201)	(891)	(596)
Proceeds from sale of property, plant and equipment	4	3	-
Cash paid for intangible assets	(1,155)	(958)	(814)
Finance income received	39	29	16
Net cash used in investing activities	(2,736)	(2,609)	(1,542)
Cash flows from financing activities			
Finance expenses and fees paid	(26,799)	(14,757)	(10,552)
Proceeds from issuance of short term debt	100	7,255	8,656
Repayment of short term debt	(15,741)	(20,610)	(53,998)
Proceeds from issuance of long term debt	82,590	26,134	123,660
Repayment of long term debt	(74,321)	-	(30,833)
Payments of lease liabilities	(498)	(330)	(330)
Dividends paid	(14,944)	(12,366)	-
Net cash (used in) / generated from financing activities	(49,614)	(14,674)	36,603
Net change in cash and cash equivalents	18,730	(29,514)	115,581
Cash and cash equivalents at beginning of year	206,424	200,330	84,749
Cash and cash equivalents at end of year	225,154	170,816	200,330

NOTES TO THE FINANCIAL STATEMENTS

1 BACKGROUND AND OPERATIONS

Jaguar Land Rover Automotive PLC ("the company") and its subsidiaries, (collectively referred to as "the group" or "JLR"), designs, manufactures and sells a wide range of automotive vehicles. In December 2012 the company name was changed from Jaguar Land Rover PLC to Jaguar Land Rover Automotive PLC.

The company is a public limited company incorporated and domiciled in the UK and has its registered office at Whitley, Coventry, England.

The company is a subsidiary of Tata Motors Limited, India ("TATA Motors") and acts as an intermediate holding company for the Jaguar Land Rover business. The principal activity during the year was the design, development, manufacture and marketing of high performance luxury saloons, specialist sports cars and four wheel drive off-road vehicles.

These consolidated financial statements have been prepared in GBP and rounded to the nearest million (INR million) unless otherwise stated. Results for the year ending and as at 31 March 2012 have been disclosed solely for the information of the users.

2 ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as "IFRS") as adopted by the European Union. There is no difference between these accounts and the accounts for the group prepared under IFRS as adopted by the International Accounting Standards Board ("IASB").

The company has taken advantage of s.408 of the Companies Act 2006 and therefore the separate financial statements of the company do not include the income statement or the statement of comprehensive income of the company on a stand-alone basis.

BASIS OF PREPARATION

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

GOING CONCERN

The directors have considered the financial position of the group at 31 March 2014 (net assets of INR 584,205 million (2013: INR 291,756 million, 2012: INR 241,055 million)) and the projected cash flows and financial performance of the group for at least 12 months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The directors have taken actions to ensure that appropriate long term cash resources are in place at the date of signing the accounts to fund group operations. The directors have reviewed the financial covenants linked to the borrowings in place and believe these will not be breached at any point and that all debt repayments will be met.

Therefore the directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the group, that the group has adequate resources to continue in operation as a going concern for the foreseeable future and is able to meet its financial covenants linked to the borrowings in place. Accordingly the directors continue to adopt the going concern basis in preparing these consolidated financial statements.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

BASIS OF CONSOLIDATION

Subsidiaries

The consolidated financial statements include Jaguar Land Rover Automotive PLC and its subsidiaries. Subsidiaries are entities controlled by the company. Control exists when the company has power over the investee, is exposed or has rights to variable return from its involvement with the investee and has the ability to use its power to affect its returns. In assessing control, potential voting rights that currently are exercisable are taken into account. All subsidiaries of the company given in note 39 are included in the consolidated financial statements.

Inter-company transactions and balances including unrealised profits are eliminated in full on consolidation.

Associates and joint ventures (equity accounted investees)

Associates are those entities in which the group has significant influence, but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee and is presumed to exist when the group holds between 20 and 50 per cent of the voting power of another entity. Joint ventures are those entities over whose activities the group has joint control, established by contractual agreement and requiring unanimous consent for decisions about the relevant activities of the entity, being those activities that significantly affect the entity's returns.

Associates and joint ventures are accounted for using the equity method and are recognised initially at cost. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the group's share of the income and expenses, other comprehensive income and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the group has an obligation or has made payments on behalf of the investee.

When the group transacts with an associate or joint venture of the group, profits and losses are eliminated to the extent of the group's interest in its associate or joint venture.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following notes:

- (i) Note 15 – Property, plant and equipment – the group applies judgement in determining the estimate useful life of assets.
- (ii) Note 16 – Intangible assets – management applies significant judgement in establishing the applicable criteria for capitalisation of appropriate product development costs and impairment of indefinite life intangible assets. The key inputs to this assessment include the determination of Cash Generating Units, value of cash flows and appropriateness of discount rates.
- (iii) Note 18 – Deferred tax – management applies judgement in establishing the timing of the recognition of deferred tax assets relating to historic losses and assessing its recoverability and estimating taxes ultimately payable on remittance of overseas earnings.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

- (iv) Note 25 – Provision for product warranty – it is necessary for group to assess the provision for anticipated lifetime warranty and campaign costs. The valuation of warranty and campaign provisions requires a significant amount of judgement and the requirement to form appropriate assumptions around expected future costs.
- (v) Note 30 – Retirement benefit obligation – it is necessary for actuarial assumptions to be made, including discount and mortality rates and the long-term rate of return upon scheme assets. The group engages a qualified actuary to assist with determining the assumptions to be made when evaluating these liabilities.
- (vi) Note 33 – Financial instruments – the group enters into complex financial instruments and therefore appropriate accounting for these requires judgement around the valuations. Embedded derivatives relating to prepayment options on senior notes are not considered as closely related and are separately accounted unless the exercise price of these options is approximately equal on each exercise date to the amortised cost of the senior notes.

REVENUE RECOGNITION

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

Sale of products

The group recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products is presented net of excise duty where applicable and other indirect taxes.

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

If the sale of products includes a determinable amount for subsequent services (multiple - component contracts), the related revenues are deferred and recognised as income over the relevant service period. Amounts are normally recognised as income by reference to the pattern of related expenditure.

COST RECOGNITION

Costs and expenses are recognised when incurred and are classified according to their nature.

Expenditures are capitalised where appropriate in accordance with the policy for internally generated intangible assets and represent employee costs, stores and other manufacturing supplies, and other expenses incurred for product development undertaken by the group.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

PROVISIONS

A provision is recognised if, as a result of a past event, the group 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. Provisions are determined by discounting the expected future cash flows at a risk-free rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are held for product warranties, legal and product liabilities, residual risks and environmental risks as detailed in note 25 to the consolidated financial statements. The most significant is product warranty.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Product warranty

The group offers warranty cover in respect of manufacturing defects, which become apparent within one to five years after purchase, dependent on the market in which the purchase occurred. The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation. The timing of outflows will vary as and when a warranty claim will arise, being typically up to five years.

FOREIGN CURRENCY

The company has a functional currency of GBP. The presentation currency of the consolidated financial statements is GBP.

The functional currency of the UK and non-UK selling operations is GBP being the primary economic environment that influences these operations. This is on the basis that management control is in the UK and that GBP is the currency that primarily determines sales prices and is the main currency for the retention of operating income.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the consolidated income statement.

INCOME TAXES

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the consolidated income statement except, when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

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

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 unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year 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 against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a first-in first-out basis. Costs, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the group and are amortised in changes in stocks and work in progress to their residual values (i.e. estimated second hand sale value) over the term of the arrangement.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, non-recoverable 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.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its 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.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Class of property, plant and equipment	Estimated useful life (years)
Buildings	20 to 40
Plant and equipment	3 to 30
Computers	3 to 6
Vehicles	3 to 10
Furniture and fixtures	3 to 20

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation is not recorded on assets under construction until construction and installation is complete and the asset is ready for its intended use. Assets under construction includes capital prepayments.

INTANGIBLE ASSETS

Acquired intangible assets

Intangible assets purchased including those acquired in business combination, are measured at cost or fair value as of the date of acquisition, where applicable, less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

For intangible assets with definite lives, amortisation is provided on a straight-line basis over the estimated useful lives of the acquired intangible assets as per details below:

Class of intangible asset	Estimated amortisation period (years)
Patents and technological know-how	2 to 12
Customer related – Dealer network	20
Software	2 to 8
Intellectual property rights and other intangibles	Indefinite life

The amortisation for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Capital-work-in-progress includes capital advances.

Customer related intangibles acquired in a business combination consist of order backlogs and dealer networks.

Intellectual property rights and other intangibles consists of brand names, which are considered to have indefinite lives due to the longevity of the brands.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE ASSETS (CONTINUED)

Internally generated intangible assets

Research costs are charged to the consolidated income statement in the year in which they are incurred.

Product development costs incurred on new vehicle platforms, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the group has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. Interest cost incurred is capitalised up to the date the asset is ready for its 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. Product development cost is amortised over a period of between 2 and 10 years. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss.

IMPAIRMENT

Property, plant and equipment and other intangible assets

At each balance sheet date, the group assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment indicator exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statement.

Equity accounted investees: joint ventures and associates

The requirements of IAS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (the higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

GOVERNMENT GRANTS AND INCENTIVES

Government grants are recognised when there is reasonable assurance that the group will comply with the relevant conditions and the grant will be received. Government grants are recognised in the consolidated income statement on a systematic basis when the group recognises, as expenses, the related costs that the grants are intended to compensate. Government grants related to assets are deducted from the cost of the asset and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure and Government grants which are awarded as incentives with no ongoing performance obligations to the group are recognised as other income in the period the grant is received.

Sales tax incentives received from governments are recognised in the income statement at the reduced tax rate and revenue is reported net of these sales tax incentives.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

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.

Assets taken on finance lease

A finance lease is recognised 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 year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognised on the group's balance sheet. Payments made under operating leases are recognised in the consolidated income statement on a straight-line basis over the term of the lease.

EMPLOYEE BENEFITS

Pension plans

The group operates several defined benefit pension plans, which are contracted out of the second state pension scheme. The assets of the plans are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service year as set out in the rules of each plan.

Contributions to the plans by the group take into consideration the results of actuarial valuations. The plans with a surplus position at the balance sheet date have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the subsidiary group is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognised.

The UK defined benefit schemes were closed to new joiners in April 2010.

A separate defined contribution plan is available to new employees of JLR. Costs in respect of this plan are charged to the income statement as incurred.

For defined benefit retirement benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled.

Past service cost, including curtailment gains and losses, is generally recognised in profit or loss in the period of scheme amendment. Net interest is calculated by applying a discount rate to the net defined benefit liability.

Defined benefit costs are split into three categories:

- current service cost, past-service cost and gains and losses on curtailments and settlements;
- net interest cost; and
- remeasurement.

The Group presents the first two components of defined benefit costs within Employee costs in its consolidated income statement (see note 5). Net interest cost is recognised within finance costs (see note 10).

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE BENEFITS (CONTINUED)

Post-retirement Medicare scheme

Under this unfunded scheme, employees of some subsidiaries receive medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the group as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The applicable subsidiaries account for the liability for the post-retirement medical scheme based on an annual actuarial valuation.

Actuarial gains and losses

Actuarial gains and losses relating to retirement benefit plans are recognised in other comprehensive income in the year in which they arise. Actuarial gains and losses relating to long-term employee benefits are recognised in the consolidated income statement in the year in which they arise.

Measurement date

The measurement date of retirement plans is 31 March.

LONG TERM INCENTIVE PLAN (LTIP)

The group operates an LTIP arrangement for certain employees. The scheme provides a cash payment to the employee based on a specific number of phantom shares at grant date and the share price of Tata Motors Limited at the vesting date, subject to profitability and employment conditions. These are accounted for as cash settled arrangements, whereby a liability is recognised at fair value at the date of grant, using a Black Scholes model. At each balance sheet date until the liability is settled, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

FINANCIAL INSTRUMENTS

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

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

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets and financial liabilities at fair value through profit or loss: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. Financial assets and liabilities are measured at fair value with changes in fair value recognised in the consolidated income statement.

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

Available-for-sale financial assets: Available-for-sale financial assets are those non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other financial assets categories. Subsequently, these are measured at fair value and changes therein, other than impairment losses which are recognised directly in other comprehensive income, net of applicable deferred income taxes. The group does not hold any available-for-sale financial assets.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.

Equity instruments

An equity instrument is any contract that evidences residual interests in the assets of the group after deducting all of its liabilities. Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

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

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Subsequent to initial recognition, the group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Derecognition of financial assets and financial liabilities

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

When a financial instrument is derecognised, the cumulative gain or loss in equity is transferred to the consolidated income statement.

Impairment of financial assets

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

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

Equity investments: Impairment loss on equity investments carried at cost is recognised in the consolidated income statement and is not reversed.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Hedge accounting

The group uses foreign currency forward contracts and options to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The group designates these forward contracts and options in a cash flow hedging relationship by applying the hedge accounting principles.

These forward contracts and options are stated at fair value on the consolidated balance sheet at each reporting date. Changes in the fair value of these forward contracts and options that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax), and the ineffective portion is recognised immediately in the consolidated income statement. Amounts accumulated in equity are reclassified to the consolidated income statement in the periods in which the forecasted transactions occurs.

For options, the time value is not considered part of the hedge, and this is treated as an ineffective hedge portion and recognised immediately in the consolidated income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is immediately transferred to the consolidated income statement for the year.

NEW ACCOUNTING PRONOUNCEMENTS

In the current year, the group adopted/early adopted the following standards, revisions and amendments to standards and interpretations:

IAS 1 *Presentation of Financial Statements* was amended in June 2011 to revise the way other comprehensive income is presented. In particular, it requires entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently and requires tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items. The amendment is effective for annual periods beginning on or after 1 July 2012, with early adoption permitted. The amendments have been applied retrospectively and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 did not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

IAS 19 *Employee Benefits* (2011) was amended in June 2011 to include revised requirements for pensions and other post-retirement benefits, termination benefits and other changes. The key amendments include: requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19); Introducing enhanced disclosures about defined benefit plans; Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits; Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features; Incorporating other matters submitted to the IFRS Interpretations Committee. The standard is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

An amendment to IAS 27 *Separate Financial Statements* (2011) was issued in May 2011. This now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 *Consolidated and Separate Financial Statements*. Requirements for consolidated financial statements are now contained in IFRS 10 *Consolidated Financial Statements*. The standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IAS 39 *Financial Instruments*. The standard also deals with the recognition of dividends, certain group

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

reorganisations and includes a number of disclosure requirements. The amendment is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IAS 28 *Investments in Associates and Joint Ventures* (2011) was issued in May 2011. This standard supersedes IAS 28 *Investments in Associates* and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IAS 36 *Impairment of Assets* was amended in May 2013 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The amendment is effective for annual periods beginning on or after 1 January 2014, with early adoption permitted.

IFRS 7 *Financial Instruments: Disclosures* was amended in December 2011 to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 *Financial Instruments: Presentation* to be disclosed. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The amendments are effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. Under IFRS 10, control is the single basis for consolidation, irrespective of the nature of the investee; this standard therefore eliminates the risks-and-rewards approach that was used for certain special purpose entities. IFRS 10 identifies the three elements of control as power over the investee, exposure, or rights, to variable returns from involvement with the investee and the ability to use power over the investee to affect the amount of the investor's returns. An investor must possess all three elements to conclude that it controls an investee. The assessment of control is based on all facts and circumstances, and the conclusion is reassessed if there are changes to at least one of the three elements. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted. The group has reviewed its control assessments for its investees in accordance with IFRS 10 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees held during the period or comparative periods covered by these financial statements.

IFRS 11 *Joint Arrangements*, issued in May 2011 and amended in June 2012 for transition guidance, classifies joint arrangements as either joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity). A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires the use of the equity method of accounting for interests in joint ventures thereby eliminating the proportionate consolidation method. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 12 *Disclosure of Interests in Other Entities* applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard, issued in May 2011 and amended in June 2012 for transition guidance, requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

IFRS 13 *Fair Value Measurement* defines 'fair value' and sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurements. It seeks to increase consistency and comparability in fair value measurements and related disclosures through a fair value hierarchy. IFRS 13 was issued in May 2011 and is applicable prospectively from the beginning of the annual period in which the standard is adopted. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2009 – 2011 cycle. These amendments are effective for annual periods beginning on or after 1 January 2013, with early application permitted.

Of the above standards, revisions and amendments to standards and interpretations, only the adoption of IAS 19 *Employee Benefits* (2011) has had an impact on the results of the group. However, this does not impact the net assets or total comprehensive income of the group in any period. The adjustment is for an element of the defined benefit cost being transferred between other comprehensive income and profit or loss. The comparatives included in these financial statements have been restated on a retrospective basis for the impact of the adoption of the revised IAS 19.

The impact of the retrospective restatement for IAS 19 on the components of total comprehensive income is as follows:

As at 31 March (INR millions)	2013	2012
Impact on the consolidated income statement		
Increase in employee cost	(82)	(2308)
Decrease in income tax expense	-	577
Decrease in profit for the year	(82)	(1731)
Impact on the consolidated statement of comprehensive income		
Decrease in remeasurement of defined benefit obligation	82	2308
Decrease in income tax related to items that will not be reclassified	-	(577)
Increase in total other comprehensive income net of tax	82	1731

In addition to the above restatement, the adoption of IAS 1, IAS 19, IFRS 7, IFRS 12 and IFRS 13 has resulted in changes to the presentation and disclosure included in the financial statements. The adoption of the other standards, revisions and amendments to standards and interpretations in the current year has not had any impact on the financial statements.

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

In October 2012, amendments were made to IAS 27 *Separate Financial Statements*, IFRS 10 *Consolidated Financial Statements* and IFRS 12 *Disclosure of Interests in Other Entities* to: provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* or IAS 39 *Financial Instruments: Recognition and Measurement*; require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. These amendments are effective for periods beginning on or after 1 January 2014, with early adoption permitted.

IAS 32 *Financial Instruments: Presentation* was amended in December 2011 to clarify certain aspects because of diversity in application of the requirements on offsetting. The amendments focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realisation and settlement; the offsetting of collateral amounts; and the unit of account for applying the offsetting requirements. The amendment is effective for annual periods beginning on or after 1 January 2014, with early adoption permitted.

NOTES (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

IAS 39 *Financial Instruments: Recognition and Measurement* was amended in June 2013 to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. The amendment is effective for annual periods beginning on or after 1 January 2014, with early adoption permitted.

IFRS15 *Revenue from contracts with customers* was issued in May 2014. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It supersedes current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted.

IAS 16 *Property, Plant and Equipment* has been amended to prohibit entities from using a revenue based depreciation method for items of property, plant and equipment. IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortising intangible assets. The amendment is effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

IFRS11 *Joint Arrangements* addresses how a joint operator should account for the interest in a joint operation in which the activity of the joint operation constitutes a business. The amendment is effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

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

In November 2013, IAS 19 *Employee Benefits* was amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered. The amendment is effective for annual periods beginning on or after 1 July 2014, with early adoption permitted.

IFRS 9 *Financial Instruments* (2009) was issued by IASB in November 2009 as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety. This new standard introduces new requirements for classifying and measuring financial assets, requiring certain debt instruments to be measured at amortised cost, allowing certain equity instruments to be designated as fair value through other comprehensive income and requiring all other instruments to be measured at fair value through profit or loss. In October 2010, IFRS 9 *Financial Instruments* (2010) was issued, incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39. In November 2013, IFRS 9 *Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)* (2013) was issued. This revised standard introduces a new chapter on hedge accounting and permits any entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9. It also removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application. At its November 2013 meeting, the IASB tentatively decided that the mandatory effective date of IFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018.

IFRIC 21 *Levies* was issued in May 2013 to provide guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The interpretation is effective for annual periods beginning on or after 1 January 2014, with early adoption permitted.

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2010 – 2012 and 2011 – 2013 cycles. These amendments are effective for annual periods beginning on or after 1 July 2014, with early application permitted.

NOTES (CONTINUED)

3 REVENUE

Year ended 31 March (INR millions)	2014	2013	2012
Sale of goods	1,931,343	1,301,237	1,113,932
Total revenues	1,931,343	1,301,237	1,113,932

4 MATERIAL AND OTHER COST OF SALES

Year ended 31 March (INR millions)	2014	2013	2012
Changes in inventories of finished goods and work in progress	(35,467)	(25,474)	(26,134)
Purchase of products for sale	71,232	45,260	41,632
Raw materials and consumables	1,150,178	796,702	704,452
Total material and other cost of sales	1,185,943	816,488	719,950

5 EMPLOYEE NUMBERS AND COSTS

Year ended 31 March (INR millions)	2014	2013 (restated)	2012 (restated)
Wages and salaries	122,540	84,089	64,056
Social security costs and benefits	19,128	12,531	8,821
Pension costs	23,113	13,355	12,778
Total employee costs	164,781	109,975	85,655

Average employee numbers year ended 31 March 2014	Non-agency	Agency	Total
Manufacturing	13,890	1,670	15,560
Research and development	4,307	1,916	6,223
Other	4,914	1,256	6,170
Total employee numbers	23,111	4,842	27,953

Average employee numbers year ended 31 March 2013	Non-agency	Agency	Total
Manufacturing	9,801	4,310	14,111
Research and development	3,940	1,665	5,605
Other	4,091	1,106	5,197
Total employee numbers	17,832	7,081	24,913

Average employee numbers year ended 31 March 2012	Non-agency	Agency	Total
Manufacturing	8,702	2,899	11,601
Research and development	3,548	1,231	4,779
Other	3,596	911	4,507
Total employee numbers	15,846	5,041	20,887

NOTES (CONTINUED)

6 DIRECTORS' EMOLUMENTS

Year ended 31 March (INR)	2014	2013	2012
Directors' emoluments	561,411,628	172,910,551	649,290,843

The aggregate of emoluments and amounts receivable under the long term incentive plan (LTIP) of the highest paid director was INR 551,286,471 (2013: INR 157,073,205, 2012: £225,846,412). This includes an accrued pension benefit of INR 308,839,608 (2013: INR nil, 2012: INR nil) relating to this director's past four years of service which is subject to remuneration committee approval. During the year, the highest paid director did not receive any LTIP awards.

7 LONG TERM INCENTIVE PLAN (LTIP)

The group operates an LTIP arrangement for certain employees. The scheme provides a cash payment to the employee based on a specific number of phantom shares at grant date and the share price of Tata Motors Limited at the vesting date. The cash payment is dependent on the achievement of internal profitability targets over the 3 year vesting period and continued employment at the end of the vesting period. The cash payment has no exercise price and therefore the weighted average exercise price in all cases is INR nil.

Year ended 31 March (number)	2014	2013	2012
Outstanding at the beginning of the year	4,217,801	2,934,435	351,392
Granted during the year	1,956,741	1,935,130	327,318
Vested in the year	(778,599)	(491,029)	(91,823)
Forfeited in the year	(42,384)	(160,735)	-
Outstanding at the end of the year	5,353,559	4,217,801	586,887
Outstanding at 31 March 2012 post 5:1 share split			2,934,435

During the year ended 31 March 2012, following the granting and vesting of the awards in the table above, Tata Motors Limited performed a 5:1 share split. The actual number of phantom stock awards outstanding at 31 March 2012 was therefore 2,934,435.

The weighted average share price of the 778,599 phantom stock awards vesting in the year was INR 443 (2013: INR 345, 2012: INR 1,051).

The weighted average remaining contractual life of the outstanding awards is 1.3 years (2013: 1.5 years, 2012: 1.6 years).

The amount charged in the year in relation to the long term incentive plan was INR 1,096 million (2013: INR 412 million, 2012: INR 330 million).

The fair value of the balance sheet liability in respect of phantom stock awards outstanding at the year end was INR 1,694 million (2013: INR 824 million, 2012: INR 495 million).

The fair value of the awards was calculated using a Black Scholes model at the grant date. The fair value is updated at each reporting date as the awards are accounted for as cash settled under IFRS 2. The inputs into the model are based on the Tata Motors Limited historic data and the risk-free rate is calculated on government bond rates. The inputs used are:

As at 31 March	2014	2013	2012
Risk-free rate (%)	0.91	0.26	0.49
Dividend yield (%)	0.49	1.57	1.44
Weighted average fair value per phantom share	INR 493	INR 308	INR 336

NOTES (CONTINUED)

8 OTHER EXPENSES

Year ended 31 March (INR millions)	2014	2013	2012
Stores, spare parts and tools	11,357	6,678	4,699
Freight cost	60,772	36,026	28,195
Works, operations and other costs	153,224	107,420	88,623
Repairs	1,694	907	907
Power and fuel	6,177	4,699	4,040
Rent, rates and other taxes	4,085	2,721	2,226
Insurance	1,893	1,319	1,566
Warranty	53,897	38,087	30,668
Publicity	77,210	55,647	47,568
Total other expenses	370,309	253,504	208,492

9 RESEARCH AND DEVELOPMENT

Year ended 31 March (INR millions)	2014	2013	2012
Total research and development costs incurred	126,126	87,222	74,196
Research and development expensed	(23,512)	(16,323)	(12,284)
Development costs capitalised	102,614	70,899	61,912
Interest capitalised	10,162	9,068	6,101
Research and development expenditure credit	(4,483)	-	-
Total internally developed intangible additions	108,293	79,967	68,014

During the year legislation was enacted to allow UK companies to elect for the Research and Development Expenditure Credit (RDEC) on qualifying expenditure incurred since 1 April 2013, instead of the existing super-deduction rules. As a result of this election INR 4,483 million of the RDEC, the proportion relating to capitalised research and development expenditure, has been offset against the cost of the respective assets. The remaining INR 1,793 million of the RDEC has been recognised as other income.

10 FINANCE INCOME AND EXPENSE

Year ended 31 March (INR millions)	2014	2013	2012
Finance income	3,786	2,803	1,319
Total finance income	3,786	2,803	1,319
Total interest expense on financial liabilities measured at amortised cost	(25,604)	(14,509)	(13,685)
Unwind of discount on provisions	598	82	577
Interest capitalised	11,258	9,068	6,101
Total interest expense	(13,748)	(5,359)	(7,007)
Embedded derivative value	(4,682)	3,875	-
Total finance expense (net)	(18,430)	(1,484)	(7,007)

The capitalisation rate used to calculate borrowing costs eligible for capitalisation was 7.2% (2013: 8.0%, 2012: 7.9%).

During the year ended 31 March 2014 the group repaid two tranches of debt (see note 23) and as a result a redemption premium of INR 5,280 million was incurred and the fair value of the embedded derivatives was expensed in full.

NOTES (CONTINUED)

11 PROFIT BEFORE TAX

Expense / (income) included in profit before tax for the year are the following:

Year ended 31 March (INR millions)	2014	2013	2012
Foreign exchange (gain) / loss on loans	(8,667)	3,050	824
Foreign exchange (gain) / loss on derivatives	(5,679)	907	4,864
Unrealised loss / (gain) on commodities	697	(82)	1,237
Depreciation of property, plant and equipment	38,456	22,589	19,291
Amortisation of intangible assets (excluding internally generated development costs)	4,384	4,287	3,957
Amortisation of internally generated development costs	44,332	24,402	15,087
Research and development expense	23,512	16,323	12,284
Operating lease rentals in respect of plant, property and equipment	4,184	2,143	1,566
Loss on disposal of property, plant, equipment and software	399	165	660
Government grants	(17,833)	(3,627)	-
Auditor remuneration (see below)	399	247	330

The following table sets out the auditor remuneration for the year (rounded to the nearest INR 10 million):

Year ended 31 March (INR millions)	2014	2013	2012
Fees payable to the company's auditor for the audit of the company's annual accounts	10	8	8
Fees payable to the company's auditor and their associates for other services to the group			
- audit of the company's subsidiaries	289	223	198
Total audit fees	299	231	206
Audit related assurance services	30	16	25
Other assurance services	50	25	66
Total non-audit fees	80	41	91
Total audit and related fees	379	272	297

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed separately as these fees are disclosed on a consolidated basis.

NOTES (CONTINUED)

12 TAXATION

Recognised in the income statement

Year ended 31 March (INR millions)	2014	2013 (restated)	2012 (restated)
Current tax expense			
Current year	3,454,022	2,079,720	1,406,843
Adjustments for prior years	89,364	(135,944)	61,171
Current tax expense	3,543,387	1,943,776	1,468,013
Deferred tax expense / (credit)			
Origination and reversal of temporary differences	3,275,294	937,922	(1,264,138)
Adjustments for prior years	(109,190)	190,272	(74,773)
Rate change	(535,986)	54,411	-
Deferred tax expense / (credit)	2,630,118	1,182,605	(1,338,912)
Total income tax expense	6,173,505	3,126,381	129,101

Recognised in the statement of comprehensive income

Year ended 31 March (INR millions)	2014	2013 (restated)	2012 (restated)
Deferred tax credit on actuarial gains / losses on retirement benefits	(3,088)	(6,595)	(12,531)
Deferred tax expense / (credit) on change in fair value of cash flow hedge	21,320	(4,369)	(1,154)
Deferred tax expense on rate change	1,494	577	-
	19,726	(10,387)	(13,685)
Total tax expense / (credit)	81,693	27,535	(12,119)

Prior year adjustments relate to differences between prior year estimates of tax position and current revised estimates or submission of tax computations.

Reconciliation of effective tax rate

Year ended 31 March (INR millions)	2014	2013 (restated)	2012 (restated)
Profit for the year	18,649,628	8,250,783	9,922,753
Total income tax expense	6,173,505	3,126,381	129,101
Profit before tax	24,823,133	11,377,164	10,051,855
Income tax expense using the tax rates applicable to individual entities of 2014: 23.6% (2013: 24.2%, 2012: 26.4%)	58,779	33,388	32,234
Enhanced deductions for research and development	-	(2,721)	(3,133)
Non-deductible expenses	1,494	907	495
Recognition of previously unrecognised deferred tax assets	-	-	(31,492)
Changes in tax rate	(5,380)	660	-
Overseas unremitted earnings	7,073	4,699	3,627
Share of loss from joint ventures	199	247	-
(Over) / under provided in prior years	(199)	742	(165)
Total income tax expense	61,966	37,922	1,566

The UK Finance Act 2013 was enacted during the year which included provisions for a reduction in the UK corporation tax rate from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. Accordingly, UK deferred tax has been provided at 20% (2013: 23%; 2012: 24%), as the majority of the temporary differences are expected to reverse at that rate.

NOTES (CONTINUED)

13 INVESTMENTS

Investments consist of the following:

As at 31 March (INR millions)	2014	2013	2012
Equity accounted investees	14,446	4,946	82

During the year ended 31 March 2013, the company invested a 50% stake in Suzhou Chery Jaguar Land Rover Trading Co. Limited for INR 82 million and a 50% stake in Chery Jaguar Land Rover Automotive Co. Limited for INR 5,771 million. During the current year, Suzhou Chery Jaguar Land Rover Trading Co. Limited, previously a direct joint venture of the group, was acquired in full by Chery Jaguar Land Rover Automotive Co. Limited. Therefore, the results shown of Chery Jaguar Land Rover Automotive Co. Limited are the consolidated results for that entity in the current year, which includes the results of Suzhou Chery Jaguar Land Rover Trading Co. Limited. The group has increased its investment in Chery Jaguar Land Rover Automotive Co. Limited by INR 7,585 million during the year ended 31 March 2014.

No dividend was received in the year (2013, 2012: no dividend) from any of the joint ventures or associates. All joint ventures and associates are accounted for using the equity method and are private companies and there are no quoted market prices available for their shares.

The group has the following investments at 31 March 2014:

Name of investment	Proportion of voting rights	Principal place of business and country of incorporation	Principal activity
Jaguar Land Rover Schweiz AG	10.0%	Switzerland	Sale of automotive vehicles and parts
Jaguar Cars Finance Limited	49.9%	England & Wales	Non-trading
Spark44 (JV) Limited	50.0%	England & Wales	Provision of advertising services
Chery Jaguar Land Rover Automotive Co. Limited	50.0%	China	Manufacture and assembly of vehicles

Except for Spark44 (JV) Limited, the proportion of voting rights disclosed in the table above is the same as the interest in the ordinary share capital. The group has an interest in 55.2% of the total ordinary share capital of Spark44 (JV) Limited, however this share capital is divided into A and B ordinary shares (the group holds 100% of the B shares), with each class of share having the same voting rights and interest in returns and therefore Spark44 (JV) Limited is considered a joint venture.

The following table sets out the summarised financial information in aggregate for the share of investments in joint ventures and associates that are not individually material:

As at 31 March (INR million)	2014	2013	2012
Group's share of profit / (loss) for the year	100	(165)	-
Group's share of other comprehensive income	-	-	-
Group's share of total comprehensive income / (loss)	100	(165)	-
Carrying amount of the group's interest	199	(82)	82

The following table sets out the summarised financial information of the group's individually material joint venture, Chery Jaguar Land Rover Automotive Co. Limited:

As at 31 March (INR million)	2014	2013
Current assets	16,936	11,212
Current liabilities	(6,675)	(2,226)
Non-current assets	23,512	1,566
Non-current liabilities	(6,476)	-
Equity attributable to shareholders	27,297	10,552
Revenue	-	-
Loss for the year	(1,594)	(1,649)
Other comprehensive income	-	-
Total comprehensive loss	(1,594)	(1,649)

NOTES (CONTINUED)

13 INVESTMENTS (CONTINUED)

Included within the summarised financial information above are the following amounts:

As at 31 March (INR million)	2014	2013
Cash and cash equivalents	12,154	10,800
Other current assets	4,782	412
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	(6,476)	-
Depreciation and amortisation	(100)	-
Interest income	199	-
Interest expense	(100)	-
Income tax credit	1,295	-

The following reconciles the carrying amount of the group's interests in joint ventures and associates:

As at 31 March (INR million)	2014	2013	2012
Net assets of material joint venture	27,297	10,552	-
Share of net assets of:			
Material joint venture	13,649	5,276	-
Individually immaterial joint ventures	199	(82)	82
Individually immaterial associates	-	-	-
Foreign exchange differences	598	(247)	-
Carrying amount of the group's interests in joint ventures and associates	14,446	4,947	82

The following reconciles the group's share of total comprehensive income from joint ventures and associates:

As at 31 March (INR million)	2014	2013	2012
Total comprehensive loss of material joint venture	(1,594)	(1,649)	-
Share of total comprehensive (loss) / income of:			
Material joint venture	(797)	(824)	-
Individually immaterial joint ventures	100	(165)	-
Individually immaterial associates	-	-	-
Share of total comprehensive loss from joint ventures and associates	(697)	(989)	-

There are no contingent liabilities or commitments relating to the group's interest in its associates. The group's share of capital commitments of its joint ventures at 31 March 2014 is INR 11,557 million (2013: INR nil, 2012: INR nil) and commitments relating to the group's interests in its joint ventures are disclosed in note 31. There are no contingent liabilities relating to the group's interests in its joint ventures.

The information above reflects the amounts presented in the financial statements of the associates and joint ventures adjusted for differences in accounting policies between the group and its associates and joint ventures.

NOTES (CONTINUED)

14 OTHER FINANCIAL ASSETS

As at 31 March (INR millions)	2014	2013	2012
Non-current			
Restricted cash held as security	2,491	4,040	6,678
Derivative financial instruments	43,437	10,058	1,896
Other	1,196	1,979	247
Total non-current other financial assets	47,124	16,077	8,821
Current			
Advances and other receivables recoverable in cash	2,192	1,979	82
Derivative financial instruments	35,965	2,556	3,957
Restricted cash held as security	-	9,068	10,800
Other	897	907	247
Total current other financial assets	39,054	14,510	15,086

INR 2,291million (2013: INR 3,875 million, 2012: INR 6,348 million) of the non-current restricted cash is held as security in relation to vehicles ultimately sold on lease, pledged until the leases reach their respective conclusion.

INR nil (2013: INR 9,068 million, 2012: INR 10,800 million) of the current restricted cash is held as security in relation to bank loans, pledged until the loans reach their respective conclusion.

NOTES (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT

(INR millions)	Land and buildings	Plant and equipment	Vehicles	Computers	Fixtures & fittings	Leased assets	Under construction	Total
Cost								
Balance at 1 April 2011	27,782	104,287	824	907	1,401	2,885	6,842	144,928
Additions	2,473	40,478	1,155	247	495	-	4,452	49,300
Disposals	(165)	(1,237)	(330)	-	(82)	-	-	(1,814)
Balance at 31 March 2012	30,090	143,528	1,649	1,154	1,814	2,885	11,294	192,414
Additions	2,556	66,612	330	82	989	660	14,577	85,806
Disposals	(1,154)	(4,122)	(1,649)	(82)	(330)	-	-	(5,688)
Balance at 31 March 2013	31,492	206,018	330	1,154	2,473	3,545	26,051	271,063
Additions	15,442	66,450	100	299	1893	-	38,754	122,938
Disposals	(299)	(1,694)	(100)	-	(100)	-	-	(2,193)
Reclassification from intangible assets	-	-	-	797	-	-	-	797
Balance at 31 March 2014	53,200	313,721	339	2,491	3957	4,284	70,236	448,228
Depreciation								0
Balance at 1 April 2011	4,040	37,181	247	165	989	907	-	43,529
Depreciation charge for the period	742	17,477	330	82	330	330	-	19,291
Disposals	-	(907)	(165)	-	(82)	-	-	(1,154)
Balance at 31 March 2012	4,782	53,751	412	247	1,237	1,237	-	61,666
Depreciation charge for the period	907	20,857	165	82	165	412	-	22,588
Disposals	(1,072)	(3,792)	(495)	-	(330)	-	-	(5,689)
Balance at 31 March 2013	4,617	70,816	82	330	1,072	1,649	-	78,566
Depreciation charge for the period	1,594	35,766	100	199	299	498	-	38,456
Disposals	(199)	(1,196)	(100)	-	(100)	-	-	(1,595)
Reclassification from intangible assets	-	-	-	100	-	-	-	100
Balance at 31 March 2014	1,974	120,149	100	697	1,494	2,491	-	126,905
Net book value								
At 31 March 2012	25,309	89,777	1,237	907	577	1,649	11,294	130,750
At 31 March 2013	26,876	135,202	247	824	1,401	1,896	26,051	192,497
At 31 March 2014	46,226	193,573	299	1,793	2,721	1,793	70,236	316,641

Under construction additions are shown net of additions to Land and buildings of INR 15,143 million (2013: INR 2,889 million, 2012: INR 2,889 million) and additions to Plant and equipment of INR 24,408 million (2013: INR 21,120 million, 2012: INR 16,438 million).

16 INTANGIBLE ASSETS

(INR millions)	Software	Patents and technological know-how	Customer related	Intellectual property rights and other intangibles	Product development in progress	Capitalised product development	Total
Cost							
Balance at 1 April 2011	9975	12,119	7,337	50,948	78,071	41,138	199,588
Other additions – externally purchased	5194	-	-	-	-	-	5,194
Other additions – internally developed	-	-	-	-	68,013	-	68,013
Capitalised product development - internally developed	-	-	-	-	(39,571)	39,571	-
Disposals	(82)	-	-	-	-	-	(82)
Balance at 31 March 2012	15,087	12,119	7,337	50,948	106,531	80,709	272,731
Other additions – externally purchased	8,162	-	-	-	-	-	8,162
Other additions – internally developed	-	-	-	-	79,967	-	79,967
Capitalised product development - internally developed	-	-	-	-	(82,358)	82,358	-
Disposals	(2,885)	-	-	-	-	-	(2,885)
Balance at 31 March 2013	5,277	12,119	7,337	50,948	104,140	163,067	342,888
Other additions – externally purchased	12,652	-	-	-	-	-	12,652
Other additions – internally developed	-	-	-	-	108,293	-	108,293
Capitalised product development - internally developed	-	-	-	-	(58,082)	58,082	-
Disposals	(299)	-	-	-	-	(14,545)	(14,844)
Reclassification to tangible assets	(797)	-	-	-	-	-	(797)
Balance at 31 March 2014	11,556	14,645	8,867	61,170	154,351	206,604	457,193

NOTES (CONTINUED)

16 INTANGIBLE ASSETS (CONTINUED)

(INR millions)	Software	Patents and technological know-how	Customer related	Intellectual property rights and other intangibles	Product development in progress	Capitalised product development	Total
Amortisation and impairment							
Balance at 1 April 2011	3545	3,462	3,050	-	-	12,778	22,835
Amortisation for the year	2720	989	247	-	-	15,087	19,043
Disposals	(82)	-	-	-	-	-	(82)
Balance at 31 March 2012	6,183	4,452	3,298	-	-	27,865	41,798
Amortisation for the year	2,721	1,319	247	-	-	24,402	28,689
Disposals	(2,885)	-	-	-	-	-	(2,885)
Balance at 31 March 2013	6,018	5,771	3,545	-	-	52,267	67,601
Amortisation for the year	2,590	1,494	299	-	-	44,333	48,716
Disposals	(299)	-	-	-	-	(14,545)	(14,844)
Reclassification to tangible assets	(100)	-	-	-	-	-	(100)
Balance at 31 March 2014	9,464	8,468	4,583	-	-	92,951	115,466
Net book value							0
At 31 March 2012	8,904	7,667	4,040	50,948	106,513	52,844	230,916
At 31 March 2013	14,345	6,348	3,792	50,948	104,122	110,780	290,335
At 31 March 2014	26,700	6,177	4,284	61,569	176,039	147,645	422,414

IMPAIRMENT TESTING

The directors are of the view that the operations of the group represent a single cash generating unit. The intellectual property rights are deemed to have an indefinite useful life on the basis of the expected longevity of the brand names.

The recoverable amount of the cash generating unit has been calculated with reference to its value in use. The key assumptions of this calculation are shown below:

As at 31 March	2014	2013	2012
Period on which management approved forecasts are based	5 years	5 years	4 years
Growth rate applied beyond approved forecast period	0%	0%	0%
Pre-tax discount rate	10.9%	10.2%	10.8%

The growth rates used in the value in use calculation reflect those inherent within the Board's business plan which is primarily a function of the group's cycle plan assumptions, past performance and management's expectation of future market developments, approved by the Board through to 2018/9. The cash flows are then extrapolated into perpetuity assuming a zero growth rate.

No reasonably possible change in any of the key assumptions would cause the recoverable amount calculated above to be less than the carrying value of the assets of the cash generating unit.

NOTES (CONTINUED)

17 OTHER ASSETS

As at 31 March (INR millions)	2014	2013	2012
Current			
Recoverable VAT	23,611	31,162	33,718
Prepaid expenses	6,974	4,617	3,957
Other	4,782	-	-
Total current other assets	35,367	35,779	37,675
Non-current			
Prepaid expenses	3,088	412	742
Other	199	247	165
Total non-current other assets	3,287	659	907

18 DEFERRED TAX ASSETS AND LIABILITIES

Significant components of deferred tax asset and liability for the year ended 31 March 2014 are as follows:

(INR millions)	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Foreign exchange	Closing balance
Deferred tax assets					
Property, plant & equipment	14,446	(7,073)	-	-	7,372
Expenses deductible in future years:					
Provisions, allowances for doubtful receivables	18,132	2,889	-	(2,092)	18,929
Derivative financial instruments	6,077	-	(6,077)	-	-
Retirement benefits	16,339	(2,491)	(399)	-	13,449
Unrealised profit in inventory	7,572	6,177	-	-	13,748
Tax loss	55,392	(18,032)	-	-	37,360
Other	199	1,295	-	-	1,494
Total deferred tax asset	118,157	(17,235)	(6,476)	(2,092)	92,352
Deferred tax liabilities					
Property, plant & equipment	199	-	-	-	199
Intangible assets	67,347	3,686	-	-	71,033
Derivative financial instruments	-	-	13,250	-	13,250
Overseas unremitted earnings	8,568	-	-	-	14,047
Total deferred tax liability	76,114	9,166	13,250	-	98,529
Presented as deferred tax asset**	50,610				28,294
Presented as deferred tax liability**	(8,568)				(34,470)

*Included within INR 5,479 million is a reversal of INR 498million relating to withholding tax incurred on intercompany dividends paid in the year.

**For balance sheet presentation purposes, deferred tax assets and deferred tax liabilities are offset to the extent they relate to the same taxation authority and are expected to be settled on a net basis.

NOTES (CONTINUED)

18 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The group continues to recognise all deferred tax assets at 31 March 2014 in view of the continued profitability of the companies in which the deferred tax assets arise.

All deferred tax assets and deferred tax liabilities at 31 March 2014 are non-current.

Significant components of deferred tax asset and liability for the year ended 31 March 2013 are as follows:

(INR millions)	Opening balance	Recognised in profit or loss (restated)	Recognised in other comprehensive income (restated)	Foreign exchange	Closing balance
Deferred tax assets					
Property, plant & equipment	11,954	-	-	-	11,954
Expenses deductible in future years:					
Provisions, allowances for doubtful receivables	11,212	4,040	-	(247)	15,004
Derivative financial instruments	1,566	(660)	4,122	-	5,029
Retirement benefits	8,244	(742)	6,018	-	13,520
Unrealised profit in inventory	6,348	(82)	-	-	6,265
Tax loss	50,618	(4,782)	-	-	45,837
Other	-	165	-	-	165
Total deferred tax asset	89,942	(2,061)	10,140	(247)	97,774
Deferred tax liabilities					
Property, plant & equipment	412	(247)	-	-	165
Intangible assets	44,847	10,882	-	-	55,730
Derivative financial instruments	330	(82)	(247)	-	-
Overseas unremitted earnings	5,359	-	-	-	7,090
Total deferred tax liability	50,948	12,284	(247)	-	62,985
Presented as deferred tax asset**	39,077				41,880
Presented as deferred tax liability**	(82)				(7,090)

*Included within INR 1,649 million is a reversal of INR 3,215 million relating to withholding tax incurred on intercompany dividends paid in the year.

** For balance sheet presentation purposes, deferred tax assets and deferred tax liabilities are offset to the extent they relate to the same taxation authority and are expected to be settled on a net basis.

The group continued to recognise all deferred tax assets at 31 March 2013 in view of the continued profitability of the companies in which the deferred tax assets arise.

All deferred tax assets and deferred tax liabilities at 31 March 2013 are non-current.

NOTES (CONTINUED)

18 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Significant components of deferred tax asset and liability for the year ended 31 March 2012 are as follows:

(INR millions)	Opening balance	Recognised in profit or loss (restated)	Recognised in other comprehensive income (restated)	Foreign exchange	Closing balance
Deferred tax assets					
Property, plant & equipment	18,467	(6,513)	-	-	11,954
Expenses deductible in future years:					
Provisions, allowances for doubtful receivables	8,656	2,556	-	-	11,212
Derivative financial instruments	-	824	742	-	1,566
Retirement benefits	4,039	(8,326)	12,531	-	8,244
Unrealised profit in inventory	3,545	2,803	-	-	6,348
Tax loss	-	50,618	-	-	50,618
Total deferred tax asset	34,707	41,962	13,273	-	89,942
Deferred tax liabilities					
Property, plant & equipment	165	247	-	-	412
Intangible assets	22,671	22,176	-	-	44,847
Derivative financial instruments	989	(247)	(412)	-	330
Overseas unremitted earnings	1,814	-	-	-	5,359
Total deferred tax liability	25,639	25,721	(412)	-	50,948
Presented as deferred tax asset**	9,233				39,076
Presented as deferred tax liability**	(165)				(82)

*Included within INR 3,545 million is a reversal of INR 330 million relating to withholding tax incurred on intercompany dividends paid in the year.

** For balance sheet presentation purposes, deferred tax assets and deferred tax liabilities are offset to the extent they relate to the same taxation authority and are expected to be settled on a net basis.

At 31 March 2012, the group recognised all previously unrecognised unused tax losses and other temporary differences in the JLR business in the UK (INR 41,632 million) in light of the planned consolidation of the UK manufacturing business in the year ending 31 March 2013 and business forecasts showing continuing profitability. Accordingly, INR 12,284 million of previously unrecognised deductible temporary differences was utilised to reduce current tax expense and previously unrecognised deferred tax benefits of INR 19,209 million and INR 10,140 million were recognised in the statements of income and other comprehensive income respectively in the year ended 31 March 2012.

All deferred tax assets and deferred tax liabilities at 31 March 2012 are non-current.

NOTES (CONTINUED)

19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

As at 31 March (INR millions)	2014	2013	2012
Cash and cash equivalents	225,154	170,816	200,330
	225,154	170,816	200,330

At 31 March 2014 all cash held by the group can be utilised across the group's manufacturing and sales operations. The restrictions on cash reported in prior years (2013: INR 43,199 million, 2012: INR 37,428 million) related to amounts held in China which could not be utilised by other Group companies due to the exchange controls in place. In the year ended 31 March 2014, these exchange controls were relaxed by the Chinese authorities to allow the lending of surplus cash held in China if certain criteria are met.

20 ALLOWANCES FOR TRADE AND OTHER RECEIVABLES

Changes in the allowances for trade and other receivables are as follows:

Year ended 31 March (INR millions)	2014	2013	2012
At beginning of year	996	1,072	824
Change in allowance during the year	(100)	(82)	412
Written off	(100)	(165)	(165)
At end of year	796	825	1,071

21 INVENTORIES

As at 31 March (INR millions)	2014	2013	2012
Raw materials and consumables	7,472	4,287	5,194
Work in progress	21,021	16,241	13,932
Finished goods	188,093	127,453	104,287
Total inventories	216,586	147,981	123,413

Inventories of finished goods include INR 17,335 million (2013: INR 14,097 million, 2012: INR 11,047 million), relating to vehicles sold to rental car companies, fleet customers and others with guaranteed repurchase arrangements.

Cost of inventories (including cost of purchased products) recognised as an expense during the year amounted to INR 1,337,076 million (2013: INR 919,291 million, 2012: INR 797,527 million).

During the year, the group recorded inventory write-down expense of INR 2,391 million (2013: INR 2,721 million, 2012: INR 907 million). The write-down is included in material and other cost of sales. No previous write-downs have been reversed in any period.

22 ACCOUNTS PAYABLE

As at 31 March (INR millions)	2014	2013	2012
Trade payables	314,219	216,653	187,304
Liabilities to employees	14,745	8,739	7,255
Liabilities for expenses	123,934	105,276	70,569
Capital creditors	24,010	17,807	5,688
Total accounts payable	476,908	348,475	270,816

NOTES (CONTINUED)

23 INTEREST BEARING LOANS AND BORROWINGS

As at 31 March (INR millions)	2014	2013	2012
EURO MTF listed bond	183,610	151,608	122,341
Loans from banks	16,637	27,040	27,453
Redeemable preference shares classified as debt	-	-	12,943
Finance lease obligations	1,793	1,896	1,649
Total borrowings	202,040	180,544	164,386
Less:			
Current bank loan	(16,637)	(27,040)	(27,453)
Current other loans	-	-	(12,943)
Short term borrowings	(16,637)	(27,040)	(40,396)
Current portion of finance lease obligations	(498)	(412)	(412)
Long term debt	184,905	153,092	123,578
Held as long term debt	183,610	151,608	122,341
Held as long term finance leases	1,295	1,484	1,237

As at 31 March (INR millions)	2014	2013	2012
Short term borrowings			
Bank loan	16,637	27,040	27,453
Redeemable preference shares classified as debt	-	-	12,943
Short term borrowings	16,637	27,040	40,396
Long term debt			
EURO MTF listed debt	183,610	151,608	122,341
Long term debt	183,610	151,608	122,341

EURO MTF LISTED DEBT

The bonds are listed on the Euro MTF market, which is a listed market regulated by the Luxembourg Stock Exchange.

Details of the tranches of the bonds outstanding at 31 March 2014 are as follows:

- \$410 million Senior Notes due 2021 at a coupon of 8.125% per annum – issued May 2011
- £500 million Senior Notes due 2020 at a coupon of 8.25% per annum – issued March 2012
- \$500 million Senior Notes due 2023 at a coupon of 5.625% per annum – issued January 2013
- \$700 million Senior Notes due 2018 at a coupon of 4.125% per annum – issued December 2013
- £400 million Senior Notes due 2022 at a coupon of 5.000% per annum – issued January 2014

The bond funds raised were used to repay both long-term and short-term debt and provide additional cash facilities for the group.

Details of the tranches of the bonds repaid in the year ended 31 March 2014 are as follows:

- £500 million Senior Notes due 2018 at a coupon of 8.125% per annum – issued May 2011
- \$410 million Senior Notes due 2018 at a coupon of 7.75% per annum – issued May 2011

PREFERENCE SHARES CLASSIFIED AS DEBT

The holders of the preference shares are entitled to be paid out of the profits available for distribution of the company in each financial year a fixed non-cumulative preferential dividend of 7.25% per annum. The preference share dividend is payable in priority to any payment to the holders of other classes of capital stock.

On a return of capital on liquidation or otherwise, the assets of the company available for distribution shall be applied first to holders of preference shares the sum of £1 per share together with a sum equal to any arrears and accruals of preference dividend.

The company may redeem the preference shares at any time, but must do so, not later than ten years after the date of issue. The holders may demand repayment with one month's notice at any time. On redemption, the company shall pay £1 per preference share and a sum equal to any arrears or accruals of preference dividend.

NOTES (CONTINUED)

23 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Preference shares contain no right to vote upon any resolution at any general meeting of the company. In June 2012, INR 12,943 million of preference shares were repaid.

The contractual cash flows of interest bearing debt and borrowings as of 31 March 2014 are set out below, including estimated interest payments and assumes the debt will be repaid at the maturity date.

As at 31 March (INR millions)	2014	2013	2012
Due in			
1 year or less	29,489	39,819	39,077
2nd and 3rd years	25,305	24,402	22,094
4th and 5th years	66,351	23,743	22,094
More than 5 years	165,976	177,411	166,777
Total contractual cash flows	287,121	265,375	250,042

UNDRAWN FACILITIES

As at 31 March 2014 the group has a fully undrawn revolving credit facility of INR 128,517 million. This facility is split into 3 and 5 year tranches which are available until 2016 and 2018 respectively.

24 OTHER FINANCIAL LIABILITIES

As at 31 March (INR millions)	2014	2013	2012
Current			
Finance lease obligations	498	412	412
Interest accrued	2,391	3,215	3,792
Derivative financial instruments	6,476	16,983	8,904
Liability for vehicles sold under a repurchase arrangement	18,231	15,087	12,696
Total current other financial liabilities	27,596	35,697	25,804
Non-current			
Finance lease obligations	1,295	1,484	1,237
Derivative financial instruments	5,479	17,148	2,721
Other payables	100	82	2,061
Total non-current other financial liabilities	6,874	18,714	6,019

25 PROVISIONS

As at 31 March (INR millions)	2014	2013	2012
Current			
Product warranty	34,172	26,134	21,517
Legal and product liability	4,882	1,319	1,319
Provisions for residual risk	199	165	165
Other employee benefits obligations	100	-	-
Total current provisions	39,353	27,618	23,001
Non-current			
Other employee benefits obligations	996	577	165
Product warranty	53,599	35,120	25,392
Provision for residual risk	1,295	1,072	1,154
Provision for environmental liability	2,092	1,814	1,649
Total non-current provisions	57,982	38,583	28,360

NOTES (CONTINUED)

25 PROVISIONS (CONTINUED)

Year ended 31 March (INR millions)	2014	2013	2012
Product warranty			
Opening balance	,61,253	46,908	41,467
Provision made during the year	53,897	38,087	30,668
Provision used during the year	(39,551)	(23,413)	(24,567)
Impact of discounting	(598)	(82)	(577)
Foreign currency translation	-	(247)	(82)
Closing balance	87,770	61,253	46,909
Legal and product liability			
Opening balance	1,594	1,319	1,566
Provision made during the year	4,085	495	1,401
Provision used during the year	(498)	(577)	(1,649)
Foreign currency translation	(299)	82	-
Closing balance	4,882	1,319	1,318
Residual risk			
Opening balance	1,494	1,319	577
Provision made during the year	199	-	742
Provision used during the year	-	(82)	-
Foreign currency translation	(199)	-	-
Closing balance	1,494	1,237	1,319
Environmental liability			
Opening balance	2,192	1,649	1,484
Provision made during the year	-	247	247
Provision used during the year	(100)	-82	(82)
Closing balance	2,092	1,814	1,649

PRODUCT WARRANTY PROVISION

The group offers warranty cover in respect of manufacturing defects, which become apparent within one to five years after purchase, dependent on the market in which the purchase occurred. The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation. The timing of outflows will vary as and when a warranty claim will arise, being typically up to five years.

LEGAL AND PRODUCT LIABILITY PROVISION

A legal and product liability provision is maintained in respect of known litigation which impacts the group, but for which the amount and timing are uncertain. The provision primarily relates to motor accident claims, consumer complaints, dealer terminations, employment cases and personal injury claims.

RESIDUAL RISK PROVISION

In certain markets, the group is responsible for the residual risk arising on vehicles sold by dealers on a leasing arrangement. The provision is based on the latest available market expectations of future residual value trends that may change over time. The timing of the outflows will be at the end of the lease arrangements – being typically up to three years.

ENVIRONMENTAL RISK PROVISION

This provision relates to various environmental remediation costs such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.

NOTES (CONTINUED)

26 OTHER LIABILITIES

As at 31 March (INR millions)	2014	2013	2012
Current			
Liabilities for advances received	25,205	14,839	15,169
Deferred revenue	1,893	412	577
VAT	8,468	21,517	28,524
Others	3,786	2,968	1,814
Total current other liabilities	39,352	39,736	46,084
Non-current			
Deferred revenue	6,276	1,072	412
Others	1,395	907	-
Total non-current other liabilities	7,671	1,979	412

27 CAPITAL AND RESERVES

As at 31 March (INR millions)	2014	2013	2012
Allotted, called up and fully paid			
1,500,642,163 ordinary shares of INR 100 each	149,538	123,743	123,743
Nil (2013: nil, 2012: 157,052,620) 7.25% preference shares of INR 100 each	-	-	12,943
Total capital	149,538	123,743	136,686
Presented as equity	149,538	123,743	123,743
Presented as debt	-	-	12,943

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Preference shares contain no right to vote upon any resolution at any general meeting of the company. In June 2012, all INR 12,943 million of preference shares were repaid.

The capital redemption reserve of INR 16,637 million (2013, 2012: INR 13,768 million) was created in March 2011 on the cancellation of share capital.

28 OTHER RESERVES

The movement of other reserves is as follows:

(INR millions)	Translation reserve	Hedging reserve	Retained earnings	Total reserves
Balance at 1 April 2013	(38,157)	(19,527)	244,083	186,400
Profit for the year	-	-	187,197	187,197
Remeasurement of defined benefit obligation	-	-	(13,448)	(13,448)
Gain on effective cash flow hedges	-	103,710	-	103,710
Income tax related to items recognised in other comprehensive income	-	(21,918)	(399)	(22,316)
Cash flow hedges reclassified to foreign exchange in profit or loss	-	(11,158)	-	(11,158)
Income tax related to items reclassified to profit or loss	-	2,590	-	2,590
Dividend paid	-	-	(14,944)	(14,944)
Balance at 31 March 2014	(38,157)	53,697	402,488	418,030

NOTES (CONTINUED)

28 OTHER RESERVES (CONTINUED)

(INR millions)	Translation reserve	Hedging reserve	Retained earnings	Total reserves
Balance at 1 April 2012	(31,575)	(1,649)	136,768	103,545
Profit for the year (restated)	-	-	100,082	100,082
Remeasurement of defined benefit obligation	-	-	(28,524)	(28,524)
Loss on effective cash flow hedges	-	(23,743)	-	(23,743)
Income tax related to items recognised in other comprehensive income	-	5,441	6,018	11,459
Cash flow hedges reclassified to foreign exchange in profit or loss	-	4,864	-	4,864
Income tax related to items reclassified to profit or loss	-	(1,072)	-	(1,072)
Dividend paid	-	-	(12,366)	(12,366)
Balance at 31 March 2013	(31,575)	(16,159)	201,978	154,245
Balance at 1 April 2011	(31,575)	1,814	13,932	(15,829)
Profit for the year (restated)	-	-	120,363	120,363
Remeasurement of defined benefit obligation	-	-	(10,058)	(10,058)
Loss on effective cash flow hedges	-	(2,968)	-	(2,968)
Income tax related to items recognised in other comprehensive income	-	742	12,531	13,273
Cash flow hedges reclassified to foreign exchange in profit or loss	-	(1,649)	-	(1,649)
Income tax related to items reclassified to profit or loss	-	412	-	412
Balance at 31 March 2012	(31,575)	(1,649)	136,768	103,544

29 DIVIDENDS

Year ended 31 March (INR millions)	2014	2013	2012
Dividend proposed for the previous year paid during the year of INR 10 (2013: INR nil, 2012: INR nil) per ordinary share	14,944	-	-
Dividend for the year paid during the year of INR nil (2013: INR 8, 2012: INR nil) per ordinary share	-	12,366	-
Amounts recognised as distributions to equity holders during the year	14,944	12,366	-
Proposed dividend for the year of INR 10 (2013: INR 8, 2012: INR nil) per ordinary share	14,944	12,366	-

The proposed dividend for the year ended 31 March 2014 was paid in full in June 2014. Preference shares of INR 12,943 million were repaid in the year ended 31 March 2013, along with preference share dividends of INR 1,154 million (2012: accrued INR 907 million).

NOTES (CONTINUED)

30 EMPLOYEE BENEFITS

The group operates defined benefit schemes for qualifying employees of certain of its subsidiaries. The defined benefit schemes are administered by a separate fund that is legally separated from the company. The trustees of the pension schemes are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme are responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of trustees must be composed of representatives of the company and plan participants in accordance with the plan's regulations.

Under the schemes, the employees are entitled to post-retirement benefits based on their length of service and salary.

Through its defined benefit pension plans the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to corporate bond yields; if plan assets underperform these corporate bonds, this will create a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the group intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the group believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the group's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the UK defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

NOTES (CONTINUED)

30 EMPLOYEE BENEFITS (CONTINUED)

The following tables set out the disclosures pertaining to the retirement benefit amounts recognised in the financial statements:

Change in present value of defined benefit obligation

Year ended 31 March (INR millions)	2014	2013 (restated)	2012 (restated)
Defined benefit obligation at beginning of year	496,373	405,276	354,493
Current service cost	17,534	10,140	8,904
Interest expense	26,102	20,363	19,291
Actuarial (gains) / losses arising from:			
Changes in demographic assumptions	(3,885)	(9,481)	2,721
Changes in financial assumptions	(24,209)	78,401	21,352
Experience adjustments	797	1,237	6,183
Past service cost	598	495	1,237
Exchange differences on foreign schemes	(199)	82	(82)
Member contributions	100	577	577
Benefits paid	(13,649)	(10,635)	(9,398)
Other adjustments	-	(82)	-
Defined benefit obligation at end of year	603,035	496,373	405,278

Change in fair value of plan assets

Year ended 31 March (INR millions)	2014	2013 (restated)	2012 (restated)
Fair value of plan assets at beginning of year	534,492	388,046	343,941
Interest income	23,611	19,621	18,961
Remeasurement (loss) / gain on the return of plan assets, excluding amounts included in interest income	(40,548)	31,657	15,664
Administrative expenses	(797)	(824)	(742)
Exchange differences on foreign schemes	(199)	82	-
Employer contributions	33,175	13,850	19,044
Member contributions	100	577	577
Benefits paid	(13,649)	(10,635)	(9,398)
Other adjustments	-	(82)	-
Fair value of plan assets at end of year	536,185	442,292	388,047

The actual return on plan assets for the year was INR (16,936) million (2013: INR 51,278 million, 2012: INR 34,625 million).

NOTES (CONTINUED)

30 EMPLOYEE BENEFITS (CONTINUED)

Amounts recognised in the consolidated income statement consist of:

Year ended 31 March (INR millions)	2014	2013 (restated)	2012 (restated)
Current service cost	17,534	10,140	8,904
Past service cost	598	495	1,237
Administrative expenses	797	824	742
Net interest cost (including onerous obligations)	2,491	1,237	1,072
Components of defined benefit cost recognised in the consolidated income statement	21,420	12,696	11,955

Amounts recognised in the consolidated statement of comprehensive income of:

Year ended 31 March (INR millions)	2014	2013 (restated)	2012 (restated)
Actuarial gains / (losses) arising from:			
Changes in demographic assumptions	(3,885)	(9,481)	2,721
Changes in financial assumptions	(24,209)	78,401	21,352
Experience adjustments	797	1,237	6,183
Remeasurement loss / (gain) on the return of plan assets, excluding amounts included in interest income	40,548	(31,657)	(15,664)
Change in restriction of pension asset recognised (as per IFRIC 14)	199	(2,226)	(495)
Change in onerous obligation, excluding amounts included in interest expense	-	(7,749)	(4,040)
Remeasurement of defined benefit obligation	13,448	28,525	10,057

Amounts recognised in the consolidated balance sheet consist of:

As at 31 March (INR millions)	2014	2013	2012
Present value of unfunded defined benefit obligations	(100)	(82)	(82)
Present value of funded defined benefit obligations	(602,935)	(496,290)	(405,194)
Fair value of plan assets	536,185	442,292	388,046
Restriction of pension asset recognised (as per IFRIC 14)	(299)	(82)	(2,308)
Onerous obligation	-	-	(7,255)
Net retirement benefit obligation	(67,149)	(54,162)	(26,793)
Presented as non-current asset	-	-	165
Presented as non-current liability	(67,149)	(54,162)	(26,958)

The most recent actuarial valuations of scheme assets and the present value of the defined benefit liability were carried out at 31 March 2014 by a qualified independent actuary. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used in accounting for the pension plans are set out below:

Year ended 31 March (%)	2014	2013	2012
Discount rate	4.6	4.4	5.1
Expected rate of increase in compensation level of covered employees	3.9	3.9	3.8
Inflation increase	3.4	3.4	3.3

NOTES (CONTINUED)

30 EMPLOYEE BENEFITS (CONTINUED)

For the valuation at 31 March 2014 and 2013, the mortality assumptions used are the SAPS base table, in particular S1Nx tables and the Light table for members of the Jaguar Executive Pension Plan. A scaling factor in both 2014 and 2013 of 115% has been used for the Jaguar Pension Plan, 110% for the Land Rover Pension Scheme, and 105% for males and 90% for females for Jaguar Executive Pension Plan. There is an allowance for future improvements in line with the CMI (2013) projections (2013: CMI (2012) projections) and an allowance for long term improvements of 1.25% per annum.

For the valuation at 31 March 2012, the mortality assumptions used are the SAPS base table, in particular S1PMA for males, S1PFA for females and the Light table for members of the Jaguar Executive Pension Plan, with a scaling factor of 90% for males and 115% for females for all members. There was an allowance for future improvements in line with the CMI (2011) projections and an allowance for long term improvements of 1.25% per annum.

The assumed life expectations on retirement at age 65 are:

Valuation at 31 March (years)	2014	2013	2012
Retiring today:			
Males	20.0	22.2	23.3
Females	24.5	24.6	23.7
Retiring in 20 years:			
Males	23.8	23.9	25.0
Females	26.4	26.6	25.6

The below sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous periods.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase / decrease by 0.25%	Decrease / increase by INR 34,670 million	Decrease / increase by INR 1,196 million
Inflation rate	Increase / decrease by 0.25%	Increase / decrease by INR 29,290 million	Increase / decrease by INR 1,196 million
Mortality	Increase / decrease by 1 year	Increase / decrease by INR 14,446 million	Increase / decrease by INR 399 million

NOTES (CONTINUED)

30 EMPLOYEE BENEFITS (CONTINUED)

The fair value of plan assets is represented by the following major categories:

As at 31 March (INR millions)	2014				2013				2012			
	Quoted*	Unquoted	Total	%	Quoted*	Unquoted	Total	%	Quoted*	Unquoted	Total	%
Equity instruments												
Information technology	7,273	-	7,273	1%	9,810	-	9,810	2%	10,470	-	10,470	3%
Energy	6,077	-	6,077	1%	8,244	-	8,244	2%	8,739	-	8,739	2%
Manufacturing	6,675	-	6,675	1%	8,986	-	8,986	2%	9,563	-	9,563	2%
Financials	12,752	-	12,752	2%	16,735	-	16,735	4%	11,294	-	11,294	3%
Other	27,995	-	27,995	5%	38,252	-	38,252	9%	46,991	-	46,991	12%
	60,772	-	60,772	11%	82,027	-	82,027	19%	87,057	-	87,057	22%
Debt instruments												
Government	211,107	-	211,107	39%	173,619	-	173,619	39%	163,891	-	163,891	42%
Corporate Bonds (investment grade)	116,263	-	116,263	22%	92,993	-	92,993	21%	69,497	-	69,497	18%
Corporate bonds (Non investment grade)	25,105	2,790	27,895	5%	15,004	1,649	16,653	4%	13,768	1,154	14,922	4%
	352,475	2,790	355,265	66%	281,616	1,649	283,265	64%	247,156	1,154	248,310	64%
Property												
UK	17,235	-	17,235	3%	10,552	-	10,552	2%	3,792	-	3,792	1%
Other	6,276	-	6,276	1%	4,864	-	4,864	1%	4,122	-	4,122	1%
	23,511	-	23,511	4%	15,416	-	15,416	3%	7,914	-	7,914	2%
Cash and cash equivalents	35,865	-	35,865	7%	16,818	-	16,818	4%	-	-	-	-
Other												
Hedge Funds	27,596	3,088	30,684	6%	23,495	2,638	26,133	6%	10,717	1,154	11,871	3%
Private Markets	3,885	3,885	7,770	1%	2,061	2,061	4,122	1%	1,401	1,401	2,803	1%
Alternatives	19,726	2,192	21,918	4%	15,087	1,649	16,736	4%	27,123	2,968	30,091	8%
	51,207	9,165	60,372	11%	40,643	6,348	46,991	11%	39,241	5,523	44,765	12%
Derivatives												
Foreign exchange contracts	399	-	399	0%	(2,226)	-	(2,226)	(1%)	-	-	-	-
	399	-	399	-	(2,226)	-	(2,226)	(1%)	-	-	-	-
Total	524,229	11,955	536,184	100%	434,294	7,997	442,291	100%	381,368	6,677	388,046	100%

*Quoted prices for identical or similar assets or liabilities in active markets

The split of level 1 assets is 74% (2013: 80%, 2012: 83%), level 2 assets 16% (2013: 20%, 2012: 17%) and level 3 assets nil% (2013: nil%, 2012: nil%). Equity instruments and the majority of debt instruments have quoted prices in active markets (Level 1). Corporate bonds (Non-investment grade), derivatives, property and other assets are classified as Level 2 instruments. Private market holdings are classified as Level 3 instruments.

NOTES (CONTINUED)

30 EMPLOYEE BENEFITS (CONTINUED)

The group has agreed that it will aim to eliminate the pension plan funding deficit over the next 8 years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 22.3% of pensionable salaries in the UK. The next triennial valuation is due to be carried out as at 5 April 2015 and completed by 5 June 2016. The group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The average duration of the benefit obligation at 31 March 2014 is 22.5 years (2013: 22.5 years, 2012: 19.4 years).

The expected net periodic pension cost for the year ended 31 March 2015 is INR 20,523 million. The group expects to contribute INR 11,258 million to its plans in the year ended 31 March 2015.

DEFINED CONTRIBUTION PLAN

The group's contribution to defined contribution plans aggregated INR 2,291 million (2013: INR 989 million, 2012: INR 907 million).

31 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the group faces claims and assertions by various parties. The group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel wherever necessary. The group 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 group 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.

The following is a description of claims and assertions where a potential loss is possible, but not probable. Management believes that none of the contingencies described below, either individually or in aggregate, would have a material adverse effect on the group's financial condition, results of operations or cash flows

LITIGATION

The group is involved in legal proceedings, both as plaintiff and as defendant and there are claims as at 31 March 2014 of INR 2,690 million (2013: INR 1,319 million, 2012: INR 824 million) against the group which management have not recognised as they are not considered probable. The majority of these claims pertain to motor accident claims and consumer complaints. Some of the cases also relate to replacement of parts of vehicles and/or compensation for deficiency in the services by the group or its dealers.

OTHER CLAIMS

The Group had no significant tax matters in dispute as at 31 March 2014 (2013: INR nil, 2012: INR 165 million).

COMMITMENTS

The group has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature aggregating to INR 93,648 million (2013: INR 23,743 million, 2012: INR 44,930 million) and INR nil (2013: INR nil, 2012: INR nil) relating to the acquisition of intangible assets.

The group has entered into various contracts with vendors and contractors which include obligations aggregating to INR 71,432 million (2013: INR 73,124 million, 2012: 71,393 million) to purchase minimum or fixed quantities of material and other procurement commitments.

Commitments related to leases are set out in note 34.

Inventory of INR nil (2013: INR nil, 2012: INR 5,688 million) and trade receivables with a carrying amount of INR 16,637 million (2013: INR 19,951 million, 2012: INR 11,789 million) and property, plant and equipment with a carrying amount of INR nil (2013: INR nil, 2012: INR nil) and restricted cash with a carrying amount of INR nil (2013: INR 9,068 million, 2012: INR 10,800 million) are pledged as collateral/security against the borrowings and commitments.

There are guarantees provided in the ordinary course of business of INR 100 million.

Stipulated within the joint venture agreement for Chery Jaguar Land Rover Automotive Co. Limited is a commitment for the group to contribute a total of RMB 3,500 million of capital, of which RMB 1,625 million has been contributed as at 31 March 2014. The outstanding commitment of RMB 1,875 million translates to INR 18,032 million at year-end exchange rates.

NOTES (CONTINUED)

32 CAPITAL MANAGEMENT

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

The group's policy is to borrow centrally through capital market issues supported by committed borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure is governed according to group policies approved by the Board and is monitored by various metrics, notably conformity with EBITDA to debt and EBITDA to interest ratios, as per the debt covenants and rating agency guidance. Funding requirements are reviewed periodically with any debt issuances and capital distributions approved by the Board.

The following table summarises the capital of the group:

As at 31 March (INR millions)	2014	2013	2012
Short term debt	17,136	27,452	40,808
Long term debt	184,905	153,092	123,578
Total debt*	202,041	180,544	164,386
Equity	584,205	291,756	241,055
Total capital	786,246	472,300	405,441

- Includes INR 1,793 million (2013: INR 1,896 million, 2012: INR 1,649 million) of finance lease obligations.

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(A) FINANCIAL ASSETS AND LIABILITIES

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2014:

Financial assets

(INR millions)	Cash, loans and receivables	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Cash and cash equivalents	225,154	-	-	225,154	225,154
Short term deposits	119,451	-	-	119,451	119,451
Trade receivables	82,789	-	-	82,789	82,789
Other financial assets - current	3,088	34,769	1,196	39,053	39,053
Other financial assets - non-current	3,686	41,345	2,092	47,123	47,123
Total financial assets	434,168	76,114	3,288	513,570	513,570

Financial liabilities

(INR millions)	Other financial liabilities	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Accounts payable	476,908	-	-	476,908	476,908
Short term debt	16,637	-	-	16,637	16,637
Long term debt	183,610	-	-	183,610	197,458
Other financial liabilities - current	21,121	5,380	1,096	27,597	27,597
Other financial liabilities - non-current	1,395	3,686	1,793	6,874	6,874
Total financial liabilities	699,671	9,066	2,889	711,626	725,474

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2013:

Financial assets

(INR millions)	Cash, loans and receivables	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Cash and cash equivalents	170,816	-	-	170,816	170,816
Short term deposits	63,891	-	-	63,891	63,891
Trade receivables	76,422	-	-	76,422	76,422
Other financial assets - current	11,954	2,473	82	14,509	14,509
Other financial assets - non-current	6,018	4,204	5,854	16,076	16,076
Total financial assets	329,101	6,677	5,936	341,714	341,714

Financial liabilities

(INR millions)	Other financial liabilities	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Accounts payable	348,475	-	-	348,475	348,475
Short term debt	27,040	-	-	27,040	27,040
Long term debt	151,608	-	-	151,608	169,662
Other financial liabilities - current	18,714	14,757	2,226	35,697	35,697
Other financial liabilities - non-current	1,566	12,861	4,287	18,714	18,714
Total financial liabilities	547,403	27,618	6,513	581,534	599,588

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2012:

Financial assets

(INR millions)	Cash, loans and receivables	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Cash and cash equivalents	200,330	-	-	200,330	200,330
Trade receivables	54,575	-	-	54,575	54,575
Other financial assets - current	11,130	3,875	82	15,087	15,087
Other financial assets - non-current	6,925	1,896	-	8,821	8,821
Total financial assets	272,960	5,771	82	278,813	278,813

Financial liabilities

(INR millions)	Other financial liabilities	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Accounts payable	270,816	-	-	270,816	270,816
Short term debt	40,396	-	-	40,396	40,396
Long term debt	122,341	-	-	122,341	126,463
Other financial liabilities - current	16,900	7,007	1,896	25,804	25,804
Other financial liabilities - non-current	3,298	907	1,814	6,018	6,018
Total financial liabilities	453,751	7,914	3,710	465,375	469,497

Offsetting

Certain financial assets and financial liabilities are subject to master netting arrangements where presentation on a net basis in the balance sheet is appropriate. Other financial assets and financial liabilities may be subject to such arrangements, but the right to offset balances only arises under certain legally enforceable conditions and are therefore not permitted to be offset.

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at 31 March 2014:

INR millions	Gross amount recognised	Gross amount of recognised set off in the balance sheet	Net amount presented in the balance sheet	Gross amount of derivatives which can be offset in case of insolvency	Cash collateral pledged	Net amount after offsetting
Financial assets						
Derivative financial assets	85,180	(5,778)	79,402	(11,955)	-	67,447
Cash and cash equivalents	227,346	(2,192)	225,154	-	-	225,154
	312,526	(7,970)	304,556	(11,955)	-	292,601
Financial liabilities						
Derivative financial liabilities	17,733	(5,778)	11,955	(11,955)	-	-
Bank overdrafts	2,192	(2,192)	-	-	-	-
Short-term debt	16,637	-	16,637	-	-	16,637
	36,562	(7,970)	28,592	(11,955)	-	16,637

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at 31 March 2013:

INR millions	Gross amount recognised	Gross amount of recognised set off in the balance sheet	Net amount presented in the balance sheet	Gross amount of derivatives which can be offset in case of insolvency	Cash collateral pledged	Net amount after offsetting
Financial assets						
Derivative financial assets	13,520	(906)	12,614	(8,656)	-	3,958
Restricted cash	13,108	-	13,108	-	(9,068)	4,040
	26,628	(906)	25,722	(8,656)	(9,068)	7,998
Financial liabilities						
Derivative financial liabilities	35,037	(906)	34,131	(8,656)	-	25,475
Short-term debt	27,040	-	27,040	-	(9,068)	17,972
	62,077	(906)	61,171	(8,656)	(9,068)	43,447

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at 31 March 2012:

INR millions	Gross amount recognised	Gross amount of recognised set off in the balance sheet	Net amount presented in the balance sheet	Gross amount of derivatives which can be offset in case of insolvency	Cash collateral pledged	Net amount after offsetting
Financial assets						
Derivative financial assets	5,853	-	5,853	(5,688)	-	165
Restricted cash	17,477	-	17,477	-	(10,800)	6,677
	23,330	-	23,330	(5,688)	(10,800)	6,842
Financial liabilities						
Derivative financial liabilities	11,624	-	11,624	(5,688)	-	5,936
Short-term debt	40,395	-	40,395	-	(10,800)	29,595
	52,019	-	52,019	(5,688)	(10,800)	35,531

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

Financial instruments held at fair value are required to be measured by reference to the following levels.

- Quoted prices in an active market (Level 1): This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category mainly includes quoted equity shares, quoted corporate debt instruments and mutual fund investments.
- Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financial instruments that are measured subsequent to initial recognition at fair value are forward currency contracts, commodity contracts and embedded derivatives. All of these financial instruments are classified as Level 2 fair value measurements, as defined by IFRS 7, being those derived from inputs other than quoted prices that are observable. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves from Reuters.

The long term unsecured listed bonds are held at amortised cost. Its fair value (disclosed above) is determined using Level 1 valuation techniques, based on the closing price at 31 March 2014 on the Euro MTF market. There has been no change in the valuation techniques adopted or any transfers between fair value levels.

Fair values of cash and cash equivalents, short term deposits, trade receivables and payables, short term debt, other financial assets and liabilities, current and non-current (excluding derivatives) are assumed to approximate to cost due to the short term maturing of the instruments and as the impact of discounting is not significant.

Fair value of prepayment options of INR nil (2013: INR 3,875 million, 2012: INR nil) relates to the GBP 500 million and USD 410 million senior notes due 2018 which were bifurcated but have been repaid early in the year ended 31 March 2014. The fair value represents the difference in the traded market price of the bonds and the expected price the bonds would trade at if they did not contain any prepayment features. The expected price is based on market inputs including credit spreads and interest rates.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the group could have realised in a sales transaction as of respective dates. The estimated fair value amounts as of 31 March 2014, 31 March 2013 and 31 March 2012 have been measured as of the respective dates. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

(B) CASH FLOW HEDGING

The group risk management policy allows the use of currency and interest derivative instruments to manage its exposure to fluctuations in foreign exchange and interest rates. To the extent possible under IAS 39, these instruments are designated in hedging relationships if they meet the requirements outlined in the standard.

As of 31 March 2014, the group has taken out a number of cash flow hedging instruments. The group uses USD/GBP forward and option contracts, USD/Euro forward contracts and other currency options to hedge future cash flows from sales and purchases. Cash flow hedges are expected to be recognised in profit or loss during the years ending 31 March 2015 to 2018.

The group also has a number of USD/Euro options which are entered into as an economic hedge of the financial risks of the group. These contracts do not meet the hedge accounting criteria of IAS 39, so the change in fair value is recognised immediately in the income statement.

The time value of options is considered ineffective in the hedge relationship and thus the change in time value is recognised immediately in the income statement.

The group uses foreign currency contracts to hedge its risk associated with foreign currency fluctuations relating to highly probable forecast transactions. The fair value of such contracts as of 31 March 2014 was a net asset of INR 67,048 million (2013: net liability of INR 20,940 million, 2012: net liability of INR 2,143 million).

Changes in fair value of foreign currency contracts to the extent determined to be an effective hedge is recognised in the statement of other comprehensive income and the ineffective portion of the fair value change is recognised in income statement. Accordingly, the fair value change of net gain of INR 103,710 million (2013: loss of INR 23,743 million, 2012: loss of INR 2,968 million) was recognised in other comprehensive income. The ineffective portion that arises from cash flow hedges amounts to a gain of INR 498 million (2013: loss of INR 82 million, 2012: loss of INR 82 million) which has been recognised in foreign exchange gain/(loss) in the consolidated income statement. The gain on derivative contracts not eligible for hedging was INR 5,679 million (2013: loss of INR 907 million, 2012: loss of INR 3,875 million) which has been recognised in foreign exchange gain/(loss) in the consolidated income statement.

The total loss on commodities of INR 1,793 million (2013: INR 824 million, 2012 INR 989 million) has been recognised in other income in the consolidated income statement.

A 10% depreciation/appreciation of the foreign currency underlying such contracts would have resulted in an approximate additional gain/(loss) of INR 73,125 million/ (88,966) million (2013: INR 2,391 million/ INR (2,391) million, 2012: INR 495 million/ INR (495) million) in equity and a gain/(loss) of INR 5,081 million/ (3,088) million (2013: INR 660 million/ INR (660) million, 2012: INR 165 million/ INR (165) million) in the consolidated income statement.

(C) FINANCIAL RISK MANAGEMENT

In the course of its business, the group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The group has a risk management policy which covers the foreign exchange risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment – by reducing the impact of currency and interest rate fluctuations to the company's business plan.
- Achieve greater predictability to earnings – by determining the financial value of the expected earnings in advance.

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

(D) MARKET RISK

Market risk is the risk of any loss in future earnings in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in any of the risks outlined in (C) above or other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Each of the sensitivity analyses presented in the following sections (E) to (H) assumes that all other variables remain constant and are based on reasonably possible changes in each of the market risks presented.

(E) FOREIGN CURRENCY EXCHANGE RATE RISK

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement and the consolidated statement of changes in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Chinese Yuan, Japanese Yen and Euro against the functional currency of the group.

The group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange exposure. Any weakening of the functional currency may impact the group's cost of imports and cost of borrowings.

The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The following table sets forth information relating to foreign currency exposure as of 31 March 2014:

As at 31 March 2014 (INR millions)	US Dollar	Chinese Yuan	Euro	JPY	*Others	Total
Financial assets	46,127	83,686	29,489	1,694	31,681	192,677
Financial liabilities	(158,803)	(71,232)	(131,705)	(6,177)	(22,316)	(390,033)
Net exposure asset / (liability)	(112,676)	12,454	(102,216)	(4,483)	9,365	(197,356)

A 10% appreciation / depreciation of the USD, Chinese Yuan, Euro and Yen would result in an increase/decrease in the group's net profit before tax and net assets by approximately INR 11,258 million, INR 1,196 million, INR 10,261 million and INR 399 million respectively for the year ended 31 March 2014.

The following table sets forth information relating to foreign currency exposure as of 31 March 2013:

As at 31 March 2013 (INR millions)	US Dollar	Chinese Yuan	Euro	JPY	*Others	Total
Financial assets	27,370	54,988	21,352	2,885	29,514	136,109
Financial liabilities	(104,369)	(54,328)	(91,756)	(7,337)	(19,704)	(277,494)
Net exposure asset / (liability)	(76,999)	660	(70,404)	(4,452)	9,810	(141,385)

A 10% appreciation / depreciation of the USD, Chinese Yuan, Euro and Yen would result in an increase/decrease in the group's net profit before tax and net assets by approximately INR 7,667 million, INR 82 million, INR 7,007 million and INR 412 million respectively for the year ended 31 March 2013.

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets forth information relating to foreign currency exposure as of 31 March 2012:

As at 31 March 2012 (INR millions)	US Dollar	Chinese Yuan	Euro	JPY	*Others	Total
Financial assets	21,682	48,228	19,044	2,638	18,796	110,388
Financial liabilities	-71,063	-30,503	76,092	8,739	-16,323	202,720
Net exposure asset / (liability)	-49,381	17,725	57,048	6,101	2,473	-92,332

A 10% appreciation / depreciation of the USD, Chinese Yuan, Euro and Yen would result in an increase/decrease in the group's net profit before tax and net assets by approximately INR 4,946 million, INR 1,814 million, INR 5,688 million and INR 577 million respectively for the year ended 31 March 2012.

* Others include Russian Rouble, Singapore Dollar, Swiss Franc, Australian Dollar, South African Rand, Thai Baht, Korean Won etc.

(F) INTEREST RATE RISK

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the cash flows as well as costs.

The group is subject to variable interest rates on some of its interest bearing liabilities. The group's interest rate exposure is mainly related to debt obligations. The group also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

As of 31 March 2014 net financial liabilities of INR 16,637 million (2013: INR 18,137 million, 2012: INR 27,700 million) were subject to the variable interest rate. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of INR 199 million (2013: INR 165 million, 2012: INR 247 million) in the consolidated income statement.

The group is also exposed to interest rate risk with regard to the reported fair value of the prepayment options. At 31 March 2014, had interest rates been 25 basis points higher / lower with all other variables constant, consolidated profit for the year would be INR nil lower / INR nil higher (2013: INR 742 million lower / INR 742 million higher, 2012: INR nil lower / INR nil higher), mainly as a result of higher / lower finance expense.

(G) LIQUIDITY RISK

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

The group's policy on liquidity risk is to ensure that sufficient borrowing facilities are available to fund on-going operations without the need to carry significant net debt over the medium term. The quantum of committed borrowing facilities available to the group is reviewed regularly and is designed to exceed forecast peak gross debt levels.

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

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 March 2014 (INR millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Financial liabilities						
Long term debt	183,610	263,311	9,265	11,557	76,513	165,976
Short term borrowings	16,637	16,637	16,637	-	-	-
Finance lease obligations	1,793	1,993	598	598	797	-
Other financial liabilities	20,722	25,405	21,818	1,295	2,291	-
Accounts payable	476,908	476,908	476,908	-	-	-
Derivative financial instruments	11,955	12,951	7,073	4,782	1,096	-
Total contractual maturities	711,625	797,205	532,299	18,232	80,697	165,976

As at 31 March 2013 (INR millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Financial liabilities						
Long term debt	151,608	236,439	11,789	11,789	35,449	177,411
Short term borrowings	27,040	27,288	27,288	-	-	-
Finance lease obligations	1,896	2,308	495	495	1,154	165
Other financial liabilities	18,384	20,033	19,044	660	330	-
Accounts payable	348,475	348,475	348,475	-	-	-
Derivative financial instruments	34,130	34,130	16,983	9,810	7,337	-
Total contractual maturities	581,533	668,673	424,074	22,754	44,270	177,576

As at 31 March 2012 (INR millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Financial liabilities						
Long term debt and preference shares	135,284	221,929	11,047	11,047	33,059	166,777
Short term borrowings	27,453	28,030	28,030	-	-	-
Finance lease obligations	1,649	1,896	412	495	989	-
Other financial liabilities	18,467	18,467	16,488	1,979	-	-
Accounts payable	270,816	270,816	270,816	-	-	-
Derivative financial instruments	11,624	11,624	8,904	1,979	742	-
Total contractual maturities	465,293	552,762	335,697	15,499	34,790	166,777

NOTES (CONTINUED)

33 FINANCIAL INSTRUMENTS (CONTINUED)

(H) CREDIT RISK

The majority of the group's credit risk pertains to the risk of financial loss 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.

In addition to counterparty credit risk, the group is exposed to the impact of volatility with its own credit risk with regard to the fair value of prepayment options. At 31 March 2014, had credit spreads been 25 basis points lower / higher with all other variables constant, consolidated profit for the year would be INR nil higher / INR nil lower (2013: INR 742 million higher / INR 165 million lower, 2012: INR nil higher / lower), mainly as a result of lower / higher finance expense.

Financial instruments that are subject to concentrations of credit risk principally consist of investments classified as loans and receivables and trade receivables. None of the financial instruments of the group result in material concentrations of credit risks. For trade receivables, the group considers counterparty creditworthiness by means of an internal rating process and its country risk. In this context, the historic financial performance and other relevant information on the counterparty such as payment history are used and assessed.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets

None of the group's cash equivalents, including time deposits with banks, are past due or impaired.

Regarding other financial assets that are neither past due nor impaired, there were no indications as at 31 March 2014 (2013, 2012: no indications) that defaults in payment obligations will occur.

As at 31 March (INR millions)	2014 Gross	2014 Impairment	2013 Gross	2013 Impairment	2012 Gross	2012 Impairment
Not yet due	79,202	2	199	-	50,453	-
Overdue < 3 months	5,181	-	-	82	3,957	-
Overdue >3<6 months	399	-	-	165	412	247
Overdue >6 months	996	6	598	577	824	824
Total	85,778	8	797	824	55,646	1,071

Included within trade receivables is INR 16,637 million (2013: INR 19,951 million, 2012: INR 11,789 million) of receivables which are part of a debt factoring arrangement. These assets do not qualify for derecognition due to the recourse arrangements in place. The related liability of INR 16,637 million (2013: INR 19,951 million, 2012: INR 11,789 million) is in short term borrowings. Both asset and associated liability are stated at fair value.

NOTES (CONTINUED)

34 LEASES

LEASES AS LESSEE

Non-cancellable finance lease rentals are payable as follows:

As at 31 March (INR millions)	2014	2013	2012
Less than one year	498	412	412
Between one and five years	1,295	1,319	1,237
More than five years	-	165	-
Total lease payments	1,793	1,896	1,649

The above leases relate to amounts payable under the minimum lease payments on plant and machinery. The group leased certain of its manufacturing equipment under finance lease. The average lease term is 8 years. The group has options to purchase certain equipment for a nominal amount at the end of lease term.

Non-cancellable operating lease rentals are payable as follows:

As at 31 March (INR millions)	2014	2013	2012
Less than one year	2,590	660	742
Between one and five years	3,885	1,319	1,979
More than five years	1,793	824	495
Total lease payments	8,268	2,803	3,216

The group leases a number of properties and plant and machinery under operating leases.

LEASES AS LESSOR

The future minimum lease receipts under non-cancellable operating leases are as follows:

As at 31 March (INR millions)	2014	2013	2012
Less than one year	399	330	247
Between one and five years	-	-	-
More than five years	-	-	-
Total lease receipts	399	330	247

The above leases relate to amounts receivable in respect of land and buildings and fleet car sales. The average lease life is less than one year.

35 SEGMENT REPORTING

Operating segments are defined as components of the group about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance.

The JLR group operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories from which the group derives its revenues. The group has only one operating segment, so no separate segment report is given.

The geographic spread of sales and non-current assets is as disclosed below:

(INR millions)	UK	US	China	Rest of Europe	Rest of World	Total
31 March 2014						
Revenue	297,781	267,296	666,197	296,685	403,384	1,931,343
Non-current assets	734,839	1,295	797	996	1,694	739,621
31 March 2013						
Revenue	214,839	176,175	425,474	207,255	277,494	1,301,237
Non-current assets	479,307	1,154	330	824	1,237	482,852
31 March 2012						
Revenue	186,232	164,551	320,610	199,505	243,034	1,113,932
Non-current assets	356,966	1,154	1,566	742	1,237	361,665

In the table above, non-current assets excludes financial assets, pension assets and deferred tax assets.

NOTES (CONTINUED)

36 RELATED PARTY TRANSACTIONS

The group's related parties principally consist of Tata Sons Ltd., subsidiaries, associates and joint ventures of Tata Sons Ltd which includes Tata Motors Ltd. (the ultimate parent company), subsidiaries, associates and joint ventures of Tata Motors Ltd. The group routinely enters into transactions with these related parties in the ordinary course of business including transactions for sale and purchase of products with its associates and joint ventures. Transactions and balances with the group's own subsidiaries are eliminated on consolidation.

The following table summarises related party transactions and balances not eliminated in the consolidated financial statements.

(INR millions)	With fellow subsidiaries, associates and joint ventures	With immediate or ultimate parent
31 March 2014		
Sale of products	-	5,479
Services received	15,641	996
Services rendered	2,590	-
Trade and other receivables	1,494	1,494
Accounts payable	498	100
31 March 2013		
Sale of products	-	4,287
Services received	7,420	1,319
Services rendered	742	-
Trade and other receivables	660	-
Accounts payable	2,226	165
Loans given	660	-
31 March 2012		
Sale of products	-	5,688
Services received	4,452	742
Trade and other receivables	-	247
Accounts payable	1,072	-
Accrued preference share dividend	-	907
Loans repaid	-	35,862

Compensation of key management personnel

Year ended 31 March (INR millions)	2014	2013	2012
Short term benefits	1,793	989	1,319
Post-employment benefits	299	-	165
Compensation for loss of office	-	-	165
Total compensation of key management personnel	2,092	989	1,649

In addition to the compensation noted above, a loan of INR 70 million has been granted to a member of key management personnel. This loan is for a term of 8 years and is interest bearing at the HMRC official rate.

Refer to note 30 for information on transactions with post-employment benefit plans.

NOTES (CONTINUED)

37 ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The immediate parent undertaking is TML Holdings Pte Limited (Singapore) and ultimate parent undertaking and controlling party is Tata Motors Limited, India which is the parent of the smallest and largest group to consolidate these financial statements.

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

38 SUBSEQUENT EVENTS

In May 2014, the company proposed an ordinary dividend of INR 14,944 million to its immediate parent TML Holdings Pte Limited (Singapore). This amount was paid in full in June 2014.

PARENT COMPANY BALANCE SHEET

As at 31 March (INR millions)	Note	2014	2013	2012
Non-current assets				
Investments	39	164,881	136,439	136,439
Other financial assets	40	186,101	161,088	-
Other non-current assets	41	598	330	742
Deferred income taxes	42	797	-	-
Total non-current assets		352,376	297,857	137,181
Current assets				
Cash and cash equivalents	43	100	82	82
Other financial assets	40	6,077	6,018	140,973
Other current assets	41	199	412	330
Total current assets		6,376	6,513	141,385
Total assets		358,752	304,369	278,566
Current liabilities				
Short term borrowings and current portion of long term debt	44	-	-	12,943
Other financial liabilities	45	2,789	3,215	3,957
Deferred finance income		199	412	-
Current income tax liabilities		1,196	907	-
Total current liabilities		4,184	4,534	16,900
Non-current liabilities				
Long term debt	44	183,610	151,608	122,341
Other financial liabilities	45	-	3,875	-
Deferred finance income		3,088	2,885	-
Total non-current liabilities		186,699	158,368	122,341
Total liabilities		190,883	162,902	139,242
Equity attributable to equity holders of the parent				
Ordinary share capital	46	149,538	123,743	123,743
Capital redemption reserve		16,637	13,768	13,768
Retained earnings		1,694	3,957	1,814
Equity attributable to equity holders of the parent		167,869	141,467.4347	139,324
Total liabilities and equity		358,752	304,369	278,566

These parent company financial statements were approved by the board of directors and authorised for issue on July 2014. They were signed on its behalf by:

Dr Ralf Speth

Chief Executive Officer

Company registered number: 06477691

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(INR millions)	Ordinary share capital	Capital redemption reserve	Profit and loss reserve	Total equity
Balance at 1 April 2013	149,538	16,637	4,782	170,958
Income for the year	-	-	11,855	11,855
Total comprehensive income	-	-	11,855	11,855
Dividend paid	-	-	(14,944)	(14,944)
Balance at 31 March 2014	149,538	16,637	1,693	167,869
Balance at 1 April 2012	123,743	13,768	1,814	139,324
Income for the year	-	-	14,509	14,509
Total comprehensive income	-	-	14,509	14,509
Dividend paid	-	-	(12,366)	(12,366)
Balance at 31 March 2013	123,743	13,768	3,957	141,467
Balance at 1 April 2011	123,743	13,768	1,979	139,489
Loss for the year	-	-	(165)	(165)
Total comprehensive loss	-	-	(165)	(165)
Balance at 31 March 2012	123,743	13,768	1,814	139,324

PARENT COMPANY CASH FLOW STATEMENT

Year ended 31 March (INR millions)	2014	2013	2012
Cash flows from operating activities			
Profit for the year	11,855	2,143	(165)
Adjustments for:			
Foreign exchange loss / (gain) on loans	100	(660)	824
Loss / (gain) on embedded derivatives	4,682	(3,875)	-
Income tax (credit) / expense	(797)	989	-
Dividends received	(14,944)	-	-
Finance income	(28,393)	(11,129)	(6,678)
Finance expense	23,512	11,129	7,255
Cash flows (used in) / from operating activities before changes in assets and liabilities	(3,985)	(1,403)	1,236
Other financial assets	(1,893)	16,077	(88,871)
Other current liabilities	199	(82)	412
Net cash (used in) / from operating activities	(5,679)	14,592	(87,223)
Cash flows from investing activities			
Finance income received	30,187	9,975	6,018
Dividends received	14,944	12,366	-
Net cash from investing activities	45,131	22,341	6,018
Cash flows (used in) / from financing activities			
Finance expenses and fees paid	(32,777)	-11,624	(7,007)
Proceeds from issuance of long term debt	82,590	-	123,660
Repayment of long term debt	(74,321)	-	-
Repayment of short term debt	-	-12,943	(35,697)
Dividends paid	(14,944)	-12,366	-
Net cash (used in) / from financing activities	(39,452)	-36,933	80,956
Net change in cash and cash equivalents	-	-	(247)
Cash and cash equivalents at beginning of year	100	82	330
Cash and cash equivalents at end of year	100	82	82

NOTES (CONTINUED)

39 INVESTMENTS

Investments consist of the following:

(INR millions)	2014	2013	2012
Cost of unquoted equity investments at beginning of year	164,881	136,439	154,576
Preference share investments converted to financial asset	-	-	(18,137)
Cost of unquoted equity investments at end of year	164,881	136,439	136,439

The company has not made any investments or disposals of investments in the year.

In March 2012, Land Rover and Jaguar Cars Limited converted preference shares owed to Jaguar Land Rover Automotive PLC into debt.

The company has the following 100% direct interest in the ordinary shares of a subsidiary undertaking:

Subsidiary undertaking	Principal place of business and country of incorporation	Principal activity
Jaguar Land Rover Holdings Limited (formerly Land Rover)	England and Wales	Holding company

The shareholding above is recorded at acquisition value in the company's accounts. Details of the indirect subsidiary undertakings are as follows, each being a 100% indirect interest in the ordinary share capital of the Jaguar Land Rover Holdings Limited:

Name of company	Principal place of business and country of incorporation	Principal activity
Jaguar Land Rover Limited	England and Wales	Manufacture and sale of motor vehicles
Jaguar e Land Rover Brazil Importacao e Comercio de Veiculos Ltda	Brazil	Distribution and sales
Jaguar Land Rover (South Africa) (Pty) Ltd	South Africa	Distribution and sales
Jaguar Land Rover Australia Pty Limited	Australia	Distribution and sales
Jaguar Land Rover Austria GmbH	Austria	Distribution and sales
Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd	China	Distribution and sales
Jaguar Land Rover Belux N.V.	Belgium	Distribution and sales
Jaguar Land Rover Canada, ULC	Canada	Distribution and sales
Jaguar Land Rover Deutschland GmbH	Germany	Distribution and sales
Jaguar Land Rover Espana SL	Spain	Distribution and sales
Jaguar Land Rover France SAS	France	Distribution and sales
Jaguar Land Rover India Limited	India	Distribution and sales
Jaguar Land Rover Italia SpA	Italy	Distribution and sales
Jaguar Land Rover Japan Limited	Japan	Distribution and sales
Jaguar Land Rover Korea Company Limited	Korea	Distribution and sales
Jaguar Land Rover Nederland BV	Holland	Distribution and sales
Jaguar Land Rover North America, LLC	USA	Distribution and sales
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda	Portugal	Distribution and sales
Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	Distribution and sales

NOTES (CONTINUED)

39 INVESTMENTS (CONTINUED)

Name of company	Principal place of business and country of incorporation	Principal activity
Jaguar Land Rover (South Africa) Holdings Ltd	England and Wales	Holding company
JLR Nominee Company Limited	England and Wales	Non-trading
Land Rover Ireland Limited	Ireland	Non-trading
Daimler Transport Vehicles Limited	England and Wales	Dormant
Jaguar Cars (South Africa) (Pty) Ltd	South Africa	Dormant
Jaguar Cars Limited	England and Wales	Dormant
Land Rover Exports Limited	England and Wales	Dormant
Land Rover Group Limited	England and Wales	Dormant
Land Rover Parts Limited	England and Wales	Dormant
S S Cars Limited	England and Wales	Dormant
The Daimler Motor Company Limited	England and Wales	Dormant
The Jaguar Collection Limited	England and Wales	Dormant
The Lanchester Motor Company Limited	England and Wales	Dormant

Details of the indirect holdings in equity accounted investees are given in note 13 to the consolidated financial statements.

40 OTHER FINANCIAL ASSETS

As at 31 March (INR millions)	2014	2013	2012
Non-current			
Receivables from subsidiaries	186,101	161,088	-
Current			
Other financial assets	6,077	6,018	140,973

41 OTHER ASSETS

As at 31 March (INR millions)	2014	2013	2012
Non-current			
Prepaid expenses	598	330	742
Current			
Prepaid expenses	199	412	330

42 DEFERRED TAX ASSETS AND LIABILITIES

As at 31 March 2014 the company has recognised a deferred tax asset of INR 797 million in relation to tax losses. The company had no deferred tax assets or liabilities either recognised or unrecognised at 31 March 2013 or 2012.

43 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

As at 31 March (INR millions)	2014	2013	2012
Balances with banks	100	82	82

NOTES (CONTINUED)

44 INTEREST BEARING LOANS AND BORROWINGS

As at 31 March (INR millions)	2014	2013	2012
Euro MTF listed bonds	183,610	151,608	122,341
Redeemable preference shares classed as debt	-	-	12,943
Total borrowings	183,610	151,608	135,284
Less:			
Short term preference shares	-	-	(12,943)
Long term debt	183,610	151,608	122,341

EURO MTF LISTED DEBT

The bonds are listed on the Euro MTF market, which is a listed market regulated by the Luxembourg Stock Exchange.

Details of the tranches of the bonds outstanding at 31 March 2014 are as follows:

- \$410 million Senior Notes due 2021 at a coupon of 8.125% per annum – issued May 2011
- £500 million Senior Notes due 2020 at a coupon of 8.25% per annum – issued March 2012
- \$500 million Senior Notes due 2023 at a coupon of 5.625% per annum – issued January 2013
- \$700 million Senior Notes due 2018 at a coupon of 4.125% per annum – issued December 2013
- £400 million Senior Notes due 2022 at a coupon of 5.000% per annum – issued January 2014

The bond funds raised were used to repay both long and short term debt and provide additional cash facilities for the group.

Details of the tranches of the bonds repaid in the year ended 31 March 2014 are as follows:

- £500 million Senior Notes due 2018 at a coupon of 8.125% per annum – issued May 2011
- \$410 million Senior Notes due 2018 at a coupon of 7.75% per annum – issued May 2011

The bond funds raised were used to repay both long-term and short-term debt and provide additional cash facilities for the group. Further information relating to the bond may be found in the borrowings and description of indebtedness section within the management discussion and analysis to the front of these financial statements.

PREFERENCE SHARES CLASSIFIED AS DEBT

The holders of the preference shares are entitled to be paid out of the profits available for distribution of the company in each financial year a fixed non-cumulative preferential dividend of 7.25% per annum. The preference share dividend is payable in priority to any payment to the holders of other classes of capital stock.

On a return of capital on liquidation or otherwise, the assets of the company available for distribution shall be applied first to holders of preference shares the sum of £1 per share together with a sum equal to any arrears and accruals of preference dividend.

The company may redeem the preference shares at any time, but must do so, not later than ten years after the date of issue. The holders may demand repayment at any time, subject to giving one month's notice. On redemption, the company shall pay the £1 per preference share and a sum equal to any arrears or accruals of preference dividend.

Preference shares contain no right to vote upon any resolution at any general meeting of the company.

In June 2012, £157 million of preference shares were repaid.

The contractual cash flows of interest bearing debt and borrowings as of 31 March 2014 is set out below, including estimated interest payments and excluding the effect of netting agreements and assumes the debt will be repaid at the maturity date.

As at 31 March (INR millions)	2014	2013	2012
Due in			
1 year or less	11,656	11,789	11,047
2nd and 3rd years	23,014	23,660	11,047
4th and 5th years	64,956	23,660	33,059
More than 5 years	165,976	177,329	166,777
Total contractual cash flows	265,602	236,438	221,930

NOTES (CONTINUED)

45 OTHER FINANCIAL LIABILITIES

As at 31 March (INR millions)	2014	2013	2012
Current			
Interest payable	2,291	2,968	3,627
Other	498	247	330
Total current other financial liabilities	2,789	3,215	3,957
Non-current			
Derivative financial instruments	-	3,875	-
Total non-current other financial liabilities	-	3,875	-

46 CAPITAL AND RESERVES

As at 31 March (INR millions)	2014	2013	2012
Allotted, called up and fully paid			
1,500,642,163 ordinary shares of INR 100 each	149,538	123,743	123,743
Nil (2013: nil, 2012: 157,052,620) 7.25% preference shares of INR 100 each	-	-	12,943
Total capital	149,538	123,743	136,686
Presented as equity	149,538	123,743	123,743
Presented as debt	-	-	12,943

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Preference shares contain no right to vote upon any resolution at any general meeting of the company. In June 2012, all INR 12,943 million of preference shares were repaid.

The capital redemption reserve of INR 16,637 million (2013, 2012: INR 13,768 million) was created in March 2011 on the cancellation of share capital.

47 DIVIDENDS

Year ended 31 March (INR millions)	2014	2013	2012
Dividend proposed for the previous year paid during the year of INR 10 (2013: INR nil, 2012: INR nil) per ordinary share	14,944	-	-
Dividend for the year paid during the year of INR nil (2013: INR 10, 2012: INR nil) per ordinary share	-	12,366	-
Amounts recognised as distributions to equity holders during the year	14,944	12,366	-
Proposed dividend for the year of INR 10 (2013: INR 10, 2012: INR nil) per ordinary share	14,944	12,366	-

The proposed dividend for the year ended 31 March 2014 was paid in full in June 2014. Preference shares of INR 12,943 million were repaid in the year ended 31 March 2013, along with preference share dividends of INR 1,154 million (2012: accrued INR 907 million).

NOTES (CONTINUED)

48 COMMITMENTS AND CONTINGENCIES

The company does not have any commitments or contingencies at 31 March 2014, 2013 or 2012.

49 CAPITAL MANAGEMENT

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

The company's policy is to borrow centrally through capital market issues supported by committed borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure is governed according to group policies approved by the Board and is monitored by various metrics, notably conformity with EBITDA to debt and EBITDA to interest ratios, as per the debt covenants and rating agency guidance. Funding requirements are reviewed periodically with any debt issuances and capital distributions approved by the Board.

The following table summarises the capital of the company:

As at 31 March (INR millions)	2014	2013	2012
Short term debt	-	-	12,943
Long term debt	183,610	151,608	122,341
Total debt	183,610	151,608	135,284
Equity	167,869	141,467	139,324
Total capital	351,479	293,075	274,608

50 FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(A) FINANCIAL ASSETS AND LIABILITIES

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2014:

Financial assets

(INR millions)	Cash, loans and receivables	Fair value through profit and loss	Total carrying value	Total fair value
Cash and cash equivalents	100	-	100	100
Other financial assets - current	6,077	-	6,077	6,077
Other financial assets - non current	186,101	-	186,101	186,101
Total financial assets	192,278	-	192,278	192,278

Financial liabilities

(INR millions)	Other financial liabilities	Fair value through profit and loss	Total carrying value	Total fair value
Other financial liabilities - current	2,790	-	2,790	2,790
Other financial liabilities - non current	-	-	-	-
Long term debt	183,610	-	183,610	197,458
Total financial liabilities	186,400	-	186,400	200,248

NOTES (CONTINUED)

50 FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2013:

Financial assets

(INR millions)	Cash, loans and receivables	Fair value through profit and loss	Total carrying value	Total fair value
Cash and cash equivalents	82	-	82	82
Other financial assets - current	6,018	-	6,018	6,018
Other financial assets - non current	157,214	3,875	161,088	161,088
Total financial assets	163,314	3,875	167,188	167,188

Financial liabilities

(INR millions)	Other financial liabilities	Fair value through profit and loss	Total carrying value	Total fair value
Other financial liabilities - current	3,215	-	3,215	3,215
Other financial liabilities - non current	-	3,875	3,875	3,875
Long term debt	151,608	-	151,608	169,662
Total financial liabilities	154,823	3,875	158,698	176,752

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2012:

Financial assets

(INR millions)	Cash, loans and receivables	Total carrying value	Total fair value
Cash and cash equivalents	82	82	82
Other financial assets - current	140,973	140,973	140,973
Total financial assets	141,055	141,055	141,055

Financial liabilities

(INR millions)	Other financial liabilities	Total carrying value	Total fair value
Preference shares	12,943	12,943	12,943
Short term debt	3,957	3,957	3,957
Long term debt	122,341	122,341	126,463
Total financial liabilities	139,241	139,241	143,363

NOTES (CONTINUED)

50 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

Financial instruments held at fair value are required to be measured by reference to the following levels.

- Quoted prices in an active market (Level 1): This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category mainly includes quoted equity shares, quoted corporate debt instruments and mutual fund investments.
- Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

All financial instruments held at fair value are valued using Level 2 valuation techniques.

The short term financial assets and liabilities are stated at amortised cost which is approximately equal to their fair value.

The long term unsecured listed bonds are held at amortised cost. Its fair value (disclosed above) is determined using Level 1 valuation techniques, based on the closing price at 31 March 2014 on the Euro MTF market. There has been no change in the valuation techniques adopted or any transfers between fair value levels.

Fair values of cash and cash equivalents, short term deposits, trade receivables and payables, short term debt, other financial assets and liabilities, current and non-current (excluding derivatives) are assumed to approximate to cost due to the short term maturing of the instruments and as the impact of discounting is not significant.

Fair value of prepayment options of INR nil (2013: INR 3,875 million, 2012: INR nil) relates to the INR 49,813 million and USD 410 million senior notes due 2018 which were bifurcated but have been repaid early in the year ended 31 March 2014. The fair value represents the difference in the traded market price of the bonds and the expected price the bonds would trade at if they did not contain any prepayment features. The expected price is based on market inputs including credit spreads and interest rates.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the group could have realised in a sales transaction as of respective dates. The estimated fair value amounts as of 31 March 2014, 31 March 2013 and 31 March 2012 have been measured as of the respective dates. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

(B) CASH FLOW HEDGING

As at 31 March 2014, 31 March 2013 and 31 March 2012, there are no designated cash flow hedges.

(C) FINANCIAL RISK MANAGEMENT

In the course of its business, the company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity price, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The company has a risk management policy which not only covers the foreign exchange risks but also the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

NOTES (CONTINUED)

50 FINANCIAL INSTRUMENTS (CONTINUED)

- Create a stable business planning environment – by reducing the impact of currency and interest rate fluctuations to the company's business plan.
- Achieve greater predictability to earnings – by determining the financial value of the expected earnings in advance.

(D) MARKET RISK

Market risk is the risk of any loss in future earnings in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in any of the risks outlined in (C) above or other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Each of the sensitivity analyses presented in the following sections (E) to (H) assumes that all other variables remain constant and are based on reasonably possible changes in each of the market risks presented.

(E) FOREIGN CURRENCY EXCHANGE RATE RISK

The fluctuation in foreign currency exchange rates may have potential impact on the income statement, equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the company.

The company's operations are subject to risks arising from fluctuations in exchange rates. The risks primarily relate to fluctuations in the INR:US Dollar rate as the company has USD assets and liabilities and a INR functional currency.

The following analysis has been worked out based on the gross exposure as of the Balance Sheet date which could affect the income statement.

The following table sets forth information relating to foreign currency exposure as at 31 March 2014:

(INR millions)	US Dollar
Financial assets	107,396
Financial liabilities	(106,201)
Net exposure asset	1,196

A 10% appreciation / depreciation of the USD would result in an increase / decrease in the company's net profit before tax and net assets by approximately INR 100 million.

The following table sets forth information relating to foreign currency exposure as at 31 March 2013:

(INR millions)	US Dollar
Financial assets	73,454
Financial liabilities	(73,207)
Net exposure asset	247

A 10% appreciation / depreciation of the USD would result in an increase / decrease in the company's net profit before tax and net assets by approximately INR nil.

The following table sets forth information relating to foreign currency exposure as at 31 March 2012:

(INR millions)	US Dollar
Financial assets	43,941
Financial liabilities	(43,528)
Net exposure asset	413

A 10% appreciation / depreciation of the USD would result in an increase / decrease in the company's net profit before tax and net assets by approximately INR nil.

NOTES (CONTINUED)

50 FINANCIAL INSTRUMENTS (CONTINUED)

(F) INTEREST RATE RISK

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the cash flows as well as costs.

The company is subject to variable interest rates on some of its interest bearing liabilities. The company's interest rate exposure is mainly related to debt obligations. The company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like preference shares and short term loans.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

As of 31 March 2014 net financial assets of INR 2,491 million (2013: INR 1,484 million, 2012: INR 1,484 million) were subject to the variable interest rate. Increase / decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of INR nil (2013: INR nil, 2012: INR nil).

(G) LIQUIDITY RISK

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

The company's policy on liquidity risk is to ensure that sufficient borrowing facilities are available to fund on-going operations without the need to carry significant net debt over the medium term. The quantum of committed borrowing facilities available to the company is reviewed regularly and is designed to exceed forecast peak gross debt levels.

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

As at 31 March 2014 (INR millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Financial liabilities						
Long term debt	183,610	263,311	9265	11,557	76,513	165,976
Other financial liabilities	2790	2789	2790	-	-	-
Total contractual maturities	186,400	266,100	12055	11,557	76,513	165,976

As at 31 March 2013 (INR millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Financial liabilities						
Long term debt	151,607	236,438	11,789	11,789	35,449	177,411
Other financial liabilities	3,215	3,215	3,215	-	-	-
Derivative financial instruments	3,875	3,875	-	-	3,875	-
Total contractual maturities	158,697	243,528	15,004	11,789	39,324	177,411

NOTES (CONTINUED)

50 FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 March 2012 (INR millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Financial liabilities						
Long term debt and preference shares	135,284	221,929	11,047	11,047	33,059	166,777
Other financial liabilities	3,957	3,957	-	-	-	-
Total contractual maturities	139,241	225,886	11,047	11,047	33,059	166,777

(H) CREDIT RISK

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of 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 consist of loans to subsidiaries, based in a variety of geographies and markets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets

None of the company's cash equivalents or other financial receivables, including time deposits with banks, are past due or impaired. Regarding other financial assets that are neither past due nor impaired, there were no indications as at 31 March 2014 (2013, 2012: no indications) that defaults in payment obligations will occur.

51 RELATED PARTY TRANSACTIONS

The company's related parties principally consist of Tata Sons Ltd., subsidiaries of Tata Sons Ltd, associates and joint ventures of Tata Sons Ltd. The company routinely enters into transactions with these related parties in the ordinary course of business.

The following table summarises related party transactions and balances not eliminated in the consolidated financial statements:

(INR millions)	With subsidiaries	With immediate parent
31 March 2014		
Loans to subsidiaries	192,178	-
31 March 2013		
Loans to subsidiaries	167,106	-
31 March 2012		
Loans from parent	-	12,943
Loans to subsidiaries	140,973	-

There was no compensation paid by the company to the directors or to key management personnel.

Apart from the directors, the company did not have any employees and had no employee costs in the years ended 31 March 2014, 2013 and 2012.

NOTES (CONTINUED)

52 ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The immediate parent undertaking is TML Holdings Pte Limited (Singapore) and ultimate parent undertaking and controlling party is Tata Motors Limited, India which is the parent of the smallest and largest group to consolidate these financial statements.

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

53 SUBSEQUENT EVENTS

In May 2014, the company proposed an ordinary dividend of INR 14,944 million to its immediate parent TML Holdings Pte Limited (Singapore). This amount was paid in full in June 2014.

54 Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Jaguar Land Rover Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered number 1672070

Year ended 31 March 2014

Directors and Advisors

Directors

P.W. Cope
W. K. Epple
K.D.M. Gregor
P. Hodgkinson
P.C. Popham
Dr. R.D. Speth
W. Stadler
M.D. Wright

Company Secretary

S.L. Pearson

Registered office

Abbey Road
Whitley,
Coventry
CV3 4LF

Independent Auditors

Deloitte LLP
Four Brindleyplace
Brindley Place
Birmingham
B1 2HZ

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STRATEGIC REPORT

The directors present their strategic report for Jaguar Land Rover Limited ("the company") for the year ended 31 March 2014.

Principal activity

The company's principal activity during the year was the design, development, manufacture and marketing of high performance luxury saloons, specialist sports cars, four wheel drive off-road vehicles and related components. The product range is constantly being improved and updated as part of the company's commitment to provide technically advanced and competitively priced luxury vehicles.

Review of business and future developments

On 1 April 2013, the trade and assets of Jaguar Land Rover Exports Limited (other than certain of its nominee shareholdings) were transferred to Jaguar Land Rover Limited at their book value.

The company has seen an increase in its turnover to INR 1,563,485.6 million (2013: INR 594,748.6 million), mainly due to the impact of the Land Rover business.

Principal products for 2014 were:

- XK Sports Car
- XJ Saloon
- XF Saloon
- XF Sportbrake
- F-Type Coupe
- Defender
- Freelander
- Discovery
- Range Rover Sport
- Range Rover
- Range Rover Evoque
- All-new Range Rover

In March 2013, Jaguar unveiled two new additions to its R performance range, the XJR sedan and the XKR-S GT. The 550 PS XJR – Jaguar's new flagship sports saloon – combines supercar performance and assertive looks with the high levels of luxury already associated with the XJ range. The XKR-S GT, developed by Jaguar's ETO division, is the ultimate in road-going but track-ready version of the XK coupe.

In September 2013, Jaguar introduced its first ever crossover concept vehicle. The C-X17 was created as a design study to introduce Jaguar's all-new advanced aluminum architecture. This modular, scalable architecture will allow Jaguar to grow its product portfolio and target high-growth areas of premium market, beginning with a new mid-sized C/D segment sedan in 2015.

In August 2013, Jaguar also announced the latest in a long line of luxurious Jaguar sports saloons – the 2014 model year Jaguar XJ – incorporating enhanced rear cabin luxury features, comfort and in-car technology to create a truly elegant and contemporary luxury Jaguar.

The Jaguar F-Type Coupe made its global motor show debuts in both Los Angeles and Tokyo in November 2013. The F-TYPE Coupe model line-up is headlined by the F-TYPE R Coupe, its 5.0 litre V8 supercharged engine enabling acceleration from 0-60 mph in 4.0 seconds, and a top speed of 186 mph (limited). Jaguar's expertise in aluminum technology has enabled the design vision for the F-TYPE Coupe to be delivered in a lightweight yet extremely strong bodyshell.

Now in its fourth generation, the all-new Range Rover, which was launched in September 2012, has been developed from the ground up to provide the ultimate in luxury. Inspired by aerospace construction, the all-new Range Rover is the world's first SUV with all-aluminum monocoque body structure. It remains strong and rigid but at 39% lighter than the previous generation Range Rover it is far more agile and responsive.

Over the past year every Land Rover model has enjoyed success. The Range Rover Sport was showcased at the New York International Show in 2013. Developed alongside the highly-acclaimed new Range Rover, it offers the brand's best-ever on-road dynamics together with class-leading, genuine Land Rover all-terrain capability.

STRATEGIC REPORT (CONTINUED)

One of the most successful Land Rover vehicles ever made, the Range Rover Evoque, made a further leap forward with the introduction of a host of new technologies, announced in August 2013. These enhancements lower fuel consumption by up to 11.4% and reduce CO₂ emissions by up to 9.5% (depending on model) and bring a range of new comfort, convenience and connectivity features.

Land Rover unveiled a new Discovery XXV Special Edition as a celebration of the 25th anniversary year of the original launch of its versatile SUV. Over 1 million models have been sold worldwide since its launch in 1989. Its combination of contemporary design, spacious and user-friendly interiors, unflinching capability and extreme versatility made it an instant hit. With the release of each new generation, the Land Rover Discovery has cemented its position as the most capable, versatile SUV in the world.

Land Rover launched its first-ever hybrid models – the Range Rover Hybrid and the Range Rover Sport Hybrid – set to deliver outstanding fuel economy, significantly lower CO₂ emissions and retain Land Rover's renowned capability and performance. Order books (in the UK) opened in September 2013 with first deliveries in early 2014, the two all-aluminium models are based on Land Rover's Premium Lightweight Architecture and share an identical powertrain. They are the world's first premium diesel SUV hybrids.

In-house engine manufacture at new UK facility

The company's state of the art Engine Manufacturing Centre is the first new facility that the company has built from the ground up. Based at the heart of the UK, it is ideally located between the company's three other manufacturing sites at Halewood, Castle Bromwich and Solihull. The plant will employ almost 1,400 people by the time it reached full capacity and the first phase of recruitment commenced in January 2014. Representing an investment of more than INR 49,828.4 million, the plant will manufacture the company's most advanced engines ever.

Technology

The company is developing new engines, new materials, 'green' technologies and new ways for the driver to communicate with their vehicle. The company is also developing more unique technologies to continue our leadership of lightweight construction and 4x4 capability.

A complete approach to sustainability

Our impact on the environment and the communities in which we operate is a key part of the company's corporate strategy. Focusing on environmental and social impacts, from products and manufacturing to our whole supply chain, ensures that we grow our business responsibly while responding to global trends and stakeholder needs. This is an approach we call Environmental Innovation. The company's 2020 Roadmap sets out the path we need to follow guided by the 'Our commitment to environment and society policy' which embeds responsible business principles into every stage of the life cycle of our products and at all levels of our business. To achieve our 2020 vision and targets Environmental Innovation comprises and five key themes of Brands & Customers, Our People, Products, Business Operations, Advancing Knowledge and Improving Lives.

Key performance indicators

The key performance indicators (KPIs) used are set out below:

KPI	Commentary	2014	2013
Turnover	2013 includes the acquisition of Land Rovers, which started on 1 January 2013	INR 1563485.6	INR 594748.6 million
Profit before tax	2013 includes the acquisition of Land Rovers, which started on 1 January 2013	INR 173010.0	INR 7476.2 million (restated)
Net assets	The net income attributable to shareholders and the transfer of trade and assets from Land Rover has generated an improvement in the net asset position of the company.	500648.9	INR 255544.0 million
Headcount (average)	Increase in headcount is due to transfer of trade and assets from Land Rover on 1 January 2013	26,761 employees	10,013 employees

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties

Principal risks and uncertainties facing the company include, but are not limited to, the following:

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is specified within individual agreements.

Liquidity risk

The company maintains receivable based financing that is designed to ensure the company has sufficient available funds for operations.

Lower consumer demand for vehicles and tightening conditions in the credit markets, may adversely affect both consumer demand and the cost and availability of finance to the business.

Interest rate cash flow risk

The company has both interest bearing assets (including cash and bank balances) and interest bearing liabilities, all of which earn interest at a variable rate. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Currency risk

The company's operations are exposed to global market risks, including the effect of changes in foreign currency exchange rates and certain commodity prices.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that sets out specific guidelines to manage these risks and the circumstances where it would be appropriate to use financial instruments to manage these.

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

S. L. Pearson

Secretary

July 2014

Registered Address

Abbey Road
Whitley
Coventry
CV3 4LF

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for Jaguar Land Rover Limited ("the company") for the year ended 31 March 2014.

Results and dividends

The income statement shows a profit after tax for the financial year of INR 137941.7 million (2013: INR 6941.5 million (restated)).

The directors recommend that a dividend of INR 14,943.9 million representing INR 89.7 per ordinary share of INR 99.6 should be proposed in respect of the financial results for year ended 31 March 2014 (2013: INR 12,366.0 million, representing INR 74.2 per ordinary share of INR 82.44023).

Going concern and post balance sheet events

The directors have considered the financial position of the company at 31 March 2014 (net assets of INR 500,648.9 million (2013: net assets of INR 252,481.4 million)) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the company will remain profitable.

The directors have taken action to ensure that appropriate cash resources are available to fund company operations through existing external and intercompany funding through pooling arrangements with other companies in the Jaguar Land Rover group. The company has receivable financing facilities routinely provided on an uncommitted basis which are expected to continue for the foreseeable future.

Therefore the directors consider, after making appropriate enquires that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

The company is a joint guarantor on loans by Jaguar Land Rover Automotive PLC.

Directors

The directors who held office during the year and subsequently are as follows:

P.W. Cope (resigned 31 December 2013)

W. K. Eppe

K.D.M. Gregor

P. Hodgkinson

P.C. Popham

Dr. R.D. Speth

W. Stadler (appointed 17 February 2014)

M.D. Wright

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Research and development

The company is committed to a continuing programme of major expenditure on research and development.

Product development cost incurred on new vehicle platforms, engines, transmission and new products are recognised as intangible assets.

Employees

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and the company magazines. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

DIRECTORS' REPORT (CONTINUED)

Disabled employees

We are committed to a workplace that is inclusive and values diversity. It is the policy of the company that the training, career development and promotion opportunities for disabled people should be identical to that of other employees. We actively encourage a diversity of applicants for all job vacancies.

In the event of members of staff becoming disabled every reasonable effort is made by the company to ensure that they can continue to contribute fully within the organisation.

Donations

Charitable donations in the year amounted to INR 63,860,061 (2013: INR 46,990,931), principally to national charities. There were no contributions to political parties (2013: INR nil).

Independent auditors

In accordance with Section 485 - 488 of the Companies Act 2006 the company has elected to dispense with laying financial statements before the general meeting, holding annual general meetings and the annual appointment of auditors. With such an election in force the company's auditor shall be deemed to be re-appointed for each succeeding financial year in accordance with Section 386 of the Act.

Statement of disclosure of information to auditor

In the case of each of the persons who are directors at the time when the report is approved under section 418(2) the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

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

S. L. Pearson

Secretary

July 2014

Registered Address

Abbey Road
Whitley
Coventry
CV3 4LF

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR LAND ROVER LIMITED

We have audited the financial statements of Jaguar Land Rover Limited for the year ended 31 March 2014 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 38. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 2 to the financial statements, the company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR LAND ROVER LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Richard Knights (Senior Statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

INCOME STATEMENT

Year ended 31 March (INR millions)	Note	2014	2013 (restated)
Revenue	3	1,563,485.6	594,748.6
Material and other cost of sales		(1,007,932.9)	(437,427.9)
Employee cost	4	(154,499.5)	(62,192.9)
Other expenses	7	(268,730.3)	(95,597.7)
Development costs capitalised	8	102,604.5	43,553.2
Other income		5,519.3	436.9
Depreciation and amortisation		(85,737.9)	(31,780.7)
Foreign exchange gain / (loss)		23,989.9	(9,760.9)
Finance income	9	17,803.1	9,958.8
Finance expense (net)	9	(23,491.7)	(4,624.9)
Share of loss from joint venture	12	-	74.2
Profit before tax	10	173,010.0	7,386.6
Income tax expense	11	(35,068.2)	(445.2)
Profit for the year		137,941.7	6,941.5

The income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes (where relevant) have been restated for the comparative prior years presented following the adoption of IAS 19 *Employee Benefits* (2011) in the year as detailed in note 2 to the financial statements. The adoption of this revised standard had no impact on the balance sheet in any of the years presented.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March (INR millions)	Note	2014	2013 (restated)
Profit for the year		137,941.7	6,941.5
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	29	(13,409.6)	(18,367.7)
Income tax related to items that will not be reclassified	16	1,584.0	3,940.6
		(11,825.6)	(14,427.0)
Items that may be reclassified subsequently to profit or loss:			
Gain / (loss) on effective cash flow hedges		103,720.3	(37,724.6)
Cash flow hedges reclassified to foreign exchange gain / (loss) in profit or loss		(10,689.8)	2,316.6
Income tax related to items that may be reclassified	16	(19,367.2)	8,136.9
		73,663.2	(27,271.2)
Other comprehensive income / (loss) net of tax		61,837.7	(41,698.3)
Total comprehensive income / (loss) attributable to shareholders		199,779.4	(34,756.8)

BALANCE SHEET

As at 31 March (INR millions)	Note	2014	2013
Non-current assets			
Investments	12	36,343.4	23,676.8
Other financial assets	13	44,323.5	11,821.9
Property, plant and equipment	14	313,840.8	190,090.7
Intangible assets	15	431,140.1	297,023.9
Deferred tax assets	16		23,775.8
Other non-current assets	20	2,640.1	
Total non-current assets		828,287.9	546,389.1
Current assets			
Cash and cash equivalents	17	171,595.3	111,805.4
Short term deposits		119,401.4	63,891.2
Trade receivables		132,382.6	147,568.0
Other financial assets	13	38,365.8	5,202.0
Inventories	19	91,974.4	66,141.8
Other current assets	20	28,991.1	2,835.9
Total current assets		582,710.6	397,444.3
Total assets		1,410,998.5	943,833.5
Current liabilities			
Accounts payable	21	345,840.6	246,207.7
Short term borrowings and current portion of long term debt	22	162,977.6	120,008.2
Other financial liabilities	23		42,819.5
Provisions	24	30,654.8	19,167.4
Other current liabilities	25	3,247.8	6,966.2
Total current liabilities			435,169.0
Non-current liabilities			
Long term debt	22	182,922.7	156,281.9
Other financial liabilities	23	9,584.0	18,458.4
Provisions	24	47,710.7	28,450.1
Retirement benefit obligation	29	65,643.4	52,992.6
Deferred tax liabilities	16	22,146.8	
Total non-current liabilities		328,007.6	256,183.0
Total liabilities		910,349.6	691,352.0
Equity attributable to shareholders			
Ordinary share capital	26	160,138.3	123,660.3
Other reserves	27	340,510.6	128,821.1
Equity attributable to shareholders		500,648.9	252,481.4
Total liabilities and equity		1,410,998.5	943,833.5

These financial statements were approved by the board of directors and authorised for issue on July 2014. They were signed on its behalf by:

K. D. M. Gregor
Director

Company registered number: 06477691

STATEMENT OF CHANGES IN EQUITY

(INR millions)	Ordinary share capital	Share premium	Reserves	Total equity
Balance at 1 April 2013	123,660.3	-	128,821.1	252,481.4
Profit for the year	-	-	137,941.7	137,941.7
Other comprehensive income for the year	-	-	61,837.7	61,837.7
Total comprehensive income	-	-	199,779.4	199,779.4
Increase in share capital	10,699.8			10,699.8
Dividend paid		-	(14,943.9)	(14,943.9)
Balance at 31 March 2014	160,138.3	-	340,510.6	500,648.9
Balance at 1 April 2012	188,326.5	42,201.2	(205,597.7)	24,930.0
Profit for the year	-	-	6,941.5	6,941.5
Other comprehensive loss for the year	-	-	(41,698.3)	(41,698.3)
Total comprehensive loss	-	-	(34,756.8)	(34,756.8)
Issue of ordinary shares	262,308.3	-		262,308.3
Reduction of share capital	(326,974.5)	-	326,974.4	-
Realisation of share premium	-	(42,201.2)	42,201.2	-
Balance at 31 March 2013	123,660.3	-	128,821.1	252,481.4

CASH FLOW STATEMENT

Year ended 31 March (INR millions)	2014	2013 (restated)
Cash flows from operating activities		
Profit for the year	137,941.7	6,941.5
Adjustments for:		
Depreciation and amortisation	85,747.8	31,780.7
Loss on sale of assets	239.1	115.4
Income tax expense	35,068.2	445.2
Foreign exchange loss on loans	(8,298.8)	-
Foreign exchange loss on derivatives	(5,190.5)	-
Foreign exchange gain on short term deposits	4,074.7	-
Gain on embedded derivative	787.0	(651.3)
Finance expense (net)	22,704.7	5,276.2
Finance income	(17,803.1)	(9,958.8)
Profit received from joint ventures	-	(74.2)
Cash flows from operating activities before changes in assets and liabilities	255,270.9	33,874.7
Trade receivables	45,947.4	(50,733.7)
Other financial assets	5,469.4	71,434.5
Other current assets	(21,339.8)	4,872.2
Inventories	(12,044.7)	(10,123.7)
Other non-current assets	(2,470.7)	-
Accounts payable	45,837.8	(35,465.8)
Other current liabilities	(7,143.2)	(11,673.5)
Other financial liabilities	5,399.7	30,296.8
Retirement benefit obligation	(11,805.6)	(4,864.0)
Provisions	20,821.8	5,564.7
Cash generated from operations	323,942.9	33,182.2
Income tax paid	-	-
Net cash generated from operating activities	323,942.9	33,182.2
Cash flows used in investing activities		
Investment in subsidiaries and joint ventures	(7,740.9)	(667.8)
Movements in other restricted deposits	(10.0)	(16.5)
Investment in short term deposits	(46,266.2)	-
Purchases of property, plant and equipment	(118,584.4)	(50,313.3)
Proceeds from sale of property, plant and equipment	408.5	123.7
Cash paid for intangible assets	(114,838.5)	(52,868.9)
Dividends received	9,006.2	9,670.2
Other finance income received	8,787.0	288.5
Net cash used in investing activities	(269,238.4)	(93,784.0)
Cash flows from financing activities		
Issue of share capital	10,699.8	-
Finance expenses and fees paid	(35,825.4)	(2,720.5)
Proceeds from issuance of short term debt	18,460.6	-
Repayment of short term debt	(498.1)	(110,469.9)
Proceeds from issuance of long term debt	-	154,699.1
Repayment of long term debt	82,559.8	-
Proceeds from sale of fixed assets	(78,674.4)	552.3
Dividends paid	(14,943.9)	-
Net cash (used in) / generated from financing activities	(18,221.5)	42,061.0
Net change in cash and cash equivalents	36,482.9	(18,540.8)
Cash and cash equivalents at beginning of year	135,112.3	-
Transfer from Land Rover	-	130,346.2
Cash and cash equivalents at end of year	171,595.3	111,805.4

NOTES TO THE FINANCIAL STATEMENTS

1 BACKGROUND AND OPERATIONS

Jaguar Land Rover Limited ("the company", "JLR") designs, manufactures and sells a wide range of automotive vehicles.

The company is a limited company incorporated and domiciled in the UK and has its registered office at Whitley, Coventry, England.

The company is an indirect subsidiary of Tata Motors Limited, India ("TATA Motors"). The principal activity during the year was the design, development, manufacture and marketing of high performance luxury saloons, specialist sports cars and four wheel drive off-road vehicles.

These financial statements have been prepared in INR and rounded to the nearest one hundred thousand INR (INR 0.1 million) unless otherwise stated.

On 1 January 2013, the trade and net assets of Jaguar Land Rover Holdings Limited (previously Land Rover) were transferred to the company at their book value. On 1 April 2013, the trade and net assets of Jaguar Land Rover Nominee Company Limited (previously Jaguar Land Rover Exports Limited) were transferred to the company at their book value.

2 ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as "IFRS") as adopted by the European Union. There is no difference between these accounts and the accounts for the company prepared under IFRS as adopted by the International Accounting Standards Board ("IASB").

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

BASIS OF PREPARATION

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

GOING CONCERN

The directors have considered the financial position of the company at 31 March 2014 (net assets of INR 500,648.9 million (2013: INR 252,481.4 million)) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The directors have taken actions to ensure that appropriate long term cash resources are in place at the date of signing the accounts to fund company operations. The directors have reviewed the financial covenants linked to the borrowings in place and believe these will not be breached at any point and that all debt repayments will be met.

Therefore the directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the company, that the company has adequate resources to continue in operation as a going concern for the foreseeable future and is able to meet its financial covenants linked to the borrowings in place. Accordingly the directors continue to adopt the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- (i) Note 14 – Property, plant and equipment – the company applies judgement in determining the estimate useful life of assets.
- (ii) Note 15 – Intangible assets – management applies significant judgement in establishing the applicable criteria for capitalisation of appropriate product development costs and impairment of indefinite life intangible assets. The key inputs to this assessment include the determination of Cash Generating Units, value of cash flows and appropriateness of discount rates.
- (iii) Note 16 – Deferred tax – management applies judgement in establishing the timing of the recognition of deferred tax assets relating to historic losses and assessing its recoverability.
- (iv) Note 24 – Provision for product warranty – it is necessary for the company to assess the provision for anticipated lifetime warranty and campaign costs. The valuation of warranty and campaign provisions requires a significant amount of judgement and the requirement to form appropriate assumptions around expected future costs.
- (v) Note 29 – Assets and obligations relating to employee benefits – it is necessary for actuarial assumptions to be made, including discount and mortality rates and the long-term rate of return upon scheme assets. The company engages a qualified actuary to assist with determining the assumptions to be made when evaluating these liabilities.
- (vi) Note 32 – Financial instruments – the company enters into complex financial instruments and therefore appropriate accounting for these requires judgement around the valuations. Embedded derivatives relating to prepayment options on senior notes are not considered as closely related and are separately accounted unless the exercise price of these options is approximately equal on each exercise date to the amortised cost of the senior notes.

REVENUE RECOGNITION

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

Sale of products

The company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products is presented net of excise duty where applicable and other indirect taxes.

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

COST RECOGNITION

Costs and expenses are recognised when incurred and are classified according to their nature.

Expenditures are capitalised where appropriate in accordance with the policy for internally generated intangible assets and represent employee costs, stores and other manufacturing supplies, and other expenses incurred for product development undertaken by the company.

If the sale of products includes a determinable amount for subsequent services (multiple - component contracts), the related revenues are deferred and recognised as income over the relevant service period. Amounts are normally recognised as income by reference to the pattern of related expenditure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

PROVISIONS

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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are held for product warranties, legal and product liabilities, residual risks and environmental risks as detailed in note 24 to the financial statements. The most significant is product warranty.

Product warranty

The company offers warranty cover in respect of manufacturing defects, which become apparent within one to five years after purchase, dependent on the market in which the purchase occurred. The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation. The timing of outflows will vary as and when a warranty claim will arise, being typically up to five years.

FOREIGN CURRENCY

The company has a functional and presentation currency of GBP.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the income statement.

INCOME TAXES

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement except, when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

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

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 unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year 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 against current tax 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a first-in first-out basis. Costs, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the company and are amortised in changes in stocks and work in progress to their residual values (i.e. estimated second hand sale value) over the term of the arrangement.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, non-recoverable 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.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its 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.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Class of property, plant and equipment	Estimated useful life (years)
Buildings	20 to 40
Plant and equipment	3 to 30
Computers	3 to 6
Vehicles	3 to 10
Furniture and fixtures	3 to 20

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use. Assets under construction includes capital prepayments.

INTANGIBLE ASSETS

Acquired intangible assets

Intangible assets purchased including those acquired in business combination, are measured at cost or fair value as of the date of acquisition, where applicable, less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

For intangible assets with definite lives, amortisation is provided on a straight-line basis over the estimated useful lives of the acquired intangible assets as per details below:

Class of intangible asset	Estimated amortisation period (years)
Software	2 to 8
Goodwill	Indefinite life
Customer related – Dealer networks	20
Patents and technological know-how	2 to 12
Intellectual property rights and other intangibles	Indefinite life

The amortisation for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Capital-work-in-progress includes capital advances. Intellectual property rights and other intangibles consist of brand names, which are considered to have indefinite lives due to the longevity of the brands.

INTANGIBLE ASSETS (CONTINUED)

Internally generated intangible assets

Research costs are charged to the income statement in the year in which they are incurred.

Product development costs incurred on new vehicle platforms, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use.

Interest cost incurred is capitalised up to the date the asset is ready for its 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.

Product development cost is amortised over a period of between 2 and 10 years.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss.

IMPAIRMENT

Property, plant and equipment and other intangible assets

At each balance sheet date, the company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment indicator exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Investments in subsidiaries, joint ventures and associates

The requirements of IAS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the company's investments in subsidiaries, joint ventures and associates. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (the higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the entity will comply with the relevant conditions and the grant will be received.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Grants are recognised in profit or loss on a systematic basis when the entity recognises, as expenses, the related costs that the grants are intended to compensate.

Government grants related to assets are deducted from the cost of the asset and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure and government grants which are awarded as incentives with no ongoing performance obligations to the company are recognised as other income in the period the grant is received.

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.

Assets taken on finance lease

A finance lease is recognised 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 year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognised on the company's balance sheet. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

EMPLOYEE BENEFITS

Pension plans

The company operates several defined benefit pension plans, which are contracted out of the second state pension scheme. The assets of the plans are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service year as set out in the rules of each plan.

Contributions to the plans by the company take into consideration the results of actuarial valuations. The plans with a surplus position at the balance sheet date have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the subsidiary company is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognised.

The UK defined benefit schemes were closed to new joiners in April 2010.

A separate defined contribution plan is available to new employees of JLR. Costs in respect of this plan are charged to the income statement as incurred.

For defined benefit retirement benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled.

Past service cost, including curtailment gains and losses, is generally recognised in profit or loss in the period of scheme amendment. Net interest is calculated by applying a discount rate to the net defined benefit liability.

Defined benefit costs are split into three categories:

- current service cost, past-service cost and gains and losses on curtailments and settlements;
- net interest cost; and
- remeasurement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

The Company presents the first two components of defined benefit costs within Employee costs in its consolidated income statement (see note 4). Net interest cost is recognised within finance costs (see note 9).

Actuarial gains and losses

Actuarial gains and losses relating to retirement benefit plans are recognised in other comprehensive income in the year in which they arise. Actuarial gains and losses relating to long-term employee benefits are recognised in the income statement in the year in which they arise.

Measurement date

The measurement date of retirement plans is 31 March.

LONG TERM INCENTIVE PLAN (LTIP)

The company operates an LTIP arrangement for certain employees. The scheme provides a cash payment to the employee based on a specific number of phantom shares at grant date and the share price of Tata Motors Limited at the vesting date, subject to profitability and employment conditions. These are accounted for as cash settled arrangements, whereby a liability is recognised at fair value at the date of grant, using a Black Scholes model. At each balance sheet date until the liability is settled, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

FINANCIAL INSTRUMENTS

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

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

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets and financial liabilities at fair value through profit or loss: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. Financial assets and liabilities are measured at fair value with changes in fair value recognised in the income statement.

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

Available-for-sale financial assets: Available-for-sale financial assets are those non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other financial assets categories. Subsequently, these are measured at fair value and changes therein, other than impairment losses which are recognised directly in other comprehensive income, net of applicable deferred income taxes. The company does not hold any available-for-sale financial assets.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Other financial liabilities

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

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Subsequent to initial recognition, the company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Derecognition of financial assets and financial liabilities

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

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

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

Impairment of financial assets

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

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

Equity investments: Impairment loss on equity investments carried at cost is recognised in the income statement and is not reversed.

Hedge accounting

The company uses foreign currency forward contracts and options to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The company designates these forward contracts and options in a cash flow hedging relationship by applying the hedge accounting principles.

These forward contracts and options are stated at fair value at each reporting date. Changes in the fair value of these forward contracts and options that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax), and the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to the income statement in the periods in which the forecasted transactions occurs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

For options, the time value is not considered part of the hedge, and this is treated as an ineffective hedge portion and recognised immediately in the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is immediately transferred to the income statement for the year.

NEW ACCOUNTING PRONOUNCEMENTS

In the current year, the company adopted / early adopted the following standards, revisions and amendments to standards and interpretations:

IAS 1 *Presentation of Financial Statements* was amended in June 2011 to revise the way other comprehensive income is presented. In particular, it requires entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently and requires tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items. The amendment is effective for annual periods beginning on or after 1 July 2012, with early adoption permitted. The amendments have been applied retrospectively and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 did not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

IAS 19 *Employee Benefits* (2011) was amended in June 2011 to include revised requirements for pensions and other post-retirement benefits, termination benefits and other changes. The key amendments include: requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19); Introducing enhanced disclosures about defined benefit plans; Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits; Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features; Incorporating other matters submitted to the IFRS Interpretations Committee. The standard is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

An amendment to IAS 27 *Separate Financial Statements* (2011) was issued in May 2011. This now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 *Consolidated and Separate Financial Statements*. Requirements for consolidated financial statements are now contained in IFRS 10 *Consolidated Financial Statements*. The standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 *Financial Instruments*. The standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements. The amendment is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IAS 28 *Investments in Associates and Joint Ventures* (2011) was issued in May 2011. This standard supersedes IAS 28 *Investments in Associates* and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

IAS 36 *Impairment of Assets* was amended in May 2013 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The amendment is effective for annual periods beginning on or after 1 January 2014, with early adoption permitted.

IFRS 7 *Financial Instruments: Disclosures* was amended in December 2011 to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 *Financial Instruments: Presentation* to be disclosed. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The amendments are effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. Under IFRS 10, control is the single basis for consolidation, irrespective of the nature of the investee; this standard therefore eliminates the risks-and-rewards approach that was used for certain special purpose entities. IFRS 10 identifies the three elements of control as power over the investee, exposure, or rights, to variable returns from involvement with the investee and the ability to use power over the investee to affect the amount of the investor's returns. An investor must possess all three elements to conclude that it controls an investee. The assessment of control is based on all facts and circumstances, and the conclusion is reassessed if there are changes to at least one of the three elements. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted. The group has reviewed its control assessments for its investees in accordance with IFRS 10 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees held during the period or comparative periods covered by these financial statements.

IFRS 11 *Joint Arrangements*, issued in May 2011 and amended in June 2012 for transition guidance, classifies joint arrangements as either joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity). A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires the use of the equity method of accounting for interests in joint ventures thereby eliminating the proportionate consolidation method. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 12 *Disclosure of Interests in Other Entities* applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard, issued in May 2011 and amended in June 2012 for transition guidance, requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 13 *Fair Value Measurement* defines 'fair value' and sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurements. It seeks to increase consistency and comparability in fair value measurements and related disclosures through a fair value hierarchy. IFRS 13 was issued in May 2011 and is applicable prospectively from the beginning of the annual period in which the standard is adopted. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

Of the above standards, revisions and amendments to standards and interpretations, only the adoption of IAS 19 *Employee Benefits* (2011) has had an impact on the results of the company. However, this does not impact the net assets or total comprehensive income of the company in any period. The adjustment is for an element of the defined benefit cost being transferred between other comprehensive income and profit or loss. The comparatives included in these financial statements have been restated on a retrospective basis for the impact of the adoption of the revised IAS 19.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The impact of the retrospective restatement for IAS 19 on the components of total comprehensive income is as follows:

As at 31 March (INR millions)	2013
Impact on the income statement	
Increase in employee cost	(33.0)
Decrease in income tax expense	8.2
Decrease in net income attributable to shareholders	(24.7)
Impact on the statement of comprehensive income	
Decrease in remeasurement of defined benefit obligation	33.0
Decrease in income tax related to items that will not be reclassified	(8.2)
Increase in total other comprehensive income net of tax	24.7

In addition to the above restatement, the adoption of IAS 1, IAS 19, IFRS 7, IFRS 12 and IFRS 13 has resulted in changes to the presentation and disclosure included in the financial statements. The adoption of the other standards, revisions and amendments to standards and interpretations in the current year has not had any impact on the financial statements.

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

In October 2012, amendments were made to IAS 27 *Separate Financial Statements*, IFRS 10 *Consolidated Financial Statements* and IFRS 12 *Disclosure of Interests in Other Entities* to provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* or IAS 39 *Financial Instruments: Recognition and Measurement*; require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. These amendments are effective for periods beginning on or after 1 January 2014, with early adoption permitted.

IAS 32 *Financial Instruments: Presentation* was amended in December 2011 to clarify certain aspects because of diversity in application of the requirements on offsetting. The amendments focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realisation and settlement; the offsetting of collateral amounts; and the unit of account for applying the offsetting requirements. The amendment is effective for annual periods beginning on or after 1 January 2014, with early adoption permitted.

IAS 39 *Financial Instruments: Recognition and Measurement* was amended in June 2013 to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. The amendment is effective for annual periods beginning on or after 1 January 2014, with early adoption permitted.

IFRS15 *Revenue from contracts with customers* was issued in May 2014. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It supersedes current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

IAS 16 *Property, Plant and Equipment* has been amended to prohibit entities from using a revenue based depreciation method for items of property, plant and equipment. IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortising intangible assets. The amendment is effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

IFRS11 *Joint Arrangements* addresses how a joint operator should account for the interest in a joint operation in which the activity of the joint operation constitutes a business. The amendment is effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

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

In November 2013, IAS 19 *Employee Benefits* was amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered. The amendment is effective for annual periods beginning on or after 1 July 2014, with early adoption permitted.

IFRS 9 *Financial Instruments* (2009) was issued by IASB in November 2009 as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety. This new standard introduces new requirements for classifying and measuring financial assets, requiring certain debt instruments to be measured at amortised cost, allowing certain equity instruments to be designated as fair value through other comprehensive income and requiring all other instruments to be measured at fair value through profit or loss. In October 2010, IFRS 9 *Financial Instruments* (2010) was issued, incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39. In November 2013, IFRS 9 *Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)* (2013) was issued. This revised standard introduces a new chapter on hedge accounting and permits any entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9. It also removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application. At its November 2013 meeting, the IASB tentatively decided that the mandatory effective date of IFRS 9 will be no earlier than annual periods beginning on or after 1 January 2017.

IFRIC 21 *Levies* was issued in May 2013 to provide guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The interpretation is effective for annual periods beginning on or after 1 January 2014, with early adoption permitted. In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2010 – 2012 and 2011 – 2013 cycles. These amendments are effective for annual periods beginning on or after 1 July 2014, with early application permitted.

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2010 – 2012 and 2011 – 2013 cycles. These amendments are effective for annual periods beginning on or after 1 July 2014, with early application permitted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 REVENUE

Year ended 31 March (INR millions)	2014	2013
Sale of goods	1,563,485.6	594,748.6
Total revenues	1,563,485.6	594,748.6

4 EMPLOYEE NUMBERS AND COSTS

Year ended 31 March (INR millions)	2014	2013 (restated)
Wages and salaries	105,095.1	45,853.3
Social security costs and benefits	26,470.5	9,134.4
Pension costs	22,933.8	7,205.3
Total employee costs	154,499.5	62,192.9

Average employee numbers year ended 31 March (including agency employees)	2014	2013
Manufacturing	15,560	6,197
Research and development	6,223	2,434
Other	4,978	1,382
Total employee numbers	26,761	10,013

5 DIRECTORS' EMOLUMENTS

Year ended 31 March (INR)	2014	2013
Directors' emoluments	1,091,622,586	183,506,923

The aggregate of emoluments and amounts receivable under the long term incentive plan (LTIP) of the highest paid director was INR 551,286,471 (2013: INR 35,905,029). This includes an accrued pension benefit of INR 308,839,608 (2013: INR nil, 2012: INR nil) relating to this director's past four years of service which is subject to remuneration committee approval. During the year, the highest paid director did not receive any LTIP awards.

No directors received any LTIP cash payments during the years ended 31 March 2013 and 2014.

6 LONG TERM INCENTIVE PLAN (LTIP)

The company operates an LTIP arrangement for certain employees. The scheme provides a cash payment to the employee based on a specific number of phantom shares at grant and the share price of Tata Motors Limited at the vesting date. The cash payment is dependent on the achievement of internal profitability targets over the 3 year vesting period and continued employment at the end of the vesting period. The cash payment has no exercise price and therefore the weighted average exercise price in all cases is INR nil.

Year ended 31 March (number)	2014	2013
Outstanding at the beginning of the year	3,913,815	1,733,555
Granted during the year	1,799,437	1,183,605
Vested in the year	(739,469)	(298,037)
Forfeited in the year	(9,309)	(94,683)
Transfer from Land Rover	-	1,389,375
Outstanding at the end of the year	4,964,474	3,913,815

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

The weighted average share price of the 739,469 phantom stock awards vesting in the year was INR 443.33 (2013: INR 334.60).

The weighted average remaining contractual life of the outstanding awards is 1.3 years (2013: 1.5 years).

The amount charged in the year in relation to the long term incentive plan was INR 1085.9 million (2013: INR 272.1 million).

The fair value of the balance sheet liability in respect of phantom stock awards outstanding at the year end was INR 1604.0 million (2013: INR 733.7 million).

The fair value of the awards was calculated using a Black Scholes model at the grant date. The fair value is updated at each reporting date as the awards are accounted for as cash settled under IFRS 2. The inputs into the model are based on the Tata Motors Limited historic data and the risk-free rate is calculated on government bond rates. The inputs used are:

As at 31 March	2014	2013
Risk-Free rate (%)	0.91	0.26
Dividend yield (%)	0.49	1.57
Weighted average fair value per phantom share	INR 493.1	INR 308.3

7 OTHER EXPENSES

Year ended 31 March (INR millions)	2014	2013
Stores, spare parts and tools	11287.6	4798.0
Freight cost	49942.4	18128.6
Works, operations and other costs	132462.3	44056.1
Repairs	1594.0	651.3
Power and fuel	6097.1	3190.4
Rent, rates and other taxes	1444.6	1352.0
Insurance	1633.9	535.9
Warranty	40218.9	13866.4
Publicity	24049.6	9019.0
Total other expenses	268730.3	95597.7

8 RESEARCH AND DEVELOPMENT

Year ended 31 March (INR millions)	2014	2013
Total research and development costs incurred	126,096.2	53,536.7
Research and development expensed	(23,491.7)	(9,983.5)
Development costs capitalised	102,604.5	43,553.2
Interest capitalised	10,141.9	5,548.2
Research and development expenditure credit	(4,463.2)	-
Total internally developed intangible additions	108,283.2	49,101.4

During the period legislation was enacted to allow UK companies to elect for the Research and Development Expenditure Credit (RDEC) on qualifying expenditure incurred since 1 April 2013, instead of the existing super-deduction rules. As a result of this election INR 4,463.2 million of the RDEC, the proportion relating to capitalised research and development expenditure, has been offset against the cost of the respective assets. The remaining INR 1,773.3 million of the RDEC has been recognised as other income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 FINANCE INCOME AND EXPENSE

Year ended 31 March (INR millions)	2014	2013
Finance income	8,796.9	288.5
Dividends received	9,006.2	9,670.2
Total finance income	17,803.1	9,958.8
Total interest expense on financial liabilities measured at amortised cost	(34,450.6)	(10,824.4)
Unwind of discount on provisions	468.2	-
Interest capitalised	11,277.6	5,548.2
Total interest expense	(22,704.7)	(5,276.2)
Embedded derivative value	(787.0)	651.3
Total finance expense (net)	5,688.6	5,333.9

The capitalisation rate used to calculate borrowing costs eligible for capitalisation was 7.2% (2013: 8.0%).

10 PROFIT BEFORE TAX

Expense / (income) included in profit before tax for the year are the following:

Year ended 31 March (INR millions)	2014	2013
Foreign exchange (gain) / loss	(23,989.9)	9,760.9
Depreciation of property, plant and equipment	38,007.2	16,337.6
Amortisation of intangible assets (excluding internally generated development costs)	2,480.7	641.7
Amortisation of internally generated development costs	45,250.0	15,558.7
Research and development expense	23,491.7	10,467.9
Operating lease rentals in respect of plant, property and equipment	727.3	157.4
Loss on disposal of property, plant, equipment and software	358.7	123.8
Auditor remuneration (see below)	69.7	63.3

The following table sets out the auditor remuneration for the year:

Year ended 31 March (INR millions)	2014	2013
Fees payable to the company's auditor for the audit of the company's annual accounts	49.8	41.2
Fees payable to the company's auditor for amounts incurred on behalf of other group companies	19.9	16.5
Total audit fees	69.7	57.7

The company incurred no non-audit fees in either year

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 TAXATION

Recognised in the income statement

Year ended 31 March (INR millions)	2014	2013 (restated)
Current tax expense		
Current year	1,972.6	239.1
Adjustments for prior years		(659.5)
Current tax expense	1,972.6	(420.4)
Deferred tax expense / (credit)		
Origination and reversal of temporary differences	37,449.3	(733.7)
Adjustments for prior years	(1,344.9)	371.0
Rate change	(3,008.7)	1,228.4
Deferred tax expense	33,095.7	865.6
Total income tax expense	35,068.2	445.2

Prior year adjustments relate to differences between prior year estimates of tax position and current revised estimates or submission of tax computations.

Reconciliation of effective tax rate

Year ended 31 March (INR millions)	2014	2013 (restated)
Profit for the year	137,941.7	6,941.5
Total income tax expense	35,068.2	445.2
Profit before tax	173,010.0	7,386.6
Income tax expense using the tax rates applicable to individual entities of 2014: 23.0% (2013: 24.0%)	39,790.5	1,772.5
Enhanced deductions for research and development	-	(1,731.2)
Non-deductible expenses	1,165.6	519.4
Non-taxable income	(2,072.2)	(2,316.6)
Changes in tax rate	(3,008.7)	1,228.4
Withholding taxes suffered	538.0	1,038.7
Group relief surrendered but not paid for	-	222.6
Over provided in prior years	(1,344.9)	(288.5)
Total income tax expense	35,068.2	445.2

The UK Finance Act 2013 was enacted during the period which included provisions for a reduction in the UK corporation tax rate from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. Accordingly, UK deferred tax has been provided at 20% (2013: 23%), as the majority of the temporary differences are expected to reverse at that rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 INVESTMENTS

Investments consist of the following:

As at 31 March (INR millions)	2014	2013
Unquoted equity investments, at cost	36343.4	23676.8

Details of the direct and indirect subsidiary undertakings are as follows, each being a 100% interest in the ordinary share capital of the company:

Name of company	Principal place of business and country of incorporation	Principal activity
Jaguar e Land Rover Brazil Importacao e Comercio de Veiculos Ltda	Brazil	Distribution and sales
Jaguar Land Rover (South Africa) (Pty) Ltd	South Africa	Distribution and sales
Jaguar Land Rover Australia Pty Limited	Australia	Distribution and sales
Jaguar Land Rover Austria GmbH	Austria	Distribution and sales
Jaguar Land Rover Belux N.V.	Belgium	Distribution and sales
Jaguar Land Rover Canada, ULC	Canada	Distribution and sales
Jaguar Land Rover Deutschland GmbH	Germany	Distribution and sales
Jaguar Land Rover Espana SL	Spain	Distribution and sales
Jaguar Land Rover France SAS	France	Distribution and sales
Jaguar Land Rover India Limited	India	Distribution and sales
Jaguar Land Rover Italia SpA	Italy	Distribution and sales
Jaguar Land Rover Japan Limited	Japan	Distribution and sales
Jaguar Land Rover Korea Company Limited	Korea	Distribution and sales
Jaguar Land Rover Nederland BV	Holland	Distribution and sales
Jaguar Land Rover North America, LLC	USA	Distribution and sales
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda	Portugal	Distribution and sales
Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	Distribution and sales
Jaguar Land Rover (South Africa) Holdings Ltd	England and Wales	Holding company
JLR Nominee Company Limited	England and Wales	Non-trading
Land Rover Ireland Limited	Ireland	Non-trading
Daimler Transport Vehicles Limited	England and Wales	Dormant
Jaguar Cars (South Africa) (Pty) Ltd	South Africa	Dormant
Jaguar Cars Limited	England and Wales	Dormant
Land Rover Exports Limited	England and Wales	Dormant
Land Rover Group Limited	England and Wales	Dormant
Land Rover Parts Limited	England and Wales	Dormant
S S Cars Limited	England and Wales	Dormant
The Daimler Motor Company Limited	England and Wales	Dormant
The Jaguar Collection Limited	England and Wales	Dormant
The Lanchester Motor Company Limited	England and Wales	Dormant

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 INVESTMENTS (CONTINUED)

The company has the following investments in joint ventures and associates at 31 March 2014:

Name of investment	Proportion of voting rights	Principal place of business and country of incorporation	Principal activity
Jaguar Land Rover Schweiz AG	10.0%	Switzerland	Sale of automotive vehicles and parts
Jaguar Cars Finance Limited	49.9%	England & Wales	Non-trading
Spark44 (JV) Limited	50.0%	England & Wales	Provision of advertising services
Chery Jaguar Land Rover Automotive Co. Limited	25.0%	China	Manufacture and assembly of vehicles

Following the transfer of trade and net assets of Land Rover on 1 January 2013, the company acquired an additional 20.0% of the interest in Chery Jaguar Land Rover Automotive Co. Ltd, which was completed on 31 May 2013. . In addition the company has increased its investment in Chery Jaguar Land Rover Automotive Co. Limited by a further INR 4,662.5 million during the year ended 31 March 2014.

Except for Spark44 (JV) Limited, the proportion of voting rights disclosed in the table above is the same as the interest in the ordinary share capital. The company has an interest in 55.2% of the total ordinary share capital of Spark44 (JV) Limited, however this share capital is divided into A and B ordinary shares (the company holds 100% of the B shares), with each class of share having the same voting rights and interest in returns and therefore Spark44 (JV) Limited is considered a joint venture.

13 OTHER FINANCIAL ASSETS

As at 31 March (INR millions)	2014	2013
Non-current		
Restricted cash	29.9	16.5
Derivative financial instruments	43,476.6	10,090.7
Others	816.9	1,714.8
Total non-current other financial assets	44,323.5	11,821.9
Current		
Advances and other receivables recoverable in cash	2,171.8	2,423.7
Derivative financial instruments	35,915.1	2,555.6
Interest accrued on investments	279.0	222.6
Total current other financial assets	38,365.8	5,202.0

Restricted cash related to deposits held by banks as part of guarantees made to HMRC in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 PROPERTY, PLANT AND EQUIPMENT

(INR millions)	Land and buildings	Plant and equipment	Vehicles	Computers	Fixtures & fittings	Under construction	Total
Cost							
Balance at 1 April 2012	11,121.2	81,393	57.7	313.3	181.4	2,926.6	95,993.4
Additions	16,323.2	96,175	57.7	412.2	346.2	8,738.7	122,052.8
Transfer from Land Rover	2,102.2	33,075	41.2	66.0	733.7	14,295.1	50,313.3
Disposals	(90.7)	(1,789)	(16.5)	(24.7)	(33.0)	-	(1,953.8)
Balance at 31 March 2013	29,455.9	208,854	140.1	766.7	1,228.4	25,960.4	266,405.6
Additions	15,362.3	66,271	139.5	169.4	1,524.3	80,985.7	164,452.1
Disposals	(139.5)	(1,474)	(10.0)	-	(19.9)	(42,450.5)	(44,094.3)
Reclassification from intangible assets	-	-	-	777.1	-	-	777.1
Balance at 31 March 2014	50,819.1	317,188	298.9	1,873.0	2,988.8	69,907.3	443,075.2
Depreciation							
Balance at 1 April 2012	1,253.1	24,378	24.7	74.2	16.5	-	25,746.1
Depreciation charge for the year	478.2	15,573	8.2	49.5	33.0	-	16,141.8
Transfer from Land Rover	1,714.8	34,196	16.5	107.2	98.9	-	36,133.6
Disposals	(41.2)	(1,608)	(24.7)	(16.5)	(16.5)	0.0	(1,706.5)
Balance at 31 March 2013	3,404.8	72,539	24.7	214.34	131.9	-	76,314.9
Depreciation charge for the year	1,454.5	36,124	29.9	249.1	159.4	-	38,017.2
Disposals	(19.9)	(1,076)	-	-	19.9	-	(1,115.8)
Reclassification from intangible assets	-	-	-	109.6	-	-	109.6
Balance at 31 March 2014	5,549.2	122,709	59.8	617.7	298.9	-	129,234.4
Net book value							
At 31 March 2013	26,051.1	136,315	115.4	552.3	1,096.5	25,960.4	190,090.7
At 31 March 2014	45,269.9	194,479	239.1	1,255.3	2,689.9	69,907.3	313,840.8

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 INTANGIBLE ASSETS

(INR millions)	Goodwill	Software	Intellectual property rights and other intangibles	Capitalised product development	Total
Cost					
Balance at 1 April 2012	9,208.6	560.6	2,695.8	67,032.2	79,497.1
Acquisitions	-	3,767.5	-	49,101.4	52,868.9
Transfer from Land Rover	22,275.4	18,046.2	29,991.8	157,840.1	228,153.3
Disposals	-	(2,704.0)	-	0.0	(2,704.0)
Balance at 31 March 2013	31,483.9	19,670.2	32,687.6	273,973.6	357,815.3
Acquisitions	-	12,433.3	-	108,283.2	120,716.4
Disposals	-	(348.7)	-	(14,545.3)	(14,894.0)
Reclassification to tangible assets	-	(777.1)	-	-	(777.1)
Balance at 31 March 2014	38,047.0	35,078.2	39,501.6	424,823.8	537,450.7
Amortisation and impairment					
Balance at 1 April 2012	-	230.8	-	9,389.9	9,620.8
Amortisation for the year	-	626.5	-	15,012.4	15,638.9
Transfer from Land Rover	-	6,809.6	-	31,418.0	38,227.5
Disposals	-	(2,695.8)	-	-	(2,695.8)
Balance at 31 March 2013	-	4,971.1	-	55,820.3	60,791.4
Amortisation for the year	-	2,480.7	-	45,250.0	47,730.7
Disposals	-	(229.1)	-	(14,545.3)	(14,774.5)
Reclassification to tangible assets	-	(109.6)	-	-	(109.6)
Balance at 31 March 2014	-	8,149.4	-	98,161.2	106,310.6
Net book value					
At 31 March 2013	31,483.9	14,699.1	32,687.6	218,153.3	297,023.9
At 31 March 2014	38,047.4	26,929.1	39,501.9	326,665.6	431,144.0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 INTANGIBLE ASSETS (CONTINUED)

IMPAIRMENT TESTING

The directors are of the view that the operations of the company represent a single cash generating unit. The intellectual property rights are deemed to have an indefinite useful life on the basis of the expected longevity of the brand names.

The recoverable amount of the cash generating unit has been calculated with reference to its value in use. The key assumptions of this calculation are shown below:

As at 31 March	2014	2013
Period on which management approved forecasts are based	5 years	5 years
Growth rate applied beyond approved forecast period	0%	0%
Pre-tax discount rate	10.9%	10.2%

The growth rates used in the value in use calculation reflect those inherent within the Board's business plan which is primarily a function of the company's cycle plan assumptions, past performance and management's expectations of future market developments approved by the Board through to 2018/19. The cash flows are then extrapolated into perpetuity assuming a zero growth rate.

No reasonably possible change in any of the key assumptions would cause the recoverable amount calculated above to be less than the carrying value of the assets of the cash generating unit.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 DEFERRED TAX ASSETS AND LIABILITIES

(INR millions)	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income		Closing balance
At 31 March 2014					
Deferred tax assets					
Property, plant & equipment	13,877.9	(6,545.4)		-	7,332.5
Expenses deductible in future years:					
Provisions, allowances for doubtful receivables	607.7	(179.3)		-	428.4
Derivative financial instruments	6,007.4	(6,007.4)		-	
Compensated absences and retirement benefits	15,422.1	(3,875.4)		1,584.0	13,130.7
Tax loss	55,830.2	(19,506.7)		-	36,323.5
R&D expenditure credit	-	-		-	1,434.6
Total deferred tax asset	91,745.3	(34,679.7)		1,584.0	58,649.6
Deferred tax liabilities	13,877.9	(6,545.4)			
Intangible assets				-	(67,516.3)
Derivative financial instruments	607.7	(179.3)		(19,367.2)	(13,280.1)
Total deferred tax liability	6,007.4	(6,007.4)		(19,367.2)	(80,796.4)
Net deferred tax asset / (liability)	15,422.1	(3,875.4)		(17,783.2)	22,146.8
(INR millions)	Opening balance	Recognised in profit or loss (restated)	Recognised in other comprehensive income (restated)	Transfer from Land Rover	Closing balance
At 31 March 2013					
Deferred tax assets					
Property, plant & equipment	6,405.6	2,242.4	-	2,835.9	11,483.9
Expenses deductible in future years:					
Provisions, allowances for doubtful receivables	8.2	123.7	-	371.0	502.9
Derivative financial instruments	354.5	98.9	8,136.9	(3,619.1)	4,971.1
Compensated absences and retirement benefits	2,778.2	(1,368.5)	3,940.6	7,411.4	12,761.7
Tax loss	38,112.1	5,399.8		2,687.6	46,199.5
Total deferred tax asset	47,658.7	6,496.3	12,077.5	9,686.7	75,919.2
Deferred tax liabilities					
Intangible assets	(14,262.2)	(7,361.9)		(30,519.4)	(52,143.4)
Total deferred tax liability	33,396.5	(7,361.9)		(30,519.4)	(52,143.4)
Net deferred tax asset	6,405.6	(873.9)	12,085.7	(20,832.6)	23,775.8

The company recognises all deferred tax assets at 31 March 2014 and 31 March 2013 in view of the continued profitability of the company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

As at 31 March (INR millions)	2014	2013
Cash and cash equivalents	171,595.3	111,805.4

18 ALLOWANCES FOR TRADE AND OTHER RECEIVABLES

Changes in the allowances for trade and other receivables are as follows:

Year ended 31 March (INR millions)	2014	2013
At beginning of year	547.9	140.1
Change in allowance during the year	99.6	(66.0)
Transfer from Land Rover	-	346.2
Written off	(10.0)	33.0
At end of year	637.6	453.4

19 INVENTORIES

As at 31 March (INR millions)	2014	2013
Raw materials and consumables	5589.0	2844.2
Work in progress	21897.7	17056.9
Finished goods	64487.7	46240.7
Total inventories	91974.4	66141.8

Inventories of finished goods include INR 16,189.2 million (2013: INR 12,943.1 million), relating to vehicles sold to rental car companies, fleet customers and others with guaranteed repurchase arrangements.

Cost of inventories (including cost of purchased products) recognised as an expense during the year amounted to INR 995,708.9 million (2013: INR 508,977.7 million).

During the year, the company recorded inventory write-down expense of INR 1,195.5 million (2013: INR 709.0 million). The write-down is included in cost of sales. No previous write-downs have been reversed in any period.

20 OTHER ASSETS

As at 31 March (INR millions)	2014	2013
Non-current assets		
Others	2640.1	-
Total other non-current assets	2640.1	-
Current assets		
Prepaid expenses	5638.8	2225.9
Income tax	1155.7	-
Others	22196.6	610.1
Total other current assets	28991.1	2835.9

21 ACCOUNTS PAYABLE

As at 31 March (INR millions)	2014	2013
Trade payables	315,743.7	231,022.3
Liabilities for expenses	3,387.3	2,250.6
Others	26,709.6	12,934.9
Total accounts payable	345,840.6	246,207.7

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22 INTEREST BEARING LOANS AND BORROWINGS

As at 31 March (INR millions)	2014	2013
Other loans	345,900.4	276,290.2
Total borrowings	345,900.4	276,290.2
Less:		
Current other loans	(162,977.6)	(120,008.2)
Short term borrowings and current portion of long term debt	(162,977.6)	(120,008.2)
Long term debt	182,922.8	156,281.9

The contractual cash flows of interest bearing debt and borrowings as of 31 March 2014 are set out below, including estimated interest payments and assumes the debt will be repaid at the maturity date.

As at 31 March (INR millions)	2014	2013
Due in		
1 year or less	175,819.4	132,003.3
2nd and 3rd years	25,295.0	24,674.4
4th and 5th years	66,231.2	24,196.2
More than 5 years	165,986.3	177,543.3
Total contractual cash flows	433,331.9	358,417.1

23 OTHER FINANCIAL LIABILITIES

As at 31 March (INR millions)	2014	2013
Current		
Interest accrued	2,321.3	3,751.0
Derivative financial instruments	6,445.8	17,015.7
Liability for vehicles sold under a repurchase arrangement	17,285.1	14,352.8
Other payables	13,080.9	7,699.9
Finance lease obligations	488.2	-
Total current other financial liabilities	39,621.1	42,819.5
Non-current		
Derivative financial instruments	5,459.5	17,172.3
Other payables	2,779.6	1,286.1
Finance lease obligations	1,344.9	-
Total non-current other financial liabilities	9,584.0	18,458.4

24 PROVISIONS

As at 31 March (INR millions)	2014	2013
Current		
Product warranty	26,052.1	17,798.8
Legal and product liability	4,602.7	1,302.6
Provisions for environmental liability	-	66.0
Total current provisions	30,654.8	19,167.4
Non-current		
Product warranty	44,652.2	26,652.9
Provision for environmental liability	2,072.2	1,797.2
Other employee benefit obligations	986.3	-
Total non-current provisions	47,710.7	28,450.1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 PROVISIONS (CONTINUED)

Year ended 31 March (INR millions)	2014	2013
Product warranty		
Opening balance	53,718.2	11,871.4
Provision made during the year	40,218.9	13,866.4
Provision used during the year	(22,764.5)	(8,384.2)
Transfer from Land Rover	-	27,098.1
Impact of discounting	(468.3)	-
Closing balance	70,704.3	44,451.8
Legal and product liability		
Opening balance	1,574.1	148.4
Provision made during the year	4,014.9	395.7
Provision used during the year	(816.9)	(527.6)
Foreign exchange	(169.4)	-
Transfer from Land Rover	-	1,286.1
Closing balance	4,602.7	1,302.6
Environmental liability		
Opening balance	2,251.5	643.0
Provision made during the year	-	321.5
Provision used during the year	(179.3)	(148.4)
Transfer from Land Rover	-	1,047.0
Closing balance	2,072.2	1,863.1

PRODUCT WARRANTY PROVISION

The company offers warranty cover in respect of manufacturing defects, which become apparent within one to five years after purchase, dependent on the market in which the purchase occurred. The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation. The timing of outflows will vary as and when a warranty claim will arise, being typically up to five years.

LEGAL AND PRODUCT LIABILITY PROVISION

A legal and product liability provision is maintained in respect of known litigation which impacts the company, but for which the amount and timing are uncertain. The provision primarily relates to motor accident claims, consumer complaints, dealer terminations, employment cases and personal injury claims.

ENVIRONMENTAL RISK PROVISION

This provision relates to various environmental remediation costs such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.

25 OTHER CURRENT LIABILITIES

As at 31 March (INR millions)	2014	2013
Others	3,247.8	6,966.2
Total other current liabilities	3,247.8	6,966.2

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26 CAPITAL AND RESERVES

As at 31 March (INR millions)	2014	2013
Allotted, called up and fully paid 1,607,427,520 (2013: 1,500,000,000) ordinary shares of INR 99.62 each	160,138.3	123,660.3
Total capital presented as equity	160,138.3	123,660.3

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. On 31 March 2014, the company issued a further 107,427,520 shares at their nominal value of INR 99.62 each.

27 OTHER RESERVES

The movement of other reserves is as follows:

(INR millions)	Hedging reserve	Retained earnings (restated)	Total reserves (restated)
Balance at 1 April 2013	(27,732.9)	156,554.0	128,821.1
Profit for the year	-	137,941.7	137,941.7
Remeasurement of defined benefit obligation	-	(13,409.6)	(13,409.6)
Gain on effective cash flow hedges	103,720.3	-	103,720.3
Cash flow hedges reclassified to foreign exchange in profit or loss	(10,689.8)	-	(10,689.8)
Income tax related to items recognised in other comprehensive income	(21,828.0)	1,584.0	(20,243.9)
Income tax related to items reclassified to profit or loss	2,460.8	-	2,460.8
Dividend paid	-	(14,943.9)	(14,943.9)
Balance at 31 March 2014	40,149.1	300,361.5	340,510.6
Balance at 1 April 2012	(461.7)	(205,136.0)	(205,597.7)
Profit for the year	-	6,941.5	6,941.5
Remeasurement of defined benefit obligation	-	(18,367.7)	(18,367.7)
Gain on effective cash flow hedges	(37,724.6)	-	(37,724.6)
Cash flow hedges reclassified to foreign exchange in profit or loss	2,316.6	-	2,316.6
Income tax related to items recognised in other comprehensive income	8,689.2	3,940.6	12,629.8
Income tax related to items reclassified to profit or loss	(552.3)	-	(552.3)
Reduction of share capital	-	326,974.4	326,974.4
Realisation of share premium	-	42,201.2	42,201.2
Balance at 31 March 2013	(27,732.9)	156,554.0	128,821.1

The disclosure above, in addition to the restatement required for the adoption of IAS 19 revised in the year as set out in note 2, has been amended to correctly allocate tax related to items of other comprehensive income within the appropriate reserves.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 DIVIDENDS

Year ended 31 March (INR millions)	2014	2013
Dividend proposed for the previous year paid during the year of INR 9.962568(GBP 0.1) (2013: INR nil) per share	14,943.9	-
Dividend for the year paid during the year of nil (2013: INR nil) per share	-	-
Amounts recognised as distributions to equity holders during the year	14,943.9	-
Proposed dividend for the year of INR 8.9663112 (2013:INR 8.8244023) per share	14,943.9	12,366.0

The proposed dividend of INR 14943.9m for the year ended 31 March 2014 was paid in full in June 2014.

29 EMPLOYEE BENEFITS

The company operates defined benefit schemes for qualifying employees of certain of its subsidiaries. The defined benefit schemes are administered by a separate fund that is legally separated from the company. The trustees of the pension schemes are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme are responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of trustees must be composed of representatives of the company and plan participants in accordance with the plan's regulations.

Under the schemes, the employees are entitled to post-retirement benefits based on their length of service and salary.

Through its defined benefit pension plans the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to corporate bond yields; if plan assets underperform these corporate bonds, this will create a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the company pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the UK defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

NOTES (CONTINUED)

29 EMPLOYEE BENEFITS (CONTINUED)

The following tables set out the disclosures pertaining to the retirement benefit amounts recognised in the financial statements:

Change in present value of defined benefit obligation

Year ended 31 March (INR millions)	2014	2013 (restated)
Defined benefit obligation at beginning of year	595,671.9	203,495.5
Transfer in from Land Rover	-	218,079.1
Current service cost	17,474.3	5,671.9
Interest expense	25,932.6	12,803.0
Actuarial (gains) / losses arising from:		
Changes in demographic assumptions	(3,925.3)	(6,867.3)
Changes in financial assumptions	(24,109.4)	63,866.4
Experience adjustments	717.3	2,407.3
Past service cost	577.8	453.4
Member contributions	129.5	511.1
Benefits paid	(13,409.6)	(7,502.1)
Defined benefit obligation at end of year	599,059.2	492,918.4

Change in fair value of plan assets

Year ended 31 March (INR millions)	2014	2013 (restated)
Fair value of plan assets at beginning of year	531,632.5	205,688.4
Transfer in from Land Rover	-	185,869.7
Interest income	23,551.5	12,448.5
Remeasurement (loss) / gain on the return of plan assets, excluding amounts included in interest income	(40,727.0)	31,418.0
Administrative expenses	(826.9)	(214.3)
Employer contributions	33,065.8	11,706.5
Member contributions	129.5	511.1
Benefits paid	(13,409.6)	(7,502.1)
Fair value of plan assets at end of year	533,415.8	439,925.8

The actual return on plan assets for the year was INR (17,175.5) million (2013: INR 43,866.4 million).

NOTES (CONTINUED)

29 EMPLOYEE BENEFITS (CONTINUED)

Amounts recognised in the consolidated income statement consist of:

Year ended 31 March (INR millions)	2014	2013 (restated)
Current service cost	17,474.3	5,671.9
Past service cost	577.8	453.4
Administrative expenses	826.9	214.3
Net interest cost (including onerous obligations)	2,381.1	362.7
Components of defined benefit cost recognised in the consolidated income statement	21,260.1	6,702.4

Amounts recognised in the consolidated statement of comprehensive income of:

Year ended 31 March (INR millions)	2014	2013 (restated)
Actuarial (gains) / losses arising from:		
Changes in demographic assumptions	(3,925.3)	(6,867.3)
Changes in financial assumptions	(24,109.4)	63,866.4
Experience adjustments	717.3	2,407.3
Remeasurement loss / (gain) on the return of plan assets, excluding amounts included in interest income	40,727.0	(31,418.0)
Change in restriction of pension asset recognised (as per IFRIC 14)		(2,192.9)
Change in onerous obligation, excluding amounts included in interest expense		(7,427.9)
Remeasurement of defined benefit obligation	13,409.6	18,367.7

Amounts recognised in the consolidated balance sheet consist of:

As at 31 March (INR millions)	2014	2013
Present value of unfunded defined benefit obligations	-	-
Present value of funded defined benefit obligations	(599,059.2)	(492,918.4)
Fair value of plan assets	533,415.8	439,925.8
Restriction of pension asset recognised (as per IFRIC 14)		
Onerous obligation		
Net retirement benefit obligation	65,643.4	52,992.6
Presented as non-current asset		
Presented as non-current liability	65,643.4	52,992.6

The most recent actuarial valuations of scheme assets and the present value of the defined benefit liability were carried out at 31 March 2014 by a qualified independent actuary. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used in accounting for the pension plans are set out below:

Year ended 31 March (%)	2014	2013
Discount rate	4.6	4.4
Expected rate of increase in compensation level of covered employees	3.9	3.9
Inflation increase	3.4	3.4

NOTES (CONTINUED)

29 EMPLOYEE BENEFITS (CONTINUED)

For the valuation at 31 March 2014 and 2013, the mortality assumptions used are the SAPS base table, in particular S1NxA tables and the Light table for members of the Jaguar Executive Pension Plan. A scaling factor in both 2014 and 2013 of 115% has been used for the Jaguar Pension Plan, 110% for the Land Rover Pension Scheme, and 105% for males and 90% for females for Jaguar Executive Pension Plan. There is an allowance for future improvements in line with the CMI (2013) projections (2013: CMI (2012) projections) and an allowance for long term improvements of 1.25% per annum.

The assumed life expectations on retirement at age 65 are:

Valuation at 31 March (years)	2014	2013
Retiring today:		
Males	20.0	22.2
Females	24.5	24.6
Retiring in 20 years:		
Males	23.8	23.9
Females	26.4	26.6

The below sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous periods.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase / decrease by 0.25%	Decrease / increase by INR 34,670 million	Decrease / increase by INR 1,196 million
Inflation rate	Increase / decrease by 0.25%	Increase / decrease by INR 29,290 million	Increase / decrease by INR 1,196 million
Mortality	Increase / decrease by 1 year	Increase / decrease by INR 14,446 million	Increase / decrease by INR 398 million

NOTES (CONTINUED)

29 EMPLOYEE BENEFITS (CONTINUED)

The fair value of plan assets is represented by the following major categories:

As at 31 March (INR millions)	2014				2013			
	Quoted*	Unquoted	Total	%	Quoted*	Unquoted	Total	%
Equity instruments								
Information technology	7,272.7	-	7,272.7	1%	9,810.4	-	9,810.4	2%
Energy	6,077.2	-	6,077.2	1%	8,244.0	-	8,244.0	2%
Manufacturing	6,674.9	-	6,674.9	1%	8,986.0	-	8,986.0	2%
Financials	12,752.1	-	12,752.1	2%	16,735.4	-	16,735.4	4%
Other	27,994.8	-	27,994.8	5%	38,252.3	-	38,252.3	9%
	60,771.7	-	60,771.7	11%	82,028.0	-	82,028.0	19%
Debt instruments								
Government	208,317.3	-	208,317.3	39%	171,228.4	-	171,228.4	39%
Corporate Bonds (investment grade)	116,263.2	-	116,263.2	22%	92,992.6	-	92,992.6	21%
Corporate bonds (Non investment grade)	25,105.7	2,789.5	27,895.2	5%	15,004.1	1,648.8	16,652.9	4%
	349,686.1	2,789.5	352,475.7	66%	279,225.1	1,648.8	280,873.9	64%
Property								
UK	17,235.2	-	17,235.2	3%	10,552.3	-	10,552.3	2%
Other	6,276.4	-	6,276.4	1%	4,864.0	-	4,864.0	1%
	23,511.7	-	23,511.7	4%	15,416.3	-	15,416.3	3%
Cash and cash equivalents	35,865.2	-	35,865.2	7%	16,817.8	-	16,817.8	4%
Other								
Hedge Funds	27,596.3	3,088.4	30,684.7	6%	23,495.5	2,638.1	26,133.6	6%
Private Markets	3,885.4	3,885.4	7,770.8	1%	2,061.0	2,061.0	4,122.0	1%
Alternatives	19,725.9	2,191.8	21,917.6	4%	15,086.6	1,648.8	16,735.4	4%
	51,207.6	9,165.6	60,373.2	11%	40,643.0	6,347.9	46,990.9	11%
Derivatives								
Foreign exchange contracts	398.5	-	398.5	0%	(2,225.9)	-	(2,225.9)	(1%)
	398.5	-	398.5	-	(2,225.9)	-	(2,225.9)	(1%)
Total	521,440.8	11,955.1	533,395.9	100%	431,904.4	7,996.7	439,901.1	100%

*Quoted prices for identical or similar assets or liabilities in active markets

The split of level 1 assets is 74% (2013: 80%, 2012: 83%), level 2 assets 16% (2013: 20%, 2012: 17%) and level 3 assets nil% (2013: nil%, 2012: nil%). Equity instruments and the majority of debt instruments have quoted prices in active markets (Level 1). Corporate bonds (Non-investment grade), derivatives, property and other assets are classified as Level 2 instruments. Private market holdings are classified as Level 3 instruments.

NOTES (CONTINUED)

29 EMPLOYEE BENEFITS (CONTINUED)

The company has agreed that it will aim to eliminate the pension plan funding deficit over the next 8 years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 22.3% of pensionable salaries in the UK. The next triennial valuation is due to be carried out as at 5 April 2015 and completed by 5 June 2016. The company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The average duration of the benefit obligation at 31 March 2014 is 22.5 years (2013: 22.5 years).

The expected net periodic pension cost for the year ended 31 March 2015 is INR 20,523 million. The company expects to contribute INR 11,258 million to its plans in the year ended 31 March 2015.

DEFINED CONTRIBUTION PLAN

The company's contribution to defined contribution plans aggregated INR 2,291 million (2013: INR 1,196 million).

30 COMMITMENTS AND CONTINGENCIES

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 on-going basis, with the assistance of external legal counsel wherever necessary. 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.

The following is a description of claims and assertions where a potential loss is possible, but not probable. 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.

LITIGATION

The company is involved in legal proceedings, both as plaintiff and as defendant and there are claims as at 31 March 2014 of INR 2,739.7 million (2013: INR 1,310.8 million) against the company which management have not recognised as they are not considered probable. The majority of these claims pertain to motor accident claims and consumer complaints. Some of the cases also relate to replacement of parts of vehicles and/or compensation for deficiency in the services by the company or its dealers.

COMMITMENTS

The company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature aggregating INR 93,658.1 million (2013: INR 23,701.6 million).

The company has entered into various contracts with vendors and contractors which include obligations aggregating INR 71,401.7 million (2013: INR 71,005.8 million) to purchase minimum or fixed quantities of material.

Commitments related to leases are set out in note 33.

There are guarantees provided in the ordinary course of business of INR 59.8 million (2013: INR nil).

Stipulated within the joint venture agreement for Chery Jaguar Land Rover Automotive Co. Limited is a commitment for the company to contribute a total of RMB 1,750 million of additional capital, of which RMB 812.5 million has been contributed as at 31 March 2014. The outstanding commitment of RMB 937.5 million translates to INR 9,026.1 million at year-end exchange rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 CAPITAL MANAGEMENT

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

The policy of the group headed by Jaguar Land Rover Automotive PLC is to borrow primarily through capital market issues to meet anticipated funding requirements and maintain sufficient liquidity. The group also maintains certain undrawn committed facilities to provide additional liquidity. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash in subsidiaries is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure is governed according to group policies approved by the Board and is monitored by various metrics such as debt to EBITDA and EBITDA to interest ratios, as per the debt covenants and rating agency guidance. Funding requirements are reviewed periodically with any debt issuances and capital distributions approved by the Board.

The following table summarises the capital of the company:

As at 31 March (INR millions)	2014	2013
Short term debt	163,465.8	120,008.2
Long term debt	184,267.7	156,281.9
Total debt	347,733.5	276,290.2
Equity	500,648.9	252,481.4
Total capital	848,382.4	528,771.6

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(A) FINANCIAL ASSETS AND LIABILITIES

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2014:

Financial assets

(INR millions)	Cash, loans and receivables	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Cash and cash equivalents	171,595.3	-	-	171,595.3	171,595.3
Short term deposits	119,401.4	-	-	119,401.4	119,401.4
Trade receivables	132,382.6	-	-	132,382.6	132,382.6
Other financial assets - current	2,450.8	35,277.5	637.6	38,365.8	38,365.8
Other financial assets - non-current	846.8	41,384.5	2,092.1	44,323.5	44,323.5
Total financial assets	426,676.9	76,662.0	2,729.7	506,068.6	506,068.6

Financial liabilities

(INR millions)	Other financial liabilities	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Accounts payable	345,840.6	-	-	345,840.6	345,840.6
Short term debt	162,977.6	-	-	162,977.6	162,977.6
Long term debt	182,912.7	-	-	182,912.7	182,912.7
Other financial liabilities - current	33,175.4	5,339.9	1,105.8	39,621.1	39,621.1
Other financial liabilities - non-current	4,124.5	3,706.1	1,753.4	9,584.0	9,584.0
Total financial liabilities	729,030.8	9,046.0	2,859.3	740,936.1	740,936.1

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2013:

Financial assets

(INR millions)	Cash, loans and receivables	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Cash and cash equivalents	111,805.4	-	-	111,805.4	151,630,537.6
Short term deposits	63,891.2	-	-	63,891.2	49,515,663.1
Trade receivables	147,568.0	-	-	147,568.0	264,146,740.9
Other financial assets - current	2,646.3	2,440.2	115.4	5,202.0	328,244.8
Other financial assets - non-current	1,731.2	4,229.2	5,861.5	11,821.9	1,695,264.6
Total financial assets	327,642.2	6,669.4	5,976.9	340,288.5	1,404,608,995.7

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities

(INR millions)	Other financial liabilities	Derivatives in cash flow hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Accounts payable	246,207.7	-	-	246,207.7	246,207.7
Short term debt	120,008.2	-	-	120,008.2	120,008.2
Long term debt	156,281.9	-	-	156,281.9	156,281.9
Other financial liabilities - current	25,803.8	14,765.0	2,250.6	42,819.5	42,819.5
Other financial liabilities - non-current	1,286.1	12,901.9	4,270.4	18,458.4	18,458.4
Total financial liabilities	549,587.8	27,666.9	6,521.0	583,775.8	583,775.8

Offsetting

Certain financial assets and financial liabilities are subject to master netting arrangements where presentation on a net basis in the balance sheet is appropriate. Other financial assets and financial liabilities may be subject to such arrangements, but the right to offset balances only arises under certain legally enforceable conditions and are therefore not permitted to be offset.

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at 31 March 2014:

INR millions	Gross amount recognised	Gross amount of recognised set off in the balance sheet	Net amount presented in the balance sheet	Gross amount of derivatives which can be offset in case of insolvency	Net amount after offsetting
Financial assets					
Derivative financial assets	85,180.0	(5,748.4)	79,431.6	(11,895.3)	67,536.3
Cash and cash equivalents	173,737.3	(2,142.0)	171,595.3	-	171,595.3
	258,917.3	(7,890.4)	251,026.9	(11,895.3)	239,131.6
Financial liabilities					
Derivative financial liabilities	17,653.7	(5,748.4)	11,905.3	(11,895.3)	10.0
Bank overdrafts	2,142.0	(2,142.0)	-	-	-
	19,795.6	(7,890.4)	11,905.3	(11,895.3)	368.6

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 FINANCIAL INSTRUMENTS (CONTINUED)

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at 31 March 2013:

INR millions	Gross amount recognised	Gross amount of recognised set off in the balance sheet	Net amount presented in the balance sheet	Gross amount of derivatives which can be offset in case of insolvency	Net amount after offsetting
Financial assets					
Derivative financial assets	13,553.2	(906.8)	12,646.3	(8,672.7)	3,973.6
	13,553.2	(906.8)	12,646.3	(8,672.7)	3,973.6
Financial liabilities					
Derivative financial liabilities	35,094.8	(906.8)	34,188.0	(8,672.7)	25,515.3
	35,094.8	(906.8)	34,188.0	(8,672.7)	25,515.3

Fair value hierarchy

Financial instruments held at fair value are required to be measured by reference to the following levels.

- Quoted prices in an active market (Level 1): This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category mainly includes quoted equity shares, quoted corporate debt instruments and mutual fund investments.
- Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financial instruments that are measured subsequent to initial recognition at fair value are forward currency contracts, commodity contracts and embedded derivatives. All of these financial instruments are classified as Level 2 fair value measurements, as defined by IFRS 7, being those derived from inputs other than quoted prices that are observable. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves from Reuters.

Fair values of cash and cash equivalents, short term deposits, trade receivables and payables, short term debt, other financial assets and liabilities, current and non-current (excluding derivatives) are assumed to approximate to cost due to the short term maturing of the instruments and as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 FINANCIAL INSTRUMENTS (CONTINUED)

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the company could have realised in a sales transaction as of respective dates. The estimated fair value amounts as of 31 March 2014 and 31 March 2013 have been measured as of the respective dates. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

(B) CASH FLOW HEDGING

The company risk management policy allows the use of currency and interest derivative instruments to manage its exposure to fluctuations in foreign exchange and interest rates. To the extent possible under IAS 39, these instruments are hedge accounted under that Standard.

As of 31 March 2014, the company has taken out a number of cash flow hedging instruments. The company uses USD/GBP forward and option contracts, USD/Euro forward contracts and other currency options to hedge future cash flows from sales and purchases. Cash flow hedges are expected to be recognised in profit or loss during the years ending 31 March 2015 to 2018.

The company also has a number of USD/Euro options which are entered into as an economic hedge of the financial risks of the company. These contracts do not meet the hedge accounting criteria of IAS 39, so the change in fair value is recognised immediately in the income statement.

The time value of options is considered ineffective in the hedge relationship and thus the change in time value is recognised immediately in the income statement.

The group uses foreign currency contracts to hedge its risk associated with foreign currency fluctuations relating to highly probable forecast transactions. The fair value of such contracts as of 31 March 2014 was a net asset of INR 67,615.9 million (2013: net liability of INR 20,997.5 million).

Changes in fair value of foreign currency contracts to the extent determined to be an effective hedge is recognised in the statement of other comprehensive income and the ineffective portion of the fair value change is recognised in income statement. Accordingly, the fair value change of net gain of INR 93,030.5 million (2013: loss of INR 37,724.6 million) was recognised in other comprehensive income. The ineffective portion recognised in profit or loss that arises from cash flow hedges amounts to a gain of INR 109.6 million (2013: loss of INR 66.0 million). The gain on derivative contracts not eligible for hedging INR 5,628.9 million (2013: loss of INR 865.6 million) which has been recognised in foreign exchange gain/(loss) in the consolidated income statement.

The total loss on commodities of INR 1,783.3 million (2013: INR 840.9 million) has been recognised in other income in the consolidated income statement.

A 10% depreciation/appreciation of the foreign currency underlying such contracts would have resulted in an approximate additional gain/(loss) of INR 73,125.2 million / (INR 88,965.7) million (2013: INR 2,390.7 million / (INR 2,390.7) million) in equity and a gain/(loss) of INR 5,080.9 million / (INR 3,088.4) million (2013: INR 659.5 million / (INR 659.5) million) in the consolidated income statement.

(C) FINANCIAL RISK MANAGEMENT

In the course of its business, the company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The company has a risk management policy which not only covers the foreign exchange risks but also the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment – by reducing the impact of currency and interest rate fluctuations to the company's business plan.
- Achieve greater predictability to earnings – by determining the financial value of the expected earnings in advance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 FINANCIAL INSTRUMENTS (CONTINUED)

(D) MARKET RISK

Market risk is the risk of any loss in future earnings in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in any of the risks outlined in (C) above or other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Each of the sensitivity analyses presented in the following sections (E) to (H) assumes that all other variables remain constant and are based on reasonably possible changes in each of the market risks presented.

(E) FOREIGN CURRENCY EXCHANGE RATE RISK

The fluctuation in foreign currency exchange rates may have potential impact on the income statement, the statement of comprehensive income, the balance sheet, the cash flow statement and the statement of changes in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective company.

Considering the countries and economic environment with which the company transacts, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Chinese Yuan, Japanese Yen and Euro against the functional currency of the company.

The company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange exposure. Any weakening of the functional currency may impact the company's cost of imports and cost of borrowings.

The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The following table sets forth information relating to foreign currency exposure as of 31 March 2014:

As at 31 March 2014 (INR millions)	US Dollar	Euro	Chinese Yuan	JPY	*Others	Total
Financial assets	62,236.2	40,806.7	39,581.3	2,401.0	27,078.3	172,103.4
Financial liabilities	(143,949.1)	(139,744.9)	(90,868.6)	(6,226.6)	(17,653.7)	(398,442.9)
Net exposure asset / (liability)	(81,713.0)	(98,938.3)	(51,287.3)	(3,825.6)	9,424.6	(226,339.6)

A 10% appreciation / depreciation of the USD, Euro and Yen would result in an increase/ decrease in the company's net profit before tax and net assets by approximately INR 14,395.9 million, INR 13,977.5 million and INR 627.6 million respectively for the year ended 31 March 2014.

The following table sets forth information relating to foreign currency exposure as of 31 March 2013:

As at 31 March 2013 (INR millions)	US Dollar	Euro	JPY	*Others	Total
Financial assets	247.3	3,215.2	16.5	4,171.5	7,650.5
Financial liabilities	(93,907.7)	(96,422.1)	(5,094.8)	(16,141.8)	(211,566.4)
Net exposure liability	(93,660.3)	(93,206.9)	(5,078.3)	(11,970.3)	(203,915.9)

A 10% appreciation / depreciation of the Euro, USD and Yen would result in an increase/ decrease in the company's net profit before tax and net assets by approximately INR 3,215.2 million, INR 412.2 million and INR 577.1 million respectively for the year ended 31 March 2013.

* Others include Russian Rouble, Singapore Dollar, Swiss Franc, Australian Dollar, South African Rand, Thai Baht, Korean Won etc.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 FINANCIAL INSTRUMENTS (CONTINUED)

(F) INTEREST RATE RISK

At 31 March 2014, the majority of the company's interest rate risk relates to short term financing arrangements.

The company is subject to variable interest rates on some of its interest bearing liabilities. The company's interest rate exposure is mainly related to debt obligations. The company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

As of 31 March 2014 net financial liabilities of INR 162,977.6 million (2013: INR 120,008.2 million) were subject to the variable interest rate. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of INR 1,633.9 million (2013: INR 1,454.5 million) in the income statement.

(G) LIQUIDITY RISK

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

The company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and undrawn borrowing facilities to meet the company's operating requirements with an appropriate level of headroom.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

As at 31 March 2014 (INR millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Financial liabilities						
Long term debt	182,912.7	265,592.1	11,616.4	11,516.7	76,472.7	165,986.3
Short term borrowings	162,977.6	162,977.6	162,977.6	-	-	-
Finance lease liabilities	1,833.1	2,022.4	587.8	587.8	816.9	29.9
Other financial liabilities	35,466.7	37,917.5	31,591.3	4,005.0	2,321.3	-
Accounts payable	345,840.6	345,840.6	345,840.6	-	-	-
Derivative financial liabilities	11,905.3	12,941.4	7,053.5	4,772.1	1,115.8	-
Total contractual maturities	740,936.1	827,291.6	559,667.2	20,881.5	80,726.7	166,016.2

As at 31 March 2013 (INR millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Financial liabilities						
Long term debt	154,699.1	236,430.3	11,813.7	11,805.4	35,424.6	177,386.6
Short term borrowings	119,662.0	119,662.0	119,662.0	-	-	-
Finance lease liabilities	1,929.1	2,316.6	519.4	535.9	1,104.7	156.6
Other financial liabilities	27,089.9	27,089.9	25,803.8	1,286.1	-	-
Accounts payable	246,207.7	246,207.7	246,207.7	-	-	-
Total contractual maturities	549,587.8	631,706.5	404,006.6	13,627.4	36,529.3	177,543.3

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 FINANCIAL INSTRUMENTS (CONTINUED)

(H) CREDIT RISK

Credit risk is the risk of financial loss 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 investments classified as loans and receivables and trade receivables. None of the financial instruments of the company result in material concentrations of credit risks. For trade receivables, the company considers counterparty creditworthiness by means of an internal rating process and its country risk. In this context, the historic financial performance and other relevant information on the counterparty such as payment history are used and assessed.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets

None of the company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding other financial assets that are neither past due nor impaired, there were no indications as at 31 March 2014 or 31 March 2013 that defaults in payment obligations will occur.

As at 31 March (INR millions)	2014 Gross	2014 Impairment	2013 Gross	2013 Impairment
Not yet due	133,179.6	109.6	178,499.3	-
Overdue < 3 months	1,325.0	29.9	1,823.1	69.7
Overdue >3<6 months	119.6	19.9	318.8	129.5
Overdue >6 months	557.9	468.2	687.4	348.7
Total	135,182.1	627.6	181,328.7	547.9

Included within trade receivables is INR 16,637.5 million (2013: INR 19,909.3 million) of receivables which are part of a debt factoring arrangement. These assets do not qualify for derecognition due to the recourse arrangements in place. The related liability of INR 16,637.5 million (2013: INR 19,909.3 million) is in short term borrowings. Both asset and associated liability are stated at fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33 LEASES

LEASES AS LESSEE

Non-cancellable finance lease rentals are payable as follows:

As at 31 March (INR millions)	2014	2013
Less than one year	488.2	420.4
Between one and five years	1,315.1	1,360.3
More than five years	29.9	148.4
Total lease receipts	1,833.1	1,929.1

The above leases relate to amounts payable on plant and machinery in line with IFRIC 4. The company leased certain of its manufacturing equipment under finance lease. The average lease term is 8 years. The company has options to purchase certain equipment for a nominal amount at the end of lease term.

Non-cancellable operating lease rentals are payable as follows:

As at 31 March (INR millions)	2014	2013
Less than one year	1,753.4	107.2
Between one and five years	2,590.3	428.7
More than five years	1,394.8	560.6
Total lease payments	5,738.4	1,096.5

The company leases a number of properties and plant and machinery under operating leases.

LEASES AS LESSOR

The future minimum lease receipts under non-cancellable operating leases are as follows:

As at 31 March (INR millions)	2014	2013
Less than one year	388.5	338.0
Between one and five years	-	8.2
More than five years	-	-
Total lease payments	388.5	346.2

The above leases relate to amounts receivable in respect of land and buildings and fleet car sales. The average lease life is less than one year.

34 SEGMENT REPORTING

Operating segments are defined as components of the company about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance.

The company operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories from which the company derives its revenues. The company has only one operating segment, so no separate segment report is given.

The geographic spread of sales and non-current assets is as disclosed below:

(INR millions)	UK	US	China	Rest of Europe	Rest of World	Total
31 March 2014						
Revenue	1,368,398.6	6007.4	8229.1	66221.2	114629.3	1,563,485.6
Non-current assets	744,980.9	-	-	-	-	744,980.9
31 March 2013						
Revenue	594,748.6	-	-	-	-	594,748.6
Non-current assets	487,114.6	-	-	-	-	487,114.6

In the table above, non-current assets excludes financial assets, pension assets and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35 RELATED PARTY TRANSACTIONS

The company's related parties principally consist of Tata Sons Ltd., subsidiaries, associates and joint ventures of Tata Sons Ltd which includes Tata Motors Ltd. (the ultimate parent company), subsidiaries, associates and joint ventures of Tata Motors Ltd. The company routinely enters into transactions with these related parties in the ordinary course of business including transactions for sale and purchase of products with its associates and joint ventures.

The following table summarises related party transactions and balances not eliminated in the consolidated financial statements.

(INR millions)	With fellow subsidiaries, associates and joint ventures	With immediate or ultimate parent
31 March 2014		
Sale of products	1,031,922.8	5,479.4
Services received	14,445.7	996.3
Services rendered	797.0	-
Interest income	6,575.3	-
Interest expense	30,585.1	-
Trade and other receivables	63,561.2	1,394.8
Accounts payable	6,276.4	-
Loans given	1,195.5	-
Loans received	334,941.5	-
31 March 2013		
Sale of products	485,820.3	-
Goods received	82.4	-
Services received	2,555.6	494.6
Trade and other receivables	140,148.4	-
Accounts payable	11,789.0	164.9
Loans received	274,113.8	-

Compensation of key management personnel

Year ended 31 March (INR millions)	2014	2013
Short term benefits	1,783.3	1,343.8
Post-employment benefits	318.8	164.9
Compensation for loss of office	19.9	148.4
Total compensation of key management personnel	2,122.0	1,657.0

In addition to the compensation noted above, a loan of INR 69.7 million has been granted to a member of key management personnel. This loan is for a term of 8 years and is interest bearing at the HMRC official rate.

Refer to note 29 for information on transactions with post-employment benefit plans.

36 ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

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

Copies of the Tata Motors Limited, India consolidated financial statements can be obtained from the Group Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai – 400001, India. Copies of the Jaguar Land Rover Automotive PLC consolidated financial statements can be obtained from the company's registered office.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37 SUBSEQUENT EVENTS

In May 2014, the company proposed an ordinary dividend of INR 14,943.9 million to its immediate parent Jaguar Land Rover Holdings Limited. This amount was paid in full in June 2014.

38 TRANSFER OF TRADE AND ASSETS

On 1 April 2013, the trade and assets of Jaguar Land Rover Exports Limited (other than certain of its nominee shareholdings) were transferred to Jaguar Land Rover Limited at their book value. The net assets transferred were as follows:

As at 1 April (INR millions)	2013
Non-current assets	
Other financial assets	41.2
	41.2
Current assets	
Cash and cash equivalents	1,690.0
Finance receivables	59,010.7
Trade receivables	116,339.7
Inventories	24,765.0
Other current assets	28,986.0
	230,791.4
Current liabilities	
Accounts payable	203,759.3
Short term borrowings	18,136.9
Other financial liabilities	6,380.9
	(228,277.0)
Net assets	2,555.6

39 Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate

“Courtesy”
Translation of the
REPORT
on the
Audit of the Annual Financial Statements
as of 31 March 2014
of
JAGUAR LAND ROVER AUSTRIA GMBH
SALZBURG

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Appendices

Financial Statements and Management Report

- 1 Balance Sheet as of 31 March 2014
- 2 Income Statement for the financial year from 1 April 2013 to 31 March 2014
- 3 Notes to the financial year for 2014 (including appendices)
- 4 Management report from 1 April 2013 to 31 March 2014

Other Attachments

- 5 General terms of contract for the Austrian Public Accounting Professions

To the Management of
Jaguar Land Rover Austria GmbH,
Salzburg

We have completed the audit of the financial statements as of March 31, 2014 of

Jaguar Land Rover Austria GmbH,

Salzburg,

(hereafter also referred to as the "JLR GmbH" or "company")

and provide the results of our audit in the following report:

1. Audit contract and Performance of the engagement

- Tz 1 By shareholders' resolution dated May 23, 2013 of Jaguar Land Rover Austria GmbH, Salzburg, we were elected as auditor for the fiscal year 2014. The Company, represented by the managing director concluded an audit contract with us to audit the financial statements as of March 31, 2014, including the accounting system and the management report pursuant to Sections 269 ff. UGB.
- Tz 2 The Company is a large corporation pursuant to Section 221 UGB.
- The audit is a statutory audit pursuant to Section 268 UGB.
- Tz 3 The objective of the audit was to examine compliance with legal requirements. The management report is to be audited as to whether it is consistent with the financial statements and whether the other disclosures in the management report do not give rise to a misstatement of the Company's financial position.

- Tz 4 In performing the audit, we adhered to the legal provisions and the relevant professional standards on performing an audit applicable in Austria. We draw attention to the fact that the audit provides reasonable assurance as to whether the financial statements are free from material misstatement. Absolute assurance cannot be achieved, since the possibility of errors is inherent in each accounting and internal control system and since the audit is based on samples, there is an unavoidable risk that material misstatements in the financial statements are not detected. Areas which are generally covered in special engagements were not included in our scope of work.
- Tz 5 We performed the audit from March to May 2014 (with intermission) primarily at the Company's premises in Salzburg. The audit was formally concluded on the date of this report.
- Tz 6 Responsible for the proper performance of the engagement is Mag. Friedrich Wiesmüllner, Austrian Certified Public Accountant.
- Tz 7 Our audit is based on the audit contract concluded with the Company, an integral part of which are the General Conditions of Contract for the Public Accounting Professions issued by the Austrian Chamber of Public Accountants and Tax Advisors on 8 March 2000, in the version dated 21 February 2011 ("AAB 2011"; appendix 5). These General Conditions of Contract do not only apply between the Company and the auditor, but also towards third parties. Section 275 UGB applies with regard to our responsibility and liability as auditor towards the Company and towards third parties

2. Disclosure of and Notes on Significant Items in the Financial Statements

Tz 8 All required disclosures of significant items in the financial statements are included in the notes to the financial statements and in the management report. We therefore refer to the related disclosures by the management board in the notes to the financial statements and in the management report.

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3. Summary of the results of the audit

3.1. Conclusion on the Compliance of the Accounting, the Financial Statements and the Management Report

Tz 9 In performing our audit procedures, we determined the compliance with statutory provisions and generally accepted **accounting principles**.

As part of our risk and control oriented audit approach, we included in the audit – where we considered it necessary for our audit report – the internal controls in parts of the accounting process.

With regard to the legal compliance of the **financial statements**, we refer to our comments in the auditor's report.

In our final assessment, the **management report** complies with the statutory provisions.

3.2. Information provided

Tz 10 All information required was provided by the legal representatives of the company. A letter of representation signed by the legal representatives has been included in our working papers.

3.3. Statement on Matters Pursuant to Section 273 (2) and (3) UGB (Execution of Reporting Obligation)

Tz 11 In performing our duties as auditor, we have not determined any facts that might endanger the audited company's position as a going concern or adversely affect its future development; nor any facts that would constitute a serious breach of the law or of the Company's articles of association by the legal representatives or employees. Material weaknesses in the internal control of the accounting process have not come to our attention. The criteria for assuming a reorganization requirement (Section 22 No. 1 URG (Austrian Reorganization Act)) are not met.

4. Audit opinion

Tz 12 Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system of Jaguar Land Rover Austria GmbH, Salzburg for the fiscal year from 1 April 2013 to 31 March 2014. These financial statements comprise the balance sheet as of 31 March 2014, the income statement for the fiscal year ended 31 March 2014 and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of Jaguar Land Rover Austria GmbH as of 31 March 2014 and of its financial performance for the fiscal year from 1 April 2013 to 31 March 2014 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements.

In our opinion, the management report is consistent with the financial statements.

Vienna, May 21, 2014

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Friedrich WIESMÜLLNER
Certified Public Accountant

Dr. Gottfried SPITZER
Certified Public Accountant

This report is a courtesy translation of the original report in German, which is solely valid.

Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Balance sheet as of March 31, 2014
(Amounts in Indian Rupees)

<u>A S S E T S</u>		<u>L I A B I L I T I E S</u>	
	31.03.2013 KINR		31.03.2013 KINR
A. Non current assets		A. Shareholders equity	
I. Intangible assets		I. Registered capital	11,946,550.00
Industrial property rights and similar rights	1,145,314.10	II. Additional paid-in capital	7,214,411.14
II. Fixed assets		III. Reserves from retained earnings	1,194,655.00
1. Land and buildings	1,098,917.82	1. statutory reserve	576,356,519.54
2. Technical equipment and machinery	1,864,291.18	IV. Net gains	
3. Other equipment, furniture and fixtures	2,007,814.64	thereof profit carried forward 500,671,355.95 (prior year TINR 378,648)	422,743
III. Financial assets			439,930
Securities	5,296,966.80		
	11,213,304.54		
B. Current assets		B. Accruals and provisions	
I. Inventories		1. Accruals for severance payments	41,030,220.00
Finished products and merchandise	1,150,835,408.88	2. Accruals for taxes	28,405,171.10
II. Accounts receivable and other assets		3. Other accruals	630,100,594.20
1. Accounts receivable from trade	74,535,138.43		697,535,985.30
2. Accounts receivable-group	2,075,951,892.16		
3. Other receivables and assets	2,604,174.88	C. Liabilities	
III. Cash, cash in banks	54,685,659.71	1. Accounts payable from trade	123,394,011.74
	3,358,612,274.06	2. Accounts payable-group	1,202,925,602.33
		3. Other liabilities	760,584,108.90
		thereof taxes 348,413,962.82 (prior year TINR 231,029)	
		thereof social security 3,271,392.99 (prior year TINR 2,365)	
	11,326,265.35		2,086,903,722.97
C. Deferrals		D. Deferrals	
			0.00
	3,381,151,843.95		3,381,151,843.95

Income statement
from April 1, 2013 to March 31, 2014

(Amounts in Indian Rupee)

		2012/2013 kINR
1. Net sales	13.392.384.932,01	10.281.646
2. Other operating income		
a) Income from reversal of accruals	83.688.407,90	86.262
b) Miscellaneous	36.431.236,56	27.687
	120.119.644,46	113.949
3. Costs of materials	(12.257.581.559,25)	(9.432.663)
4. Personnel expenses		
a) Salaries	(169.194.600,38)	(128.071)
b) Expenses for severance payments	(3.971.198,00)	(5.287)
c) Expenses for pensions	(9.015.755,62)	(8.070)
d) Expenses for statutory social security and payroll related contributions	(37.461.028,35)	(26.505)
e) Other social benefits	(29.900.070,04)	(20.731)
	(249.542.652,39)	(188.663)
5. Amortization of intangible assets and depreciation of fixed assets	(4.462.742,51)	(5.565)
6. Other operating expenses		
a) Non-income based taxes	(13.317.559,15)	(4.730)
b) Miscellaneous	(821.638.421,69)	(645.155)
	(834.955.980,84)	(649.886)
7. Subtotal from line 1 to 6 (operating result)	165.961.641,48	118.819
8. Income from Securities	146.733,29	139
9. Income from other interest and similar income thereof group 2.116.025,67 (prior year TINR 2.296)	2.434.021,41	2.713
10. Interest and similar expenses	(64.573.651,90)	(63.235)
11. Subtotal from line 8 to 10 (financial result)	(61.992.897,20)	(60.383)
12. Income on ordinary activities	103.968.744,28	58.435
13. Taxes on income	(28.285.063,73)	(14.331)
14. Net income for the year	75.683.680,55	44.105
15. Profit carried forward	500.672.838,97	378.648
16. Total profit	576.356.519,52	422.753

NOTES
Jaguar Land Rover GmbH
as of March 31, 2014

Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (Euros) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate EUR 1 = Rs 82.390 and Rs 69.566 for the years ended 31 March 2014 and 2013 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Preliminary remarks:

The financial statements are prepared in conformity with the principles of the Austrian commercial law (UGB) for the year 2013/2014.

Land Rover Vertriebs GmbH as a transferring company and Jaguar Austria GmbH as receiving company were merged according to Art 1 Austrian corporate restructuring taxes act (UmgrStG). The merger took effect on December 31, 2004. There was no capital increase in accordance with Austrian corporate restructuring taxes act. The assets of Land Rover Vertriebs GmbH were taken into Jaguar Austria GmbH at book values.

I. Accounting and Valuation Principles

The financial statements are prepared in accordance with Austrian generally accepted accounting principles and present fairly in all material respects, the net asset- financial- and earnings position of the company.

Recording, valuation and presentation of each position of the financial statements is in accordance with the general principles in pa 196 to 211 UGB including the regulations for corporations in pa 222 to 235 UGB.

Fixed assets are recorded at acquisition or manufacturing costs. Depreciation is calculated on a straight line basis with the expected useful life ranging from 3 to 15 years.

Finished products are valued at acquisition costs, whereas a lower market value is considered if applicable.

The valuation of cars is based on the identity price procedure; spare parts are valued at moving average price procedure.

Accounts receivables are not exposed to significant individual risks.

Accruals take into account all recognizable risks and uncertain liabilities on the basis of a reasonable commercial estimate.

The accrual for severance payment obligations and jubilee obligations were calculated in accordance with UGB under actuarial principles.

The calculation is based on a discount factor of 3 % and a retirement age of 65/60 men/women.

Liabilities are stated at the repayment amount under consideration of the principle of prudence.

Receivables and liabilities nominated in foreign currency are recorded with an average cross rate of the date of origin. Losses due to exchange rate changes are recognized at the end of the year based on the respective bid or ask price.

II. Notes to the balance sheet

ASSETS

Fixed Assets

Development of the fixed assets

Summary of fixed assets: Appendix V

Current Assets

Receivables and other liabilities

Maturity of all receivables at the reporting date was less than one year.

The receivables of affiliate companies include other receivables and receivables from goods and services. All in all, the sum of receivables of affiliate companies as of 31.03.2014 amounts to INR 2.075.951.892,16 (p/y kINR 1.359.459). The other receivables include short-term receivables from intercompany cash-pooling activities.

The other receivables and assets amount to INR 2.604.174,88 (p/y kINR 4.939). These receivables contain:

Suppliers with debit balances	INR 318.462,889(p/y kINR 1.878)
Others	INR 2.285.959,16 (p/y kINR 3.061)

Thereof no amounts represent affective payments after the closing date.

Accruals for deferred taxes according to pa 198 (10) UGB are immaterial and therefore not shown in the balance sheet.

Deferrals

Deferrals from transitory items amounting to INR 11.326.265,35 (p/y kINR 15.235) include automobile insurance (kINR 11.287).

LIABILITIES

Equity

The share capital amounts to INR 11.946.550,00 (p/y kINR 10.087) and has been fully paid in.

The net gains includes the net income of the year of INR 75.683.680,57 (p/y kINR 44.105).

The Company is a large corporation pursuant to Section 221 UGB.

Provisions

Other provisions amount to INR 630.100.594,20 (p/y kINR 749.574) and include the following items:

	March 31, 2014 INR	March 31, 2013 kINR
Provisions for employee benefits	54.978.847,00	39.510
Other provisions	575.121.747,20	602.331
	630.100.594,20	641.842

Other provisions amount to INR 575.121.747,20 (p/y kINR 641.842) include the following items:

	March 31, 2014 INR	March 31, 2013 kINR
Provisions for after sales expenses	55.613.250,00	73.837
Provisions for revenue reductions	440.786.500,00	384.283
Provisions for dealer bonifications	0,00	172.106
Provisions for dealer cancellations	24.717.000,00	20.870
Provisions for other costs	54.004.997,20	52.244
	575.121.747,20	703.340

The provision for the termination of dealer contracts amounting to INR 24.717.000,00 was accounted for due to claims, which could result from the termination of a contract with the dealer HoE. In the course of arbitration proceeding HoE brought up a claim for compensation amounting to INR 247,2 million. The designated company lawyers, in the Czech Republic and in the Republic of Austria, defending the claim for compensation, considered a realistic provision based on professional opinions, at a total of INR 24.717.000,00. With respect to the estimation brought forward by the lawyers, the management of Jaguar Land Rover GmbH shares the same view and as a matter of fact accounted INR 24.717.000,00 for the provision.

Liabilities

The maturity of all liabilities is less than 1 year.

The liabilities from affiliate companies amount to a total of INR 1.202.925.602,33 (p/y kINR 816.774) and are mainly composed of accounts payables.

The other liabilities contain expenses – e.g. clearing accounts to tax authorities in the amount of kINR 348.427 (p/y kINR 231.029) and customer's credit balances amounting to kINR 367.377 (p/y kINR 79.653). Thereof kINR 10.134 will be paid effectively after the balance sheet date.

In the economic year 2009, Jaguar Land Rover Austria GmbH entered into financing agreements with FGA Bank which are still valid as of today.

III. Notes to the income statement

The income statement was created according to the total expenditure format (Gesamtkostenverfahren).

Revenues including revenue reductions dissect as follows:

			thereof revenues from foreign countries	
	2014 kINR	2013 kINR	2014 kINR	2013 kINR
Car sales	12.265.482	9.405.810	3.853.380	2.339.713
Spare parts	949.545	695.243	242.803	164.384
After sales	170.712	175.167	49.104	10.504
Others	6.591	5.426	1.730	0
	13.392.330	10.281.646	4.147.018	2.514.602

Expenses for severance payments (pa 237 lit 13 UGB) amounting to INR 3.954.720,00 (p/y kINR 5.287) do only contain expenses for severance payments (INR 3.954.720,00; p/y kINR 5.287)

The taxes on income include profit taxes which are calculated from the tax base.

IV. Other Notes

Intercompany relations

The company is a 100% subsidiary of Jaguar Land Rover Limited, Coventry, Great Britain. Thus, the company forms part of the Jaguar Land Rover Group.

TATA Motors Ltd, Mumbai, India prepares the consolidated financial statements for the largest group of companies. The consolidated financial statements are available at the premises of the company. Jaguar Land Rover Limited prepares the consolidated financial statements for the smallest group of companies.

Assets and liabilities towards these and other companies integrated in the group are presented as assets and liabilities from affiliated companies according to pa 228 UGB.

Expenses for auditors

The expenses for the audit 2014 have been accrued with INR 2.883.650,00 (p/y kINR 2.504.376).

Employees

In the current business year, 24 (p/y 20) people were employed.

Continuing obligations

The continuing obligations according to pa 237 (8) lit b UGB amount to kINR 7.909 in the current business year (p/y kINR 9.391) and presumably kINR 41.195 for the next five years (p/y kINR 47.305).

The management board of the company as of March 31, 2014 consists of:

Mag. Peter Modelhart

With respect to the salary of the managing director, the clause according to pa 241 (4) Austrian commercial code is exerted.

The total expenses for severance pay concern only other employees.

Salzburg, May 21, 2014

Jaguar Land Rover Austria GmbH

Managing Director

Peter Modelhart m.p.

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Audit opinion

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system of Jaguar Land Rover Austria GmbH, Salzburg for the fiscal year from 1 April 2013 to 31 March 2014. These financial statements comprise the balance sheet as of 31 March 2014, the income statement for the fiscal year ended 31 March 2014 and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of Jaguar Land Rover Austria GmbH as of 31 March 2014 and of its financial performance for the fiscal year from 1 April 2013 to 31 March 2014 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements.

In our opinion, the management report is consistent with the financial statements.

Vienna, May 21, 2014

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Friedrich WIESMÜLLNER m.p.
Certified Public Accountant

Dr. Gottfried SPITZER m.p.
Certified Public Accountant

summary of fixed assets

Acquisition costs		Value as of		Accumul.		Book value		Book value		Annual	
April 1, 2013	Disposals	March 31, 2014	March 31, 2014	depreciation	March 31, 2014	as of	as of	March 31, 2013	as of	depreciation	TINR
TINR	TINR	TINR	TINR	TINR	TINR	TINR	TINR	TINR	TINR	TINR	TINR
23.754.626,30	1.031.769,97	0,00	24.786.396,27	23.180.528,66	1.145.305,86	574.097,64	460.553,51				
3.102.346,02	110.722,27	0,00	3.213.068,29	1.779.340,58	1.098.917,82	1.323.005,44	334.809,89				
475.168,21	82,39	82,39	475.168,21	426.200,77	20.282,55	49.049,83	28.849,67				
16.588.009,60	1.185.670,37	0,00	17.773.679,97	15.281.327,27	2.007.814,64	1.306.682,33	484.538,06				
58.832.676,33	1.296.392,64	0,00	60.129.068,97	52.168.561,18	4.771.023,64	6.664.115,15	3.189.484,15				
82.587.302,63	2.328.162,61	0,00	84.915.465,24	75.349.089,84	5.916.329,50	7.238.212,79	3.650.037,66				
5.296.970,92	0,00	0,00	5.296.970,92	0,00	5.296.970,92	5.296.966,80	0,00				
87.884.273,55	2.328.162,61	0,00	90.212.436,16	75.349.089,84	11.213.300,42	12.535.179,59	3.650.037,66				
0,00	812.704,85	812.704,85	0,00				812.704,85				

- I. Intangible assets
Industrial property rights
and similar rights
- II. Fixed assets
1. Land and buildings
2. Technical equipment and machinery
3. Other equipment, furniture
and fixtures

- III. Financial assets
Securities

low value fixed assets
according § 13 EStG

Management Report Jaguar Land Rover Austria GmbH Fiscal Year 2013 / 2014

Preamble

Based on the resolution of the shareholders as of March 2012 the fiscal year has been changed to the period 1st of April to 31st of March. Therefore the current fiscal year is the second year to include 12 months (1st April 2013 – 31st March 2014), which means that the previous year's figures cover a full business year (12 months) for the first time.

I. Business development

The development of the automotive industry for the financial year 2013/14 was still characterized by fluctuations. In the calendar year 2013, a total of 415.313 motor vehicles (motor vehicles, no trailers) were registered for traffic. The number of new registrations of passenger cars – the most important vehicle group (76,8 %) – recorded a total of 319.035 (p/y 336010 vehicles) vehicles. This means a decrease of 5,1 % or 16.975 vehicles compared to the previous year. In the months January, July, October and December 2013 a growth in new car registrations could be observed. In the remaining months a decrease was observed.

As of 31.12.2013, a total of 6,38 million vehicles were registered in the Republic of Austria. 4,64 million of them were passenger cars (72,7 %). The number of diesel passenger cars sold increased by 2,0%, to 2,62 million units to those with gasoline engine (incl. Flex Fuel) by 0,1% to approx. 2,0 million pieces. Electric cars recorded an increase of 49,0 %, to 2.070 vehicles, passenger cars with combined mode (hybrid) also developed positively (petrol/electric: +29,5 % ; Diesel / Electric: +34,6 %). Further alternatively powered cars, such as natural gas, with bivalent operation, with petrol or natural gas and gasoline or LPG, also recorded growth.

“Burgenland” with 633 cars per 1.000 inhabitants had the highest level of motorisation, compared to “Lower Austria” with 623, “Carinthia” with 609, “Upper Austria” with 604, “Styria” with 582, “Salzburg” with 543, “Vorarlberg” with 522 as well as “Tyrol” with 516 cars per 1.000 inhabitants. Vienna, leading the motorisation per 1.000 inhabitants ranking at the beginning of 1970s, had only 386 cars per 1.000 inhabitants in 2013, making it last in the ranking due to a high availability of public transport.

In the first quarter of 2014 a total of 81.281 motor vehicles were registered in Austria for new traffic leading to a share of 79,0% in this period.

The total registrations for vehicles and limousines of the brands Jaguar and Land Rover rose significantly for both business lines in Austria in the time range April 2013 to March 2014, due to product launches and activities of the general importer. Jaguar Land Rover Austria GmbH could exceptionally contribute to the international performance in 2013/2014: 334 new Jaguar registrations leads to a share of 0,1% of this brand.

With 2.068 registrations, Land Rover reached, an increase compared to the previous year and thus a market share of 0,6%. Land Rover and Jaguar were able to sell a total of 850 vehicles in the first quarter of the year 2014 in Austria. Registrations of Land Rover cars rose from 730 pieces (1-3/2013) to 738 units in the first quarter of 2014.

These excellent sales figures in the period from January to March 2014 could be reached due to an excellent product line and due to changes in law regarding NoVA.

The structure of the dealer network in Austria is stable. At the beginning of the year 2010, the company took over the distribution for both business lines in the Czech Republic. As of March 31, 2014, 30 dealers were active in Austria and the Czech Republic. The development of the Czech partners is promising.

The revenues of the company as for the year 2013/2014 amounted to mINR 13.388,4. The comparable figure for prior year (2012/2013) amounts to mINR 10.281,9. The increase in revenues is mainly attributed to the Czech sales volume as well as to the strong Austrian market. Other operating income includes income from the release of provisions as well as income from marketing services and damage claims from insurance companies. Considering cost of goods sold amounting to mINR 12.259,6 (p/y mINR 9.433,1) as well as personnel expenses of kINR 249.559 (p/y kINR 188.663) and other operating expenses the operating income adds up to kINR 165.934 (p/y mINR 118.819). Deducting the financial result leads to an annual profit of kINR 75.716 (p/y kINR 44.105).

Car imports are mainly driven by demand of car dealers and are supported and operated by respective EDP systems.

Total investments in fixed assets amount to kINR 2.307. Other investments are immaterial.

The number of employees per March 31, 2014 adds up to 24 (20 p/y) – thereof, 22 employees are employed full time and two persons work part time. Training and education is performed according to the respective needs. The necessary measures for employee involvement are implemented.

II. Situation of the company

The Jaguar XF models (successors to the S-Type models) are well accepted by the market. The Jaguar F-Type model (successor to the legendary E-Type model) is well accepted by the market. In the year 2013/2014 the F-Type Coupé was presented to the market. The public presentations are currently taking place at the dealers' places and roadshows. Other models, such as an all-terrain Jaguar and a successor of the model X-Type, are in planning.

In December 2009 the entity was officially announced as general importer for the Czech Republic – starting from January 1, 2010. Thus we expect a continuing volume increase for the Jaguar and Land Rover brands in the next years. The importer status regarding the Jaguar brand for the Republic of Croatia was given up in 2012, as the Croatian market is being directly supplied by the UK from now on. Given the fact that Jaguar Land Rover Austria GmbH is no longer responsible for the Croatian market - in the light of the marginal sales figures (12 pieces in 2011) - there will be no effect on the company's performance. Moreover, the operating location in Salzburg will focus on the development of the much larger market in the Czech Republic.

The model range of Land Rover includes the classic Defender, which can look back on a now 65-year history, as well as the compact Freelander and the Discovery at the moment.

Beside, these models there is the Range Rover trio: It is headed by the Range Rover Evoque, which has risen from the first day to the best-selling model of the entire brand. He is supported by the luxury flagship Range Rover, which is presented in a new form since the beginning of 2013. The latest achievement is the second generation model of the Range Rover Sport, which celebrated its world premiere in March 2013 and was released in the fall of 2013 on the market as the most dynamic and most powerful Land Rover ever

For 2014/2015 we expect a continuing increase in sales figures for the Republic of Austria. The long term plans regarding the business lines Jaguar and Land Rover for 2015/2016 and the following years are met.

The company shows an equity of kINR 596.751 (p/y mINR 439.935) and total amounts of kINR 3.381.121 (p/y kINR 2.454.289). The equity – ratio thus amounts to 17,65 % (p/y 17,93 %).

The financial situation of the company is secured and visible from the balance sheet. The general expectation for the financial situation is deemed to be positive.

The annual profit of kINR 75.716 (p/Y kINR 44.105) leads to a Cash Flow according to the practitioner's method of kINR 85.850 (p/y kINR 57.253).

III. Subsequent Events after year end

There are no subsequent events after the year end.

IV. Expected development of the company

The entities future prospects remain positive, based on the recent model range as well as the extended development of model supply and the further coverage of the distribution market for the Czech Republic. The financial year 2014/2015 will be used to extend the established market shares. It is quite hard to estimate the consequences of the economic environment on the entire automotive industry. Nevertheless, we expect a slight increase of sales figures, particularly for SUV's and an increase in market shares due to the new products.

V. Research and development

Jaguar Land Rover Austria GmbH is a trade company. Research and development are therefore not conducted by the company and are performed centrally by the group.

VI. Existing subsidiaries

The company does not have any subsidiaries.

VII. Risk Report

The organization is exposed to a number of different risks, which are inseparably connected to entrepreneurial actions. Our risk policies are focused on using chances in an optimal way and entering risks only if there are significant chances for a respective added value. Based on a fundamental risk limitation, we only enter risks that are manageable within our organisation using well accepted methods and measures. From today's point of view, the company is not exposed to risks threatening going concern.

There is no default risk relating to accounts receivable, because Jaguar Land Rover Austria GmbH has concluded appropriate financing treaties with FGA Bank GmbH (Vienna/Austria), Credium Credit Agricole Group a.s. (Prague/Czech Republic), and the dealers in Austria and the Czech Republic. The dealers who have not accepted the treaty ("Autokomplex Matejka s.r.o." and "Roko-Motor s.r.o.") are supplied only against prepayment.

Our company uses a risk management system, which is agreed upon and created by the group. The system contains the responsibilities, contact persons and activities for respective risk situations.

The risks of short term price changes related to the delivery of goods are countered by delivery contracts. Short term interest rate changes are countered by a mixture of short- and longer term finance agreements with credit institutions and group finance companies.

The financing agreements are matching the short- and intermediate-term liquidity requirements. The credit line agreements and utilization are continuously monitored.

There is no exchange rate risk for the Czech Republic. All goods and services are denominated and paid in Euro.

VIII. Financial Instruments

The company does not use financial instruments as defined in pa 243 (3) lit 5 Austrian commercial law.

Salzburg, May 2014

Jaguar Land Rover Austria Gesellschaft m.b.H.

Managing Director

Mag. rer. soc. oec. Peter Modelhart m.p.

ELECTRONIC COPY



General Conditions of Contract for Audits of Annual Accounts (AAB 2011)

Laid down by the Working Group for Fees and Conditions of Contract of the Chamber of Public Accountants and Tax Advisors, recommended for use by the Board of the Chamber of Public Accountants and Tax Advisors in its decision of March 8, 2000, and revised by the Working Group for Fees and Conditions of Contract on May 23, 2002, on October 21, 2004, on December 18, 2006, on August 31, 2007, on February 26, 2008, on June 30, 2009, on March 22, 2010, as well as on February 21, 2011

Preamble and General Points

(1) The General Conditions of Contract for the professions in the field of public accounting are divided into four sections: Section I deals with contracts for services, excluding contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions; Section II deals with contracts for rendering services in the field of bookkeeping, payroll accounting and administration and assessment of taxes and contributions; Section III covers contracts not regarded as contracts for the rendering of services, while Section IV is devoted to consumer business covered by the Austrian Consumer Act.

(2) In the event that individual provisions of these General Conditions of Contract are void, this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

(3) The person entitled to exercise profession in the field of public accounting shall be obliged to render the services negotiated in accordance with the principles of due professional care and conduct. He/she shall have the right to engage suitable staff for the execution of the contract. This shall apply to all sections of The General Conditions of Contract.

(4) Finally, foreign law shall only be taken into account by the person entitled to exercise the profession, if this has been explicitly agreed upon in writing. This shall apply to all sections of the General Conditions of Contract.

(5) The work prepared in the offices of the person entitled to exercise the profession may, at the discretion of the person entitled to exercise the profession, be carried out with or without using electronic data processing. In case electronic data processing is used, the client – not the person entitled to exercise the profession – is obliged to effect the registrations or notifications required under the relevant provisions of the Data Protection Act.

(6) The client undertakes not to employ staff of the person entitled to exercise the profession during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the person entitled to exercise the profession the amount of the annual salary of the employee taken over.

SECTION I

1. Scope

(1) The General Conditions of Contract in Section I shall apply to contracts concerning (statutory and voluntary) audits with or without auditor's certificate, expert opinions, court expert opinions, preparation of annual financial statements and other financial statements, tax consultancy and other services to be rendered within the framework of a contract for the rendering of services, excluding bookkeeping, payroll accounting and the administration and assessment of payroll-related taxes and contributions.

(2) The General Conditions of Contract shall apply, if their use has been explicitly or tacitly agreed upon. Furthermore, in the absence of another agreement, they shall be used for reference to facilitate interpretation.

(3) Point 8 shall also apply to third parties whose services, in certain cases, may be enlisted by the contractor for the execution of the contract.

2. Scope and Execution of Contract

(1) Reference shall be made to Items 3 and 4 of the Preamble.

(2) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the person entitled to exercise the profession shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(3) An application submitted by the person entitled to exercise the profession to an authority (e.g. tax office, social security institution) by electronic means, shall be regarded as neither signed by the person entitled to exercise the profession nor by the person authorized to submit such an application.

3. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed in good time and without special request at the disposal of the person entitled to exercise the profession and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the person entitled to exercise the profession has commenced his/her work.

(2) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete. This statement may be made on the forms specifically designed for this purpose.

(3) If the client fails to disclose considerable risks in connection with the preparation of annual financial statements and other statements, the contractor shall not be obliged to render any compensation in this respect.

4. Maintenance of Independence

(1) The client shall be obliged to take all measures to make sure that the independence of the employees of the person entitled to exercise the profession be maintained and shall refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client consents that their personal details, meaning their name and the type and scope of the services, including the performance period, agreed between the professional practitioner and the client (both audit and non-audit services), shall be handled within the information network (network), to which the professional practitioner belongs, and for this purpose transferred to the other members of the information network (network) including abroad (a list of all recipients of communications shall be sent to the client at their request by the commissioned professional practitioner) for the purpose of examination of the existence of grounds of bias or grounds for exclusion within the meaning of Sections 271 et seq. of the Company Code (Commercial Code, UGB). For this purpose the client expressly releases the professional practitioner in accordance with the Data Protection Act and in accordance with Section 91 Subsection 4 Clause 2 of the Auditing, Tax Advising and Related Professions Act (WTBG) from their obligation to maintain secrecy. Moreover, the client acknowledges in this regard that in states which are not EU members a lower level of data protection than in the EU may prevail. The client can revoke this consent at any time in writing to the professional practitioner.

5. Reporting Requirements

- (1) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.
- (2) All information and opinions of the person entitled to exercise the profession and his employees shall only be binding provided they are set down or confirmed in writing. Written opinions shall only be those on which there is a company signature. Written opinions shall in no circumstances be information sent electronically, specifically not via e-mail.
- (3) Transmission errors cannot be excluded when information and data is transmitted electronically. The person entitled to exercise the profession and his employees shall not be liable for losses which arise as a result of electronic transmission. Electronic transmission shall be exclusively at the client's risk. The client is aware that confidentiality is not guaranteed when the Internet is used. Furthermore, amendments or supplements to documents transmitted shall only be permissible subject to explicit approval.
- (4) Receipt and forwarding of information to the person entitled to exercise the profession and his employees are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other electronic means of communication. As a result, instructions and important information shall only be deemed to have been received by the person entitled to exercise the profession provided they are also received in writing, unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not as such constitute explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the person entitled to exercise the profession by post or courier. Delivery of documents to employees outside the firm's offices shall not count as delivery.
- (5) The client agrees to being sent recurrent general tax law and general commercial law information by the person entitled to exercise the profession via electronic means. This shall not apply to unsolicited information in accordance with § 107 of the Austrian Telecommunications Act (TKG).

6. Protection of Intellectual Property of the Person Entitled to Exercise the Profession

- (1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the person entitled to exercise the profession, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 Para. 3 Austrian Income Tax Act 1988). Furthermore, professional statements passed on by the client orally or in writing made by the person entitled to exercise the profession may be passed on to a third party for use only with the written consent of the person entitled to exercise the profession.
- (2) The use of professional statements passed on by the client orally or in writing made by the person entitled to exercise the profession for promotional purposes shall not be permitted; a violation of this provision shall give the person entitled to exercise the profession the right to terminate without notice to the client all contracts not yet executed.
- (3) The person entitled to exercise the profession shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the person entitled to exercise the profession.

7. Correction of Errors

- (1) The person entitled to exercise the profession shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement passed on by the client orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original statement of the change.
- (2) The client has the right to have all errors corrected free of charge, if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the person entitled to exercise the profession and/or – in cases where a written statement has not been delivered – six months after the person entitled to exercise the profession has completed the work that gives cause to complaint.
- (3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Point 8.

8. Liability

- (1) The person entitled to exercise the profession shall only be liable for violating intentionally or by gross negligence the contractual duties and obligations entered into.
- (2) In cases of gross negligence, the maximum liability for damages due from the appointed person entitled to exercise the profession is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 of the Act on Professions in the Field of Public Accounting (WTBG) in the currently valid version.
- (3) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but not later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.
- (4) Should Section 275 of the Company Code (Commercial Code, UGB) be mandatorily applicable, the liability provisions pursuant to Section 275 shall apply where these represent mandatory law, even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place, irrespective of whether other participants have acted with intent.
- (5) In cases where a formal audit certificate is issued, the applicable limitation period shall commence at the latest at the time of issue of said audit certificate.
- (6) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, and the client is informed thereof, any warranty claims and claims for damages which arise against the third party according to law and in accordance with the conditions of the third party, shall be deemed as having been passed on to the client. The person entitled to exercise the profession shall only be liable for fault in choosing the third party.
- (7) The person entitled to exercise the profession shall not be liable to a third party, if his/her professional statements are passed on by the client orally or in writing without the approval or knowledge of the person entitled to exercise the profession.
- (8) The above provisions shall apply not only vis-à-vis the client but also vis-à-vis third parties, if the person entitled to exercise the profession, in exceptional cases, should be liable for his/her work. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have been wronged; the claims of the aggrieved parties shall be satisfied in the order in which the claims have been raised.

9. Secrecy, Data Protection

- (1) According to Section 91 WTBG the person entitled to exercise the profession shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.
- (2) The person entitled to exercise the profession shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.
- (3) The person entitled to exercise the profession is authorized to process personal data entrusted to him/her within the framework of the purpose of the contract or to have them processed by a third party according to Point 8 Item 6. The person entitled to exercise the profession shall guarantee that according to Section 15 of the Data Protection Act secrecy be maintained. According to Section 11 of the Data Protection Act the material made available to the person entitled to exercise the profession (data carrier, data, control numbers, analyses and programs) as well as all results obtained as a result of the work provided shall be returned to the client, unless the client has requested in writing that the material and/or results be transferred to a third party. The person entitled to exercise the profession shall be obliged to take measures to ensure that the client can meet his/her obligation to provide information according to Section 26 of the Data Protection Act. The client's instructions required for this purpose shall be given in writing to the person entitled to exercise the profession. Unless a fee has been negotiated for providing such information, the client shall be charged only the actual efforts undertaken. The client shall meet his/her obligation to provide information to those concerned and/or to register in the data processing register, unless the contrary has been explicitly agreed in writing.

10. Termination

- (1) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Point 12.
- (2) However, a continuing agreement (even with a flat fee) – always to be presumed in case of doubt – may, without good reason (cf. Section 88 Item 4 WTBG), only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.
- (3) Except for cases listed in Item 5, in case of termination of a continuing agreement only those tasks shall be part of the list of jobs to be completed and finished that can be completed fully or to the largest part within the period of notice, with financial statements and annual income tax returns being deemed to be subject to successful completion within two months calculated from the balance sheet date. In this case the above-mentioned jobs actually have to be completed within a reasonable period of time, if all documents and records required are provided without delay and if no good reason within the meaning of Section 88 Paragraph 4 WTBG is cited.
- (4) In case of a termination according to Item 2 the client shall be informed in writing within one month which assignments at the time of termination are considered to be part of the work to be completed.
- (5) If the client is not informed within this period about the assignments still to be carried out, the continuing agreement shall be deemed terminated upon completion of the tasks under way at the date when the notice of termination is served.
- (6) Should it happen that in case of a continuing agreement as defined under Items 2 and 3 – for whatever reason – more than two similar jobs which are usually completed only once a year (e.g. financial statements or annual tax returns etc.) are to be completed, any such jobs exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 4.

11. Default in Acceptance and Failure to Cooperate on the part of the Client

If the client defaults on acceptance of the services rendered by the person entitled to exercise the profession or fails to carry out a task incumbent on him/her either according to Point 3 or imposed on him/her in another way, the person entitled to exercise the profession shall have the right to terminate the contract without prior notice. His/her fees shall be calculated according to Point 12. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the person entitled to exercise the profession for the extra time and labor hereby expended as well as for the damage caused, if the person entitled to exercise the profession does not invoke his/her right to terminate the contract.

12. Entitlement to Fee

- (1) If the contract fails to be executed (e.g. due to termination), the person entitled to exercise the profession shall be entitled to the negotiated fee, provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client (Section 1168 of the Civil Code (ABGB)); in this case the person entitled to exercise the profession need not deduct the amount he/she obtained or could have obtained through alternative use of his/her own professional services or those of his/her employees.
- (2) If the client fails to cooperate and the assignment cannot be carried out because of lack of cooperation, person entitled to exercise the profession shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed cancelled and the consequences indicated in Item 1) shall apply.
- (3) If the person entitled to exercise the profession terminates the contract without good reason and at an inopportune moment, he/she shall compensate the client for the damage caused according to Point 8.
- (4) If the client – having been made aware of the legal situation – agrees that the person entitled to exercise the profession duly completes the task, the work shall be completed accordingly.

13. Fee

- (1) Unless the parties agreed that the services would be rendered free of charge or unless explicitly stipulated otherwise, an appropriate remuneration in accordance with Sections 1004 and 1152 of the Austrian Civil Code (ABGB) is due. Unless a different agreement has demonstrably been reached, payments by the client shall in all cases be credited against the oldest debt. The claim for remuneration by the person entitled to exercise the profession is based upon an agreement concluded between him/her and the principal involved.
- (2) Proper understanding between the person entitled to exercise the profession and their principals is most effectively achieved by clearly expressed remuneration agreements.
- (3) The smallest service unit which may be charged is a quarter of an hour.
- (4) Travel time to the extent required is also charged in most cases.
- (5) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the person entitled to exercise the profession in his/her own office may also be charged as a special item.
- (6) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or special requirements of the principal, additional negotiations for the agreement of a more suitable remuneration are usual. This also usually applies where inadequate fixed sum remunerations are concerned.
- (7) Persons entitled to exercise the profession also include charges for supplementary costs and value-added (turnover) tax in addition to the above.
- (8) Supplementary costs also include documented or flatrate cash expenses, travelling expenses (first class for train journeys, sleeping car (wagon lits) if necessary, dietary requirements, mileage allowance, photocopy costs and similar supplementary costs.
- (9) Should particular third party liabilities be involved, the necessary insurance premiums also count as supplementary costs.
- (10) Personnel and material expenses for the preparation of reports, expertises and similar documents are also viewed as supplementary costs.
- (11) For the execution of a commission wherein mutual conclusion involves several persons entitled to exercise the profession, each of the latter will charge his/her own remuneration.
- (12) Remunerations and advance payments required are due immediately after receipt of their written claim should no other agreements exist. Where payments of remuneration are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate of 8% above the base rate is agreed upon (Cf. Section 352 of the Company Code (Commercial Code, UGB)).
- (13) Time limitation is in accordance with Section 1486 of the Austrian Civil Code (ABGB), starting at the time of conclusion of the service involved or a later rendering of accounts after an appropriate time-limit.

(14) An objection may be raised in writing against bills presented by the appointed trustee up to 4 weeks after the date of presentation. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(15) Application of § 934 ABGB (Austrian Civil Code) within the meaning of § 351 Company Code (Commercial Code, UGB), i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

14. Other Provisions

- (1) In addition to the reasonable rate or fee charged, the person entitled to exercise the profession shall have the right to claim reimbursement of expenses. He/she can ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. In this context reference shall be made to the legal right of retention (Section 471 of the Civil Code (ABGB), Section 369 of the Company Code (Commercial Code, UGB)). If the right of retention is wrongfully exercised, the person entitled to exercise the profession shall be liable only in case of gross negligence up to the outstanding amount of his/her fee. As regards standing orders, the provision of further services may be denied until payment of previous

services has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(2) After all the data to be archived, which has been prepared by the public accountant and tax advisor, has been delivered to the client or to the succeeding public accountant and tax advisor, the person entitled to exercise the profession shall be entitled to delete the data in question.

(3) With the exception of obvious essential errors, a complaint concerning the work of the person entitled to exercise the profession shall not justify the retention of remuneration owed in accordance with Item 1.

(4) Offsetting the remuneration claims made by the person entitled to exercise the profession in accordance with Item 1 shall only be permitted, if the demands are uncontested and legally valid.

(5) At the request and expense of the client, the person entitled to exercise the profession shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the person entitled to exercise the profession and his/her client, to original documents in his/her possession or to documents which have to be kept in accordance with the directive on money laundering. The person entitled to exercise the profession may make or retain copies or duplicates of the documents to be returned to the client. The client shall be obliged to bear these expenses in so far as these copies or duplicates may be required as a proof of the orderly execution of all professional duties by the person entitled to exercise the profession.

(6) In the event of termination of the contract, the contractor shall be entitled to charge an appropriate fee for further queries after termination of the contract and for granting access to the relevant information about the audited company.

(7) The client shall fetch the documents handed over to the person entitled to exercise the profession within three months after the work has been completed. If the client fails to do so, the person entitled to exercise the profession shall have the right to return them to the client at the cost of the client or to charge safe custody charges, if the person entitled to exercise the profession can prove that he/she has asked the client twice to pick up the documents handed over.

(8) The person entitled to exercise the profession shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid resources at his/her disposal even if these funds are explicitly intended for safe keeping, if the client had to reckon with a counterclaim of the person entitled to exercise the profession.

(9) To safeguard an existing or future fee payable, the person entitled to exercise the profession shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed about the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability by execution has been declared.

15. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law.

(2) The place of performance shall be the place of business of the person entitled to exercise the profession.

(3) In case of disputes, the court of the place of performance shall be the competent court.

16. Supplementary Provisions for Audits

(1) For statutory audits of financial statements which are carried out in order to issue a formal audit certificate (e.g. Section 268 and the following sections of the Company Code (Commercial Code, UGB)), the purpose of the contract, unless otherwise agreed to in writing, shall not be to investigate whether regulations concerning tax laws or specific regulations, e.g. price fixing, restriction of competition and foreign exchange regulations have been adhered to. Neither shall the purpose of the statutory audit of financial statements be to investigate whether the business is run in an economical, efficient and expedient manner. Within the framework of a statutory audit of a financial statement there shall be no obligation to detect the falsification of accounts or other irregularities.

(2) When a qualified or unqualified audit certificate is issued within the scope of a statutory audit of the annual financial statement, the audit certificate issued shall be appropriate for the respective type of business organization.

(3) If financial statements are published together with the audit certificate, they shall only be published in the form confirmed or explicitly permitted by the auditor.

(4) If the auditor revokes his/her audit certificate, the further use thereof shall no longer be permitted. If the financial statements have been published with the audit certificate, the revocation thereof shall also be published.

(5) For other statutory and voluntary audits of financial statements as well as for other audits, the above principles shall apply accordingly.

Jaguar Land Rover Japan Limited

Financial Statements and Auditors' Report For the year ended 31 March 2014

Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (Japanese Yen) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **JPY 1 = Rs 0.582** and **Rs 0.577** for the years ended 31 March 2014 and 2013 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 23, 2014

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

Deloitte Touche Tohmatsu LLC

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

Hajime Seishi

We have audited the financial statements, namely, the balance sheet as of March 31, 2014 of Jaguar Land Rover Japan Limited (the "Company"), and the related statements of income and changes in net assets for the 6th fiscal year from April 1, 2013 to March 31, 2014, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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 conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Audit Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2014, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

(TRANSLATION)

Restriction on Distribution and Use

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

Interest

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

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

DISCLAIMER

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

Balance Sheet

March 31, 2014

Jaguar Land Rover Japan Limited

(Thousands of Indian Rupees)

Account	Amount	Account	Amount
Assets	6,653,576	Liabilities	4,148,271
[Current Assets]	5,764,695	[Current Liabilities]	3,784,866
Cash and Cash Equivalents	537,360	Accounts Payable	2,254,545
Accounts Receivable	689,226	Accounts Payable - Other	381,999
Merchandise	1,297,405	Accrued Expenses	1,024,727
Goods in Transit	1,349,670	Accrued Income Taxes	41,444
Supplies	11,584	Deposits received	321
Prepaid Expenses	14,229	Accrued Consumption Taxes	58,864
Accounts Receivable - Other	157,811	Accrued Bonuses	22,965
Interest Receivable	150		
Short-term Loans Receivable	1,522,641		
Deferred Tax Assets	184,617		
		[Long-term Liabilities]	363,405
[Fixed Assets]	888,881	Provision for Retirement Benefits	47,159
(Property, Plant and Equipment)	379,754	Provision for Product Warranties	221,816
Buildings	42,496	Long-term Guarantee Deposited	86,471
Buildings and Accompanying Facilities	5,460	Asset Retirement Obligations	7,958
Machinery and Equipment	4,036		
Vehicles and Transport Equipment	321,082		
Tool, Furniture and Fixtures	6,680		
		Equity	2,505,305
(Intangible Assets)	354,681	[Capital Stock]	279,360
Software	20,145		
Goodwill	334,535	Capital Stock	279,360
		[Capital Surplus]	2,039,060
(Investments and Other Assets)	154,445	Capital Surplus	2,039,060
Guarantee Deposits	57,520		
Deferred Tax Assets	96,924	[Retained Earnings]	186,885
		Other Retained Earnings	186,885
		Retained Earnings Brought Forward	186,885
Total Assets	6,653,576	Total Liabilities and Equity	6,653,576

Statement of Income

From April 1, 2013

To March 31, 2014

Jaguar Land Rover Japan Limited

(Thousands of Indian Rupees)

Account		Amount
Net Sales		14,587,778
Cost of Sales		12,477,254
Gross profit		2,110,524
Selling, General and Administrative Expenses		1,869,634
Operating Income		240,890
Non-operating Income		
Property Rent Income	4,275	
Interest Income	1,435	
Foreign Exchange Gains	1,636	
Commission Fee	9,405	
Miscellaneous Income	3,551	20,303
Non-operating Expenses		
Interest Expense	154	
Sales Discounts	75,102	
Miscellaneous Losses	154	
Loss on Disposal of Inventories	780	76,191
Ordinary Income		185,003
[Extraordinary Gain]		
Gain on Sales of Fixed Assets	157	157
[Extraordinary Loss]		
Special Retirement Expenses	3,385	
Loss on Disposal of Fixed Assets	24,186	
Litigation Settlement	11,640	39,212
Income Before Income Taxes		145,947
Income Taxes		
Current	35,207	
Deferred	48,098	83,305
Net Income		62,642

Statement of Changes in Equity

From April 1, 2013

To March 31, 2014

(Thousands of Indian Rupees)

	Capital Stock	Capital Surplus		Retained Earnings		Total Equity
		Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings	
				Retained Earnings Brought Forward		
Balance at April 1, 2013	279,360	2,039,060	2,039,060	124,242	124,242	2,442,663
Changes in Current Fiscal Year						
Dividend Paid						
Net Profit				62,642	62,642	62,642
Total Change in Current Fiscal Year				62,642	62,642	62,642
Balance at March 31, 2014	279,360	2,039,060	2,039,060	186,885	186,885	2,505,305

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Valuation Basis and Method for Significant Assets

Valuation Basis and Method for Inventory

Merchandise and Goods in Transit

① Vehicles Specific identification cost method (calculated using the book-value write-down method based on the decline in profitability).

② Parts Moving average cost method (calculated using the book-value write-down method based on the decline in profitability).

Supplies Specific identification cost method (calculated using the book-value write-down method based on the decline in profitability).

(2) Depreciation Method for Fixed Assets

Property, Plant and Equipment

Straight-line method

Useful lives

Buildings

20 years

Machinery and Equipment

6 years

Vehicles and Transport equipment

6 years

Tool, Furniture, and Fixtures

3 years

Intangible Assets

Straight-line method

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

Goodwill is amortized on a straight-line method over 20 years.

(3) Accounting Standards for Significant Allowances

Allowance for Doubtful Accounts

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

Provision for Retirement Benefits

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

Provision for Product Warranty

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

Accrued Bonus

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

(4) Other Important Matters

Consumption Tax Treatment

Tax-exclusion method

2. Note to Balance Sheet

(1) Accumulated Depreciation of Property, Plant and Equipment

84,584 Thousand Rupees

3. Note to Statements of Change in Equity

(1) Number and Type of Total Shares Issued

(Unit: 1share)

Type of Shares	At beginning of the current year	Increase in the current year	Decrease in the current year	At end of the current year
Common Stock	101	-	-	101

4. Income Taxes

Details of Deferred Tax Assets and Liabilities

	As of March 31, 2014 (Thousands of Indian Rupees)
Deferred Tax Assets (Current)	
Accrued Expense	143,273
Loss Carryforwards	28,730
Enterprise Tax Payable	4,428
Accrued Bonus	8,185
Deferred Tax Assets (Current) Total	184,617
Deferred Tax Assets (Current) - net	184,617
Deferred Tax Assets (Non Current)	
Allowance for Product Warranty	79,055
Allowance for Retirement Benefit	16,807
Others	3,007
Deferred Tax Assets (Non Current) Total	98,870
Deferred Tax Liabilities (Non Current)	
Others	Δ 1,946
Deferred Tax Liabilities (Non Current) Total	Δ 1,946
Deferred Tax Assets (Non Current) - net	96,924

5. Related Party Transactions

(1) Parent company

(Thousands of Indian Rupees)

Attributes	Name of Company	Shareholding Ratio	Relationship		Transaction	Amount	Account	Balance
			Directors	Business				
Parent	Jaguar Land Rover Ltd.	Direct 100%	-	Purchase of merchandise	Import of catalogs and brochures (Note 1)	10,403,446	Accounts Payable	2,254,545
				Financial support	Loan to Parent (Note 2)	1,522,641	Short-term Loan Receivables	1,522,641
					Interest Received	1,181	Interest Receivables	150
					Interest Paid	79		
					Reimbursed Expense	115,825	Accounts Receivables - Other	113,053

(2) Related companies

(Thousands of Indian Rupees)

Attributes	Name of Company	Shareholding Ratio	Relationship		Transaction	Amount	Account	Balance
			Directors	Business				
Related company of Parent	Jaguar Land Rover Deutschland GmbH	-	-	Nil	Labor Costs	4,200	-	-
Related company of Parent	Jaguar Land Rover Australia Pty Ltd	-	-	Nil	Reimbursed Expenses	8,669	Accounts Payable - Other	1,562

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

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

6 Other remarks

None

**JLR Nominee Company Limited
(previously Jaguar Land Rover
Exports Limited)**

Annual Report and Financial Statements

Year ended 31 March 2014
(Registered number: 1672065)

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Strategic report

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

Principal activity

The principal activity of the company until 1 April 2013 was the sale to overseas markets of the products of Jaguar Land Rover Limited ("JLR"), the immediate parent undertaking. On 1 April 2013, the company transferred its net assets and trade to Jaguar Land Rover Limited and ceased its former trade. The company's principal activity is now to act as a holding company for nominee investments in group companies.

On 1 July 2013, the company changed its name from Jaguar Land Rover Exports Limited to JLR Nominee Company Limited.

Review of business and future developments

Given the transfer of trade and assets of the company's former activities on the first day of the financial year, the company ceased its former trade and therefore the financial statements for the year ended 31 March 2014 do not show any trade. The company is expected to remain a holding company for nominee investments in group companies and will not resume trading in the foreseeable future.

Key performance indicators

Given the cessation of the former trade of the company, the directors do not consider any key performance indicators to be relevant to the understanding of the financial performance or financial position of the company.

Principal risks and uncertainties

Following the cessation of the former trade of the company, the directors do not consider that the company has any principal risks and uncertainties.

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

S. L. Pearson
Secretary
July 2014

Registered Address
Abbey Road
Whitley
Coventry
CV3 4LF

Directors' report

Results and dividends

The income statement shows a net income before tax for the financial year of R 10.0 million (2013: Rs 923.3 million).

A dividend of Rs 3,098.4 million (2013: Rs nil) was paid during the year. The directors recommend that no further dividend should be proposed in respect of the financial results for year ended 31 March 2014 (2013: Rs nil).

Going concern and post balance sheet events

The directors have considered the financial position of the company at 31 March 2014 (net assets of Rs nil (2013: net assets of Rs 2,555.6 million)) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements.

Following the transfer of trade and net assets from JLR Nominee Company Limited to Jaguar Land Rover Limited on 1 April 2013, the directors have prepared these financial statements on a basis other than going concern to meet financial reporting requirements under IFRS. Had the accounts been prepared on a going concern basis there would be no difference to the figures as reported in the primary statements nor would the net assets of the company as at 31 March 2014 be affected.

Directors

The directors who held office during the year and subsequently are as follows:

K.D. Gregor

K.J. Benjamin (appointed 1 April 2013)

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Independent auditor

In accordance with Section 485-488 of the Companies Act 2006 the company has elected to dispense with laying financial statements before the general meeting, holding annual general meetings and the annual appointment of auditors. With such an election in force the company's auditor shall be deemed to be re-appointed for each succeeding financial year in accordance with Section 386 of the Act.

Statement of disclosure of information to auditor

In the case of each of the persons who are directors at the time when the report is approved under section 418(2) the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

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

S. L. Pearson
Secretary , July 2014

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditor's report to the members of JLR Nominee Company Limited

We have audited the financial statements of JLR Nominee Company Limited for the year ended 31 March 2014 which comprise the Income statement, the Balance sheet, the Statement of changes in equity, the Cash flow statement and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 2 to the financial statements, the company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Independent auditor's report to the members of JLR Nominee Company Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Richard Knights (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountant and Statutory Auditor
Birmingham, United Kingdom

Income statement

	<i>Note</i>	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Revenue	3	-	835,540.0
Changes in inventories of finished goods		-	14,789.8
Purchase of products for sale		-	(827,757.6)
Other expenses	4	-	(19,991.8)
Foreign exchange loss	4	-	(972.8)
Finance income	6	10.0	239.1
Finance expense	6	-	(923.3)
Net income before tax		10.0	923.3
Income tax	14	-	-
Net income attributable to shareholders		10.0	923.3

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

Balance sheet

	<i>Note</i>	31 March 2014 Rs m	31 March 2013 Rs m
Non-current assets			
Other financial assets	13	-	41.2
Total non current assets		-	41.2
Current assets			
Cash and cash equivalents	8	-	1,690.0
Finance receivables	9	-	59,010.7
Trade receivables		-	116,339.7
Inventories	11	-	24,765.0
Other current assets	12	-	28,986.0
Total current assets		-	230,791.4
Total assets		-	230,832.6
Current liabilities			
Accounts payable	16	-	203,759.2
Short term borrowings	17	-	18,136.9
Other financial liabilities	15	-	6,380.9
Total current liabilities		-	228,277.0
Total liabilities		-	228,277.0
Equity attributable to shareholders			
Ordinary shares	18	-	-
Reserves	19	-	2,555.6
Total equity attributable to shareholders		-	2,555.6
Total liabilities and equity		-	230,832.6

These financial statements were approved by the board of directors and authorised for issue on July 2014. They were signed on its behalf by:

K.D.M.Gregor
Director

Company registered number: 1672065

Statement of changes in equity

	Ordinary shares Rs m	Reserves Rs m	Total equity Rs m
Balance at 1 April 2013	-	2,555.6	2,555.6
Income for the year	-	10.0	10.0
Total comprehensive income	-	10.0	10.0
Dividend		(3,098.4)	(3,098.4)
Balance at 31 March 2014	-	-	-
	Ordinary shares Rs m	Reserves Rs m	Total equity Rs m
Balance at 1 April 2012	-	1,632.3	1,632.3
Income for the year	-	923.3	923.3
Total comprehensive income	-	923.3	923.3
Balance at 31 March 2013	-	2,555.6	2,555.6

Cash flow statement

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Cash flows from operating activities		
Net income attributable to shareholders	10.0	923.3
Adjustments for:		
Finance expense	-	923.3
Finance income	(10.0)	(239.1)
Cash flows from operating activities before changes in assets and liabilities	-	1,607.6
Trade receivables	140,591.8	(27,246.5)
Finance receivables	71,312.1	1,343.8
Other financial assets	49.8	-
Other current assets	35,028.4	(3,083.3)
Inventories	29,927.6	54,023.1
Accounts payable	(246,234.8)	14,435.3
Other financial liabilities	(7,711.0)	(44,773.3)
Cash generated from/ (used in) operations	22,963.7	(5,300.9)
Net cash (used in)/ from operating activities	22,963.7	(3,693.3)
Cash flows used in investing activities		
Finance income received	10.0	239.1
Net cash from investing activities	10.0	239.1
Cash flows from financing activities		
Finance expenses paid	-	(915.1)
(Repayment)/ increase of short term debt	(21,917.6)	2,835.9
Dividend paid	(3,098.4)	-
Net cash (used in) / generated from financing activities	(25,016.0)	1,920.9
Net change in cash and cash equivalents	(2,042.3)	(1,533.4)
Cash and cash equivalents at beginning of year	2,042.3	156.6
Cash transferred on acquisition of Land Rover Exports Limited	-	3,066.8
Cash and cash equivalents at end of year	-	1,690.0

Notes to the financial statements

1 Background and operations

The principal activity of the company until 1 April 2013 was the sale to overseas markets of the products of Jaguar Land Rover Limited ("JLR"), the immediate parent undertaking. On 1 April 2013, the company transferred its net assets and trade to Jaguar Land Rover Limited and ceased its former trade. The company's principal activity is now to act as a holding company for investments in group companies.

On 1 July 2013, the company changed its name from Jaguar Land Rover Exports Limited to JLR Nominee Company Limited.

The company is incorporated and domiciled in the UK and has its registered office at Whitley, Coventry, England. The company is an indirect subsidiary of Tata Motors Limited, India ("TATA Motors").

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as "IFRS") as approved by the EU. There is no difference between these accounts and the accounts for the company prepared under IFRS as adopted by the International Accounting Standards Board ("IASB").

The company is included in the consolidated accounts of Jaguar Land Rover Automotive PLC which are available from the company's registered office.

Basis of preparation

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

Going concern

The directors have considered the financial position of the company at 31 March 2014 (net assets of R nil (2013: net assets of R 2,555.6 million)) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements.

Following the transfer of trade and net assets from JLR Nominee Company Limited to Jaguar Land Rover Limited on 1 April 2013, the directors have prepared these financial statements on a basis other than going concern to meet financial reporting requirements under IFRS. Had the accounts been prepared on a going concern basis there would be no difference to the figures as reported in the primary statements nor would the net assets of the company as at 31 March 2014 be affected.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future periods affected.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

Revenue recognition

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

Sale of products

The Company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products includes export and other recurring and non-recurring incentives from Governments at the national and state levels. Sale of products is presented net of excise duty where applicable and other indirect taxes.

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

Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

Provisions

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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Foreign currency

The functional and presentation currency of the company is GBP.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the income statement except to the extent, exchange differences, which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs.

Income taxes

Income tax expense comprises current and deferred taxes.

Income tax expense is recognised in the income statement except, when they relate to items that are recognised outside net income (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside net income, or where they arise from the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

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

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 unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year 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 against current tax 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.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

Inventories

Inventories (other than those recognised consequent to the sale of vehicles subject to repurchase arrangements) are valued at the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a first in first out basis. Costs, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the Company and are amortised in changes in stocks and work in progress to their residual values (i.e. estimated second hand sale value) over the term of the arrangement.

Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

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

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets and financial liabilities at fair value through profit or loss: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. Financial assets and liabilities are measured at fair value with changes in fair value recognised in the income statement.

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

Available-for-sale financial assets: Available-for-sale financial assets are those non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other financial assets categories. Subsequently, these are measured at fair value and changes therein, other than impairment losses which are recognised directly in other comprehensive income, net of applicable deferred income taxes.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.

Equity instruments

An equity instrument in 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.

Other financial liabilities

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

Notes to the financial statements (continued)

2 Accounting policies (continued)

Financial instruments (continued)

Determination of fair value

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. Valuation techniques include discounted cash flow method and other valuation models.

Derecognition of financial assets and financial liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

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

When the financial asset is derecognised, the cumulative gain or loss in equity is transferred to the income statement.

Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a Company of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

Available-for-sale financial assets: If the available-for-sale financial asset is impaired, the difference between the financial asset's acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any previous impairment loss recognised in the income statement, is reclassified from other comprehensive income to the income statement. If, in a subsequent year, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed. The reversal is recognised in the income statement. Reversal of impairment loss on equity investments classified as available-for-sale, is not recognised in the income statement. Increase in their fair value after impairment, is recognised in other comprehensive income.

Equity investments: Impairment loss on equity investments carried at cost is not reversed.

Notes to the financial statements (continued)

2 Accounting policies (continued)

New accounting pronouncements

The adoption of the following standards, revisions and amendments to standards and interpretations in the current year has not had any impact on the financial statements.

IAS 1 *Presentation of Financial Statements* (amended June 2011)

IAS 19 *Employee Benefits* (amended June 2011)

IAS 27 *Separate Financial Statements* (amended May 2011)

IAS 28 *Investments in Associates and Joint Ventures* (issued May 2011)

IFRS 1 *First-time Adoption of International Financial Reporting Standards* (amended March 2012)

IFRS 7 *Financial Instruments: Disclosures* (amended December 2011)

IFRS 10 *Consolidated Financial Statements* (issued May 2011 and amended June 2012)

IFRS 11 *Joint Arrangements* (issued May 2011 and amended June 2012)

IFRS 12 *Disclosure of Interests in Other Entities* (issued May 2011 and amended June 2012)

IFRS 13 *Fair Value Measurement* (issued May 2011)

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (issued October 2011)

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2009 – 2011 cycle.

The following pronouncements, issued by the IASB, are not yet effective and have not yet been adopted by the company. The company does not expect a material impact on the financial statements as a result of adopting these pronouncements in future periods.

IAS 27 *Separate Financial Statements* (amended October 2012)

IFRS 10 *Consolidated Financial Statements* (amended October 2012)

IFRS 12 *Disclosure of Interests in Other Entities* (amended October 2012)

IAS 32 *Financial Instruments: Presentation* (amended December 2011)

IAS 36 *Impairment of Assets* (amended May 2013)

IAS 39 *Financial Instruments: Recognition and Measurement* (amended June 2013)

The following pronouncements, issued by the IASB, have not yet been endorsed by the EU, are not yet effective and have not yet been adopted by the company. The company does not expect a material impact on the financial statements as a result of adopting these pronouncements in future periods.

IAS 19 *Employee Benefits* (amended November 2013)

IFRS 9 *Financial Instruments* (issued November 2009, October 2010 and November 2013)

IFRS 14 *Regulatory Deferral Accounts* (issued January 2014)

IFRIC 21 *Levies* (issued May 2013)

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2010 – 2012 and 2011 – 2013 cycles.

Notes to the financial statements *(continued)*

3 Revenue

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Sale of vehicles	-	835,540.0
Total revenues	-	835,540.0

4 Expenses

Included in other expenses for the year are the following:

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Marketing expenses	-	(10,709.0)
Selling expenses	-	(7,427.9)
Freight and other expenses	-	(1,854.9)
Other Expenses	-	(19,991.8)
Net foreign exchange	-	(972.8)

Auditors' remuneration is borne by the immediate parent company Jaguar Land Rover Limited. The company's allocation for fees payable to the company's auditors for the audit of the annual financial statements is R 10.0m (2013: R 8.2m). The company's allocation for fees payable to the company's auditors for amounts incurred on behalf of other group companies is R nil (2013: R 4.1 million).

5 Employees and directors' emoluments

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

The directors did not receive remuneration for their services specifically to this company during the current year (2013: R nil). Emoluments are paid by Jaguar Land Rover Limited, the immediate parent company who makes no recharge to this company. Retirement benefits accruing to the directors are disclosed in the financial statements of the immediate parent company, Jaguar Land Rover Limited.

Notes to the financial statements *(continued)*

6 Finance income and expense

Recognised in net income

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Finance income	10.0	239.1
Total finance income	10.0	239.1

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Total interest expense on financial liabilities measured at amortised cost	-	(923.3)
Total finance expense	-	(923.3)

7 Investment

Name of company	Interest	Principal place of business and country of incorporation	If other than Sterling	Class of share	Principal activity
Jaguar Land Rover Belux NV	1% (one share only)	Belgium	Euros	€250.00 Ordinary share	Distribution and sales company

The investment was held at cost and net book value of €250.00 for the year ended 31 March 2013. The investment was transferred to Jaguar Land Rover Limited on 1 April 2013.

Notes to the financial statements *(continued)*

8 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at 31 March 2014 Rs m	As at 31 March 2013 Rs m
Cash and cash equivalents	-	1,690.0
	<u>-</u>	<u>1,690.0</u>
	<u>-</u>	<u>1,690.0</u>

9 Finance receivables

Finance receivables primarily consist of loans, the details of which are as follows:

	As at 31 March 2014 Rs m	As at 31 March 2013 Rs m
Total loan instalments to be received	-	59,010.7
	<u>-</u>	<u>59,010.7</u>
Total	<u>-</u>	<u>59,010.7</u>
Current portion	-	59,010.7
	<u>-</u>	<u>59,010.7</u>

All finance receivables are loans from other related parties and no impairment has been recognised in any year.

10 Allowances for trade and other receivables

Changes in the allowances for trade and other receivables are as follows:

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
At beginning of year	173.1	8.2
Allowance made during the year net	-	164.9
Transfer to Jaguar Land Rover Limited (see note 25)	(209.2)	-
	<u>-</u>	<u>173.1</u>
At end of year	<u>-</u>	<u>173.1</u>

Notes to the financial statements *(continued)*

11 Inventories

	As at 31 March 2014 Rs m	As at 31 March 2013 Rs m
Finished goods	-	24,765.0
	<u>-</u>	<u>24,765.0</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

The stock is used as part of the security for a loan facility held by a related party, Land Rover.

Cost of inventories (including cost of purchased products) recognised as expense during the year amounted to Rs nil (2013: R 827,757.6 million).

12 Other current assets

	As at 31 March 2014 Rs m	As at 31 March 2013 Rs m
Prepayments	-	82.5
VAT	-	28,903.5
	<u>-</u>	<u>28,986.0</u>

13 Other financial assets (non current)

	As at 31 March 2014 Rs m	As at 31 March 2013 Rs m
Other	-	41.2
	<u>-</u>	<u>41.2</u>

Notes to the financial statements *(continued)*

14 Taxation

Recognised in the income statement

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Current income tax income	-	-
Deferred tax expense	-	-
Total income tax income	-	-

Reconciliation of effective tax rate

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Net income attributable to shareholders for the year	10.0	923.3
Total income tax income	-	-
Net income excluding taxation	10.0	923.3
Tax using the UK corporation tax rate of 23% (2013: 24%)	-	222.6
Group relief received for no consideration	-	(222.6)
Total income tax	-	-

Notes to the financial statements *(continued)*

15 Other financial liabilities

	As at 31 March 2014 Rs m	As at 31 March 2013 Rs m
Current		
Interest accrued	-	33.0
Liability for vehicles sold under a transfer arrangement	-	5,960.4
Income tax	-	387.5
	-	6,380.9

16 Accounts payable

	As at 31 March 2014 Rs m	As at 31 March 2013 Rs m
Trade payables	-	199,579.5
Others	-	4,179.7
	-	203,759.2

17 Interest bearing loans and borrowings

	As at 31 March 2014 Rs m	As at 31 March 2013 Rs m
Others:		
Short term borrowings	-	18,136.9

18 Capital and reserves

	As at 31 March 2014 Rs	As at 31 March 2013 Rs
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1each	9,962.6	8,244.0

Notes to the financial statements (continued)

19 Other reserves

The movement of other reserves is as follows:

	Reserves Rs m
Balance at 31 March 2013	2,555.6
Profit for the year	10.0
Dividend paid	(3,098.4)
Balance at 31 March 2014	-

	Reserves Rs m
Balance at 31 March 2012	1,632.3
Profit for the year	923.3
Balance at 31 March 2013	2,555.6

20 Dividends

During the year ended 31 March 2014, a dividend of Rs 3.1 million per ordinary Rs 99.63 share totalling Rs 3.1 billion (2013: R nil) was paid during the year.

21 Capital management

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

The policy of the group headed by Jaguar Land Rover Automotive PLC is to borrow centrally through capital market issues supported by committed borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure is governed according to group policies approved by the Board of Jaguar Land Rover Automotive PLC and is monitored by various metrics, notably conformity with EBITDA to debt and EBITDA to interest ratios, as per the debt covenants and rating agency guidance. Funding requirements are reviewed periodically with any debt issuances and capital distributions approved by the Board.

The following table summarises the capital of the Company:

	As at 31 March 2014 Rs m	As at 31 March 2013 Rs m
Equity	-	2,555.6
Short term debt	-	18,136.9
Total capital	-	20,692.5

Notes to the financial statements (continued)

22 Financial instruments

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(a) Financial assets and liabilities

There are no financial assets or liabilities at 31 March 2014.

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2013:

Financial assets

	Cash and loans and receivables Rs m	Total carrying value Rs m	Total fair value Rs m
Cash and cash equivalents	1,690.0	1,690.0	1,690.0
Finance receivables	59,010.7	59,010.7	59,010.7
Trade receivables	116,339.7	116,339.7	116,339.7
	<u>117,040.4</u>	<u>117,040.4</u>	<u>117,040.4</u>

Financial liabilities

	Other financial liabilities Rs m	Total carrying value Rs m	Total fair value Rs m
Accounts payable	203,759.2	203,759.2	203,759.2
Short-term debt	18,136.9	18,136.9	18,136.9
Other financial liabilities – current	6,380.9	6,380.9	6,380.9
	<u>228,277.0</u>	<u>228,277.0</u>	<u>228,277.0</u>

The fair values disclosed above are based on the carrying value of the financial instruments.

(b) Financial risk management

Following the transfer of trade and net assets, in the course of its business, the company is not exposed to any significant financial risks. Prior to the transfer of trade and net assets, the company was exposed primarily to fluctuations in foreign currency exchange rates, liquidity and credit risk. Given that the transfer of trade and assets occurred on the first day of the current year at book value, there were no financial risks at either 31 March 2014 or 31 March 2013 and therefore no further financial risk disclosures are provided.

Notes to the financial statements *(continued)*

23 Related party transactions

The company's related parties principally consist of Tata Sons Ltd, subsidiaries of Tata Sons Ltd, associates and joint ventures of Tata Sons Ltd. The company routinely enters into transactions with these related parties in the ordinary course of business. The company previously entered into transactions for sale and purchase of products with its associates.

There are no related party transactions and balances not eliminated in the consolidated financial statements for the year ended 31 March 2014.

The following table summarises related party transactions and balances not eliminated in the consolidated financial statements for the year ended 31 March 2013.

	With associates 2013 Rs m	With ultimate parent 2013 Rs m
Sale of products	671,805	4,204
Goods received	735,284	-
Trade and other receivables	63,314	-
Accounts payable	197,692	-
Loans given	59,027	-

24 Ultimate parent company and controlling party

The immediate parent undertaking is Jaguar Land Rover Automotive PLC which is the parent of the smallest group to consolidate these financial statements. 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.

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

25 Transfer of trade and assets

On 1 April 2012, JLR Nominee Company Limited acquired the trade and assets of Land Rover Exports Limited for Rs 4.6 billion. The net assets transferred from Land Rover Exports to JLR Nominee Company Limited are listed below:

	Rs m
Current assets	
Cash and cash equivalents	3,066.8
Finance receivables	60,346.2
Trade receivables	80,239.1
Inventories	68,804.6
Other current assets	22,415.5
	234,872.2
Current liabilities	
Accounts payable	(179,958.8)
Short term borrowings	(10,478.2)
Other financial liabilities	(39,818.6)
	(230,255.6)

26 Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances . These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

**Jaguar Land Rover Deutschland GmbH Schwalbach
am Taunus**

Financial Statements and Auditors' Report
For the year ended 31 March 2014

Indian Rupees translation

[Independent] Auditors' Report

We have audited the financial statements - comprising the balance sheet, the income statement and the notes to the financial statements - together with the bookkeeping system and the management report of Jaguar Land Rover Deutschland GmbH, Schwalbach am Taunus/Germany, for the financial year from 1 April 2013 to 31 March 2014. The maintenance of the books and records and the preparation of the financial statements and management report in accordance with German commercial law are the responsibility of the Company's Management. Our responsibility is to express an opinion on the financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ("German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the financial statements of Jaguar Land Rover Deutschland GmbH, Schwalbach am Taunus/Germany, comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main/Germany, 27 May 2014

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

signed
Gregg
Wirtschaftsprüferin
[German Public Auditor]

signed
Riedel
Wirtschaftsprüfer
[German Public Auditor]

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Income Statement for the Period from 1 April 2013 to 31 March 2014

	2013/14 INR (Mil)	2012/13 INR (Mil)
1. Revenue	74.527,93	54.067,76
2. Other operating income	2.716,05	1.966,08
3. Cost of materials		
Cost of purchased merchandise	62.914,82	45.479,32
4. Personnel expenses		
a) Wages and salaries	906,82	558,96
b) Social security, post-employment costs and other employee benefits	91,16	145,04
of which post-employment costs: INR (Mil) 69.04 (prior year: INR (Mil) 74.94)		
5. Depreciation and write-downs on property, plant and equipment	22,37	17,84
6. Other operating expenses	12.714,20	9.507,05
7. Other interest and similar income	10,15	10,86
of which from affiliated companies: INR (Mil) 10.15 (prior year: INR (Mil) 10.86)		
8. Interest and similar expenses	27,93	26,03
of which from accumulation of interest on provisions: INR (Mil) 27.93 (prior year: INR (Mil) 21.08)		
9. Result from ordinary activities	576,83	310,47
10. Extraordinary expenses	7,71	6,51
11. Taxes on income	265,14	120,60
12. Other taxes	22,54	15,37
13. Profit for the period	281,44	168,00

Balance Sheet as at 31 March 2014

Assets

A. Fixed assets

Property, plant and equipment

1. Operating and office equipment
2. Prepayments

B. Current assets

I. Inventories

Merchandise

II. Receivables and other assets

1. Trade accounts receivable
2. Receivables from affiliates

of which to the shareholder:

INR (Mil) 9,373.35 (prior year: INR (Mil) 41.34)

3. Other assets

of which with a residual term of more than one year:

INR (Mil) 12.87 (prior year: INR (Mil) 13.58)

III. Cash-in-hand and bank balances

C. Prepaid expenses

Equity and Liabilities

A. Equity

I. Subscribed capital

II. Capital reserves

III. Retained profits brought forward

IV. Profit for the period

B. Provisions

1. Provisions for retirement benefit obligations
2. Provisions for taxes
3. Other provisions

C. Liabilities

1. Trade accounts payable

of which with a residual term of up to one year:

INR (Mil) 498.66 (prior year: INR (Mil) 90.92)

2. Liabilities to affiliated companies

of which with a residual term of up to one year:

INR (Mil) 6,755.15 (prior year: INR (Mil) 4,728.41)

of which to the shareholder:

INR (Mil) 6,434.48 (prior year: INR (Mil) 0.00)

3. Other liabilities

of which with a residual term of up to one year:

INR (Mil) 3,691.65 (prior year: INR (Mil) 3,894.31)

of which from taxes:

INR (Mil) 2,431.37 (prior year: INR (Mil) 2,679.27)

31 Mar. 2014
INR (Mil)

31 Mar. 2013
INR (Mil)

189.93 95.20

0.00 47.25

189.93 142.45

7,823.63 4,561.67

2,045.61 2,447.70

9,463.31 6,067.67

1,057.76 1,160.30

12,566.68 9,675.67

77.69 2,056.20

20,468.00 16,293.54

3.71 5.01

20,661.64 16,441.01

31 Mar. 2014
INR (Mil)

31 Mar. 2013
INR (Mil)

210.63 177.84

1,303.15 1,100.32

520.78 271.72

281.44 168.00

2,316.00 1,717.88

531.84 415.81

108.55 34.67

6,759.78 5,559.01

7,400.16 6,009.49

498.66 90.92

6,755.15 4,728.41

3,691.65 3,894.31

10,945.47 8,713.64

20,661.64 16,441.01

Jaguar Land Rover Deutschland GmbH, Schwalbach am Taunus/Germany

Notes to the Financial Statements for the financial year from 1 April 2013 to 31 March 2014

A. GENERAL INFORMATION

The financial statements as at 31 March 2014 were prepared in compliance with the provisions of the German Commercial Code (HGB) applicable to large firms organised in a corporate form as well as in compliance with the supplementing provisions of the German Law on Limited Liability Companies (GmbHG).

Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (Euros) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate EUR 1 = Rs 82.390 and Rs 69.566 for the years ended 31 March 2014 and 2013 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

B. Accounting and Valuation Principles

Accounting Principles

The financial statements were prepared in compliance with the general recognition rules of Sec. 246 to 251 German Commercial Code (HGB) as well as under taking into account the special recognition rules for firms organised in a corporate form of Sec. 268 to 274a, 277 to 278 German Commercial Code (HGB).

Vehicles sold within the scope of buyback contracts to car rentals are disclosed under the other assets, since according to the contracts the economic ownership remains at the entity and the sale of the vehicles after the short-term holding period of the car rental firms is upon the entity. The buyback commitments are disclosed under the other liabilities. Revenue is only realised after termination of the buyback transactions at the final sale of the vehicles to

the dealer.

The entity has not taken advantage of the option to recognise the excess in deferred tax assets on account of an arising tax relief in accordance with Sec. 274 (1) Sentence 2 German Commercial Code (HGB).

Valuation Principles

The financial statements were prepared under taking into account the general valuation principles of Sec. 252 to 256a German Commercial Code (HGB).

In detail, the following valuation principles apply:

FIXED ASSETS

Property, plant and equipment

Operating and office equipment is measured at acquisition cost, including incidental acquisition cost, less cash discounts. Depreciation is made on a straight-line basis over the expected individually estimated useful lives as follows:

	Years
EDP software	2 to 4
Operating equipment	3 to 5
Office equipment	4 to 10
Company cars (new)	4
Company cars (used)	3
Tenant fixtures	5 to 10

Low-value items with acquisition or production cost of up to EUR 150.00 are fully expensed. Low-value items with acquisition or production cost of more than EUR 150.00 and up to EUR 1,000.00 at most were capitalised as compound item that is depreciated on a straight-line basis over a term of five years.

CURRENT ASSETS

Inventories

Vehicles and spare parts are recognised in compliance with the strict lower-of-cost-or-market principle at acquisition cost, including the incidental acquisition cost. Principally, the average rating method is used. Adequate amounts are deducted for slow-moving vehicles (that are hard to sell). In addition, specific allowances were made for single vehicles, depending on the sales expectations on the used car market. In the aggregate, depreciations of mINR 240,533 (prior year: mINR 186,862) were made on the vehicles.

Receivables and other assets

Trade receivables and receivables from affiliated companies are recognised at acquisition cost. Specific allowances are made for doubtful receivables.

Except for the corporate income tax credit that is discounted with 5.5% and the vehicles with buyback commitments, the other assets are recognised at acquisition cost. Vehicles with buyback commitments are recognised at acquisition cost less specific allowances for single vehicles depending on the sales expectations on the market for used cars.

Cash-in-hand, bank balances

The cash-in-hand and bank balances are recognised at nominal values.

Provisions

The pension commitments were computed according to the projected-unit-credit-method under applying actuarial principles with an interest rate of 4.85% p.a., based on Prof Dr. Klaus Heubeck's 2005G Standard Tables that were published in 2006.

In accordance with Sec. 253 (2) Sentence 2 German Commercial Code (HGB), the provisions for pension commitments are discounted on a lump-sum basis with the average market interest rate of the last seven years that arises in case of an anticipated residual term of 15 years, determined by the German Central Bank. Salary rises were taken into account with 2.0% p.a., the annual rise of the assessment ceiling with 2.0% and the annual pension rise with 2.0%. Age- and gender-dependent fluctuation probabilities were taken into account for the employee turnover. On account of the option under Article 67 (1) Sentence 1 EGHGB, an amount of mINR 8 (1/15th of the difference determined as at 1 April 2011) was added to the pension provisions. Due to the additions made pro rata over 15 years, the balance sheet does not include pension commitments of mINR 84,834 as at 31 March 2014.

The other provisions are recognised at settlement value, based on sound business judgement. Provisions with a residual term of more than one year are discounted over their residual term with the average market interest rate, determined by the German Central Bank.

Liabilities

Liabilities to banks, trade payables, liabilities to affiliated companies and other liabilities are recognised at the amounts to be repaid. Short-term liabilities denominated in foreign currencies are recognised at the middle spot rate in effect on balance sheet date.

C. NOTES TO THE BALANCE SHEET**1. Fixed assets****1.1 Movements in single fixed assets items**

The movements in fixed assets in the financial year 2013/14 are presented in the statement of movements in fixed assets attached (Appendix to the Notes).

2. Receivables

The receivables notably include receivables from affiliated companies of mINR 114,860 and here mostly cash pool receivables of mINR 9,373,353 (prior year: mINR 5,945,636) and trade receivables of mINR 2,045,607 (prior year: mINR 2,447,700).

3. Deferred taxes

Deferred taxes have been recognised for temporary differences between the values of assets, liabilities and prepaid expenses/deferred income recognised in the commercial and tax balance sheets. Credit differences do not arise on balance sheet date. Debit differences primarily result from book value differences at pension provisions and other provisions. The deferred taxes are determined on the basis of the combined income tax rate of the entity of 28.075% and comprises corporate income tax, trade tax and solidarity surcharge. In the financial year, deferred tax assets arise that are not accounted for in the balance sheet.

4. Equity

The fully paid-in share capital amounts to EUR 2,556,459.41 (corresponds to mINR 210,627).

Sole shareholder is Jaguar Land Rover Limited, Coventry/Great Britain.

5. Other provisions

Regarding the other provisions, the largest individual items are the provisions for marketing programs (mINR 3,934,123; prior year: mINR 3,363,867), for variable dealer margins (mINR 1,028,886; prior year: mINR 795,929), for outstanding invoices (mINR 903,195; prior year: mINR 658,208), for support of interest-free time (mINR 119,548; prior year: mINR 235,517), for dealer start-up support as well as for dealer severance pays in line with Sec. 89b German Commercial Code (HGB) (mINR 390,529; prior year: mINR 408,363).

6. Liabilities

The liabilities notably arise from:

- Liabilities to affiliated companies of mINR 6,755,156 (prior year: mINR 4,727,721).
here mostly from liabilities to Jaguar Land Rover France for spare parts of mINR 298,169 (prior year: mINR 252,419) and liabilities to Jaguar Land Rover Limited of mINR 6,434,494 (prior year: mINR 4,475,303) from trade.
- Trade payables (mINR 498,624; prior year: mINR 90,910)
- Other liabilities (mINR 3,691,649; prior year: mINR 3,893,745)
here mostly liabilities from VAT (mINR 2,430,505; prior year: mINR 2,677,906) and liabilities from buyback transactions with car rentals (mINR 1.260,288; prior year: mINR 1,215,038).

D. NOTES TO THE INCOME STATEMENT

1. Revenue

By fields of activities

Sales revenues were, like in the prior year, all realised within Germany with the brands of Jaguar and Land Rover and can be analysed by fields of activity as follows:

	1 Apr. 2013 to 31 Mar. 2014	1 Apr. 2012 to 31 Mar. 2013
	mINR	mINR
New cars	60.069.313	45.416.720
Used cars	8.767.038	5.256.198
Commission - Unipart	149.208	138.645
Spare parts, accessories + other	5.542.375	3.256.176
	74.527.934	54.067.739

2. Other operating income

The other operating income notably comprises the transfer of warranty expenses (mINR 1,987,247; prior year: mINR 1,400,093) as well as cost transfers to dealers and Jaguar Land Rover Limited (mINR 728,575; prior year: mINR 530,921), the latter including the expenses for the central functions taken over for other European Jaguar Land Rover companies (European Operations employees).

3. Other operating expenses

The other operating expenses notably comprise the following items:

- Warranty expenses (mINR 2,163,644, prior year: mINR 1,635,540)
- Selling expenses and sales promotion (mINR 5,210,838; prior year: mINR 4,230,048)
- Advertising cost (mINR 3,475,705, prior year: mINR 2,372,972)
- Other sundry administration costs (mINR 499,448; prior year: mINR 517,984)

4. Extraordinary expenses

The extraordinary expenses include pro rata additions to the pension provision over 15 years in accordance with Art. 67 (1) EGHGB of mINR 8 (prior year: mINR 8).

5. Taxes on income

The taxes on income completely relate to the result from ordinary activities.

E. OTHER DISCLOSURES

1. Other Financial Commitments

The commitments from tenancy agreements for the training centre and the parking lots in Neuss until the end of the minimum leasing term on 30 November 2015 amount to mINR 74 net (mINR 3.7 per month). The commitments from tenancy agreements for the office premises in Schwalbach until the end of the minimum leasing term on 31 August 2016 amount to mINR 155 net (mINR 5.3 per month).

The entity has closed tenancy agreements and leases as well as other service agreements for its business operation. The total commitments from the currently valid contracts amount to mINR 307,150.

2. Number of Employees

The entity had 111 (prior year: 76) employees in the annual average of the financial year.

3. Annual Auditor Fee

An amount of mINR 8,403 was recognised in the financial year for annual auditor fees (only audit services).

4. Members of the Company Boards

Management

Mr Peter Modelhart

5. Total Remuneration paid to Management

The total remuneration paid to management in the business year have not been disclosed in accordance with Sec. 286 (4) German Commercial Code.

6. Profit Appropriation

Management proposes to carry forward onto new account the profit for the period for the financial year 2013/2014.

7. Consolidated Financial Statements

The entity is included in the consolidated financial statements of Jaguar Land Rover Automotive PLC, Coventry/Great Britain (UK Register No. 6477691, www.jaguarlandrover.com), which in turn is included in the consolidated financial statements of TATA Motors Ltd., Mumbai/India, which in turn makes part of consolidated financial statements of Tata Sons Ltd., Mumbai/India (SEC Register No. 926042, www.tata.com).

Schwalbach am Taunus/Germany, 27 May 2014

Peter Modelhart
Managing Director

Management Report as at 31 March 2014

A. Business Development

1. Sales volumes and sales development

The total German vehicle market amounted to 2,952,431 units (registrations) in the period from January to December 2013. In 2012, 3,082,504 sold units were observed in the same period. Hence, the total market declined by 4.22%. The segments relevant for Jaguar show a decline of 6.94% and those relevant for Land Rover (OUV and utility vehicles) declined by 6.23%.

The upper luxury car segment (Large Saloon) in Germany showed a decline of 8.7% in 2013 despite the launch of the new Mercedes S class. The sales figures of the Jaguar XJ amounted to 342 units in 2012, corresponding to a decline of 20.2% (prior year: 429 units).

The medium market segment (saloon car and estate car) declined by 8.4% compared with the respective prior year's period. Here, the Jaguar XF showed a decline of 32.9% but this in favour of the Estate version (up by 901.5%), which has only been sold since November 2012. In the aggregate, 2,803 registrations of the XF were observed compared with 2,325 units in the prior year and thus a considerable increase of 20.6%.

The sports car segment (High Luxury Sports Car) showed an increase in registrations of 30.3% in 2013. The registrations of the Jaguar XK declined by 33.7% compared with 2012. However, the newly launched Jaguar F-Type was able to immediately reach a share of 4.7% on the Porsche-dominated sports car market in Germany.

Jaguar's market share in the total vehicle market amounted to 1.4% in the calendar year 2013 (prior year: 1.0%).

In the Small SUV segment, which showed a decline of 4% compared to the prior year, the Range Rover Evoque could repeat its prior year's success with 5,027 units in the Premium part of the segment (prior year: 5,046 registrations). Registrations of the Land Rover Freelander increased by 17.4% compared to the prior year.

In the Large SUV segment that showed a decline of 14.4% compared to the year 2012, the Land Rover Discovery faced a decline of half of the decline in the market segment (7.3%) at the mainstream vehicles. With 1,934 units, the new Range Rover was able to more than double its prior year's result (plus 109.8%). In a declining market, the new Range Rover Sport again exceeded the strong prior year's result by 7.4%.

Within the Utility segment, the Land Rover Defender was very successful showing a growth of 14.3% compared with the year 2012.

The market share of the Land Rover in the total vehicle market amounted to 4.2% in the calendar year 2013 (prior year: 4.2%).

Both brands developed positively in the first quarter 2014. The Land Rover registrations were by 14% higher than in the first quarter of the prior year. Jaguar grew by 36% compared with the comparison period 2013.

From April 2013 to March 2014, a total of 4,425 Jaguar vehicles were delivered to the dealers. These were 1,050 units or 31% more than in the comparison period 2012/2013. This positive development was mainly caused by the launch of the new F-Type. In the financial year 13/14, Land Rover was able to sell 14,598 vehicles. These were 635 units or 5% more than in the prior period. The main reason is the success of the new Range Rover. The delivered vehicles led to sales revenues of mINR 74,529,994 compared with mINR 54,058,923 in the prior year. The sales revenues notably result from the sale of new cars (80.1%, mINR 60,070,549 prior year: mINR 45,413,112), sale of spare parts and accessories (7.3%, mINR 5,544,847; prior year: mINR 3,255,821) as well as the sale of used Jaguar and Land Rover vehicles to the car dealer network (11.8%, mINR 8,766,296; prior year: mINR 5,258,434). The higher revenues with spare parts notably result from the change of the Jaguar business model. Since 1 January 2014, Jaguar spare parts are directly sold by the entity while before the sale was upon third parties and the entity was thus only receiving a sales commission before 1 January 2014.

2. Employees

On 31 March 2014, Jaguar Land Rover Deutschland GmbH had 106 employees under permanent contracts (31 March 2013: 76 employees). Of these 106 employees, 34 work in the division offering central functions for other European Jaguar Land Rover companies. This division was newly established in the past financial year. The expenses for these central activities are passed on to Jaguar Land Rover Limited.

B. Situation of the Entity

1. Results of Operations

The margin amounted to 15.6% in the financial year 2013/2014 and was thus almost unchanged when compared with the prior year (15.9%).

When compared with the prior year, the personnel expenses increased by mINR 293,982 to mINR 997,979, being notably due to the additional employees in the new division with central functions for other European Jaguar Land Rover companies.

The other operating expenses increased by mINR 3.214,522 compared with the prior year. This development was notably due to the higher selling and advertising expenses.

The results of operations are affected by the agreement on the determination of transfer prices closed with Jaguar Land Rover Limited, Coventry/Great Britain. The transfer prices are defined such that the ratio of the earnings before taxes from the sale and marketing of new vehicles, spare parts and accessories of the brands JAGUAR and Land Rover to the contractually agreed net revenues of these areas are competitive compared with the industry.

In the reporting year, the transfer prices were adjusted after a comparison with the industry within the scope of a benchmark analysis. The adjustment led to a positive result effect of about mINR 200,000 compared to the prior year.

In addition, the net revenues increased in total, so that the earnings before income taxes increased to mINR 546,580 (prior year: mINR 288,596).

Within the prior year's management report, we expected a sales and income growth of about 13%. Actually, we were able to realise a sales growth of 16% and an increase in the profit for the period of 42%.

2. Financial Position

The following cash flow statement shows the changes in the entity's net financial assets and their components, with the cash flow from current business activities being indirectly established:

	2013/14	2012/13
	INR mils	INR mils
Profit for the period	281	168
Amortisation/depreciation/write-downs on fixed assets	22	18
Increase in provisions	283	1.551
Increase (-)/decrease in inventories, trade receivables and other assets that are not allocable to investing or financing activities	-1.195	-3.267
Increase/decrease (-) in trade payables and other liabilities that are not allocable to investing or financing activities	626	737
Cash flow from current business activities	18	-793
Cash inflow from the disposal of property, plant and equipment	0	31
Cash outflow (-) from capital expenditure on tangible fixed assets	-44	-93
Cash inflow/cash outflow (-) on account of cash investments in the cash pool	-2.332	2.677
Cash flow from investing activities	-2.375	2.615
Change in cash and cash equivalents	-2.358	1.823
Opening balance of cash and cash equivalents	2.435	233
Closing balance of cash and cash equivalents (= liquid funds)	78	2.056

The negative cash flow from investing activities (mINR -2,375) notably results from the pay-out of accounting-related high cash and cash equivalents as at 31 March 2013.

The equity amounted to mINR 2,341 on balance sheet date (prior year: mINR 2,057).

The equity ratio amounts to 11.2% compared with 10.4% in the prior year. The entity operates a cash pool with Jaguar Land Rover Limited (formerly: Land Rover Cars UK).

On balance sheet date, cash pool credits of mINR 9,371,510 are disclosed for Jaguar Land Rover Deutschland (prior year: mINR 5,945,169 from Land Rover UK). The financial position of the entity is orderly.

3. Net Asset Position

The entity's assets notably comprise inventories of mINR 7,823,633, trade receivables of mINR 4,561,673 as well as receivables from affiliated companies of mINR 9,463,305.

The inventories comprise new and used cars of the entity as well as Jaguar spare parts. The inventories rose by mINR 3,261,961 compared to the prior year, being primarily due to a higher portfolio of Land Rover new vehicles.

A vehicle book value of mINR 1,148,306, disclosed under the other assets, result from buyback contracts closed with car rental firms (prior year: mINR 1,160,997). The balance sheet item to be netted with this of mINR 1,260,288 was recorded as buyback commitment under the other liabilities.

The receivables from affiliated companies notably include the aforementioned cash pool receivables from Jaguar Land Rover Limited (formerly: Land Rover UK) of mINR 9,373,352 (prior year: mINR 5,945,636).

The trade receivables declined by mINR 402,093 compared to the prior year (mINR 2,447,700), since a large share of the vehicles had already been paid on balance sheet date by the financing bank of the dealers.

The decline in bank balances is notably due to accounting-related high bank balances as of 31 March 2013 resulting from the cash pool system.

4. Overall Statement on Economic Situation

As at the date of preparation of the management report, there were no significant changes with regard to the sales development, net asset position or financial position.

C. Future Development Including Material Risks and Opportunities

1. Risks and Risk Management

In the financial year 2012/2013, a full process documentation was prepared on account of the SAP implementation, which was again updated in the current financial year.

The financial transactions are controlled each month. Deviations are explained to Jaguar Land Rover Limited by means of reports and analyses.

The entity is included in the intragroup cash pool system of Tata Group for hedging liquidity risks. This assures the cover of short-term financing needs and the balancing of selective incurring cash inflows and outflows at any time. Management regularly obtains information about the financial situation and the results of operations of the other cash pool leaders to be able to detect possibly arising risks at an early time.

A risk from cash flow fluctuations is seen for the cash pooling receivables. This risk is, however, not classified as material risk.

Jaguar Land Rover Deutschland is not exposed to any financial risk from the receivables from vehicle sales: The risk is covered by a purchase financing offered by FGA Bank Germany GmbH, Heilbronn/Germany. Risks from the free supply of spare part sales are borne by Jaguar Land Rover Deutschland. Here, the option cash on delivery (COD) is offered for Land Rover parts in case the solvability of a customer worsens.

Further material risks from current business are not on hand at present.

For the assessment, the entity has taken into account all information on hand when preparing the balance sheet and has set up provisions based on sound business judgement.

2. Risks and Opportunities

The following risks with material impact on the net asset position, financial position and results of operations are seen for the financial year 2014/2015:

- the lasting trend for downsizing at models and engines that could lead to pressure on the margins
- the development of the diesel and fuel prices and future form of emission-based taxes
- future development of the EU-regulations concerning the entire CO₂ emission of the vehicle fleet

Given the current range of offered models, the Company is very well prepared for the financial year 2014/2015. The new F-type sports car with 3.0 V6 and 5.0 compressors, which were launched in last spring, is supplemented by a coupé version in this year. This year, the Range Rover and the Range Rover Sport will be for the first time available with a hybrid engine. Furthermore, a new Land Rover model between the current Freelander and the Discovery starts at the end of the financial year.

Like already in the past years, special focus was put on the profitability of the Jaguar Land Rover dealer network also in 2013/2014. Without this network, a successful marketing of the new products cannot be guaranteed.

3. Outlook

The German Association of the International Vehicle Producers (VdiK) anticipates that the German vehicle market will realise a slight plus of 3.0 million vehicles.

As already in the prior year, the entity is continuing to realise the German Market Plans (GMP) also in 2014/2015. These plans shall assure the full use of the potential of both brands.

The plan is based on several pillars by means of which growth shall be driven. Mentionable in this respect is in particular the dealer network. Here, the entity is consistently working on filling all vacant positions/covering all sites.

Strong support of the dealers with regard to local marketing measures, the service optimisation in the after-sales segment and a new strategy for the key accounts are further important points.

For the financial year 2014/2015, we are currently anticipating a similar number of registrations as in 2013/2014.

It is anticipated that the revenues and the earnings before taxes for the financial year 2014/2015 will be on a similar level as in the past financial year.

4. Major Post-Balance-Sheet-Date Events

There were no material events between the balance sheet date and the reporting.

Schwalbach am Taunus/Germany, 27 May 2014

Peter Modelhart
Managing Director
Jaguar Land Rover Deutschland GmbH

Jaguar Land Rover North America, LLC

Annual Report and Financial statements for the
Year ended 31 March 2014

Conversion into Indian Rupees

*The financial information is expressed in the local currency of the relevant company (US Dollars) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **USD 1 = Rs 59.885, Rs 57.273 and Rs 51.080** for the years ended 31 March 2014, 2013 and 2012 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.*

Jaguar Land Rover North America, LLC

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Statement of Directors' Responsibilities

The directors are responsible for preparing the statutory financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB").

In preparing these statutory financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS as adopted by the IASB are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with IFRS as adopted by the IASB. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' responsibility statement

We confirm to the best of our knowledge the financial statements, prepared in accordance with IFRS as adopted by the IASB, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole.

Joe Eberhardt
President, Jaguar Land Rover North America, LLC
May 30, 2014

David Chambers
Vice President Finance, Jaguar Land Rover North America, LLC
May 30, 2014

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF JAGUAR LAND ROVER
NORTH AMERICA, LLC**

We have audited the financial statements of Jaguar Land Rover North America, LLC for the year ended 31 March 2014 which comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ("IASB").

This report is made solely to the company's directors in order to satisfy the reporting requirements of the ultimate parent company, Tata Motors Limited (India), to present audited subsidiary financial statements to the shareholders at the Annual General Meeting in accordance with Section 212 of the India Companies Act 1956. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- have been prepared in order to satisfy the reporting requirements of the ultimate parent company, Tata Motors Limited (India), to present audited subsidiary financial statements to the shareholders at the Annual General Meeting in accordance with Section 212 of the India Companies Act 1956.

Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham
30 May 2014

Jaguar Land Rover North America, LLC

Jaguar Land Rover North America, LLC

Balance Sheets

In INR

Balance Sheets	In INR	Note	As at 31 March	
			2014	2013
Non-current assets				
Property, plant and equipment	3	1,200,986,162	1,225,386,669	
Other financial assets	4	605,466,921	1,594,573,932	
Other assets	5	-5	0	
Deferred income taxes	6	2,100,370,997	1,891,883,889	
Total non-current assets		3,906,824,075	4,711,844,490	
Current assets				
Inventories	7	32,458,953,490	17,267,079,282	
Trade receivables	24	4,554,077,679	4,440,035,822	
Finance receivables	9, 24	10,406,624,894	12,487,552,014	
Other current assets	10	250,525,163	2,023,618,759	
Cash and cash equivalents	11	247,773,008	3,319,687,041	
Current income tax assets	6	764,804,410	51,264	
Total current assets		48,682,758,644	39,538,024,182	
Total assets		-52,589,582,736	44,249,868,672	
Current liabilities				
Accounts payable		-28,891,193,774	-24,225,068,846	
Marketing provisions	12	-13,636,512,249	-12,161,823,134	
Other current liabilities	13	-2,059,795,526	-1,663,356,013	
Provisions	15	-1,026,106,850	-453,719,556	
Current income tax liabilities	6	-60,774,412	0	
Total current liabilities		-45,674,382,811	-38,503,967,549	
Non-current liabilities				
Other non-current liabilities	14	-2,265,566,284	-1,578,709,728	
Provisions	15	-2,234,133,558	-727,586,878	
Other financial liabilities	15	0	-1,945,925,624	
Deferred tax	6	0	0	
Total non-current liabilities		-4,499,699,842	-4,252,222,230	
Total liabilities		-50,174,082,653	44,249,868,672	
Equity attributable to shareholders				
Ordinary shares	16	-2,395,400,000	-2,290,920,000	
Share premium	16	-7,024,510,500	-6,718,122,900	
Retained earnings brought forward		7,774,837,302	7,693,745,773	
Profit for the year		-828,836,699	-258,023,016	
Pension reserve		58,409,815	79,641,279	
Equity attributable to shareholders		-2,415,500,082	-1,493,678,864	
Total liabilities and equity		-52,589,582,736	42,756,189,808	

See accompanying notes to the financial statements

Jaguar Land Rover North America, LLC

Income Statements

In INR

	Note	Year ended 31 March	
		2014	2013
Income			
Revenue		249,743,838,429	193,667,531,934
Other income	19	1,033,051,110	871,165,198
Total Income		250,776,889,539	194,538,697,132
Expenditure			
Direct costs	7	-220,589,508,079	-170,152,841,002
Employee costs	17	-2,520,127,608	-2,005,864,654
Other expenses	18	-26,155,728,048	-21,224,136,568
Total expenditure		-249,265,363,735	-193,382,842,224
Profit before depreciation, interest, amortization and tax		1,511,525,804	1,155,854,908
Depreciation and amortisation	3	-127,815,158	-139,559,254
Miscellaneous Expenses		-3,611,454	63,944,838
Finance (expense) / income, net	20	-25,147,001	48,693,213
Profit before tax		1,354,952,191	1,128,933,705
Income Tax Expense	6	-526,115,463	-870,910,712
Profit for the period		828,836,728	258,022,993

Jaguar Land Rover North America, LLC

Statements of Comprehensive Income

In INR

	Year ended 31 March	
	2014	2013
Profit / (loss) for the period	828,836,728	258,022,993
Other comprehensive income:		
Actuarial (loss)/gain, net of tax benefit/(expense) of INR17.3M and (INR24.3M) for fiscal years ended 31 March 31 2014 and 2013, respectively	-24,863,594	34,939,181
Other comprehensive income for the year	-24,863,594	34,939,181
Total comprehensive income for the year	803,973,134	292,962,174

See accompanying notes to the financial statements

Statement of Cash Flows

In INR

Jaguar Land Rover North America, LLC

	For the Fiscal Year Ended 31 March	
	2014	2013
Cash flows from operating activities:		
Net income	828,836,728	258,022,991
Adjustments for noncash items included in net income:		
Depreciation	127,815,158	139,559,254
Inventory write-down	58,560,190	81,762,136
Allowances for trade and other receivables	0	1,642,620
Loss on sale of assets / assets written off	7,410,493	0
Minimum pension liability	24,863,594	-34,939,181
Income tax expense	526,115,463	870,910,712
Interest income	0	-11,531,695
Interest expense	14,890,101	0
Cash flows from operating activities before changes in following assets and liabilities		
Decrease in Other Financial Assets (Non-current)	1,061,829,330	2,770,271,500
Decrease in Other non-current assets	5	0
(Increase) in Deferred tax assets	-122,205,601	-23,149,174
(Increase) in Inventories	-14,462,949,701	-4,219,994,522
Decrease/(increase)/ in Trade receivables	88,451,003	-2,419,474,638
Decrease in Finance receivables	2,625,669,786	5,536,381,729
Decrease in Other Financial Assets	0	0
Decrease/(increase) in Other Current Assets	1,865,383,020	-1,433,949,506
(Increase) in Current income tax assets	-764,750,807	-51,264
Increase in Trade payables	3,546,423,139	3,819,398,713
(Decrease)/increase in Current income tax liabilities	-567,422,399	1,406,826,635
Increase / (decrease) in Marketing Provisions	920,035,403	-297,141,363
Increase/(decrease) in Other Current Liabilities	355,603,459	-327,298,202
Increase / (decrease) in Provisions (Current)	551,694,901	-162,390,955
Increase in Other Non-Current Liabilities	614,857,712	575,124,119
Increase/(decrease) in Provisions (Non-current)	1,473,364,257	-620,798,390
(Decrease) / increase in Other Financial Liabilities (Non-current)	-2,034,671,765	135,007,113
Increase in Deferred Tax Liabilities	0	0
Increase/(decrease) in Pension Reserve	0	0
Cash generated from operating activities	-3,260,196,531	6,044,188,632
Income tax refunds received/(tax paid)	102,081,348	-2,909,697,435
Net cash (used by)/generated from operating activities	-3,158,115,183	3,134,491,197
Cash flows from investing activities:		
Interest received	24,766,280	34,038,659
Payments for property, plant and equipment	-54,939,997	-2,552,600
Proceeds from sale of property, plant and equipment		0
Net cash generated by investing activities	-30,173,717	31,486,059
Cash flows from financing activities:		
Interest paid	-35,023,179	-8,526,375
Net cash used in financing activities	-35,023,179	-8,526,375
Net change in cash and cash equivalents	-3,223,312,079	3,157,450,881
Effect of foreign exchange on cash and cash equivalents		
Cash and cash equivalents, beginning of the year	3,471,085,127	162,236,138
Cash and cash equivalents, end of the year	247,773,048	3,319,687,019

See accompanying notes to the financial statements

Jaguar Land Rover North America, LLC

Statement of Changes in Equity

In INR

	Ordinary Share Capital	Share Premium	Retained Profit	Pension Reserve	Total Equity
Balance at 1 April 2012	-2,043,200,000	-5,991,684,000	6,861,811,571	39,868,405	-1,133,204,024
Income for the year			-258,023,016		-258,023,016
Other comprehensive income for the year, net of tax expense of INR24.3M				34,939,181	34,939,181
Balance at 31 March 2013	-2,043,200,000	-5,991,684,000	6,603,788,555	74,807,586	-1,356,287,859
Income for the year			-828,836,699		-828,836,699
Other comprehensive loss for the year, net of tax benefit of INR17.3M				-24,863,594	-24,863,594
Balance at 31 March 2014	-2,395,400,000	-7,024,510,500	6,946,000,612	58,409,815	-2,415,500,073

See accompanying notes to the financial statements

Jaguar Land Rover North America, LLC

1. Background and operations

Jaguar Land Rover North America, LLC (the "Company" or "JLRNA") is a distributor of luxury cars and sport utility vehicles in the United States market. The Company's primary areas of business are the distribution, marketing, sales, and service of its products. The parts business is managed under two different relationships. Starting 1 January 2014, the Jaguar parts business was insourced whereby the Company purchased all parts inventory previously owned by a third party logistics provider. That third party remains as the manager of the physical inventory and distribution of the inventory under a global contract. For Land Rover, the Company has an agreement with a different third party logistics provider to manage the physical inventory and distribution. JLRNA owns the inventory and manages the sale and collection function. JLRNA headquarters is located in Mahwah, New Jersey. JLRNA is a wholly-owned subsidiary of Jaguar Land Rover Limited, which is a UK company. The ultimate parent and controlling party is Tata Motors Limited ("TML"), registered and domiciled in India.

2. Significant accounting policies

a. *Statement of compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as "IFRS") as issued by the International Accounting Standards Board (referred to as "IASB"). The results of the Company are included in the consolidated financial statements of its ultimate parent, TML and these are publicly available.

Basis of preparation

The financial statements have been prepared on historical cost basis. The Company's fiscal year end is 31 March of each year. Certain prior year amounts have been reclassified to conform with current year presentation due to reclassification of amounts in coordination with Jaguar Land Rover Limited.

All figures are presented in US dollars unless otherwise stated.

b. *Use of estimates and judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

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

- i) Note 3 – Property, plant and equipment – the Company applies judgement in determining the estimate useful life of assets.
- ii) Note 6 – Recoverability/recognition of deferred tax assets –management applies judgement in establishing the timing of the recognition of deferred tax assets relating to historic losses.

Note 2 – Significant accounting policies (continued)

- iii) Note 15 – Provisions – it is necessary for the Company to assess the provision for anticipated payments on locally offered vehicle services under such programs as certified pre-owned, roadside assistance and service loaner. The valuation of these provisions requires a significant amount of judgement and the requirement to form appropriate assumptions around expected future costs. Additionally, the Company is responsible for some of the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically three years.
- iv) Note 21 – Assets and obligations relating to employee benefits – it is necessary for actuarial assumptions to be made, including discount and mortality rates and the long-term rate of return upon scheme assets. The Company engages a qualified actuary to assist with determining the assumptions to be made when evaluating these liabilities.

c. Going concern / Events after the balance sheet date

As a wholly-owned subsidiary of Jaguar Land Rover Limited, the Company's going concern is linked to the going concern of that entity.

The directors of the Company have considered the financial position of Jaguar Land Rover Limited at 31 March 2014 and the projected cash flows and financial performance of Jaguar Land Rover Limited for at least 12 months from the date of approval of these financial statements, and believe that the plan for sustained profitability remains on course.

The directors of the Company have taken actions to ensure that appropriate long term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Therefore the directors of the Company consider, after making appropriate enquiries and taking into consideration the risks and uncertainties, the Company has adequate resources to continue in operation as a going concern for the foreseeable future and is able to meet its financial covenants linked to the borrowings in place. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

There were no events occurring after the balance sheet date that would have a material impact on the Company's results of operations, financial position or cash flows.

d. Revenue recognition

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

The Company recognizes revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are segregated for dispatch to dealers, which is when risks and rewards of ownership pass to the customer. Sale of products is presented net of excise duty where applicable and other indirect taxes.

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

Note 2 – Significant accounting policies (continued)

e. *Cost recognition*

Costs and expenses are recognized when incurred and are classified according to their nature.

f. *Provisions*

A provision is recognized 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

i) Locally offered vehicle services expenses

The estimated liability for locally offered vehicle services under such programs as Select Edition, roadside assistance and service loaner are recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when claim will arise, being typically up to five years.

ii) Residual risk

In the normal course of business, the Company has a vehicle residual risk sharing arrangement with a financial institution that underwrites retail leases. The Company is not a party to these retail leases. Under the current arrangement, residual collateral deposits are made quarterly based on the final expected residual values of the underlying vehicle at lease termination. At certain points in the life of the retail leases, an interim review is performed and if there is excess collateral on deposit, the Company is entitled to receive a refund of previously deposited collateral. Due to the uncertainty in future residual values as they are impacted by many factors (e.g. economic environment, fuel prices, etc.) management is unable to predict the value, if any, of any future refunds.

g. *Foreign currency*

The signed financial statements are presented in United States Dollars (USD).

Transactions are typically not recorded in foreign currencies; in the rare instance of such a transaction, they would be recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into USD at the exchange rate prevailing on the balance sheet date. Exchange differences are recognized in the Income statement.

h. *Income taxes*

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the income statement except, when it relates to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss, or where it arises from the initial accounting for business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

Current income taxes are determined based on the taxable income of the company and tax rules applicable for the USA.

Note 2 – Significant accounting policies (continued)

Deferred tax assets and liabilities are recognized 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 tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized 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 against current tax 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.

i. *Inventories*

Inventories consist of finished vehicles and automotive parts and accessories and are valued at the lower of cost and net realizable value. As a limited risk distributor the Company operates under a transfer price agreement with the parent company. Profit adjustments, negative or positive, to meet the required profit targets, are reflected in Income statement as a component of Direct costs.

j. *Property, plant and equipment*

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

Land is measured at cost and is not depreciated.

Cost includes purchase price, taxes and duties, labor 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.

Depreciation is provided on a straight-line basis over estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

	Estimated useful life (years)
Land and buildings	10 to 30
Plant and equipment	5 to 14.5
Computers	3 to 10
Vehicles	3 to 9
Furniture and fixtures	5 to 12.5

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Note 2 – Significant accounting policies (continued)

k. *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. Currently, the Company only has operating leases. Payments made under operating leases are recognized in the Income statement on a straight-line basis over the term of the lease.

l. *Impairment - Property, plant and equipment*

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment may be impaired. If any such impairment indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Income statement.

As of 31 March 2014, none of the Company's property, plant and equipment were considered impaired.

m. *Employee benefits*

Pension plans

The Company has several defined pension plans which cover certain employees. A participating employee's annual postretirement pension benefit is determined by the employees' credited service and in most plans, final average annual earnings with the Company. The Company's funding policy is to annually contribute the statutory required minimum amount as determined by an actuary. The Company also maintains plans providing other postretirement benefits covering substantially all salaried employees. The Company funds these benefits on a pay-as-you go basis; the following is a brief summary of the plans provided:

Plan Descriptions:

a. *Retirement Plan for Salaried Employees of Jaguar Cars* — Qualified defined benefit plan for Jaguar Legacy employees. The Plan presently covers approximately 34 active employees and 179 in pay status; service frozen in 1996 and pay frozen in October 2009. At 31 March 31 2014 and 2013, this plan was overfunded by INR293.4 million and INR63 million, respectively.

b. *Land Rover Supplemental Death and Retirement Income Plan* — Non-qualified benefit plan providing monthly benefits for five former Land Rover employees.

c. *Special Agreement* — A non-qualified agreement with a former Land Rover executive providing monthly benefits.

Note 2 – Significant accounting policies (continued)

d. *Jaguar Land Rover Excess Benefit Plan* - Non-qualified defined contribution plan providing restoration benefits for those restricted by Internal Revenue Service limits under the 401(K) Retirement Savings Plan; presently only has two employees covered.

e. *Jaguar Land Rover Excess Retiree Medical Plan* — Post retirement health care plan providing a subsidy for health coverage based on years of service. This plan excluded: 1) employees hired after January 1, 2009 and 2) employees who transferred from Ford to JLRNA who were age 55 or older and had 10 years of service with Ford. Presently three retirees are receiving a subsidy.

Additionally, the Company sponsors and administers a 401(k) Savings Plan (the “Savings Plan”) for the benefit of its employees. Recordkeeping services are provided by a third party plan administrator. The Savings Plan covers all eligible employees of the Company and enables eligible participants to contribute up to statutory limitations. An employee may elect to participate in the Savings Plan after having met certain minimum requirements. Participants are fully vested in the Savings Plan at all times with respect to their contributions, after 2 years of service with respect to the Company’s contributions (Company Match) and after 3 years of service for the Company’s contributions for Profit Sharing and Supplemental Contributions. The Company maintains at its discretion the right to change the level of matching contributions and to amend, modify, or terminate the Savings Plan.

Actuarial gains and losses

Actuarial gains and losses relating to retirement benefit plans are recognized directly in the statement of comprehensive income in the period in which they arise. Actuarial gains and losses relating to long-term employee benefits are recognized in the Income statement in the period in which they arise.

Measurement date

The measurement date of retirement plans is March 31.

n. *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 are classified into categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

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 at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Note 2 – Significant accounting policies (continued)

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

These includes trade receivables, finance receivables, balances with banks, short-term deposits with banks, other financial assets and investments with fixed or determinable payments.

Other financial liabilities: These are measured at amortized cost using the effective interest method.

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. Valuation techniques include discounted cash flow method and other valuation models and utilize available market data.

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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

iv) Impairment of financial assets:

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Loans and receivables: Objective evidence of impairment includes default in payments with respect to amounts receivable from customers.

Impairment loss in respect of loans and receivables is calculated as the difference between their carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Such impairment loss is recognized in the Income statement. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. The reversal is recognized in the Income statement.

Note 2 – Significant accounting policies (continued)

o. *Deferred revenue*

During the fiscal year ended March 31, 2012, the Company elected to offer a new certified pre-owned program (“CPO”) for Land Rover vehicles. Concurrently, the Company modified its Accounting policy for the existing Jaguar CPO program to align with the new Land Rover CPO program. Upon reported sale of a CPO vehicle by an authorized retailer, the Company defers all revenue received from the retailers for the sale of this service contract. The revenue is released to profits in line with the trend of actual claims payments over the life of the CPO coverage. The Company does not receive any other revenue related to the sale of the vehicle by the retailer.

p. *New accounting pronouncements*

In the current year, the company adopted the following standards, revisions and amendments to standards and interpretations:

IAS 1 *Presentation of Financial Statements* was amended in June 2011 to revise the way other comprehensive income is presented. In particular, it requires entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently and requires tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items. The amendment is effective for annual periods beginning on or after 1 July 2012, with early adoption permitted.

IAS 19 *Employee Benefits* (2011) was amended in June 2011 to include revised requirements for pensions and other post-retirement benefits, termination benefits and other changes. The key amendments include: requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19); Introducing enhanced disclosures about defined benefit plans; Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits; Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features; Incorporating other matters submitted to the IFRS Interpretations Committee. The standard is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

An amendment to IAS 27 *Separate Financial Statements* (2011) was issued in May 2011. This now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 *Consolidated and Separate Financial Statements*. Requirements for consolidated financial statements are now contained in IFRS 10 *Consolidated Financial Statements*. The standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 *Financial Instruments*. The standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements. The amendment is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IAS 28 *Investments in Associates and Joint Ventures* (2011) was issued in May 2011. This standard supersedes IAS 28 *Investments in Associates* and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

Note 2 – Significant accounting policies (continued)

IFRS 1 *First-time Adoption of International Financial Reporting Standards* was amended in March 2012. The amendment relates to government loans and addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendment is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IFRS 7 *Financial Instruments: Disclosures* was amended in December 2011 to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 *Financial Instruments: Presentation* to be disclosed. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The amendments are effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The standard, issued in May 2011 and amended in June 2012 for transition guidance, requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entities*. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 11 *Joint Arrangements*, issued in May 2011 and amended in June 2012 for transition guidance, classifies joint arrangements as either joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity). A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires the use of the equity method of accounting for interests in joint ventures thereby eliminating the proportionate consolidation method. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 12 *Disclosure of Interests in Other Entities* applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard, issued in May 2011 and amended in June 2012 for transition guidance, requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 13 *Fair Value Measurement* defines 'fair value' and sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurements. It seeks to increase consistency and comparability in fair value measurements and related disclosures through a fair value hierarchy. IFRS 13 was issued in May 2011 and is applicable prospectively from the beginning of the annual period in which the standard is adopted. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* was issued in October 2011 and clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement. The interpretation is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2009 – 2011 cycle. These amendments are effective for annual periods beginning on or after 1 January 2013, with early application permitted.

Jaguar Land Rover North America, LLC

Note 2 – Significant accounting policies (continued)

Of the above standards, revisions and amendments to standards and interpretations, only the adoption of IAS 19 *Employee Benefits* (2011) has had an impact on the results of the group. However, this does not impact the net assets or total comprehensive income of the group in any period. The adjustment is for an element of the defined benefit cost being transferred between other comprehensive income and profit or loss. The comparatives included in these financial statements have been restated on a retrospective basis for the impact of the adoption of the revised IAS 19.

3. Property, plant and equipment

	Land and buildings	Plant and equipment	Vehicles	Computers	Furniture and fixtures	Capital Work in Progress	Total
Cost as of 1 April 2012	2,061,786,448	112,925,131	19,570,585	253,599,802	283,115,345	0	2,730,997,311
Additions	831,547	0	0	1,721,054	0	0	2,552,601
Disposal	0	-2,775,392	-7,265,080	-3,159,293	-34,363,800	0	-47,563,565
Cost as of 31 March 2013	2,062,617,995	110,149,739	12,305,505	252,161,563	248,751,545	0	2,685,986,347
Accumulated depreciation as of 31 March 2012	-984,835,228	-54,719,201	-12,595,979	-128,260,997	-188,192,571	0	-1,368,603,976
Disposals	0	2,775,335	7,265,080	3,159,293	34,363,800	0	47,563,508
Depreciation charge for the year	-55,283,565	-14,619,391	-1,253,305	-32,351,284	-36,051,693	0	-139,559,238
Accumulated depreciation as of 31 March 2013	-1,040,118,793	-66,563,257	-6,584,204	-157,452,988	-189,880,464	0	-1,460,599,706
Net book value as of 31 March 2013	1,022,499,202	43,586,482	5,721,301	94,708,575	58,871,081	0	1,225,386,641
Cost as of 1 April 2013	2,062,617,995	110,149,739	12,305,505	252,161,563	248,751,545	0	2,685,986,347
Additions	7,441,132	4,536,109	0	0	42,962,757	0	54,939,998
Disposal	0	-11,165,838	-5,125,304	0	0	0	-16,291,142
Capital work-in-progress moved into service	0	0	0	0	0	0	0
Cost as of 31 March 2014	2,070,059,127	103,520,010	7,180,201	252,161,563	291,714,302	0	2,724,635,203
Accumulated depreciation as 1 April 2013	-1,040,118,793	-66,563,257	-6,584,204	-157,452,988	-189,880,464	0	-1,460,599,706
Disposals	0	5,133,712	3,746,988	0	0	0	8,880,700
Depreciation charge for the year	-57,838,166	-7,847,811	-1,352,676	-22,966,861	-37,809,643	0	-127,815,157
Accumulated depreciation as of 31 March 2014	-1,097,956,959	-69,277,356	-4,189,892	-180,419,849	-227,690,107	0	-1,579,534,163
Net book value as of 31 March 2014	1,018,734,377	36,230,492	3,251,193	76,061,030	66,709,077	0	1,200,986,169

Notes:

1. The Company did not have any property, plant and equipment under finance lease arrangements.
2. Land and buildings includes land of INR449 million as of 31 March 2014 and 2013, respectively.

4. Other financial assets (non-current)

Other financial assets - non-current consist of deposits with banks whose use in whole or in part are restricted for specific purposes bound by virtue of contracted agreements. For the fiscal years presented, the Company has contractual arrangements with a financial institution requiring it to deposit collateral for the residual value of vehicles that are subject to retail leases financed by the financial institution, which the Company shares in the potential losses upon termination. The Company is also party to various letters of credit to guarantee surety bonds issued by a financial institution on the Company's behalf. At 31 March 2014 and 2013, these deposits amounted to INR389.3 million and INR1425.3 million, respectively. The decrease was due to the negotiation of a new residual risk collateral agreement that reduced the deposit requirements on the Company.

5. Other assets (non-current)

Other assets (non-current) consist of an investment trust initiated to provide benefits to certain employees under *Supplemental Death and Retirement Income Plan* as described in Note 2. m. and Note 21. At 31 March 31 2014 and 2013, this trust consisted of high grade fixed income securities in the amount of INR215.6 million and INR245.5 million, respectively.

6. Income taxes

The components of income tax expense were:

	As at 31 March	
	2014	2013
Current taxes:		
For current year	566,251,241	523,946,061
Prior period adjustments	99,348,024	419,183,722
Deferred taxes:		
For current year	-19,356,291	-59,714,376
Effect of changed tax rate	20,949,719	-12,504,700
Prior period adjustments	-141,077,225	0
Total income tax expense	526,115,468	870,910,707

Income tax expense recognized in the Income statement consist of the following:

	As at 31 March	
	2,014	2,013
Current	665,599,265	943,129,783
Deferred	-139,483,786	-72,219,077
Total income tax expense	526,115,479	870,910,706

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The reconciliation of estimated income tax to income tax expense is as follows:

	As at 31 March	
	2,014	2,013
Profit before income taxes	1,354,952,201	1,128,933,718
Income tax expense at tax rates applicable to individual entities	478,662,797	395,126,841
Effect of changed tax rate	20,949,731	-12,504,677
Current state and local taxes (net of federal)	66,810,126	65,338,162
Total permanent differences	9,039,197	18,646,254
Change in Income Tax Reserves	-41,729,202	353,188,372
Others	-7,617,192	51,115,739
Income tax expense reported	526,115,457	870,910,691

Note 6 – Income taxes (continued)

The effective tax rate during the 12 months ended 31 March 2014 and 31 March 2013 were 38.47% and 77.14%, respectively. The 2013 effective tax rate was impacted by a one-time adjustment for uncertain tax positions as a result of an examination by the Internal Revenue Service. This examination was subsequently settled in 2014.

Deferred tax assets have been recognized in the balance sheet in respect of deductible temporary differences. Significant components of deferred tax asset and liability for the year ended 31 March 2014 were as follows:

	Opening balance	Recognized in Income statement	Recognized in / reclassified from Statement of comprehensive income	Closing balance
Deferred tax assets:				
Expenses deductible in future years - provisions, allowances for doubtful receivables, finance receivables	150,708,567	8,293,809	0	159,002,376
Provisions	3,263,111,972	-608,025,011	0	2,655,086,961
Depreciation carry forwards	0	23,671,833	0	23,671,833
Compensated absences and retirement benefits	56,904,943	-5,946,047	-17,278,062	33,680,834
Total deferred tax asset	3,470,725,482	-582,005,416	-17,278,062	2,871,442,004
Deferred tax liabilities:				
Depreciation carry forwards	-2,309,824	2,309,824	0	0
Compensated absences and retirement benefits	-50,825,777	-7,765,671	0	-58,591,448
I.R.S. Section 481(a) adjustment - expense provisions	-1,239,064,426	625,758,281	0	-613,306,145
I.R.S. Section 481(a) adjustment - revenue provisions	-200,360,059	101,186,714	0	-99,173,345
Total deferred tax liability	-1,492,560,086	721,489,148	0	-771,070,938
Net tax assets	1,978,165,396	139,483,732	-17,278,062	2,100,371,066

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Note 6 – Income taxes (continued)

Significant components of deferred tax asset and liability for the year ended 31 March 2013 were as follows:

	Opening balance	Recognized in Income statement	Recognized in / reclassified from Statement of comprehensive income	Closing balance
Deferred tax assets:				
Expenses deductible in future years - provisions, allowances for doubtful receivables, finance receivables	38,616,893	105,518,229	0	144,135,122
Provisions	3,777,154,350	-656,369,313	0	3,120,785,037
Compensated absences and retirement benefits	139,803,393	-108,544,763	23,164,294	54,422,924
Total deferred tax asset	3,955,574,636	-659,395,847	23,164,294	3,319,343,083
Deferred tax liabilities:				
Depreciation carry forwards	-25,578,122	23,369,045	0	-2,209,077
Compensated absences and retirement benefits	-11,145,326	-37,463,587	0	-48,608,913
I.R.S. Section 481(a) adjustment - expense provisions	-1,764,763,373	579,743,136	0	-1,185,020,237
I.R.S. Section 481(a) adjustment - revenue provisions	-285,334,086	93,713,118	0	-191,620,968
Total deferred tax liability	-2,086,820,907	659,361,712	0	-1,427,459,195
Net tax assets	1,868,753,729	-34,135	23,164,294	1,891,883,888

The deductible temporary differences do not expire under current tax legislation.

7. Inventories

Inventories consist of vehicles and automotive parts and are classified as finished goods and were comprised as follows:

	As at 31 March	
	2014	2013
Vehicle inventory	26,703,717,059.00	14,639,465,669.00
Parts inventory	6,194,372,974.00	2,974,538,348.00
Obsolescence provisions	- 439,136,543.00	- 346,924,735.00
Total inventories	32,458,953,490.00	17,267,079,282.00

Note 7 – Inventories (continued)

Direct cost of inventories (including cost of purchased products) recognized as expense and inventory write-down expense during the years ended 31 March 31 2014, 2013 and 2012 were as follows:

	As at 31 March	
	2014	2013
Direct costs	220,589,508,079.00	170,152,841,002.00
Inventory write-down expense	58,560,190.00	81,762,136.00

8. Operating Leases

The Company has taken land, buildings, plant and equipment, computers and furniture and fixtures under operating leases. The Company does not have any finance leases. The following is a summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company:

	Minimum Lease Payments	
	31 March 2014	31 March 2013
Not later than one year	62,271,327	31,990,210
Later than one year but not later than five years	185,960,827	62,397,911
Later than five years	113,845,346	0
Total minimum lease commitments	362,077,500	94,388,121

	31 March 2014	31 March 2013
Operating lease rent expense	41,655,099	54,883,628

9. Finance Receivables

Finance receivables consist of an intercompany loan receivable with the parent company of INR10,408 million and INR12,486 million at 31 March 2014 and 2013, respectively. See Related Party note 27 for further detail.

10. Other Current Assets

Other current assets consist of prepayments for extended warranty contracts purchased from a third party provider as well as a prepayment of federal and state income taxes and other miscellaneous prepayments as follows:

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	As at 31 March	
	2014	2013
Current tax asset	1,743,851	1,409,251,920
Prepaid warranty insurance	91,564,918	176,976,768
Prepaid marketing costs	122,062,468	425,914,149
Prepaid expenses - miscellaneous	35,153,926	11,475,922
Other current assets	250,525,163	2,023,618,759

11. Cash and cash equivalents

Cash and cash equivalents consist of amounts on deposit with banks for operating purposes. At 31 March 2014, 2013 and 2012 the Company had cash of INR245.5 million, INR3321.8 million and INR143 million, respectively.

12. Marketing Accruals

Fixed marketing accruals are comprised of liabilities for advertising and promotion. Variable marketing accruals are comprised of liabilities for dealer incentives and scheduled maintenance programs. Maturities of these accruals are detailed in Note 24 - Disclosures on financial instruments. These accruals amounted to:

	As at 31 March	
	2014	2013
Variable marketing	-4,684,171,074	-3,393,480,455
Variable dealer margin	-6,277,582,602	-6,352,814,852
Fixed marketing	-2,674,758,562	-2,415,527,824
Total marketing accruals	-13,636,512,238	-12,161,823,131

13. Other current liabilities

Other current liabilities consist of the following:

	As at 31 March	
	2014	2013
Import duties and sales/use tax	-1,445,598,203	-928,244,255
Unearned revenue - financial services	-359,310,000	-343,638,000
Deferred revenue - certified pre-owned programs	-254,887,323	-391,473,757
Total Other current liabilities	-2,059,795,526	-1,663,356,012

14. Other Non-current Liabilities:

Other non-current liabilities consist of the following:

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	As at 31 March	
	2014	2013
Deferred revenue - certified pre-owned programs	-1,902,167,347	-1,185,596,224
Defined benefits obligations	-363,398,929	-393,113,504
Total Other non-current liabilities	-2,265,566,276	-1,578,709,728

15. Provisions

Provisions consist of accruals for the Company's expected future cash flow related to locally offered vehicle services under such programs as certified pre-owned, roadside assistance and service loaner as well as residual risk sharing agreements on leased vehicles. The provisions were segregated between current and non-current as follows and mature at various intervals over the next five years:

	Locally Offered Vehicle Services	Residual Risk	Total
Balance at March 31, 2012	-911,306,600	-1,053,189,180	-1,964,495,780
Provisions made during the year	-354,249,893	-502,286,646	-856,536,539
Provisions used during the year	487,131,063	1,152,594,813	1,639,725,876
Balance at March 31, 2013	-778,425,430	-402,881,013	-1,181,306,443
Current	-412,763,878	-40,955,681	-7,922,050
Noncurrent	-365,661,552	-361,925,332	-12,703,837
Transfers of amounts into Current Provisions ⁽¹⁾	-685,970,849	0	-685,970,849
Transfers of amounts into Non-Current Provisions ⁽¹⁾	-1,945,925,624	0	-1,945,925,624

Provisions made during the year	-2,974,302,815	-531,533,252	-3,505,836,067
Provisions used during the year	3,528,408,435	704,295,568	4,232,704,003
Balance at March 31, 2014	-2,856,216,283	-230,118,697	-3,086,334,980
Current	-999,182,532	-26,924,277	-1,026,106,809
Noncurrent	-2,012,565,345	-221,568,264	-2,234,133,609

(1) The disclosure of certain prior year amounts related to locally offered vehicle services have been reclassified so as to align with the current year treatment which the directors consider to be a fairer presentation. As such the following amounts have been reflected in transfers:

- INR2742.7 million originally presented in 2013 within Accounts Payable is now included in current provisions, net of INR(2024.1)m originally presented in 2013 within Marketing Accruals
- INR2024.1 million originally presented in 2013 within Other (Non-current) Financial Liabilities is now included in non-current provisions.

16. Equity

The Company maintained total issued capital in the amount of INR9419.9 million both at 31 March 2014 and 2013, respectively.

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17. Employee Cost

Employee cost consists of the following:

	Year ended 31 March	
	2014	2013
Salaries, wages and bonus	2,048,498,008	1,498,816,182
Benefits	367,584,999	347,199,485
Defined benefit pensions	26,112,179	-14,898,747
Other	77,932,411	174,747,741
Total employee costs	2,520,127,597	2,005,864,661

Other primarily consists of amounts paid for short term and long term contract employment arrangements.

18. Other Expenses

Other expenses consist of the following:

	Year ended 31 March	
	2014	2013
Warranty (Scheduled maintenance, Goodwill, Service loaner and Roadside assistance)	3,304,481,739	3,349,784,810
Depots and distribution costs, prep and handling	3,293,442,358	1,079,044,698
Information technology costs	672,002,559	688,256,446
Fixed Marketing	17,227,194,738	14,370,260,580
Travel and entertainment costs	256,703,079	232,503,762
Facilities costs	162,230,081	130,812,142
Consulting costs and other purchased services	648,958,444	595,975,189
Other general operating expenses	590,715,050	777,498,941
Total Other expenses	26,155,728,048	21,224,136,568

19. Other income

Other income consisted of the following:

	Year ended 31 March	
	2014	2013
Commissions	(195,802,929)	(476,652,884)
Certified pre-owned income	(375,277,136)	(206,500,092)
Miscellaneous items, net	(461,971,045)	(188,012,222)
Total Other income	(1,033,051,110)	(871,165,198)

20. Finance income, net

Finance income, net, was comprised of interest on loans from Jaguar Cars Ltd (UK) and other miscellaneous interest and consisted of the following:

	Year ended 31 March	
	2014	2013
Interest income	20,041,777	57,219,588
Interest expense	(45,188,778)	(8,526,374)
Finance (expense)/income, net	(25,147,001)	48,693,214

21. Employee benefits

The Company has several defined pension plans which cover certain employees. A participating employee's annual postretirement pension benefit is determined by the employees' credited service and in most plans, final average annual earnings with the Company. The Company's funding policy is to annually contribute the statutory required minimum amount as determined by an actuary. The Company also maintains plans providing other postretirement benefits covering substantially all salaried employees. The Company funds these benefits on a pay-as-you go basis; the following is a brief summary of the plans provided:

Plan Descriptions:

- a. *Retirement Plan for Salaried Employees of Jaguar Cars* — Qualified defined benefit plan for Jaguar Legacy employees. The Plan presently covers approximately 34 active employees, 96 inactive with deferred benefits, and 181 in pay status; service frozen in 1996 and pay frozen in October 2009. At 31 March 31 2014 and 2013, this plan was overfunded by INR293.4 million and INR63 million, respectively.
- b. *Land Rover Supplemental Death and Retirement Income Plan* — Non-qualified benefit plan providing monthly benefits for five former Land Rover employees.

Note 21 – Employee benefits (continued)

- c. *Special Agreement* – A non-qualified agreement with a former Land Rover executive providing monthly benefits.
- d. *Jaguar Land Rover Excess Benefit Plan* - Non-qualified defined contribution plan providing restoration benefits for those restricted by Internal Revenue Service limits under the 401(K) Retirement Savings Plan; presently only has two employees covered.
- e. *Jaguar Land Rover Excess Retiree Medical Plan* — Post retirement health care plan providing a subsidy for health coverage based on years of service. This plan excluded: 1) employees hired after January 1, 2009 and 2) employees who transferred from Ford to JLRNA who were age 55 or older and had 10 years of service with Ford. Presently three retirees are receiving a subsidy.

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Additionally, the Company sponsors and administers a 401(k) Savings Plan (the “Savings Plan”) for the benefit of its employees. Recordkeeping services are provided by a third party plan administrator. The Savings Plan covers all eligible employees of the Company and enables eligible participants to contribute up to statutory limitations. An employee may elect to participate in the Savings Plan after having met certain minimum requirements. Participants are fully vested in the Savings Plan at all times with respect to their contributions, after 2 years of service with respect to the Company’s contributions (Company Match) and after 3 years of service for the Company's contributions for Profit Sharing and Supplemental Contributions. The Company maintains at its discretion the right to change the level of matching contributions and to amend, modify, or terminate the Savings Plan.

Defined Benefit Plan

Pension and postretirement medical plans

The following table details the Company’s defined benefit obligation for the plans and the fair value of the plan assets:

	Post Retirement Medical Plan		Pension Plans	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Change in defined benefit obligation				
Defined benefit obligation at end of prior year	106,088,553	88,235,013	2,235,169,119	2,036,019,870
Current service cost	5,537,386	5,276,848	0	0
Interest expense	4,312,259	4,221,020	73,936,476	83,569,669
Benefit payments from plan	0	0	-123,767,503	-115,238,774
Benefit payments from employer	-858,990	-1,030,341	-29,895,550	-27,565,380
Effect of changes in demographic assumptions	-10,238,718	0	8,682,606	0
Effect of changes in financial assumptions	-3,517,765	10,621,965	-89,686,351	159,394,195
Effect of experience adjustments	-9,449,733	-5,863,209	-15,051,496	1,498,319
Defined benefit obligation at end of year	91,872,992	101,461,296	2,059,387,301	2,137,677,899
Change in fair value of plan assets				
Fair value of plan assets at end of prior year	0	0	2,000,232,120	1,880,474,764
Interest income	0	0	69,427,375	79,963,245
Employer direct benefit payments	858,990	1,030,341	29,895,550	27,565,380
Benefit payments from plan	0	0	-123,767,503	-115,238,774
Benefit payments from employer	-858,990	-1,030,341	-29,895,550	-27,565,380
Administrative expenses paid from plan assets	0	0	-11,784,290	-6,759,703
Return on plan assets (excluding interest income)	0	0	148,160,341	74,548,599
Fair value of plan assets at end of year	0	0	2,082,268,043	1,912,988,131

Note 21 – Employee benefits (continued)

Net pension and post retirement medical cost consists of the following components:

	Post Retirement Medical Plan		Pension Plans	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Components of pension cost recognized in Income Statements				
Current service cost	5,537,386	5,276,848	0	0
Interest expense on DBO	4,312,259	4,221,020	73,936,476	83,569,669
Interest (income) on plan assets	0	0	-69,427,375	-79,963,245
Interest expense on effect of (asset ceiling)/onerous liability	0	0	2,466,364	5,988,751
Administrative expenses and taxes	0	0	11,977,000	14,318,250
Defined benefit cost included in Income Statements	9,849,645	9,497,868	18,952,465	23,913,425

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Amount recognized in Statement of comprehensive income consists of:

	Post Retirement Medical Plan		Pension Plans	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Remeasurements (recognized in other comprehensive income)				
Effect of changes in demographic assumptions	-10,238,718	0	8,682,606	0
Effect of changes in financial assumptions	-3,517,765	10,621,965	-89,686,351	159,394,195
Effect of experience adjustments	-9,449,733	-5,863,209	-15,051,496	1,498,319
(Return) on plan assets (excluding interest income) *	0	0	-148,353,051	-82,107,146
Changes in asset ceiling/onerous liability (excluding interest income)	0	0	224,686,843	-76,574,688
Total remeasurements included in OCI	-23,206,216	4,758,756	-19,721,449	2,210,680
Total defined benefit cost recognized in P&L and OCI	-13,356,571	14,256,624	-768,984	26,124,105

Information on funding status for all plans is as follows:

	Post Retirement Medical Plan		Pension Plans	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Funded plans with a defined benefit obligation in excess of plan assets				
Benefit obligation at end of year	0	0	243,225,383	257,035,096
Fair value of plan assets at end of year	0	0	214,937,440	233,519,974
Funded plans with a defined benefit obligation less				
Benefit obligation at end of year	0	0	1,786,605,257	1,847,466,730
Fair value of plan assets at end of year	0	0	2,082,268,042	1,912,988,130
Unfunded plans				
Benefit obligation at end of year	91,872,992	101,461,296	29,556,661	33,176,073

Note 21 – Employee benefits (continued)

The assumptions used in accounting for the pension and post retirement medical plans are set out below:

Significant actuarial assumptions	Post Retirement Medical Plan		Pension Plans	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Weighted-average assumptions to determine benefit obligations				
Discount rate	4.35%	4.10%	1.7% - 4.05%	1.45% - 3.6%
Rate of salary increase	N/A	N/A	N/A	N/A
Rate of price inflation	N/A	N/A	N/A	N/A
Rate of pension increases	N/A	N/A	N/A	N/A
Post-retirement mortality table	PPA Generational	PPA Generational	PPA Generational	PPA Generational
Weighted-average assumptions to determine defined benefit cost				
Discount rate	4.10%	4.80%	1.45% - 3.6%	2.45% - 4.4%
Rate of salary increase	N/A	N/A	N/A	N/A
Rate of price inflation	N/A	N/A	N/A	N/A
Rate of pension increases	N/A	N/A	N/A	N/A
Post-retirement mortality table	PPA Generational	PPA Generational	PPA Generational	PPA Generational

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The expected return on plan assets is determined considering several applicable factors mainly including the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

Plan Assets

The assets of the Company's defined benefit plans are managed on a commingled basis in a Master Trust. The investment policy and allocation of the assets in the Master Trust were approved by the Company's Investment Committee, which has oversight responsibility for the Company's retirement plans.

The Company's pension plan asset allocation as of 31 March 2014 and 2013 by category are as follows:

	As at 31 March	
	2014	2013
Equity securities	51.4%	51.9%
Debt securities	48.6%	48.1%
Balances with banks	0.0%	0.0%

The pension fund assets are invested in accordance with the statement of Investment Policies and Procedures adopted by the Company, which are reviewed annually. Pension fund assets are invested on a going-concern basis with the primary objective of providing reasonable rates of return consistent with available market opportunities, a quality standard of investment, and moderate levels of risk. The expected rate of return is expected to be 7% over rolling ten-year periods. This expected rate of return is estimated upon an analysis of historical returns with consideration for the current economic environment.

The Company expects to contribute INR29.9 million to the pension plans and nil to the post retirement medical plan during the 12 months ended 31 March 2015.

Since the benefit to be received under the Company's post retirement medical plan is a fixed amount per year based on years of service, the liabilities are not sensitive to fluctuations in trend rate assumptions.

Defined contribution plan

The Company's contribution to defined contribution plans was INR41.9 million and INR40.1 million for years ended 31 March 2014 and 2013, respectively.

22. **Commitments and contingencies**

In the normal course, 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, with the assistance of external legal counsel wherever necessary. 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. Any claims of a product liability nature are assessed and a liability is recorded, if necessary, by Jaguar Land Rover Limited, a UK enterprise and parent of the Company.

Management asserts that none of the claims against the Company are probable or estimable, and it believes that none of the contingencies either individually or in aggregate, would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Guarantees

The Company does not make any guarantees for related parties or unrelated third parties.

Commitments

In the normal course of business, the Company contracts with third parties to provide goods and/or services to the Company in order to operate day to day.

For commitments related to leases, refer Note 8.

Contingent Asset on Residual Risk

In the normal course of business, the Company has a vehicle residual risk sharing arrangement with a financial institution that underwrites retail leases. The Company is not a party to these retail leases. Under the current arrangement, residual collateral deposits are made quarterly based on the final expected residual values of the underlying vehicle at lease termination. At certain points in the life of the retail leases, an interim review is performed and if there is excess collateral on deposit, the Company is entitled to receive a refund of previously deposited collateral. Due to the uncertainty in future residual values as they are impacted by many factors (e.g. economic environment, fuel prices, etc.) management is unable to predict the value, if any, of any future refunds.

Taxing Authority Reviews

In the normal course of business, the Company is subject to income taxes in numerous federal, state and local jurisdictions and judgement is required in determining the appropriate provision, if any, for transactions where the ultimate tax determination is uncertain. In such circumstances the company recognizes liabilities for anticipated taxes based on the best information available and where the anticipated liability is both probable and estimable.

The Company has income-tax related contingent liabilities where the ultimate tax determination is uncertain. No provision has been recognized for income tax-related contingencies as no reliable estimate can be made or it is not probable the tax uncertainty will result in a future economic outflow. Income tax related contingent liabilities are assessed continually and as a reliable estimate can be made, or if they become probable, a provision is recognized in the financial statements of the period in which the change in estimate or probability occurs. Where the final outcome of such matters differs from the amount recorded, any differences may impact income taxes in the period in which the final determination is made.

23. Capital Management

The Company is capitalized via investment from its parent company, Jaguar Land Rover Limited. The Company purchases the majority of products it sells from the parent company and related companies. The cash flow from the sale of vehicles and parts is sufficient to pay the parent company and all other suppliers. Any remaining cash after paying all suppliers, vendors and operating expenses is remitted back to the parent company. As such, no additional financing is required. At both 31 March 2014 and 2013, the Company maintained capital of INR9420 million.

There were no dividends paid during any of the years presented.

24. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

a) Financial assets and liabilities

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The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2014 and 2013, respectively.

	As at 31 March			
	2014		2013	
	Total Carrying Value	Total Fair Value	Total Carrying Value	Total Fair Value
<u>Financial Assets</u>				
Cash and Cash Equivalents	247,773,008	247,773,008	3,319,687,041	3,319,687,041
Other Financial Assets (noncurrent)	605,466,921	605,466,921	1,594,573,983	1,594,573,983
Trade Receivables	4,554,077,680	4,554,077,680	4,440,035,822	4,440,035,822
Finance Receivables	10,406,624,894	10,406,624,894	12,487,552,014	12,487,552,014
		0		
Total	15,813,942,503	15,813,942,503	21,841,848,860	21,841,848,860
<u>Financial Liabilities</u>				
Accounts Payables	-28,891,193,774	-28,891,193,774	-24,225,068,873	-24,225,068,873
Marketing Accruals	-13,636,512,249	-13,636,512,249	-12,161,823,134	-12,161,823,134
Other Current Liabilities	-2,059,795,526	-2,059,795,526	-1,663,356,013	-1,663,356,013
Provisions (current)	-1,026,106,850	-1,026,106,850	-453,719,556	-453,719,556
Income Tax Liability	-60,774,412	-60,774,412	0	0
Other Non-Current Liabilities	-2,265,566,284	-2,265,566,284	-1,578,709,728	-1,578,709,728
Provisions (non-current)	-2,234,133,558	-2,234,133,558	-727,586,878	-727,586,878
Other financial liabilities	0	0	-1,945,925,624	-1,945,925,624
Total	-50,174,082,653	-50,174,082,653	-42,756,189,806	-42,756,189,806

Note 24 – Disclosures on financial instruments (continued)

The Company does not have any derivative financial instruments.

The short term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in a sales transaction as of respective dates. The estimated fair value amounts as of 31 March 2014 and 2013 have been measured as of the respective dates. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

b) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in interest rates, credit risk and liquidity risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers risks associated with the financial assets and liabilities like interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment – by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings – by determining the financial value of the expected earnings in advance.

i) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

a. Foreign currency exchange rate risk:

The company does not have any material exchange risk due to limited transactions in currencies other than US dollars, nor does it have any material balances at the period end which are denominated in any currency other than USD.

b. Interest rate risk

The company's interest rate risk is limited to any short term borrowings, which are at market rates.

ii) Credit risk

Credit risk is the risk of financial loss 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.

Note 24 – Disclosures on financial instruments (continued)

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables and finance receivables. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was INR15,815.6 million and INR21,843.9 million as of 31 March 2014 and 2013, respectively, being the total of the carrying amount of cash balance with banks, trade receivables, finance receivables, and financial assets.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as of 31 March 2014, that any defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

The ageing of trade receivables and finance receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

Jaguar Land Rover North America, LLC

	31 March 2014			31 March 2013		
	Gross	Allowance	Total	Gross	Allowance	Total
Trade Receivables						
Period						
Not due	3,372,972,758	0	3,372,972,758	4,375,890,062	0	4,375,890,062
Overdue 1-3 months	1,037,551,662	0	1,037,551,662	64,145,760	0	64,145,760
Overdue 3-6 months	2,030,721	0	2,030,721	0	0	0
Overdue more than 6 months	141,522,542 *	0	141,522,542	0	0	0
Total	4,554,077,683	0	4,554,077,683	4,440,035,822	0	4,440,035,822

* Balance represents receivable from Jaguar Land Rover China that will remain unsettled due to regulatory constraints.

	31 March 2014			31 March 2013		
	Gross	Allowance	Total	Gross	Allowance	Total
Finance Receivables						
Period						
Not due	10,406,624,894	0	10,406,624,894	12,487,552,014	0	12,487,552,014
Overdue 1-3 months	0	0	0	0	0	0
Overdue 3-6 months	0	0	0	0	0	0
Overdue more than 6 months	0	0	0	0	0	0
Total	10,406,624,894	0	10,406,624,894	12,487,552,014	0	12,487,552,014

Note 24 – Disclosures on financial instruments (continued)

iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that it is available for use as per requirements.

The Company is primarily funded through the sale of vehicles and parts at a profit. Generally, funds generated through that means are sufficient to cover all obligations. Any excess cash is remitted back to the parent company, Jaguar Land Rover Limited.

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2014:

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd - 5th year	Due after 5 years
Trade payables	-28,891,193,774	-28,891,193,774	0	0	0
Marketing provisions	-13,636,512,249	-13,636,512,249	0	0	0
Other current liabilities	-2,059,795,526	-2,059,795,526	0	0	0
Provisions (current)	-1,026,106,850	-1,026,106,850	0	0	0
Income tax liability	-60,774,412	-60,774,412	0	0	0
Other non-current liabilities	-2,265,566,284	-31,267,216	-1,034,565,796	-995,870,452	-203,862,823
Provisions (noncurrent)	-2,234,133,558	0	-1,022,527,017	-1,211,606,541	0
Total	-50,174,082,653	-45,705,650,027	-2,057,092,813	-2,207,476,993	-203,862,823

iv) Derivative financial instruments and risk management

The Company does not have any derivative financial instruments.

25. Collaterals

On May 13 2011, March 27 2012 and January 28 2013, the Company's intermediary parent, Jaguar Land Rover Automotive PLC, issued £1 billion(equivalent), £500 million and \$500 million (respectively) senior unsecured notes with maturity dates between 2018 and 2023. These notes are guaranteed on a senior unsecured basis by JLRNA.

The company is also a guarantor of a £1,290 million revolving credit facility held by Jaguar Land Rover Automotive PLC. At 31 March 2014, no amounts were drawn on this facility.

26. Segment reporting

The company operates in one segment: the sale of Jaguar Land Rover vehicles, parts and accessories and one geographic segment, the USA.

27. Related party transactions

The Company's related parties principally consist of subsidiaries of Tata Motors Ltd (subsidiaries of Jaguar Cars Ltd) and other Tata related companies. The Company routinely enters into transactions with these related parties in the ordinary course of business.

Note 27 – Related party transactions (continued)

The Company purchases the majority of its inventory from subsidiaries of the ultimate UK parent company, primarily Jaguar Land Rover Limited. As a result, the Company will incur payables to those entities. Additionally, the Company has entered into a transfer price arrangement with Jaguar Land Rover Limited whereby profitability is fixed as a percentage of revenue. As a result of this arrangement, the Company will transfer profits or losses to this entity to arrive at the appropriate profit target by adjusting cost of revenues and offsetting payables to affiliated companies. At 31 March 2014 and 2013, the Company had approximately INR24,558.8 million and INR17,285 million, respectively, recorded as payables owed to Jaguar Land Rover Limited.

As part of the Company's arrangement as a national sales company for Jaguar Land Rover Limited, all excess cash after local expenditure requirements is remitted to a central treasury function in the UK on a daily basis. Similarly, if cash collected is not sufficient to cover local expenditures, the Company will receive funding from the central treasury function in the UK. Upon cash transfer between the Company and the central treasury function, an intercompany note receivable is recorded with the parent company. At 31 March 2014 and 2013, the Company had approximately INR10,408 million and INR12,485.5 million, respectively, recorded as a note receivable from the parent company.

Additionally, in the normal course of business, the Company transacts with other subsidiaries of Jaguar Land Rover Limited. At 31 March 2014 and 2013, the Company had trade receivables with Jaguar Land Rover China in the amount of INR95.8 million and INR74.5 million, respectively. At 31 March 2014 and 2013, the Company had trade receivables with Jaguar Land Rover Canada in the amount of INR137.7 million and INR744.5 million, respectively. At 31 March 2014 and 2013, the Company had trade receivables with Jaguar Land Rover Limited in the amount of INR1994.2 million and INR257.7 million, respectively.

Additionally, the Company engages a subsidiary of the Tata Group, Tata Technologies (TTL) whereby TTL provides outsourced information technology support and development to the Company. During the 12 months

Jaguar Land Rover North America, LLC

ended 31 March 31 2014 and 2013, the Company recognized expense of INR203.6 million and INR177.5 million, respectively, related to services received during that period. The Company made cash payments to TTL during the 12 months ended 31 March 2014 and 2013 of INR197.6 million and INR206.2 million, respectively. Additionally, the Company had an outstanding accounts payable balance of INR5.99 million and nil at 31 March 31 2014 and 2013, respectively.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Cumulative compensation of those individuals identified as key management personnel was as follows:

	Year ended 31 March	
	2014	2013
Salaries	88,216,039	74,093,360
Incentive compensation	42,009,590	30,174,490
Other	19,543,867	15,267,905
Total key employee compensation	149,769,496	119,535,755

The Company did not have any other transactions with key management personnel.

Refer Note 21 for information on transactions with post-employment benefit plans.

28. Subsequent events

There were no events occurring after the balance sheet date that would have a material impact on the Company's results of operations, financial position or cash flows.

**JAGUAR LAND ROVER
NEDERLAND B.V**

VIANEN

Annual Report 2013 – 14

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Annual report of the directors

Mission Statement

Jaguar wants to be leading in building beautiful, fast cars. Land Rover on the other hand wants to be the world's leading brand at inspiring, creating and delivering a spirit of adventure. The mission is to gain the absolute volume and image leadership in the segments where both brands are available.

Jaguar Land Rover Netherlands

Being a national sales company the main objective of Jaguar Land Rover Netherlands is to optimise the sales of original Jaguar and Land Rover products in the Netherlands. This is not limited to vehicles and parts, but also includes accessories and gear. Jaguar and Land Rover products are distributed through an official Jaguar and Land Rover dealer network.

Since the 1st of April 2010 Jaguar Land Rover Netherlands and Jaguar Land Rover Belux have been integrated into one Sales Company in order to grow sales and save costs by maximising the economies of scale. Although there is one organisation scheme for the Benelux-organisation, both countries still have separate legal entities

Results and development during the year

The main product change in 2013/14 for Jaguar was the launch of the award-winning F-Type Convertible. XF, XJ and XK sales were stable compared with previous year 2012/13 despite the serious decline of the Dutch car market. For Land Rover the highlight for 2013/14 was the market launch of the new Range Rover Sport. Total Land Rover wholesales was in 2013/14 6% lower compared with 2012/13, mainly due to lower Evoque sales as a result of the general decline of car sales in Netherlands.

As a result of the successful launch of F-Type, Range Rover and Range Rover Sport total net turnover increased with 14% to INR 11.215.654k compared with previous year 2012/13. Result before taxation increased with INR 34.022k to INR 84.806k. There are no important movements in the balance sheet.

Net turn over for 2013/14 was INR 11.215.654k, which is INR 3.025.096k or 16% higher than in 2012/13. Net result after taxation decreased from INR 43.052k in 2012/13 to INR 36.076k in 2013/14.

Future developments

2014/15 will be again an important year for Jaguar and Land Rover. For Jaguar the F-Type Coupe will be launched in May. At the Geneva Motor Show in March 2014 Jaguar Land Rover confirmed the name of the new "Jaguar XE", the new premium sports sedan

with aluminium chassis and new Ingenium engines with CO2 emissions below 100g/km. The Jaguar XE will arrive in the Dutch market in 2015. Also in 2015 Jaguar Land Rover will launch the new premium compact SUV "Discover Sport", first member of the all-new Discovery family. This vehicle will be the most versatile and capable SUV in its segment.

Investments and funding

Tata Motors Ltd. is fully responsible for Jaguar and Land Rover. Being fully owned by the parent company, there are no specific risks for Jaguar Land Rover Netherlands except for the sales volume. Locally there are no risks re currency swaps or other financial instruments. All payments are handled in the local currency.

Jaguar Land Rover Netherlands is completely funded by its parent company. In 2013/14 there were no changes in funding, nor are there any expected in 2014/15.

Since 2009 FGA Capital Netherlands provides wholesale finance to the Jaguar Land Rover dealers. The majority of the Jaguar Land Rover dealers also were funded through FGA Capital.

Personnel

No significant changes in personnel are planned in 2014. Expected staffing is planned to suite necessary business operations

Environmental issues

Investments are made on an on-going basis in order to improve Jaguars' and Land Rovers' reputation on corporate citizenship. Together with a number of suppliers and supported by the British government, Jaguar and Land Rover are not only working on low emission vehicles, but also on several other projects that will reduce the company's CO2-emission in the nearby future like hybrid products.

Beesd, 28 May 2014

M.A.M. Bienemann
Managing Director

Annual accounts

Balance sheet as at March 31 2014

(before proposed appropriation of result)

before proposed appropriation of result)

		<u>March 31 2014</u>		<u>March 31 2013</u>	
	Ref.	INR000	INR000	INR000	INR000
<i>Assets</i>					
Fixed assets					
Tangible fixed assets	4	1.972		1.951	
Financial fixed assets	5	<u>1.150</u>		<u>975</u>	
			3.122		2.926
Current assets					
Stocks	6	880.771		705.408	
Receivables	7	1.036.578		739.055	
Cash at banks and in hand	8	<u>44.951</u>		<u>46.535</u>	
			<u>1.962.300</u>		<u>1.490.998</u>
			<u>1.965.422</u>		<u>1.493.924</u>

		<u>March 31 2014</u>		<u>March 31 2013</u>	
	Ref.	INR000	INR000	INR000	INR000
<i>Shareholders' equity and liabilities</i>					
Shareholders' equity	9				
Share capital		3.698		3.135	
Other reserves		162.464		69.106	
Result for the year		<u>36.076</u>		<u>43.052</u>	
			202.238		115.293
Current liabilities	10		1.763.184		1.378.631
			<u>1.965.422</u>		<u>1.493.924</u>

Profit and loss account 2013/14

		<u>2013/14</u>		<u>2012/13</u>	
	Ref.	INR000	INR000	INR000	INR000
Net turnover	13		11.215.654		8.190.558
Cost of goods sold		10.252.460		7.504.865	
Personnel expenses	14	186.706		137.097	
Depreciation of tangible fixed assets	15	1.068		906	
Operating expenses	16	<u>692.750</u>		<u>499.134</u>	
Total expenses			<u>11.132.984</u>		<u>8.142.002</u>
Operating result			82.670		48.556
Financial income and expenses	17		2.137		2.229
Result on ordinary activities before taxation			<u>84.807</u>		<u>50.785</u>
Taxation previous years					2.856
Taxation on result on ordinary activities			<u>-48.731</u>		<u>-10.589</u>
Net result after taxation			<u>36.076</u>		<u>43.052</u>

Cash flow statement 2013/14

According to RJ 360.104, the cash flow statement has been omitted as Jaguar Land Rover Nederland B.V. is a subsidiary of Jaguar Land Rover Plc. Which includes a cash flow statement in its consolidated financial statements. These consolidated financial statements will be made available at the Chamber of Commerce in The Netherlands together with this annual report.

Notes to the balance sheet and profit and loss account

1 General

1.1 Activities

Jaguar Land Rover Nederland B.V., having its legal seat in Vianen and the office is located at Stationsweg 8, 4153 RD in Beesd, is primarily engaged in marketing Jaguar and Land Rover vehicles and related parts and accessories. These products are entirely obtained within the Jaguar Land Rover Group and are mainly distributed to the dealer network in the Netherlands.

1.2 Group structure

Jaguar Land Rover Nederland B.V. belongs to the Jaguar Land Rover Group. The ultimate parent company of this group is Tata Group in India. The annual accounts of Jaguar Land Rover Nederland B.V. are included in the consolidated annual accounts of Tata Motors Ltd. in India. Copies of the consolidated annual accounts of 2013/14 Tata Motors Ltd. are available at cost price from the offices of Jaguar Land Rover Nederland B.V.

1.3 Accounting policies

The annual accounts are prepared according to the stipulations in chapter 9 Book 2, of the Dutch Civil Code.

1.4 Financial instruments

Financial instruments be both primary financial instruments, such as receivables and payables. The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet the information on the fair value is disclosed in the notes to the 'Contingent rights and obligations'.

For the principles of primary financial instruments, reference is made to the treatment per balance sheet item.

2 Principles of valuation of assets and liabilities

2.1 General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and profit and loss account include references to the notes.

2.2 Tangible fixed assets

Machinery and equipment are valued at acquisition cost plus additional direct expenses, less straight-line depreciation over the estimated economic life. Any impairment as at the balance sheet date is taken into account. For determining whether an impairment charge in respect of a tangible fixed asset applies, reference is made to note 2.4.

Other fixed assets are valued at acquisition or production cost including directly attributable expenses, less straight-line depreciation over the estimated useful economic life, or market value if lower.

2.3 Financial fixed assets

The bonds and certificates stated under the financial fixed assets (listed and non-listed) that are not part of a trade portfolio either and that are held until maturity are valued at amortised cost or lower market value. When the market value is lower than the amortised cost price an impairment is accounted for. Reversal of an impairment is capped at the amortised cost price that would have been determined had it not concerned an impairment.

2.4 Impairment of fixed assets

On the balance sheet date, the Company tests whether there are any indications of an asset which could be subject to impairment are executed. If there are such indications, the recoverable amount of the asset concerned is estimated. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is identified. An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the higher of the realisable value and the value to the business.

If it is established that a previously recognised impairment no longer applies or has declined, then the increased carrying amount of the assets in question is not set higher than the carrying amount that would have been determined had no asset impairment been recognised.

2.5 *Stocks*

The finished products are valued at acquisitions cost using the FIFO method ('first in, first out') or net lower realisable value. This lower net realizable value is determined by individual assessment of inventories.

2.6 *Receivables*

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for the risk of doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

2.7 *Cash at banks and in hand*

Cash at banks and in hand consists of cash in hand, cash at banks and deposits with a maturity of less than twelve months. Current account liabilities at banks are recognised under bank overdrafts forming part of current liabilities. The cash is measured at face value. If cash equivalents are not freely disposable, then this has been taken into account upon measurement.

2.8 *Shareholders' equity*

Expenses directly related to the purchase, sale and/or issue of new shares are charged directly to shareholders' equity, taking into account relevant corporate income tax effects. Other direct movements within shareholders' equity are also recognised taking into account relevant corporate income tax effects.

2.9 *Leasing*

Operational lease

Lease contracts for which a large part of the risks and rewards incidental to ownership of the assets does not lie with the Company, are recognised as operational leases. Obligations under operational leases are recognised on a straight-line basis in the profit and loss account over the term of the contract, taking into account reimbursements received from the lessor.

3 Principles for determination of result

3.1 General

The result represents the difference between the value of the consideration rendered and the costs and other charges for the year. The results on transactions are recognised in the year they are realised.

3.2 *Net turnover and other operating income*

Net turnover is determined as income from the supply of goods, less discounts and such like, exclusive of value added taxes, taxes on passenger cars (BPM) and after elimination of intragroup sales.

Income from the supply of goods is recognised as soon as all substantial rights and risks relating to the title to the goods are transferred to the customer.

3.3 *Costs of goods sold*

Costs are recognised on the historical cost convention and are allocated to the reporting year to which they relate.

Cost of sales represents external expenses and other operating expenses that are attributable to the cost of sales.

3.4 *Operating expenses*

General and administrative expenses include the expense of the Managing Director and the administration department.

3.5 *Personnel remuneration*

Salaries, wages and social security costs are charged to the profit and loss account when due, and in accordance with employment contracts and obligations.

The Company has one pension scheme. This scheme provides defined pension benefits to staff upon reaching retirement age, depending on age, salary and years of service.

The pension plans are financed through contributions to pension providers, i.e., insurance companies. The pension obligations of the plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account. Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the entity and are included in a provision on the balance sheet.

3.6 *Depreciation*

Intangible fixed assets including goodwill are amortized and tangible fixed assets are depreciated over their expected useful life as from the inception of their use. Land and investment property are not depreciated. Future depreciation is adjusted if there is a change in estimated useful life.

3.7 *Financial income and expense*

Interest income and expense

Interest income and expense are time apportioned, taking into account the effective interest rate for the relating assets and liabilities. The treatment of interest expenses for loans received takes account of any transaction costs.

3.8 *Taxation*

Profits tax is calculated on the profit/loss before taxation in the profit and loss account, taking into account any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax-exempt items and non-deductible expenses, and using current tax rates. Also taken into account are changes in deferred tax assets and deferred tax liabilities owing to changes in the applicable tax rates.

3.9 *Notes to the cash flow statement*

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet items cash at banks and in hand.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments.

Corporate income taxes, issuance of share capital, interest received and dividends received are presented under the cash flow from operating activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

4 Tangible fixed assets

	Machinery and equipment	Other fixed assets	Total
	INR000	INR000	INR000
april 1 2013			
Acquisition or production costs	6.061	2.647	8.708
Accumulated impairments and depreciation	-4.737	-2.020	-6.757
Book value	1.324	627	1.951
Movements 2013/14			
Additions	740	0	740
Desinvestments			
Depreciation	-493	-575	-1.068
Depreciation Desinvestments			
	247	-575	-328
31 March 2014			
Acquisition or production costs	7.889	3.123	11.012
Accumulated impairments and depreciation	-6.081	-2.959	-9.040
Book value	1.808	164	1.972

5 Financial fixed assets

	Total financial fixed assets
	INR000
april 1 2013	
Book value	1.150
Movements 2013/14	
	0
March 31 2014	
Book value	1.150

The financial fixed assets exist of a certificate of INR 1.150.475 in a golf club.

6 Stocks

	Mar 31 2014
	INR000
<i>Stocks for own use and resale</i>	
Finished products and goods for resale	880.771
Total	880.771

The devaluation of the stock as a result of mileage amounted INR 118.854.689 (2012/13: INR 80.758.783)

7 Receivables

	March 31 2014		March 31 2013	
	Total	Term > 1 year	Total	Term > 1 year
	INR000	INR000	INR000	INR000
Trade debtors	198.950	0	75.584	0
Amounts due from group companies	590.769	0	298.088	0
Corporate income tax receivable	-	0	14.281	0
Prepaid pension costs	-	0	-	0
Other receivables	246.859	0	351.102	0
	<u>1.036.578</u>	<u>0</u>	<u>739.055</u>	<u>0</u>

The average interest received from Land Rover Group in the cash pool arrangement amounted 0,162% in 2013/14.

Netting receivables en liabilities from group companies

Netting receivables and liabilities from group companies Jaguar LandRover Nederland B.V. is part of the cash pool agreement of Jaguar LandRover Ltd. and netting is applied for amounts included in this cash pool as well as the receivables and liabilities with group companies. As netting is allowed according to the cash pool agreement and the intention of management is to apply netting on a consistent basis, netting in the financial statements is allowed according to RJ A2.115.

While netting has been performed since the start of financial year 2013, the requirements of netting have actually been met as per the end of financial year 2012. Therefore, Jaguar Land Rover Nederland B.V. restated the figures of the previous year to reflect this netting in conformity with Paragraph 4 of Section 362, Book 2 of the Netherlands Civil Code. Restatements have been made in the balance sheets and cash flow as per 31 March 2013. The restatement in the balance sheet results in a decrease of receivables and liabilities with group companies.

8 Cash at banks and in hand

All cash at banks and in hand is available on demand.

9 Shareholders' equity

9.1 Share capital

The authorised share capital of the Company as at 31 March 2014 amounts to INR 1.894.000 and consists of 500 ordinary shares of INR 36.980 each.

Issued and paid in share capital amounts to INR 3.698.000 and consists of 100 ordinary shares with a nominal value of INR 36.980 each.

9.2 Other Reserves

	<u>March 31 2014</u>	<u>March 31 2013</u>
	INR000	INR000
Balance sheet according to 2012/13 financial statements	81.520	32.393
Dividend Payment	0	0
Profit distribution prior financial year	<u>80.944</u>	<u>36.713</u>
Balance as at 31 March	<u>162.464</u>	<u>69.106</u>

9.3 Result for the year

	<u>March 31 2014</u>	<u>March 31 2013</u>
	INR000	INR000
Balance sheet as at 1 April	50.785	36.712
Added to other reserves	-50.785	-36.712
Result for year after taxation	<u>36.076</u>	<u>43.052</u>
Balance as at 31 March	<u>36.076</u>	<u>43.052</u>

10 Current liabilities

	<u>March 31 2014</u>	<u>March 31 2013</u>
	INR000	INR000
Trade creditors	58.345	31.627
Tax payable	921.530	772.354
Group Companies	65.988	80.879
Corporate income tax payable	29.090	
Other liabilities	<u>688.231</u>	<u>493.771</u>
	<u>1.763.184</u>	<u>1.378.631</u>

There are no liabilities with a term > 1 year

11 Financial Instruments

For the notes to financial instruments reference is made to the specific item by item note. Below the related risks are disclosed.

Currency risks

There are no currency risks. All invoices for purchasing and selling vehicles and parts are in euros.

Interest risks

There are no interest risks. All transactions, including funding, are managed through a cashpool-agreement with the parent company.

Credit risks

Credit risks are decreased by the fact that the majority of the vehicles is paid on behalf of the dealer by FGAC at the moment of invoicing. The risk on parts is reduced by the fact that the outstandings are collected through direct debit once a week.

12 Commitments not included in the balance sheet

Financial obligations

- The Company issued a guarantee to the Dutch tax authorities of INR 12.326.520 associated with BPM.
- The commitment for renting the building amounts to INR 9.482.956 on a yearly basis and this contract expires in 2015.
-

13 Net turnover

Net turnover can be split into the following major categories:

	<u>2013/14</u>	<u>2012/13</u>
	INR000	INR000
Cars	10.116.868	7.334.678
Parts	<u>1.098.786</u>	<u>855.880</u>
	<u>11.215.654</u>	<u>8.190.558</u>

The BPM related to this revenue amounts to INR 2.565.932.450 (2012/13: INR 2.077.070.266) for the financial year 2013/14. The BPM is not included in the revenue

14 Personnel expenses

	<u>2013/14</u>	<u>2012/13</u>
	INR000	INR000
Wages and salaries	154.575	111.530
Pension costs	18.818	14.978
Other social security costs	<u>13.313</u>	<u>10.589</u>
	<u>186.706</u>	<u>137.097</u>

15 Depreciation of tangible fixed assets

	<u>2013/14</u>	<u>2012/13</u>
	INR000	INR000
Tangible fixed assets	<u>1.068</u>	<u>906</u>
	<u>1.068</u>	<u>906</u>

16 Operating expenses

The operating expenses captions can be broken down as follows:

	<u>2013/14</u>	<u>2012/13</u>
	INR000	INR000
Other sales expenses	544.175	388.928
Local variable costs	19.147	14.281
Rent / heating / light utilities	13.806	15.604
Cost of company vehicles	27.036	19.715
Cost of administration	41.499	29.537
Cost of computers	11.915	6.270
Other	<u>35.172</u>	<u>24.799</u>
	<u>692.750</u>	<u>499.134</u>

The auditors fee amounts to INR 2.629.658 (2012/13: INR 2.588.569) and is related to the audit of the financial statements. No other services were provided by the auditor.

17 Financial income and expenses

Operational Lease

During the financial year the Company recognised operational lease payments to the amount of INR 845.681 (2012/13: 534.385) in the profit and loss account

18 Employees

During 2013/14 an average of 15,5 FTE (2012/13: 15 FTE) have been employed by the Company divided as follows:

- 2 employees are dedicated to Land Rover
- 2 employees are dedicated to Jaguar
- 11,5 employees are dedicated to both Jaguar and Land Rover

19 Related parties

All group companies mentioned in note 7 and 11 are considered to be related parties. Jaguar Land Rover Netherlands has to pay to these group companies cost of sales, operating expenses and receives interest.

	<u>2013/14</u>	<u>2012/13</u>
	INR000	INR000
Interest costs/income on receivables/liabilities to group companies	2.137	2.229
Interest expenses	<u>0</u>	<u>0</u>
	<u>2.137</u>	<u>2.229</u>

<i>Cost of Sales</i>	<u>31 Mar 2014</u>	<u>31 Mar 2013</u>
	INR000	INR000
Jaguar Cars Ltd	1.458.392	941.008
Land Rover Exports Ltd.	7.763.407	5.772.067
Land Rover France	<u>1.030.661</u>	<u>791.790</u>
	<u>10.252.460</u>	<u>7.504.865</u>

20 Taxation on result on ordinary activities

The taxation on result on ordinary activities amounting to INR 48.731.000 can be specified as follows:

	<u>2013/14</u>	<u>2012/13</u>
	INR	INR
Result from ordinary activities before taxation	<u>84.807</u>	<u>50.784</u>
	84.807	729
Taxation previous years	-21.530	2.856
Taxation on result on ordinary activities	<u>-27.201</u>	<u>-10.589</u>
Taxation according to the profit and loss account	-48.731	-7.733
Effective tax rate	32,1%	20,8%
Applicable tax rate	25,5%	25,5%

Besides the regular tax calculation on result from ordinary activities, an amount has been accrued as result of an assessment of the outcome of an on-going discussion with the Dutch tax authorities.

21 Remuneration Directors

The Company applies Article 2:383, Paragraph 1 of the Dutch Civil Code. In accordance with this, charges regarding remuneration, including pensions, of the director are not disclosed.

Beesd, 28 May 2014

M.A.M. Bienemann
Managing Director

Conversion into Indian Rupees

*The financial information is expressed in the local currency of the relevant company (Euros) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **EUR 1 = Rs 82.390** and **Rs 69.566** for the years ended 31 March 2014 and 2013 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.*

Other information

Independent Auditors' report

Reference is made to the auditor's report as included hereinafter.

Profit appropriation according to the Articles of Association

According to article 15 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.

Appropriation of result for the financial year 2012/13

The annual report 2012/13 is determined in the General Meeting of Shareholders held on May 28, 2013. The General Meeting of Shareholders has determined the appropriation of result for 2012/13 in accordance with the proposal being made to that end.

Proposed appropriation of result for the financial year 2013/14

Following the proposed profit appropriation of the Board of Directors, and pursuant to article 15 of the Articles of Association, an amount of INR 36.075.615 of the 2013/14 result it is proposed to add INR 36.075.615 of the profit to other reserves.

The financial statements do not yet reflect this proposal.

Independent auditor's report

To: the General Meeting of Jaguar Land Rover Nederland B.V.

Report on the financial statements

We have audited the accompanying financial statements for the year ended March 31, 2014 of Jaguar Land Rover Nederland B.V., Vianen, which comprise the balance sheet as per March 31, 2014, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the annual report of the directors, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that 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 conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Jaguar Land Rover Nederland B.V. as per March 31, 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the annual report of the directors, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the annual report of the directors, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Utrecht, May 28, 2014

Deloitte Accountants B.V.

Signed on the original: M.C.P. van der Veeken

JAGUAR LAND ROVER PORTUGAL - VEICULOS E PECAS, LDA

Annual Report 2013 – 14

STATUTORY AUDIT REPORT
(Translation of a report originally issued in Portuguese)

Introduction

1. We have examined the accompanying financial statements of Jaguar Land Rover Portugal – Veículos e Peças, Lda. (“the Company”), which comprise the balance sheet as of 31 December 2013 that presents a total of 20,795,418 Euros (Rs 1,768,183,465 equivalent) and equity of 9,385,483 Euros (Rs 798,024,635 equivalent), including a net income of 86,216 Euros (Rs 7,330,735 equivalent), the Statements of Profit and Loss by Nature, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

2. The preparation of financial statements that present a true and fair view of the financial position of the Company, the results of its operations, changes in equity and its cash flows, as well as the adoption of adequate accounting principles and criteria and the maintenance of an appropriate system of internal control are the responsibility of the Company’s Management. Our responsibility is to express a professional and independent opinion on these financial statements, based on our examination.

Scope

3. Our examination was performed in accordance with the auditing standards (“Normas Técnicas e as Directrizes de Revisão/Auditoria”) issued by the Portuguese Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. An examination includes verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgements and criteria defined by the Management, used in their preparation. An examination also includes assessing the adequacy of the accounting principles used and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the financial statements. An examination also comprises verifying that the financial information contained in the Management Report is in accordance with the financial statements. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

4. In our opinion, the financial statements referred to in paragraph 1 above, present fairly, in all material respects, the financial position of Jaguar Land Rover Portugal – Veículos e Peças, Lda. as of 31 December 2013 and the result of its operations, changes in equity and cash flows for the year then ended, in conformity with generally accepted accounting principles in Portugal.

Report on other legal requirements

5. It is also our opinion that the financial information contained in the Management Report is consistent with the financial statements for the period.

Lisbon, 14 March 2014

Deloitte & Associados, SROC S.A.
Represented by André Vinagre Dias Rodrigues

BALANCE SHEETS AS OF 31 DECEMBER 2013 AND 2012

(Translation of the balance sheet originally issued in Portuguese - Note 25)

(Amounts stated in Indian Rupees)

ASSETS	Notes	31 December 2013	31 December 2012
NON CURRENT ASSETS:			
Tangible assets	5	6.802.240	2.792.984
Intangible assets	6	933.059.350	791.983.339
Deferred tax assets	7	15.410.390	17.127.643
Total non current assets		955.271.980	811.903.966
CURRENT ASSETS:			
Inventories	8	122.619.729	111.881.107
Customers	9	88.254.302	85.000.501
Accounts receivable from state entities	12	-	1.668.905
Loans granted	9 and 21	500.908.706	261.905.259
Other receivables	9	2.158.606	1.818.446
Cash and cash equivalents	4	98.979.479	43.913.631
Total non current assets		812.920.822	506.187.849
Total assets		1.768.192.802	1.318.091.815
EQUITY AND LIABILITIES			
EQUITY:			
Paid up capital	10	113.087.240	95.988.760
Other equity instruments	10	904.822.656	768.015.956
Legal reserve	10	2.928.194	1.904.619
Retained earnings	10	(230.140.016)	(206.387.598)
		790.698.074	659.521.737
Net income for the year		7.330.774	11.616.372
Total equity		798.028.848	671.138.109
LIABILITIES:			
NON CURRENT LIABILITIES:			
Provisions	13	7.784.824	16.876.918
Total non current liabilities		7.784.824	16.876.918
CURRENT LIABILITIES:			
Suppliers	11	400.992.048	212.418.507
Accounts payable to state entities	12	237.857.072	154.552.296
Other payables	11	323.530.010	263.105.985
Total current liabilities		962.379.130	630.076.788
Total liabilities		970.163.954	646.953.706
Total equity and liabilities		1.768.192.802	1.318.091.815

The accompanying notes form an integral part of this balance sheet as of 31 December 2013.

The Chartered Accountant

Management

JAGUAR LAND ROVER PORTUGAL - Veículos e Peças, Lda.

STATEMENTS OF PROFIT AND LOSS BY NATURE FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Translation of income statements by nature originally issued in Portuguese - Note 25)

(Amounts stated in Indian Rupees)

INCOME AND EXPENSES	Notes	2013	2012
Sales and services rendered	14	2,804,587,360	1,758,839,651
Cost of sales	8	(2,410,841,057)	(1,482,489,238)
External supplies and services	15	(353,610,535)	(257,203,831)
Payroll expenses	16	(28,313,219)	(18,269,187)
Impairment of inventories (losses) / reversals	8	-	356,674
Impairment on accounts receivable (losses) / reversals	9	(3,006,760)	-
Provisions (gains / reversals)	13	9,930,420	(6,051,117)
Other operating income	18	23,027,878	23,127,445
Other operating expenses	19	(23,065,546)	(12,448,587)
Net income before depreciations, net financial expenses and income tax		18,708,541	5,861,810
Depreciation and amortization of tangible assets	17	(1,117,353)	(1,140,029)
Net operating profit (before net financial expenses and income tax)		17,591,188	4,721,781
Interest and similar income	20	474,966	1,561,658
Profit before income tax		18,066,154	6,283,439
Income tax	7	(10,735,380)	5,332,933
Net income for the year		7,330,774	11,616,372

The accompanying notes form an integral part of this statement of profit and loss for the year ended 31 December 2013.

The Chartered Accountant

Management

JAGUAR LAND ROVER PORTUGAL - Veículos e Peças, Lda.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

(Translation of statement of changes in equity originally issued in Portuguese - Note 25)

(Amounts stated in Indian Rupees)

Description	Notes	Paid up capital	Other equity instruments	Legal reserves	Retained earnings	Net income for the year	Total equity
Position as of 1 January 2012		91,630,350	733,143,869	1,818,139	(192,324,182)	(4,692,301)	629,575,875
Appropriation of net income for 2011	10	-	-	-	(4,692,301)	4,692,301	-
		91,630,350	733,143,869	1,818,139	(197,016,483)	-	629,575,875
Net profit for the year ended 2012						11,616,372	11,616,372
Effect of exchange rate variations						-	29,945,862
Comprehensive Income		4,358,410	34,872,087	86,480	(9,371,115)		
		4,358,410	34,872,087	86,480	(9,371,115)	11,616,372	41,562,234
Position as of 31 December 2012		95,988,760	768,015,956	1,904,619	(206,387,598)	11,616,372	671,138,109
Position as of 1 January 2013		95,988,760	768,015,956	1,904,619	(206,387,598)	11,616,372	671,138,109
Appropriation of net income for 2012	10	-	-	580,819	11,035,553	(11,616,372)	-
Other variations in equity		-	-	-	10,118	-	10,118
		95,988,760	768,015,956	2,485,438	(195,341,927)	-	671,148,227
Net income for the year 2013						7,330,774	7,330,774
Effect of exchange rate variations						-	119,549,847
Comprehensive Income		17,098,480	136,806,700	442,756	(34,798,089)		
		17,098,480	136,806,700	442,756	(34,798,089)	7,330,774	126,880,621
Position as of 31 December 2013		113,087,240	904,822,656	2,928,194	(230,140,016)	7,330,774	798,028,848

The accompanying notes form an integral part of this statement of changes in equity for the year ended 31 December 2013.

The Chartered Accountant

Management

JAGUAR LAND ROVER PORTUGAL - Veículos e Peças, Lda.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012**

(Translation of statement of cash flows originally issued in Portuguese - Note 25)

(Amounts stated in Indian Rupees)

	Notes	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from costumers		3,461,529.843	2,252,678.221
Payments to suppliers		(3,240,479.831)	(2,212,989.323)
Payments to employees		(24,970.343)	(24,030.750)
Cash flows generated from operations		196,079.670	15,658.148
Payments / receipts of income tax		(3,203.515)	(12,744.276)
Other receipts / payments		50,874.378	(37,804.271)
Cash flows from operating activities [1]		243,750.533	(34,890.399)
CASH FLOW FROM INVESTING ACTIVITIES:			
Payments relating to:			
Tangible assets		(4,629.009)	(1,174.455)
Loans granted to group companies		(192,350.257)	-
Receipts relating to:			
Loans granted to group companies		-	241,006.125
Interest and similar income		472,246	1,561.658
Dividends		-	-
Cash flows from investing activities [2]		(196,507.020)	241,393.328
CASH FLOW FROM FINANCING ACTIVITIES:			
Payments relating to:			
Loans obtained		-	(237,233.694)
Interests and similar expenses		-	-
Cash flows from financing activities [3]		-	(237,233.694)
Variation in cash and cash equivalents [4]=[1]+[2]+[3]		47,243.513	(30,730.765)
Effect of exchange differences		7,822.335	3,389.260
Cash and cash equivalents at the beginning of the year	4	43,913.631	71,255.136
Cash and cash equivalents at the end of the year	4	98,979.479	43,913.631

The accompanying notes form an integral part of this statement of cash flows for the year ended 31 December 2013.

The Chartered Accountant

Management

JAGUAR LAND ROVER PORTUGAL – Veículos e Peças, Lda.

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2013

(Translation of notes originally issued in Portuguese – Note 25)

(Amounts stated in Indian Rupees)

1 INTRODUCTION

Jaguar Land Rover Portugal – Veículos e Peças, Lda. ("Entity") is a limited company incorporated on April 27, 2000, which has its head office in Avenida Praia da Vitória, Edifício Monumental, Lisbon, being 100% owned by Land Rover Group in the UK, and its main activity consists in the importation of motor vehicles and spare parts of Jaguar and Land Rover brands and their sales and distribution in Portugal, through a dealers network.

These financial statements are presented in Indian Rupee ("INR"), having assets, liabilities, equity, income and expenses payment and receipts were been translated using the exchange rate of 1 Euro = 85.028 INR as of and for the year ended 31 December 2013 and 1 Euro = 72.172 INR as of and for the year ended 31 December 2012, as defined by the Group. The financial statements presented in Euro (functional currency) were approved by the Board of Directors and authorised to issue on 14 March 2014. However, these financial statements are still depending on the corresponding approval by the Quotaholders General Meeting, under the commercial legislation prevailing in Portugal.

The Management believes that these financial statements give a true and fair view of the operations of the Company as well as its financial position and performance and cash flows.

2 ACCOUNTING FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in accordance with framework in force in Portugal, effective for the economic years beginning 1 January 2010, in accordance with Decree-Law No. 158/2009 of 13 July, and according to the conceptual framework, financial statements models, accounting and reporting standards ("NCRF") and interpretive standards ("NI") applicable for the year ended 31 December 2013.

3 MAIN ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying financial statements are as follows:

3.1 Basis of the preparation

The accompanying financial statements have been prepared on a going concern basis and in accordance with the accrual basis of accounting, from the accounting records of the Company maintained in accordance with the generally accepted accounting standards in Portugal (NCRF).

3.2 Tangible Assets

Tangible assets are stated at acquisition cost, which includes the purchase cost and any expenses directly attributable to activities necessary to place the assets in the location and condition necessary to operate as intended, less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated from the moment the asset is able to be used, on a straight-line basis, in accordance with the estimated useful life period for each group of assets.

The depreciation rates used correspond to the following periods of estimated useful life:

Assets	Years
Buildings and other constructions	7
Basic equipment	4 to 8

The useful lives and depreciation method of the various assets are reviewed annually. The effect of any changes to these estimates is recognized prospectively in the income statement.

Expenditures for maintenance and repair (subsequent expenditure) that are not likely to generate additional economic benefits are recorded as expenses in the period they are incurred.

Gains and/or losses arising from the sale or disposal (write-off) of tangible fixed are determined as being the difference between the sale price and the corresponding carrying amount as of the sale/disposal date, being recorded in the statement of profit and loss of the year in which they occur, under the captions "Other operating income" or "Other operating expenses".

3.3 Intangible assets - goodwill

Goodwill is measured as the positive differences between the transferred retribution (usually acquisition cost) and the fair value of identifiable net assets acquired and the assumed liabilities and contingent liabilities recognized following the acquisition of such business combinations.

Goodwill is recognized as an asset on the date on which control is acquired. Subsequently, goodwill is not amortized, being, instead, subject to impairment tests on at least an annual basis.

For the purpose of impairment testing, goodwill is allocated to the cash generating units acquired or the cash-generating units already held benefiting from synergies resulting from the merger. The cash-generating units to which goodwill was allocated are subject to impairment tests annually or more frequently (in the event that there is some indication that the unit may be impaired).

Goodwill impairment tests are based on the use of evaluation methods, supported on discounted cash flows techniques, considering the market conditions, time value and business risk. Eventual impairment losses that may be determined are not recognized as they are at all times recoverable through the transfer price applicable to the Entity (Note 6).

3.4 Inventories

Inventories are stated at the lower amount between its cost and net realizable value. The cost includes the purchase price of goods and other purchase expenses. The net realizable value represents the estimated selling price less all estimated costs necessary to complete the inventories and to make the sale. In situations where the cost is greater than the net realizable value, an adjustment is recorded (impairment loss) for the difference. Variations of the year in impairment losses of inventories are recorded in the profit and loss statement under the captions "Impairment losses on inventories" or "Reversal of inventory adjustments."

The specific tax paid with the purchase of motor vehicles and recoverable with its sale are included in the captions of state and other public entities.

The inventory costing method adopted by the Company consists of the specific purchase cost, in case of vehicles, and the weighted average cost for spare parts.

3.5 Financial assets and liabilities

Assets and liabilities are recognised in the balance sheet when the Company becomes part of the corresponding contract, being adopted the NCRF 27 - Financial Instruments.

Financial assets and liabilities are classified at cost or amortised cost.

Assets and financial liabilities that are classified as "at cost or amortized cost", are those that have the following characteristics:

- Are payable on demand or have a defined maturity, and
- Are associated with a fixed or determinable return, and
- Is not a derivative financial instrument or does not incorporate a derivative financial instrument.

The amortised cost is determined in accordance with the effective interest method.

This category includes, therefore, the following financial assets and liabilities:

a) Customers and other receivables

Accounts receivables from customers and other receivables are recorded at amortised cost less any eventual impairment losses. Usually, the amortised cost of these financial assets does not differ from its nominal value.

b) **Cash and cash equivalents**

The amounts included in caption "Cash and cash equivalents" relate to cash on hand, cash on demand and term deposits and other treasury applications which mature in less than twelve months that are subject to insignificant risk of change in value.

These assets are measured at amortised cost. Usually, the amortised cost of these financial assets does not differ from its nominal value.

c) **Suppliers and other payables**

Accounts payable and other payables are stated at amortised cost. Usually, the amortised cost of these liabilities does not differ from its nominal value.

d) **Loans obtained**

Loans are stated as liabilities and measured at amortised cost.

Any expenses incurred in obtaining such financing, usually paid in advance on issue, namely the bank fees and stamp duty as well as interest expenses and similar expenses, are recognised using the effective interest method in the results of the year, over life time of such financing. The expenses prepaid are deducted from the caption "Loans obtained".

Impairment of financial assets

Financial assets included in the category "at cost or amortized cost" are tested for impairment in each reporting date. These financial assets are in impairment when there is evidence that as a result of one or more events conditions changed after the initial recognition, its estimated future cash flows are affected.

For financial assets measured at amortized cost, the impairment loss to be recognized is the difference between the asset's carrying amount and the present value at the reporting date of the new estimated future cash flows discounted at their original effective interest rate.

Financial assets measured at their acquisition cost, the impairment loss to be recognized corresponds to the difference between the carrying amount and the best estimate of fair value of the assets.

Impairment losses are recorded in the statement of profit and loss under the caption "Impairment on assets" in the period in which they are determined.

Subsequently, if the amount of the impairment loss decreases and this decrease can be related objectively to an event that took place after the recognition of an impairment loss, this should be reversed through the profit and loss. The reversal should be done by the amount that would be recognized (amortized cost) if the impairment loss had not been initially recorded. The reversal of impairment losses is recorded in the statement of profit and loss under the caption "Impairment on assets losses/ reversal".

Derecognition of financial assets and liabilities

The Company derecognises financial assets only when the contractual rights to its cash flows expire on recovery, or when the control of these financial assets is transferred to another entity and all significant risks and benefits associated with its possession.

The Company derecognises financial liabilities only when the corresponding obligation is settled, canceled or expires.

3.6 Revenue

Revenue is recognized at the fair value of the amount received or to be received. Revenue recognized is reduced by the amount of returns, rebates and other discounts and does not include VAT and other taxes charged related with the sale.

The revenue from sales of merchandise is recognised when all the following conditions are met:

- All the risks and rewards related with the property of the merchandises were transferred to the buyer;
- The Company does not control in any way the merchandise;
- The revenue amount can be reliably measured;
- It is likely that future economic benefits associated with the transaction will flow into the Company;
- The expenses incurred or to be incurred with the transaction can be reliably measured.

The revenue from the services rendered is recognised in the profit and loss statement observing the stage of completion of the service, since all the following conditions are met:

- The amount of the revenue can be reliably measured;
- It is likely that future economic benefits associated with the transaction will flow to the Company;
- The expenses incurred or to be incurred with the transaction can be reliably measured;
- The stage of completion of the transaction/service, can be reliably measured.

Revenue from interests is recognized using the effective interest method, and if it is probable that economic benefits will flow to the Company and its amount can be reliably measured.

3.7 Judgments and estimates

In the preparation of the accompanying financial statements judgments were made and estimations were used which are affecting the assets and liabilities and also the amounts booked as income and expenses during the reporting period.

The estimates were calculated using the best information available, at the date of approval of the financial statements, of the events and transactions in course and of the experience from current and/or past events. However, events may occur in subsequent periods that were not expectable as of the date of these financial statements and, consequently were not included in those estimates. Changes in the estimates after the closing of the financial statements will be booked on the subsequent year. For this reason and considering inherent uncertainty, the effective income from transactions in analysis may differ from the correspondent estimates.

The most important judgments and estimates performed in the preparation of the accompanying financial statements were the following:

i) Goodwill

"Goodwill" impairment tests are based on assumptions usually employed by the Company in evaluating companies, being performed on an annual basis and / or whenever there are indications of impairment.

ii) Deferred tax assets

The deferred tax assets are recognized only when there is reasonable expectation of future taxable income to use these deferred tax assets. At the end of each financial year a review of deferred taxes is made, and they are reduced when it is no longer probable future use. The review carried out is based on future projections of the Company's activity.

iii) Impairment losses on trade and other receivables

Whenever there is a reduced expectation of realization of accounts receivable from customers and / or other debt by the Company's management, taking into consideration the overall risk of collection of accounts receivable, an impairment loss is recognized.

iv) Impairment losses on inventories

Whenever the value of the inventories acquisition cost is lower than the expected sale value at the balance sheet date, the Company posts an impairment loss amounting the resulting difference.

3.8 Income tax

The income tax for the year recorded in the profit and loss statement results from the sum of current and deferred taxes. Current and deferred taxes are recognized in the profit and loss statement, except when deferred taxes relate to items recognized directly in equity, in which case are recorded in equity.

Current tax payable is calculated based on the Company's taxable income. The taxable income differs from accounting income because it excludes various income and expenses that will only be taxable or deductible in other years, as well as expenses and income that will never be taxable or deductible.

Deferred taxes relate to temporary differences between amounts of assets and liabilities for accounting reporting purposes and the amounts for tax purposes. The deferred tax assets and liabilities are measured using tax rates expected to be in place at the date of the corresponding reversal of the temporary differences, based on tax rates (and tax laws) that are formally issued at the reporting date.

The deferred tax liabilities are recognized for all taxable temporary differences and the deferred tax assets are recognized only for deductible temporary differences for which there is reasonable expectation of future taxable income to use these deferred tax assets, or taxable temporary differences that revert at the same reversal period of deductible temporary differences. At each reporting date a review is made of the deferred tax assets, and they are adjusted whenever their future use is no longer probable.

3.9 Balances and transactions expressed in foreign currencies

Transactions in foreign currencies (other than functional currency from Company), are translated to Euro using the exchange rate prevailing as of the transaction date. At each balance sheet date, all monetary assets and liabilities expressed in foreign currencies are translated at the exchange rates prevailing as of that date.

Exchange differences calculated on the date of receipt or payment of foreign currency transactions and those resulting from the above updates are recorded in the profit and loss statement for the period in which they are generated.

3.10 Provisions, contingent assets and liabilities

Provisions are recognised when, and only when, the Company has an obligation (legal or constructive) resulting from a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the obligation's amount.

The amount of provisions recorded is the best estimate, at the reporting date, of the required resources to settle the obligation. This estimate, revised at each reporting date, is determined taking into consideration the risks and uncertainties associated with each obligation.

Contingent liabilities are not recognized in the financial statements, being disclosed when the possibility of an outflow of resources incorporating economic benefits is not remote.

Contingent assets are not recognized in financial statements but are disclosed when it is probable that there will be an inflow of future economic resources.

3.11 Borrowing costs

Financial costs related to borrowings are expenses as incurred.

3.12 Accrual basis

The Company records its income and expense on an accrual basis, for which income and expenses are recognized as they are generated, despite the time of its receipt or payment. The differences between the amounts received and/or paid and the corresponding income and expenses generated are recorded as assets or liabilities.

3.13 Subsequent events

The events occurred after the balance sheet date that provide additional information about conditions that existed at balance sheet ("adjusting events") are reflected in financial statements. Events occurred after the balance sheet date that provide information on conditions that occur after that date (non-adjusting events) are disclosed in the financial statements, if considered material.

4 CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash and cash equivalents includes cash on demand and term deposits payable on demand (with maturity equal or less than three months) net from bank overdrafts and other equivalent short-term financial liabilities. Cash and cash equivalents on the cash flows statement as of 31 December 2013 and 2012 is as follows:

	31/12/2013	31/12/2012
Cash deposits payable on demand	98,979,479	43,913,631

5 TANGIBLE ASSETS

During the years ended 31 December 2013 and 2012 the movements in the carrying amount of tangible assets, as well as in the accumulated depreciation and accumulated impairment losses, were as follows:

	2013		
	Buildings and other constructions	Basic Equipment	Total
Assets			
Opening balance	4,401,842	12,706,314	17,108,156
Aquisitions	4,629,094	-	4,629,094
Effect of exchange rate variations	784,101	2,263,376	3,047,477
Closing balance	9,815,037	14,969,690	24,784,727
Accumulated depreciation and impairment losses			
Opening balance	1,689,980	12,625,192	14,315,172
Depreciation for the year (Note 17)	1,084,192	33,161	1,117,353
Effect of exchange rate variations	301,036	2,248,926	2,549,962
Closing balance	3,075,208	14,907,279	17,982,487
Net book value	6,739,829	62,411	6,802,240

	2012		
	Buildings and other constructions	Basic Equipment	Total
Assets			
Opening balance	3,080,847	12,129,378	15,210,225
Aquisitions	1,174,455	-	1,174,455
Effect of exchange rate variations	146,540	576,936	723,476
Closing balance	4,401,842	12,706,314	17,108,156
Accumulated depreciation and impairment losses			
Opening balance	1,009,795	11,567,126	12,576,921
Depreciation for the year (Note 17)	632,155	507,874	1,140,029
Effect of exchange rate variations	48,030	550,192	598,222
Closing balance	1,689,980	12,625,192	14,315,172
Net book value	2,711,862	81,122	2,792,984

As of 31 December 2013, the acquisitions of fixed assets amounting to INR 4,629,094 (INR 1,174,455 as of 31 December 2012) refer, essentially, to the placement of logos in several dealers.

The tangible assets depreciation for the year ended 31 December 2013, amounting to INR 1,117,353 (INR 1,140,029 as of 31 December 2012), was recorded in the profit and loss statement in the caption "Depreciation and amortization of tangible assets" (Note 17).

6 INTANGIBLE ASSETS

As of 31 December 2013 and 2012 the Company's intangible assets correspond to the goodwill generated with the Land Rover acquisition during the year 2000, and were made up as follows:

Entity	Acquisition year	"Deemed cost" at the transition date	Impairment losses for the year	2013			2012
				Accumulated impairment losses	Effect of exchange rate variations	Book value	Book value
Land Rover	2000	791,983,339	-	-	141,076,011	933,059,350	791,983,339

The commercial agreement with the group company on which the company's operation is based on, establishes that the transfer pricing policy grants an income before taxes of 0.75% on the sales and services rendered in accordance to group criteria. The Entity monthly the margin is calculated and an adjustment is made, through a group debit or credit, in order to correct the resulting income before taxes to 0.75% of sales and services rendered. Since goodwill impairment losses are included in the calculation of the income before taxes, eventual impairment losses will always be recovered through the transfer price agreement, and expectations of the Entity is that of transfer pricing policy remains in future exercises.

7 INCOME TAX

In accordance with current Portuguese legislation, tax returns are subject to review and correction by the tax authorities during a period of four years (five years for Social Security), except when tax losses have been incurred, tax benefits have been granted or tax inspections, claims or contestations are in progress, in which case the period can be extended or suspended, depending on the circumstances. Accordingly, the Company's tax returns for the years from 2010 to 2013 are still subject to review and correction.

The Company's Management believes that any correction to the tax returns that might result from reviews carried out by the tax authorities to these tax returns will not have a significant effect on the financial statements as of 31 December 2013 and 2012.

Accordingly to the Corporate Income Tax Code, the Company is also subject to autonomous taxation on a set of expenses at the tax rates established in the mentioned code.

The temporary differences between assets and liabilities for accounting and tax purposes as of 31 December 2013 and 2012 were recognized by the Company, having the corresponding deferred tax assets and liabilities been calculated based on an aggregated income tax rate of 26.5% that corresponds to: (i) income tax rate of 25% and (ii) 1.5% of local tax over the taxable income. The deferred tax assets related to tax losses carry forward are calculated based on the income tax rate of 25%.

The income tax for the years ended 31 December 2013 and 2012 is made up as follows:

	31/12/2013	31/12/2012
Current income tax and adjustments:		
Current income tax for the period	3,491,760	1,554,946
Prior year adjustments	2,475,420	(8,344,888)
	5,967,180	(6,789,942)
Deferred taxes:		
Deferred taxes related to increase / reversal of temporary differences	4,768,200	1,457,008
	4,768,200	1,457,008
Income tax for the year	10,735,380	(5,332,933)

The numerical reconciliation between the tax expense and the accounting profit multiplied by the applicable tax rate for the years ended 31 December 2013 and 2012 is as follows:

	31-12-2013	31-12-2012
Income before tax	18.066.154	6.283.439
Current income tax expense (26,5%)	4.787.502	1.665.111
Temporary differences:		
Accrued expenses (Comercial means)	(1.388.337)	(1.457.008)
Provisions	(3.379.863)	-
	19.302	208.103
Permanent differences:		
Others	1.398.030	31.003
	1.417.332	239.106
Autonomous taxation	2.074.428	1.315.839
Prior year adjustments	2.475.420	(8.344.887)
Current income tax	5.967.180	(6.789.942)

Deferred taxes

Deferred taxes for the years ended 31 December 2013 and 2012 is made up as follows:

	Deferred tax assets	
	31-12-2013	31-12-2012
Differences related to impairment losses on:		
accounts receivable from clients	5,163,495	4,382,789
other accounts receivables	1,501,680	1,274,630
Non deductible provisions	-	2,868,837
Accrued expenses (Comercial means)	8,745,215	8,601,387
	15,410,390	17,127,643

The movement occurred in the deferred tax assets captions for the years ended 31 December 2013 and 2012 is as follows:

	Deferred tax assets	
	31-12-2013	31-12-2012
Opening balance	17,127,643	17,740,830
Impact in results for the year ended:		
Non deductible provisions	(3,379,863)	-
Accrued expenses (Comercial means)	(1,388,337)	(1,457,008)
Effect of exchange rate variations	3,050,947	843,821
Closing balance	15,410,390	17,127,643

8 INVENTORIES

Inventories for the years ended 31 December 2013 and 2012 is made up as follows:

	31/12/2013			31/12/2012		
	Gross value	Impairment loss	Net book value	Gross value	Impairment loss	Net book value
Merchandise	122,619,729	-	122,619,729	112,265,639	(384,532)	111,881,107

Cost of sales

The cost of goods sold during the years ended 31 December 2013 and 2012 is determined as follows:

	Merchandise	
	31/12/2013	31/12/2012
Opening balance	112,265,639	111,093,938
Purchases (Note 21)	2,401,197,267	1,478,376,733
Exchange rate variations	19,997,880	5,284,206
Closing balance	(122,619,729)	(112,265,639)
Cost of sales	2,410,841,057	1,482,489,238

Impairment losses

During the years ended 31 December 2013 and 2012, the movement occurred in impairment losses of inventories is as follows:

	31/12/2013					
	Opening balance	Increases	Decreases	Utilization	Exchange rate variation	Closing balance
Merchandise	384,532	-	-	(384,532)	-	-

	31/12/2012					
	Opening balance	Increases	Decreases	Utilization	Exchange rate variation	Closing balance
Merchandise	707,552	-	(356,674)	-	33,654	384,532

The decrease of impairment losses of inventories for the year ended 31 December 2012, amounting to INR 356,674, was recorded in the profit and loss statement in the caption "Impairment of inventories (losses)/reversals".

9 FINANCIAL ASSETS

As of 31 December 2013 and 2012 these captions are made up as follows:

FINANCIAL ASSETS	31-12-2013			31-12-2012		
	Gross value	Accumulated impairment losses	Net book value	Gross value	Accumulated impairment losses	Net book value
Cash and cash equivalents						
Cash deposits payable on demand	98.979.479	-	98.979.479	43.913.631	-	43.913.631
Financial assets at amortised cost:						
Customers	117.663.361	(29.409.059)	88.254.302	107.410.845	(22.410.344)	85.000.501
Loans granted	500.908.706	-	500.908.706	261.905.259	-	261.905.259
Other receivables	7.825.637	(5.667.031)	2.158.606	6.628.638	(4.810.192)	1.818.446
	626.397.704	(35.076.090)	591.321.614	375.944.742	(27.220.536)	348.724.206
	725.377.183	(35.076.090)	690.301.093	419.858.373	(27.220.536)	392.637.837

Customers and other receivables

The detail of accounts receivable captions for the years ended 31 December 2013 and 2012 is made up as follows:

	31-12-2013			31-12-2012		
	Gross value	Accumulated impairment losses	Net book value	Gross value	Accumulated impairment losses	Net book value
Current:						
Customers:						
Trade accounts receivables	104.863.161	(18.216.569)	86.646.592	96.281.490	(11.742.817)	84.538.673
Suppliers debtors accounts	12.800.200	(11.192.490)	1.607.710	11.129.355	(10.667.527)	461.828
Loans granted (Note 21)	500.908.706	-	500.908.706	261.905.259	-	261.905.259
Other receivables:	-	-	-	-	-	-
New vehicles tax	5.667.031	(5.667.031)	-	4.810.192	(4.810.192)	-
Advanced payments to attorneys	1.429.406	-	1.429.406	1.213.283	-	1.213.283
Advanced payments to employees	510.168	-	510.168	433.032	-	433.032
Other debtors	219.032	-	219.032	172.131	-	172.131
	626.397.704	(35.076.090)	591.321.614	375.944.742	(27.220.536)	348.724.206

As of 31 December 2013, the caption "Loans granted" in the amount of INR 500,908,706 (INR 261,905,259 as of 31 December 2012) corresponds to a *cash pooling* contract celebrated between the Company and Land Rover Group during the year 2008, which bears interest at normal market rates.

The impairment losses as of 31 December 2013 in the amount of INR 18,216,569 are due to aged accounts receivable that show significant risk on recovering.

Impairment losses

During the year ended 31 December 2013, the movement occurred in impairment losses of customers and other receivables is as follows:

	31-12-2013					Closing balance
	Opening balance	Increases	Reversals	Utilizations	Exchange rate variations	
Trade accounts receivable	11,742,817	4,382,003	-	-	2,091,749	18,216,569
Suppliers debtor accounts	10,667,527	-	(1,375,243)	-	1,900,206	11,192,490
New vehicles tax	4,810,192	-	-	-	856,839	5,667,031
	<u>27,220,536</u>	<u>4,382,003</u>	<u>(1,375,243)</u>	<u>-</u>	<u>4,848,794</u>	<u>35,076,090</u>

During the year ended 31 December 2012, there was no movement in impairment losses of costumers and other receivables.

10 EQUITY INSTRUMENTS

Paid up capital

As of 31 December 2013, the Company's capital was fully subscribed and realized and was composed by two quota's amounting to INR 113,087,240 (INR 95,988,760 as of 31 December 2012 due to exchange rate effect), owned by Land Rover Group, Ltd. and Jaguar Land Rover Exports, Ltd., respectively.

Supplementary capital

As of 31 December 2013 the caption "Other equity instruments" corresponds to supplementary capital contributions, in the amount of INR 904,822,656 (INR 768,015,956 as of 31 December 2012 due to exchange rate effect). These capital contributions can only be reimbursed to quotaholders as long as the equity does not become less than the sum of the capital and legal reserve, after the reimbursement. The supplementary capital contributions do not bear interests.

Legal reserve

Portuguese legislation establishes that at least 5% of annual net income must be retained into a legal reserve until the reserve equals the minimum requirement of 20% of the capital. This reserve is not available for distribution, except in the case of liquidation, and may be used to on capital increases or to absorb retained losses once other reserves have been consumed. As of 31 December 2013 this caption amounts to INR 2,928,194.

Annual Net Result Application

By deliberation of the General Assembly that occurred at 17 April 2013, the net profit of the year ended 31 December 2012, in the amount of INR 11,616,372, was transferred to retained earnings and legal reserve by the amounts of INR 11,035,553 and INR 580,819, respectively.

By deliberation of the General Assembly that occurred at 30 March 2012, the net loss of the year ended 31 December 2011, in the amount of INR 4,692,301, was transferred to retained earnings.

11 FINANCIAL LIABILITIES

Suppliers and other accounts payable

As of 31 December 2013 and 2012 the breakdown of accounts payable is as follows:

	31-12-2013	31-12-2012
Suppliers		
Trade accounts payable	400.992.048	212.418.507
Other financial liabilities		
Other payables	323.530.010	263.105.985
	323.530.010	263.105.985
	724.522.058	475.524.492

As of 31 December 2013 the caption "Trade accounts payables" amounting to INR 400,992,048 includes INR 384,905,685 (INR 199,338,054 as of 31 December 2012) related with accounts payable to Group Companies, of which, INR 19,581,268 (INR 43,479,588 as of 31 December 2012) related with billing adjustments from the companies Land Rover Group and Jaguar Exports Limited, as result of Group with transfer pricing policy (Note 21).

Other accounts payable

The breakdown of other accounts payable for the years ended 31 December 2013 and 2012 is made up as follows:

	31-12-2013	31-12-2012
Other accounts payable:		
Rents	26,125,363	22,175,280
Other creditors	357,968	186,420
	26,483,331	22,361,700
Accrued expenses:		
Bonus and incentives granted	228,943,502	180,673,292
Marketing	46,919,641	48,340,589
Vacation payable and social charges	3,618,962	2,952,557
Bonus to employees	3,202,409	-
Other accrued expenses	14,362,165	8,777,847
	297,046,679	240,744,285
	323,530,010	263,105,985

As of 31 December 2013 and 2012 the caption "Bonus and incentives granted" amounting to INR 228,943,502 and INR 180,673,292, respectively, relates essentially to commercial bonuses and incentives conceded to the Company's dealers, based on the commercial strategy agreed and the annual sales performance.

The caption "Marketing" amounting to INR 46,919,641 and INR 48,340,589 as of 31 December 2013 and 2012, respectively, relates to expenses incurred by the Company regarding the promotion of its vehicles for which, until the year end, the correspondent invoice from the supplier was not yet received.

As of 31 December 2013 and 2012 the amounts recorded under the caption "Other accrued expenses" relate with services rendered to the Company during the years 2013 and 2012, for which the corresponding invoice from the supplier was not yet received.

12 STATE AND OTHER PUBLIC ENTITIES

The breakdown of "State and other public entities" for the years ended 31 December 2013 and 2012 is made up as follows:

	31-12-2013	31-12-2012
Assets		
Corporate income tax:		
Prepaid income tax	-	3,193,178
Estimated income tax (Note 7)	-	(1,554,946)
Income tax withhold	-	30,673
	-	1,668,905
Liabilities		
Corporate Income Tax:		
Payments on account	(2,546,334)	-
Income tax (Note 7)	3,491,760	-
Income tax withheld	(13,179)	-
Individual income tax	477,857	312,938
Value added tax	186,710,774	113,061,335
Social security contributions	495,799	395,286
New vehicles tax	49,240,395	40,782,737
	237,857,072	154,552,296

The caption "New vehicles tax" amounting INR 49,240,395 and INR 40,782,737 as of 31 December 2013 and 2012, respectively, relates to taxes to be paid by the Company over the imported vehicles already sold to its dealers.

13 PROVISIONS

During the years ended 31 December 2013 and 2012, the movements occurred in the caption "Provisions" are as follows:

	31/12/2013					
	Opening balance	Increases	Reversals	Utilizations	Exchange rate variations	Closing balance
Litigations and legal processes	16,876,918	655,566	(10,585,986)	(2,167,958)	3,006,284	7,784,824
	16,876,918	655,566	(10,585,986)	(2,167,958)	3,006,284	7,784,824

	31/12/2012					
	Opening balance	Increases	Reversals	Utilizations	Exchange rate variations	Closing balance
Litigations and legal processes	10,334,250	6,051,117	-	-	491,551	16,876,918
	10,334,250	6,051,117	-	-	491,551	16,876,918

During the year ended 31 December 2013 the Company reverted the amount of INR 10,585,986 related to a legal process concluded during the year, which resulted in the payment of INR 2,167,958 in as result of the court decision.

As of 31 December 2013 the amount of INR 7,784,824 respects to the estimate of probable tax assessment contingency (stamp tax).

14 REVENUE

The breakdown of "Revenue" for the years ended 31 December 2013 and 2012 is made up as follows:

	31-12-2013	31-12-2012
Sales:		
Automobile	2,805,817,545	1,698,960,419
Spare parts	449,583,934	363,939,435
Bonuses and discounts granted	(478,083,024)	(323,891,697)
Services rendered	27,268,905	19,831,494
	<u>2,804,587,360</u>	<u>1,758,839,651</u>

During the year ended 31 December 2013 the Company sold: (i) 611 Land Rover vehicles, an increase when compared to the 519 vehicles sold during 2012 and (ii) 182 Jaguar vehicles, compared to 126 vehicles sold in during 2012.

The sales increase by Land Rover brand is mainly due to the release of a few new models under this brand, namely Range Rover 14MY and Range Rover Sport 14MY.

The sales increase by Jaguar brand is mainly due to the release of a new model F-Type.

15 EXTERNAL SUPPLIES AND SERVICES

The breakdown of "External supplies and services" for the years ended 31 December 2013 and 2012 is made up as follows:

	31/12/2013	31/12/2012
Publicity and advertising	170,689,714	118,657,191
Management fees	81,255,053	58,090,449
Specialized works	24,771,377	25,663,930
Professional fees	18,346,577	9,763,933
Expenses related to guarantees conceded	16,893,703	11,329,416
Merchandise freight	9,754,752	9,594,401
Travelling expenses	8,957,615	6,171,572
Communication	7,227,890	3,704,733
Service vehicles	5,893,121	6,605,109
Bank fees	5,887,849	4,997,334
Others	3,932,884	2,625,762
	<u>353,610,535</u>	<u>257,203,831</u>

The caption "Publicity and advertising" amounting to INR 170,689,714 and INR 118,657,191 as of 31 December 2013 and 2012, respectively, relates to expenses incurred by the Company for promoting its models, namely throughout events and media advertising (TV and specialized press).

The amounts included in the caption "Management fees" relate to charges from Group companies, regarding administrative, human resources and accounting services rendered by these entities during the years ended 31 December 2013 and 2012, amounting to INR 81,255,053 and INR 58,090,449, respectively.

The caption "Professional fees", amounting to INR 18,346,577 and INR 9,763,933 as of 31 December 2013 and 2012, respectively, relates, essentially, to audit services, tax and fiscal advisory and legal consulting.

16 EMPLOYEES EXPENSES

The breakdown of "Employees expenses" for the years ended 31 December 2013 and 2012 is made up as follows:

	31/12/2013	31/12/2012
Wages and salaries	22,000,910	13,624,558
Social security contributions	4,590,152	3,445,058
Insurances	1,499,299	681,593
Social costs	222,858	517,978
	<u>28,313,219</u>	<u>18,269,187</u>

During the years 2013 and 2012 the average number of personnel was 4 employees.

17 DEPRECIATION

The caption "Depreciation and amortization of tangible assets" for the years ended 31 December 2013 and 2012, amounting to INR 1,117,353 and INR 1,140,029, respectively, corresponds to the annual depreciation of tangible fixed assets (Note 5).

18 OTHER OPERATIONAL INCOME

The breakdown of caption "Other operational income" for the years ended 31 December 2013 and 2012 is made up as follows:

	31/12/2013	31/12/2012
Supplementary income:		
Comissions charged	23,027,878	23,127,445
	<u>23,027,878</u>	<u>23,127,445</u>

The caption "Supplementary income – comissions charged" amounting to INR 23,027,878 and INR 23,127,445 as of 31 December 2013 and 2012, respectively, relates to commissions obtained from Unipart for the sale of Jaguar brand spare parts in the Portuguese market.

19 OTHER OPERATIONAL EXPENSES

The breakdown of "Other operational expenses" for the years ended 31 December 2013 and 2012 is made up as follows:

	31-12-2013	31-12-2012
Contratual FIDIS fee	17,137,648	11,608,577
Penalties	5,701,978	648,971
Dues and subscription	225,920	191,039
	<u>23,065,546</u>	<u>12,448,587</u>

As of 31 December 2013 and 2012, the caption "FIDIS fee" amounting to INR 17,137,648 and INR 11,608,577, respectively, corresponds to interest incurred by the Company towards the financial institution of Jaguar Land Rover group (named FIDIS), concerning the funding policy the Company grants to dealers. Accordingly to this policy, if a Jaguar or Land Rover motor vehicle is not paid by the dealer at the time of property transference, the Company incurs in interest for a maximum period of 60 days, which can be less if the dealer pays that motor vehicle before.

As of 31 December 2013 the caption "Penalties" amounting INR 5,701,978 includes INR 4,973,288 regarding penalties related with "Imposto Único de Circulação".

20 INTERESTS AND OTHER SIMILAR INCOME AND EXPENSES

The interests and other similar income for the years ended 31 December 2013 and 2012 are made up as follows:

	31/12/2013	31/12/2012
Interest income	472,246	1,559,781
Others	2,720	1,877
	<u>474,966</u>	<u>1,561,658</u>

The caption "Interest income" as of 31 December 2013, amounting to INR 472,246 (INR 1,559,781 as of 2012) includes INR 140,636 (908,573 as of 2012) (Note 21) related with interests charged by the Company for the loan granted to Land Rover Group, in the amount of INR 500,908,706 (INR 261,905,259 as of 2012) (Note 21). Interest rates are charged at normal market rates.

21 RELATED PARTIES

The Company is owned by Land Rover Group, Ltd in 99.99% and Jaguar Land Rover Exports, Ltd in 0.01%. These entities have their headquarters in England. The Company's financial statements are consolidated in Land Rover Group, Ltd..

During the years ended 31 December 2013 and 2012 the following transactions with related parties were made:

2013:

	Inventory purchases	Services obtained	Services rendered	Interest income (Note 20)
JAGUAR LAND ROVER ESPAÑA S.L.U	249,177,105	72,339,866	-	-
JAGUAR LAND ROVER Ltd	2,147,358,587	32,091,693	53,626,139	140,636
	<u>2,396,535,692</u>	<u>104,431,559</u>	<u>53,626,139</u>	<u>140,636</u>

2012:

	Inventory purchases (Note 8)	Services obtained	Services rendered	Interest income (Note 20)
Land Rover Group	912.674.771	16.680.393	31.120.494	908.573
Land Rover España	224.272.541	35.684.363	-	-
Jaguar Exports Limited	264.772.870	3.764.852	25.134.549	-
Jaguar Hispania, S.L.	-	19.738.753	-	-
	<u>1.401.720.182</u>	<u>75.868.361</u>	<u>56.255.043</u>	<u>908.573</u>

The balances as of 31 December 2013 and 2012 with group companies are as follows:

2013:

	Customers	Loans granted (Note 9)	Suppliers (Note 11)
JAGUAR LAND ROVER ESPAÑA S.L.U	-	-	42,253,899
JAGUAR LAND ROVER Ltd	5,331,086	500,908,706	342,651,786
	<u>5,331,086</u>	<u>500,908,706</u>	<u>384,905,685</u>

2012:

	Customers (Note 9)	Loans granted (current) (Notes 9 and 20)	Suppliers (Note 11)
Land Rover Group	3,598,135	261,905,259	-
Land Rover España	-	-	25,191,564
Land Rover Exports Veiculos	-	-	129,805,456
Land Rover Exports Diversos	-	-	4,176,594
Jaguar Exports Limited	2,604,254	-	34,203,754
Jaguar Cars Export, Ltd.	-	-	505,998
Jaguar Hispaña, S.L.	-	-	5,454,688
	<u>6,202,389</u>	<u>261,905,259</u>	<u>199,338,054</u>

As of 31 December 2013 and 2012 the transactions with related parties included in "Services rendered", amounting to INR 53,626,139 and INR 56,255,043, respectively, essentially relate with expenditures recharged to the manufacturers of each brand, for vehicles' repairs that are still within the warranty period.

The caption "Loans granted " amounting to INR 500,908,706 and INR 261,905,259 as of 31 December 2013 and 2012, respectively, correspond to the cash pooling contract celebrated between the Company and Land Rover Group during 2008, which bears interest at normal market rates (Note 9).

22 GUARANTEES PROVIDED

As of 31 December 2013, the Company has provided a bank guarantees to Direcção das Alfândegas de Lisboa amounting to INR 127,235,389 and to Escritório do Tejo – Empreendimentos Imobiliários, S.A. amounting to INR 2,403,742.

23 DISCLOSURES LEGAL REQUIRED BY DIPLOMAS

The fees related with audit services provided to the Company during the year ended 31 December 2013 amounted to INR 1,696,309.

24 SUBSEQUENT EVENTS

There were no events occurred after 31 December 2013 that require adjustments or disclosures in the financial statements.

25 EXPLANATION ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with Portuguese law and with generally accepted accounting principles in Portugal ("Sistema de Normalização Contabilística – SNC"), which, in some aspects, may not conform to or be required by the law or generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

The Chartered Accountant

Management

Jaguar Land Rover Australia Pty Ltd

ACN 004 352 238

Annual report for the year ended 31 March 2014

The financial information is expressed in the local currency of the relevant company (Australian Dollars) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate AUD 1 = Rs 55.280 and Rs 56.504 for the years ended 31 March 2014 and 2013 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Jaguar Land Rover Australia Pty Ltd

Special purpose annual report – Year ended 31 March 2014

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The directors of Jaguar Land Rover Australia Pty Ltd (the company) submit herewith the annual financial report of the company for the year ended 31 March 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the company during or since the end of the financial year are:

Mr D.S. Blackhall
Mr M.Winkler (Appointed 11 November 2013)
Mr C. Lidis
Ms J.A. Perich

Principal activities

During the financial year, the company's principal activities were the importation and distribution of Jaguar and Land Rover motor vehicles, replacement parts and accessories.

Review of operations

The net profit after income tax amounted to Rs. 592,477,000 (2013: Rs. 579,569,000).

Dividends

A dividend of Rs. 956,344,000 on ordinary shares was declared and paid during the financial year. (2013: Nil)

Changes in state of affairs

No changes in the state of affairs of the company occurred during the financial year.

Subsequent events

No matter or circumstance has arisen since 31 March 2014 that has significantly affected, or may significantly affect:

- (a) the company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the company's state of affairs in future financial years.

Future developments

Likely developments in the operations of the company and the expected results of those operations in subsequent financial years have not been included in this report, because the directors believe that to include such information would be likely to result in unreasonable prejudice to the company.

Environmental regulations

The company is subject to environmental regulation in respect of its retail and parts distribution activities. The relevant authorities are kept updated and to the best of the director's knowledge and belief, all responsibilities under the regulations have been discharged and there have been no breaches of any environmental regulation.

Indemnification of officers and auditors

During or since the financial year, the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3 of the annual report.

Rounding off of amounts

The company is of the kind referred to in Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand rupees, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Janet Perich
Director

Sydney
30 May 2014

The Board of Directors
Jaguar Land Rover Australia Pty Ltd
Level 1
65 Epping Road
North Ryde NSW 2113

30 May 2014

Dear Board Members

Jaguar Land Rover Australia Pty Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Jaguar Land Rover Australia Pty Ltd.

As lead audit partner for the audit of the financial statements of Jaguar Land Rover Australia Pty Ltd for the financial year ended 31 March 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Margaret Dreyer
Partner
Chartered Accountants

Jaguar Land Rover Australia Pty Ltd

Special purpose annual report – Year ended 31 March 2014

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Jaguar Land Rover Australia Pty Ltd
Statement of comprehensive income
For the year ended 31 March 2014

	Notes	2014 Rs.'000	2013 Rs.'000
Revenue from continuing operations			
Sale of goods	3	36,672,109	32,004,441
Other revenue from ordinary activities	3	1,051,379	931,744
		37,723,488	32,936,185
 Expenses			
Cost of sales of goods		(33,273,583)	(28,810,616)
Other expenses from ordinary activities:			
Administration		(2,008,981)	(1,675,253)
Marketing and sales promotion		(1,592,995)	(1,623,716)
Finance costs		-	(108)
Profit before income tax		847,929	826,492
Income tax expense		(255,452)	(246,923)
Profit for the year	4	592,477	579,569
Other comprehensive income		(32,939)	60,933
Other comprehensive income for the year, net of tax		(32,939)	60,933
Total comprehensive income for the year		559,538	640,502

Notes to the financial statements are included on pages 9 to 22.

Jaguar Land Rover Australia Pty Ltd
Statement of financial position
As at 31 March 2014

	Notes	2014 Rs.'000	2013 Rs.'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	672,150	545,546
Receivables	6	1,183,711	763,595
Interest bearing assets	7	5,911,643	7,211,832
Inventories	8	8,164,303	5,693,230
Total current assets		<u>15,931,807</u>	<u>14,214,203</u>
Non-current assets			
Property, plant and equipment	9	199,782	192,057
Intangible assets	10	73,738	73,738
Deferred tax assets	11	1,022,569	859,595
Total non-current assets		<u>1,296,089</u>	<u>1,125,390</u>
Total Assets		<u>17,227,896</u>	<u>15,339,593</u>
LIABILITIES			
Current liabilities			
Payables	12	13,578,481	11,693,446
Current tax liabilities		110,892	8,815
Provisions	13	1,142,140	954,522
Total current liabilities		<u>14,831,513</u>	<u>12,656,783</u>
Non-current liabilities			
Provisions	14	1,198,194	1,087,815
Total non-current liabilities		<u>1,198,194</u>	<u>1,087,815</u>
Total Liabilities		<u>16,029,707</u>	<u>13,744,598</u>
Net assets		<u>1,198,189</u>	<u>1,594,995</u>
EQUITY			
Issued Capital	15	37,179	37,179
Reserves	16(a)	(22,782)	10,157
Retained profits	16(b)	1,183,792	1,547,659
Total Equity		<u>1,198,189</u>	<u>1,594,995</u>

Notes to the financial statements are included on pages 9 to 22.

Jaguar Land Rover Australia Pty Ltd
Statement of changes in equity
For the year ended 31 March 2014

		Issued Capital Rs.'000	Reserves Rs.'000	Foreign Currency Translation Reserve Rs.'000	Retained Profits Rs.'000	Total Rs.'000
	Notes					
Balance at 1 April 2012	15, 16	37,179	(50,776)	-	968,090	954,493
Profit for the year		-	-		579,569	579,569
Other comprehensive income for the year, net of tax		-	-	60,933	-	60,933
Balance at 31 March 2013		37,179	(50,776)	60,933	1,547,659	1,594,995
Profit for the year		-	-		592,477	592,477
Dividends paid					(956,344)	(956,344)
Other comprehensive income for the year, net of tax		-	-	(32,939)	-	(32,939)
Balance at 31 March 2014	15, 16	37,179	(50,776)	27,994	1,183,792	1,198,189

Notes to the financial statements are included on pages 9 to 22.

Jaguar Land Rover Australia Pty Ltd
Statement of cash flows
For the year ended 31 March 2014

		2014	2013
	Notes	Rs.'000	Rs.'000
Cash flows from operating activities			
Receipt from customers		45,494,058	39,540,595
Payments to suppliers and employees		(45,474,833)	(36,856,876)
Interest received		183,751	246,188
Income taxes paid		(334,776)	(590,184)
Net cash generated by operating activities	21	<u>(131,800)</u>	<u>2,339,723</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(57,603)	(45,147)
Withdrawal of rental guarantee deposit		-	14,013
Proceeds from sale of property, plant and equipment		940	2,712
Net cash used in investing activities		<u>(56,663)</u>	<u>(28,422)</u>
Cash flows from financing activities			
Payment of dividends		(956,344)	-
Amounts received from/advanced to related parties		1,300,189	(2,266,108)
Net cash used in financing activities		<u>343,845</u>	<u>(2,266,108)</u>
Net decrease in cash and cash equivalents		155,382	45,193
Cash and cash equivalents at the beginning of the financial year		545,546	456,453
Effect of exchange rate translation		(28,778)	43,900
Cash and cash equivalents at end of year	5	<u>672,150</u>	<u>545,546</u>

Notes to the financial statements are included on pages 9 to 22.

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1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial reporting framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the director's reporting requirements under the *Corporations Act 2001*.

For the purpose of preparing the financial statements, the company is a for-profit entity.

Statement of compliance

The financial report has been prepared in accordance with the Corporations Act 2001, the recognition and measurement requirements specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 'Australian Additional Disclosures'.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand rupees, unless otherwise indicated.

Basis of preparation

The financial report is prepared on the basis of historical cost convention, except for the revaluation of certain non-current assets and financial instruments, unless otherwise noted. Cost is based on the fair values of the consideration given in exchange for assets. The functional currency of the company is Australian dollars and the presentation of the financial report is presented in India Rupee.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods. Refer to Note 2.

Adoption of new and revised Accounting standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards (the AASB) that are relevant to their operations and effective for the current annual reporting. The adoption of these new and revised Standards and Interpretations has not resulted in any material impact to the company's accounting policies for the current or prior years.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Foreign currency

(i) Functional and presentation currency

Items included in the statutory financial statements are measured using the currency of the primary economic environment in which it operates ('the functional currency') being Australian Dollars. However these financial statements are presented in Indian Rupee for the benefit of the Directors and Shareholders.

1 Summary of significant accounting policies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non monetary items, such as equities classified as available for sale financial assets, are included in the fair value reserve in equity.

(b) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows

(c) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

(i) Sales of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Rendering of services

Revenue from contracts to provide services is recognised by reference to the stage of completion of the contract.

Interest income is recognised when the right to receive the payment becomes unconditional. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Proceeds from the sale of fixed assets are recognised when the company has passed control of the assets to the buyer.

(iii) Other income

Other income represents the expense related recoveries made during this reporting year.

1 Summary of significant accounting policies (continued)

(d) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax 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.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(e) Leased assets

Company as lessee

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs. Refer to note 1(j). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Finance leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

1 Summary of significant accounting policies (continued)

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's fair value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of one year or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Financial assets

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is based on actual purchase cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial 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. Investment 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 profit or loss in the period in which they are incurred.

(k) Property, plant and equipment

All property, plant and equipment assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

1 Summary of significant accounting policies (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

Depreciation is calculated using the straight line method to allocate their cost or revalued amount of each item of property, plant and equipment over their estimated useful lives to the company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows :

Leashold improvements and exit costs	4 - 25 years
Plant and equipment	4 - 14.5 years
Signage	5 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(l) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired business/associate at the date of acquisition. Goodwill on acquisitions of businesses is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the company's investment in each country of operation by each primary reporting segment.

(m) Intangible assets

Costs associated with the implementation of software are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost over their estimated useful lives which are generally 3 years.

(n) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1 Summary of significant accounting policies (continued)

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(q) Standards and Interpretations issues not yet effective

The directors have considered all new and revised standards and interpretations issued by the AASB that are not yet effective and have not been adopted in this financial report and do not believe they will have a material impact on the financial report in the period of initial application.

(r) Comparative amounts

Comparative amounts are, where appropriate, reclassified so as to be comparable with the figures presented for the current financial year.

2. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Inventories

Note 8 sets out the categories of inventory carried. The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to sell which approximates fair value less cost to sell. The key assumptions require the use of management judgement and are reviewed annually. These key assumptions are the variables affecting the estimated costs to sell and the expected selling price. Any reassessment of cost to sell or selling price in a particular year will affect the cost of goods sold.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty that management has made in the process of applying the company accounting policies and that have a significant effect on the amount recognised in the financial statement other than provisions in note 1(n).

3 Revenue

	2014 Rs.'000	2013 Rs.'000
<i>Sales revenue</i>		
Sale of goods	<u>36,672,109</u>	32,004,441
<i>Other revenue</i>		
Interest	<u>183,751</u>	246,188
Other income	<u>867,628</u>	685,556
Other revenue from ordinary activities	<u>1,051,379</u>	931,744
	<u>37,723,488</u>	32,936,185

4 Profit for the year

	2014 Rs.'000	2013 Rs.'000
Profit for the year has been arrived at after charging the following items of income and expense:		
<i>Depreciation</i>		
Leasehold improvements	<u>7,352</u>	7,346
Plant and equipment	<u>33,942</u>	30,625
Total depreciation	<u>41,294</u>	37,971

<i>Net (gain)/ loss on disposal of property, plant and equipment</i>	3,483	7,572
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	36,319	31,586
<i>Defined contribution superannuation expense</i>	29,464	22,602
<i>Employee benefits</i>	293,868	272,971
<i>Legal costs</i>	13,046	3,616
<i>Movement in provisions</i>	297,997	263,317

5 Current assets - Cash and cash equivalents

	2014 Rs.'000	2013 Rs.'000
Cash at bank and in hand	<u>672,150</u>	545,546

Interest was receivable on cash at bank at the avearge rate of 3.00% (2013 : 3.50%)

6 Current assets – Receivables

	2014 Rs.'000	2013 Rs.'000
Trade receivables	1,041,144	695,621
Provision for doubtful receivables	(55)	-
	<u>1,041,089</u>	<u>695,621</u>
Receivable from related parties	95,137	51,136
Prepayments	29,243	1,017
Other receivables	18,242	15,821
	<u>142,622</u>	<u>67,974</u>
Receivables	<u>1,183,711</u>	<u>763,595</u>

7 Current assets - Interest bearing assets

	2014 Rs.'000	2013 Rs.'000
Loans carried at amortised cost:		
Interest bearing - loans to related parties	<u>5,911,643</u>	<u>7,211,832</u>

Interest earning assets are recallable on demand. The average interest rate is 2.71% (2013 : 3.73%)

8 Current assets – Inventories

	2014 Rs.'000	2013 Rs.'000
Parts		
At cost	1,490,072	1,051,766
Provision for obsolescence	(443,235)	(529,047)
	<u>1,046,837</u>	<u>522,719</u>
Vehicles		
Finished goods - at cost	6,519,834	4,715,654
Company fleet available for sale - at net realisable value	597,632	454,857
	<u>7,117,466</u>	<u>5,170,511</u>
Inventories	<u>8,164,303</u>	<u>5,693,230</u>

9 Non current assets - Property, plant and equipment

	Plant and Equipment Rs.'000	Leasehold Improvements Rs.'000	Total Rs.'000
Year ended 31 March 2013			
Opening net book amount	167,147	16,253	183,400
Additions	44,582	565	45,147
Disposals	(10,284)	-	(10,284)
Depreciation charge	(30,625)	(7,346)	(37,971)
Effect of foreign currency exchange differences	10,727	1,038	11,765
	<u>181,547</u>	<u>10,510</u>	<u>192,057</u>
At 31 March 2013			
Cost	398,579	75,828	474,407
Accumulated depreciation	(217,032)	(65,318)	(282,350)
Net book amount	<u>181,547</u>	<u>10,510</u>	<u>192,057</u>
Year ended 31 March 2014			
Opening net book amount	181,547	10,510	192,057
Additions	53,511	4,090	57,601
Disposals	(4,422)	-	(4,422)
Depreciation charge	(33,942)	(7,352)	(41,294)
Effect of foreign currency exchange differences	(3,933)	(227)	(4,160)
Closing net book amount	<u>192,761</u>	<u>7,021</u>	<u>199,782</u>
At 31 March 2014			
Cost	434,279	78,276	512,555
Accumulated depreciation	(241,518)	(71,255)	(312,773)
Net book amount	<u>192,761</u>	<u>7,021</u>	<u>199,782</u>

10 Non current assets – Intangible assets

	2014 Rs.'000	2013 Rs.'000
Gross carrying amount - Goodwill	<u>73,738</u>	<u>73,738</u>

The company has assessed the recoverable amount of goodwill and determined that no impairment indicators exist.

11 Non current assets - Deferred tax assets

	2014 Rs.'000	2013 Rs.'000
Temporary differences	<u>1,022,569</u>	<u>859,595</u>

12 Current liabilities – Payables

	2014 Rs.'000	2013 Rs.'000
Trade payables	213,049	278,282
Payables to related parties	10,409,556	9,302,028
Other payables	2,955,876	2,113,136
	<u>13,578,481</u>	<u>11,693,446</u>

13 Current liabilities – Provisions

	2014 Rs.'000	2013 Rs.'000
Employee benefits	75,070	65,149
Service warranties	1,067,070	889,373
	<u>1,142,140</u>	<u>954,522</u>

14 Non current liabilities – Provisions

	2014 Rs.'000	2013 Rs.'000
Employee benefits	12,659	1,921
Service warranties	1,167,735	1,071,881
Leasehold exit costs	17,800	14,013
	<u>1,198,194</u>	<u>1,087,815</u>

15 Issued capital

	2014 Shares	2013 Shares	2014 Rs.'000	2013 Rs.'000
Ordinary Shares				
Fully paid	<u>350,000</u>	<u>350,000</u>	<u>37,179</u>	<u>37,179</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

16 Reserves and retained profits

	2014 Rs.'000	2013 Rs.'000
(a) Reserves		
Tax consolidation reserve	(50,776)	(50,776)
Foreign currency translation reserve	27,994	60,933
	<u>(22,782)</u>	<u>10,157</u>

	2014 Rs.'000	2013 Rs.'000
Movements:		
Tax consolidated reserve		
Balance 1 April 2013 and 31 March 2014	<u>(50,776)</u>	<u>(50,776)</u>
Foreign currency translation		
Balance 1 April	60,933	-
Exchange differences arising on translation	<u>(32,939)</u>	60,933
Balance 31 March	<u>27,994</u>	<u>60,933</u>

	2014 Rs.'000	2013 Rs.'000
(b) Retained profits		
Movements in retained profits were as follows:		
Balance 1 April	1,547,659	968,090
Profit for the year	592,477	579,569
Dividends paid	<u>(956,344)</u>	-
Balance 31 March	<u>1,183,792</u>	<u>1,547,659</u>

(c) Nature and purpose of reserves

(i) Tax consolidation reserve

Entries were made directly to the tax consolidation reserve in prior periods where there were differences between the amount of current tax assets and current tax liabilities arising in the entity and the amounts payable or receivable by the company under the terms of a tax funding arrangement. The company is no longer a party to the tax funding arrangement.

(ii) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the company's operations from their functional currencies to the holdings company's presentation currency (i.e Indian Rupee) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

17 Remuneration of auditors

	2014 Rs.	2013 Rs.

Auditor of the company:

(a) Assurance services

Audit of financial reports	5,576,149	5,576,945

The Auditor of Jaguar Land Rover Australia Ptd is Deloitte Touche Tohmatsu

18 Contingencies

Contingent Liabilities

There were no contingent liabilities at 31 March 2014 (2013: Rs.Nil)

19 Commitments

(i) Operating leases

The company leases various office space and IT equipment under non cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated:

	2014 Rs.'000	2013 Rs.'000
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	13,046	33,337
Later than one year but not later than five years	1,493	14,409
	<u>14,539</u>	<u>47,746</u>

(ii) Purchase commitments

The company had the following purchase commitments at the reporting period:

	2014 Rs.'000	2013 Rs.'000
Commitments in relation to purchases are payable as follows		
Within one year	308,020	312,411
Later than one year but not later than five years	122,998	199,911
	<u>431,018</u>	<u>512,322</u>

20 Related party transactions

(a) Parent entities

The immediate parent entity is Jaguar Land Rover Limited (incorporated in England) which owns 100% of the issued share of the company (2013: Land Rover).

(b) Ultimate parent entity

The ultimate parent entity for the company is Tata Motors Ltd [incorporated in India] (2013: Tata Motors Ltd).

21 Reconciliation of profit after income tax to net cash inflow from operating activities

	2014 Rs.'000	2013 Rs.'000
Profit for the year	592,477	579,569
Depreciation and amortisation	41,294	37,971
Net (gain)/loss on sale of non-current assets	3,483	7,572
<i>Change in operating assets and liabilities:</i>		
Increase in trade debtors, prepayments and other debtors	(420,116)	(255,888)
(Increase)/Decrease in inventories	(2,471,073)	(810,552)
Increase in future income tax benefit	(162,974)	(71,930)
Increase/(Decrease) in trade and other creditors	1,885,035	2,912,593
Increase in income tax payable	102,077	(322,929)
Increase in employee and other provisions	297,997	263,317
Net cash inflow from operating activities	<u>(131,800)</u>	<u>2,339,723</u>

22 General information

Jaguar Land Rover Australia Pty Ltd is a proprietary company, incorporated and operating in Australia. Its registered office and principal place of business is:

Jaguar Land Rover Australia Pty Ltd
(Trading as Jaguar Australia and Land Rover Australia)
Level 1
65 Epping Road
North Ryde NSW 2113

The company's principal activities are the importation and distribution of Jaguar and Land Rover motor vehicles, replacement parts and accessories.

As detailed in Note 1 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors reporting requirements under the Corporations Act 2001.

The directors declare that:

- (a) In the directors opinion, there are reasonable grounds to believe that the company will be able to pay their debts as and when they become due and payable; and
- (b) In the directors opinion, the attached financial statements and notes are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001, on behalf of the Directors.

Janet Perich
Director

Sydney
30 May 2014

Independent Auditor's Report to the Member of Jaguar Land Rover Australia Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report, of Jaguar Land Rover Australia Pty Ltd, which comprises the statement of financial position as at 31 March 2014, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 4 to 23.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the member. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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



Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Jaguar Land Rover Australia Pty Ltd would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Jaguar Land Rover Australia Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 March 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

DELOITTE TOUCHE TOHMATSU

Margaret Dreyer
Partner
Chartered Accountants
Sydney, 30 May 2014

JAGUAR LAND ROVER ITALIA S.p.A.

Annual Report 2013 – 14

Jaguar Land Rover Italia S.p.A.

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31 December 2013

Jaguar Land Rover Italia S.p.A.

Registered office in Rome, Viale Alessandro Marchetti, 105

Company capital INR 2,125,700,000 entirely paid in

Tax code, VAT no and registration no. with Company Register 06070621002

MANAGEMENT REPORT TO THE FINANCIAL STATEMENTS AT

31 December 2013

Dear Sirs,

The Financial Statements at 31 December 2013 show a profit of INR 149,461,368 after having applied depreciations and write downs for an amount of approximately INR 114.7m and provisions for current and deferred tax for INR 205.4m.

In 2013, the automobile market recorded 1.3m car registrations, with a reduction of about 7% compared to 2012.

The SUV market, with about 152,000 vehicles registered, recorded a decrease of 2% compared to the previous year, whereas the traditional 4x4 market, in which the brand Land Rover currently competes, recorded a reduction of 26.4% compared to 2012. In this regard, we point out that the highlighted differences are due to a different categorisation of SUV and 4x4 vehicles compared to 2012. The market of vehicles with two wheel drive recorded an increase of 28.4% compared to 2012.

In these market conditions, Land Rover has totalled a result of 13,777 cars registered, with a slight increase of 0.3% compared to the previous year. This result represents a market share for SUV of 9.1% compared to the 8.9% share in 2012. Removing from the total market of reference cars with two wheel drive, the market share of 4x4 of Land Rover goes from 16% in 2012 to 21.8% in 2013.

The confirmation of the appreciation of Range Rover Evoque has had a key role in this result, with 7.995 cars registered and a market share of 15.5%.

The Range Rover model recorded an high performance too, with 640 cars registered in 2013 (in 2012 registrations were 219).

Range Rover Sport was a run-out model, being the new model on the market since august 2013. Nevertheless Range Rover Sport kept its share of penetration in the Large Premium sub-sector (approximately 20%). Discovery recorded a reduction of 37.3% of the registrations but kept its market share of approximately 27%. The registrations of Freelander recorded a decrease of 10.4% compared to the previous year and, finally Defender recorded a reduction of the registrations of 14.2% compared to the previous years, but it continued to be the most sold utility cars.

The Jaguar brand has totalled a result of 989 cars sold, with a decrease of 17.2%, compared to the previous year.

The F sub-sector, market of reference of the XJ model, suffered a decrease of 29.8% compared to the previous year, with a drop of the registrations of 39.8%, while its penetration of the sector decreased



from 6.4% to 5.5%.

The SF segment, market of reference of the model XK, increased by 7.6% as compared to the previous year registrations, with a drop of the registrations of the model XK of 55.8% and a presence that passed from 12.5.% to 5.1%.

Registrations in the DE de-luxe touring car sector, market of reference of the XF model which includes 4 wheel drive and coupé vehicles, has decreased by 28.3%, compared to the previous year. XF model registrations have registered a decrease of 57.2% compared to the previous year, with a presence on the market that passed from 11.3% to 6.8%. The XF Sport brake, wagon model of XF, entered the market in the first months of the year. With this model Jaguar started to compete in the DE wagon segment, where there has been a decrease of registrations of 10.8% compared to the previous year. XF Sport brake registrations were 357 with a presence of 4.2%.

The Jaguar F-Type convertible entered the market in June and with this model Jaguar started to compete in SS segment, with registrations that recorded an increase of 36.5% compared to the previous year. F-Type registrations were 123 with a presence of 10.5%.

In 2013 Jaguar Land Rover Italia sold 13,863 Land Rover cars, with an increase of 596 units, equal to 4.5% more compared to 2012 and 1.079 Jaguar cars, with a decrease of 10 units, equal to 0.9% compared to 2012.

With regard to the main items in the Profit and Loss Statements, we provide below the 2013 accounting records of the Company.

With regards to revenues deriving from sales and rendering of services, totalling INR 48,417 million, in 2013 these have reached the following volumes:

- the sale of vehicles amounted to INR 44,725 million, of which INR 41,494 million referred to the Land Rover brand and INR 3.2 million to the Jaguar brand;
- the sale of Land Rover spare parts and accessories amounted to INR 3,4 million;
- the sale of other goods and rendering of services totalled INR 136 million and referred to commissions accrued on the sale of Jaguar spare parts made by Unipart Exports Ltd.

This translates into an overall increase of revenues of approximately 1.1% compared to the previous year (INR 37,136 million), basically due to the increase in the sale of Land Rover cars.

The cost of goods sold is in line with the increase in the revenues.

The costs for services decreased of 11% compared to the previous year, mainly as an effect of the reduction of car transport and deposit costs.

The labour cost increased of 8% compared to 2012.



Please see the detailed comments of the Notes to the accounts for information on the depreciation and write downs.

With regards to the financial structure, we would like to point out that the company makes use of factoring as the financial instrument to collect credits deriving from the sale of cars of both brands and of Land Rover spare parts and accessories made through the network of salesrooms. This relationship, with *pro-soluto* method, is mainly with FGA Capital and residually with other financial companies. Hence, the company is exposed to the financial and credit risk only for the quota of the credits arising from the direct sales to the Italian State and to leading car leasing companies. For a detailed description of the policies of financial risk management, please see the content of the Notes to the accounts. With regards to commercial transactions, there are no particular foreign exchange risks since they take place exclusively in euros.

The net financial position shows a negative balance of INR 287 million.

In detail, the financial income has decreased compared to the previous year of about INR 9 million as an effect of the decrease in interest rates due to the mother company according to the "Deposit Agreement", whereas costs have decreased by approximately INR 68 million, as an effect of the reduction of interest rates.

The Company, due to its exclusively commercial nature, has not needed nor needs to develop particular research and development activities that are in any case performed within the group.

With regards to the relations between the direct Controlling Company and the other companies of the group, in reminding you that since June 2008 our Company is part of the TATA group, we point out that during 2013 the Company has undertaken financial and commercial relations with several companies of the Group.

In particular, in 2013 the costs for purchases of cars from Land Rover Exports Ltd amounted to INR 42,344 million.

The purchases of spare parts from Jaguar Land Rover Limited and from other companies of the Group (Land rover Espana SA and JLR France SA) amounted to INR 3,146 million.

With regards to the financial relationships, we mention the 'Deposit Agreement' with Land Rover Ltd, explained in detail in the Notes, that in 2013 generated financial proceeds of approximately INR 6.2m.

With regards to the commercial exchanges with other companies of the group during the year, all cars and nearly all spare parts of Jaguar and Land Rover were purchased from Jaguar Land Rover Export Limited, thus limiting the exposure of the company to price risks.

The Company runs its business on the basis of a distribution agreement with Jaguar Land Rover Limited.

Considering that these distribution agreements mean a reduced business risk for Jaguar Land Rover Italia S.p.A., the transfer prices for goods are calculated in way that the distributor is due a margin proportional to the revenues from sales (the so called Transactional Net Margin Method – TNMM). The margin due for the year was calculated on the basis of a specific comparability analysis for functions that



were similar between independent counterparts as part of their group.

In compliance with the provision of paragraph 2, art. 2468 of the Italian Civil Code, we provide to you in the attachments (1, 2 and 3) the main economic/financial indicators for the year 2012 and the information required by law.

During the first months of 2014 the world-wide automobile market has recorded an increase in sales of 6% compared to the same period of time in 2013.

During the first months of 2014, the SUV market has recorded an increase of 2.4% compared to the same period of time in 2013 and the 4x4 market, in which Land Rover competed, has recorded a decrease of 24.7% compared to the same period of time in 2013. With regard to Land Rover vehicles, we report an increase in registrations of Range Rover Sport and Range Rover Evoque compared to the same period of time in 2013, but a decrease in the overall registrations whereas the share percentage for the Large Premium segment has increased.

During the first months of 2014, the market of reference of Jaguar registrations has recorded an increase of 4.4%. The sub-segment DE de-luxe touring, market of reference of the XF de-luxe touring model, has registered an increase in registrations of 1.8%, as compared to the same period of time in 2013, whereas the sub-segment DE wagon, market of reference of the XF Sport Brake, recorded a decrease in registrations of 9.5% compared to the same period of time in 2013. The SF segment, market of reference of the XK model has shown a decrease in registrations of 43.3% as compared to the same period of time in 2013. The SS segment, market of reference of the F-Type model, registrations recorded an increase of 106.5% as compared to the same period of time in 2013. Registrations in the F segment, market of reference of the XJ model, recorded an increase of 2.4% as compared to the same period of time in 2013.

On 1 July 2013 The Regional Management Center for Lazio -- Office of Large Taxpayers -- of the Tax Agency served the Company with a tax assessment for the year 2009 in which it contested issues related to IRES and IRAP on the basis of a preliminary assessment report prepared by officials of that office at the conclusion of an audit, the formal notification of which took place on 22 June 2012. With respect to IRES and IRAP, the Tax Agency challenged as not in compliance with Italian legislation regarding intra-company transfer prices contained in art. 110, paragraph 7, of the Tax Code, approved by Decree of the President of the Republic No 917 of 22 December 1986, no. 917, JLR's determination of the prices of intra-group commercial transactions for the purchase of goods and services. Other issues of minor amounts always with respect to IRES and IRAP. Specifically, the issue of intra-company transfer prices show a higher taxable income for IRES and a higher net value of production for IRAP of INR 152,692,517 and therefore higher taxes of INR 41,990,483 in respect for IRES and INR 7,260,711 for IRAP.

The company resolved through a facilitated procedure the minor tax issues raised but with respect to challenge on transfer pricing it has not appealed but will shortly apply to the competent Italian authorities for the initiation of an opening of a Mutual Agreement Procedures under Art. 6 (1) of the Arbitration Convention (Convention No. 90/436/EEC of 23 July 1990 on the elimination of double taxation in connection with the adjustment of profits of associated enterprises, implemented by Law no. 99 of 22 March 1993) and the under Mutual Agreement Procedure of Art. 26 of the Double Taxation Treaty between Italy and Great Britain. It should be noted that both the Preliminary Assessment Report and the Assessment Notice for the 2009 tax year, the tax authorities recognized that the transfer pricing documentation produced by the Company for the 2009 tax period as appropriate to provide the data and



31 December 2013

facts necessary for a complete and thorough analysis of the transfer prices as provided by Order of the Director of the Tax Agency protocol no. 210/137654 dated 29 September 2010 and the Circular 58/E, 2010. Thus the Company was granted the benefit provided for in paragraph 2-ter art. 1 of Legislative Decree 471 of 1997, which provides that penalties will not be applied on matters relating to intra-company transfer pricing. Considering that the reasons for the assessment are completely unfounded no liabilities are expected to arise for the Company from this assessment.

We also point out that personal data are handled in compliance with the “Code on protection of personal data” (Law Decree No. 196/2003).

Sirs,
We invite you to approve the Financial statements submitted to you and we propose to destin the current profit to legal reserve for an amount of 5% and to carry forward the remaining quota.

for the Board of Directors

The Managing Director



Audit report
in accordance with art. 14 of Legislative Decree No. 39/2010

Jaguar Land Rover Italia S.p.A. - Sole Shareholder
Financial Statements as at 31 December 2013

To the Shareholder of Jaguar Land Rover Italia S.p.A.

1. I have carried out, in accordance with art. 11 of Legislative Decree No. 39/2010, the legal accounting control on the Financial Statements for the year ended at 31 December 2013, composed of Balance Sheet, Profit and loss Statement and Notes to the accounts drawn up by the Company Directors as per art.s 2423 and following of the Civil Code. As far as I am aware, the Company Directors, in drawing up the Financial Statements, have not derogated any provisions of the law as per the fourth paragraph of art. 2423 of the Civil Code. Said yearly Financial Statements show a net equity of INR 3.862.173.702 and a current profit of INR 149.461.368. The responsibility for the drawing up of the Financial Statements in compliance with the provisions of the Civil Code together, where necessary, with the accounting principles laid down by the Italian Accounting Board (OIC) lies with the Directors of the Company. It is my responsibility to give a professional opinion on the Financial Statements and based on a legal audit.
2. The legal audit has been carried out in accordance with art. 11, paragraph 3 of Legislative Decree No. 39/2010, according to the accepted auditing principles recommended by the National Councils of *Dottori Commercialisti* and Accounting Experts. In compliance with said principles, the audit was planned and performed in order to obtain every fact necessary to ascertain if the yearly Financial Statements were vitiated with significant errors and if they appear reliable in their entirety. The audit process includes the examination, based on sampling, of the supporting elements of the balance values and on the information contained in the Financial Statements, and also the valuation of the adequacy and correctness of the

accounting criteria used and the reasonable nature of the estimates made by the Company Directors. I believe that the work performed provides a reasonable base to be able to give my professional opinion.

The Financial Statements show the corresponding values for the previous year, for the purposes of comparison, which were already subjected to my audit and, therefore, I refer you to my report of 10 April 2013.

3. In my opinion, the yearly Financial Statements of Jaguar Land Rover Italia S.p.A. at 31 December 2013, which show a net equity of INR 3.862.173.702 and a current profit of INR 149.461.368, are compliant with the provisions of the Civil Code and with the accounting principles of the OIC; they have therefore been drawn up clearly and represent in a truthful and correct way the asset and financial situation and the business result of Jaguar Land Rover Italia S.p.A. for the year ended at 31 December 2013.
4. The responsibility of drawing up the Financial Statements in compliance with the provisions of the law lies with the Directors of the Company. It is my task to give an opinion on the coherence of the Management Report accompanying the Financial Statements, as required by art. 14, paragraph 2, point a) of Legislative Decree No. 36/2010. For this purpose, I have carried out the procedures indicated in audit principle no. 001 issued by the National Councils of *Dottori Commercialisti* and Accounting Experts. In my opinion, the management report is coherent with the Financial Statements of Jaguar Land Rover Italia S.p.A. at 31 December 2013.

Rome, 11 April 2014

Dottore Commercialista - Revisore Legale

JAGUAR LAND ROVER ITALIA S.p.A.
Registered office in Rome - Viale Alessandro Marchetti, 105
Company capital 2.125.700.000 INR entirely paid in
R.E.A. no. 944215 - Sole shareholder.
Tax code, VAT no. and registration no. with Company Register 06070621005

BALANCE SHEET AT 31 DECEMBER 2013

ASSETS:	31/12/2013		31/12/2012	
	INR	INR	INR	INR
(B) FIXED ASSETS				
I - Intangible assets:				
(5) Goodwill	800,158,205		764,073,561	
(7) Other intangible assets	1,469,029		2,212,721	
Total.		801,627,233		766,286,282
II - Tangible assets:				
(2) Plant and machinery	109,941		110,207	
(3) Industrial and commercial equipment	19,903,694		27,131,548	
(4) Other tangible assets	5,006,874		4,954,030	
Total		25,020,509		32,195,785
III - Financial assets:				
(1) shareholdings in:				
d) other companies	425		9,382	
(2) Accounts receivable:				
d) other receivables- falling due within the following year	-		7,043,483	
d) other receivables - falling due after more than one year				
Total		425		7,052,865
Total fixed assets (B)		826,648,168		805,534,932
(C) CURRENT ASSETS:				
I - Stock:				
(4) Finished products and goods	5,663,542,898		3,177,596,105	
Total		5,663,542,898		3,177,596,105
II - Accounts receivable:				
(1) from clients - falling due by end of next year	290,040,116		322,681,595	
(4) - bis) tax credits	20,711,800		217,812,859	
(4) - ter) advance tax - falling due by end of next year	406,233,854		244,443,028	
(5) other receivables - falling due be end of next year	13,552,103		27,348,569	
(6) receivables from other affiliated companies - falling due be end	3,768,011,994		3,666,487,934	
Total.		4,498,549,867		4,478,773,985
IV - Liquid assets:				
(1) Bank and postal deposits	624,316,134		634,776,052	
(3) Cash and cash equivalents	18,791		953,897	
Total		624,334,926		635,729,949
Total current assets C)		10,786,427,691		8,292,100,039
(D) PREPAYMENTS AND ACCRUED INCOME		7,651,415		449,316
TOTAL ASSETS		11,620,727,274		9,098,084,287

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0	31/12/2013		31/12/2012	
LIABILITIES:	INR	INR	INR	INR
(A) NET EQUITY:				
I - Share capital		2,125,700,000		1,804,300,000
IV - Legal reserve		53,248,785		42,421,594
VII - Other Reserves - Share Swap Reserve		178,808,357		151,773,025
VIII - Retained earnings (loss) carry forwards		1,354,955,191		1,097,344,018
IX - Profit (loss) for the year		149,461,368		55,521,703
Total		<u>3,862,173,702</u>		<u>3,151,360,340</u>
(B) PROVISIONS FOR LIABILITIES AND CHARGES :				
(2) for tax	-		-	
(3) other provisions	1,200,707,427		667,347,059	667,347,059
Total		1,200,707,427		667,347,059
(C) EMPLOYEES' LEAVING INDEMNITY		185,342,844		150,026,453
(D) ACCOUNTS PAYABLE:				
(4) Accounts payable to banks - falling due within one year	-		5,815,187	
(6) Advances	850,280		721,720	
(7) Accounts payable to suppliers	1,164,037,571		1,850,565,861	
(12) Taxes payable	595,897,991		11,008,684	
(13) Accounts payable to social security bodies	28,159,148		33,716,593	
(14) Other accounts payable	135,138,912		111,228,317	
(15) Payables to other companies in the group	4,448,419,399		3,116,294,075	
Total		6,372,503,301		5,129,350,436
(E) ACCRUED LIABILITIES AND DEFERRED INCOME	-			-
TOTAL LIABILITIES AND EQUITY		<u>11,620,727,274</u>		<u>9,098,084,287</u>
MEMORANDUM ACCOUNTS				
Fideiussory guarantees issued to third parties on our behalf		501,541,059		391,268,878
Fideiussory guarantees issued in our favour by third parties		2,761,105,316		2,337,433,481
Our assets with third parties		860,919,808		1,099,262,413
Total		4,123,566,183		3,827,964,773

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	31/12/2013	31/12/2012
	INR	INR
(A) REVENUES:		
(1) from sales and services	48,417,254,091	37,136,876,212
(5) other revenues	388,777,946	381,847,906
Total revenues	48,806,032,037	37,518,724,118
(B) EXPENSES:		
(6) raw materials, subsidiary materials, consumables and	45,576,048,488	33,590,458,380
(7) services	3,556,748,449	3,400,103,608
(8) rent/lease of third party assets	46,512,612	60,467,722
(9) staff:		
(a) salaries and wages	422,600,809	340,132,851
(b) social security contributions	130,917,186	101,460,625
(c) employees' leaving indemnity	31,176,366	26,439,924
(e) other staff costs	13,705,238	129,116
Total staff costs	598,399,600	468,162,515
(10) depreciation and value adjustments:		
(a) amortization of intangible assets	101,157,557	86,060,563
(b) depreciation of tangible assets	5,909,871	11,716,836
(d) Depreciation of receivables indicated in current ass	7,601,928	15,877,840
Total depreciation and value adjustments	114,669,356	113,655,239
(11) changes in raw materials, subsidiary materials, consumables and	(1,919,921,526)	(923,356,227)
(13) other accruals		68,906,722
(14) miscellaneous running costs	181,752,792	151,058,666
Total expenses (B)	48,154,209,770	36,929,456,627
Difference between revenues and expenses (A-B)	651,822,267	589,267,491
(C) FINANCIAL INCOME AND COSTS:		
(16) other financial income:		
above	7,534,246	16,949,522
(17) interest and other financial costs	(296,172,506)	(360,016,887)
(17-bis) gains and losses on exchange rates	1,265,557	(3,289,022)
Total (16-17)	(287,372,703)	(346,356,387)
(E) EXTRAORDINARY INCOME AND COSTS:		
(20) Income :		
Other extraordinary income	4,460,399	29,648,626
(21) Costs:		
Tax relating to previous years	(14,018,226)	(11,858,509)
Other extraordinary costs	-	(60,137,759)
Total extraordinary items (20-21)	(9,557,827)	(42,347,642)
RESULT BEFORE TAX (A-B+/-C+/-D+/-E);	354,891,737	200,563,462
	INR	
(22) Tax on current year income, current, deferred and ad		
(a) current tax	(323,678,553)	(86,835,113)
(b) advance (deferred) tax	118,248,185	(58,206,646)
Total income tax	(205,430,369)	(145,041,759)
(23) Profit (loss) for the year	149,461,368	55,521,703

Jaguar Land Rover Italia S.p.A. – Sole Shareholder

Registered office in Rome, Viale Alessandro Marchetti, 105

Company capital INR 2,125,700,000 entirely paid in

Tax code, VAT no. and registration no. with the Company Register 06070621005

Financial Statements at 31.12.2013

Notes to the accounts

Layout and content of the Financial Statements

These Financial Statements composed of the Balance Sheet, Profit and Loss Statement and Notes to the accounts are compliant with the specific provisions of the Italian Civil code and the rules of the EC directives of reference.

The Financial Statements have been drawn up in compliance with the provisions of art.s 2423 and following of the Civil code as modified by the reform on corporate law as per Legislative Decree No. 6/2003. The formats of the Balance Sheet and Profit and Loss Statement used are those indicated in articles 2424 and 2425 of the Civil Code.

For each item of the Balance Sheet and Profit and Loss Statement we have also reported alongside the data of the previous fiscal year. Where needed, the items of the previous year have been adjusted and made comparable and, in that case, or where it could not be adjusted, reference was made to such fact during the comment to the single item.

For a better presentation, beginning with the last fiscal year, the items “II 6 Receivables from other affiliated companies in the Group” and “D 6 Accounts payable to other companies in the group” were inserted in the Balance Sheet.

In compliance with paragraph 5 of art. 4 of EC Directive 78/660, the items of the Balance Sheet or of the Profit and Loss Statement that do not have any value have not been shown. The elimination of such items does not lead in any case to an alteration in the numbering compared to the one provided by the format for the Balance Sheet and Profit

and Loss Statement cited above. The information given in the comments to the items of the Balance Sheet and Profit and Loss Statement is shown in Indian Rupees.

Main valuation criteria

The accounting principles and valuation criteria used in drawing up the 2013 Financial Statements are the same as those used for the previous years. These criteria are in line with what is provided by art. 2426 currently in force, also considering, where necessary, the accounting principles drawn up by the Italian Accounting Board (O.I.C. - Organismo Italiano di Contabilità) and where there are no applicable local accounting standards, considering the International Accounting Standards I.A.S and the-I.F.R.S. (International Financial Reporting Standards).

More generally, the valuation of the items of the Financial Statements has been made according to the general prudence and accrual principles and with a view to continuing the company business.

The company runs its business on the basis of a new distribution agreement with Jaguar Land Rover Limited.

Considering that this distribution agreement entails a reduced business risk for Jaguar Land Rover Italia S.p.A., the transfer prices for goods are calculated in a way that the distributor is due a margin in proportion to sales revenues (the so-called Transactional Net Margin Method - TNMM). The margin recognized for the fiscal year is determined on the basis of a specific comparability analysis of similar functions among independent parties within the group to which they belong. We would like to point out that starting with 2012 the change in methodology adopted to calculate transfer prices was applied by the car manufacturer, Jaguar Land Rover Limited, without exception to all the companies of the Group, as already reported in 2012 Financial statements.

During 2013, no events occurred such to require the adoption of derogations as provided in art. 2423, paragraph 4 of the Civil Code.

In particular, the main valuation criteria adopted in drawing up the Financial Statements for the year are the ones set out below:

Fixed Assets

Intangible Assets

These are recorded at purchase cost and shown in the Balance Sheet net of any depreciation of previous years, of depreciation applied during the year and of any other write downs that took place after permanent losses in value of the intangible assets. Depreciation is calculated in a constant measure and in relation to the residual life of the asset.

In particular, goodwill, acquired for a consideration during 2000, is recorded in the assets for an amount that is equal to the cost incurred to acquire it, net of depreciation and write down. The depreciation of goodwill is applied in constant quotas on the basis of the residual life of the distribution agreement signed with Jaguar Land Rover Limited. The distribution agreement expires on 31 December 2021.

In the Financial Statements at 31/12/2002, the company had made a write down of goodwill to adjust the value of the fixed asset recorded at a value deemed recoverable based on a specific appraisal drawn up by an expert in the sector.

The item “other intangible fixed assets” in the Financial Statements of the year refer to improvements of third party assets and are depreciated on the basis of the residual life of the lease agreement of the real estate property to which they refer to.

Tangible Fixed Assets

These are recorded at purchase cost and adjusted by the corresponding accumulated depreciation quotas. We have not capitalized the financial costs in this year nor in previous years. The depreciation quotas recorded in the Profit and Loss Statement were calculated considering the use, destination and business/technical duration of the assets, on the basis of the rule of possible residual life. We have deemed that this rule is well represented by the following rates, reduced by half in the year the asset comes into use:

Description	
Electronic office machines	20%
Non automatic general installations	10%
Miscellaneous and small equipment	25%
Furniture and fittings - office	12%
Industrial and commercial equipment	10%

The instrumental assets of a modest value, up to Indian Rupees 43,874.45, have been completely depreciated during the year.

Shareholdings in financial assets

The shareholdings in “other companies” are evaluated according to the rule of subscription or acquisition cost.

Accounts receivable

They are shown at their presumed realizable value. The adjustment of the nominal value of the receivables to the presumed realizable value, when necessary, is obtained with a specific write down.

Liquid assets

The liquid assets have been recorded on the basis of the relative nominal value.

Accounts payable

They are recorded at their nominal value.

Prepayments and accrued income

The item “Prepayments and accrued income records the income accrued in the year and payable in future years and the costs incurred by the end of the year but with accrual in future years. The item “Accrued liabilities and deferred income” records the costs accrued in the year and payable in future years and the income received by the end of the year with an accrual in future years. The item “Prepayments” can also include, for the purposes of clarity, the anticipated costs; the detail of these costs is provided in the analysis of the item in these Notes to the accounts.

Stock on hand

The stock is recorded at the value that is the lesser between the purchase cost and the realizable value presumed from the trend in the market at the close of the year, through any specific write downs. The method of cost adopted for evaluating closing stock is represented by the specific cost for cars and by the weighted average cost method for spare parts.

We would like to point out that the value of stock recorded in the Financial Statements does not differ appreciably from the current costs at the close of the year.

Provisions for liabilities and charges

These have been set up to cover losses or liabilities that are certain or probable, for which at the close of the year the exact amount or due date was not known.

In evaluating these provisions, the general prudence and accrual criteria have been followed and they reflect the best possible estimate on the basis of information available.

Employees' leaving indemnity

The item represents the actual amount matured for the employee's leaving indemnity in compliance with the law and the collective labour agreements in force, considering every remuneration as ongoing, and refers to all the subordinate employees of the Company.

Income tax

The various current income taxes are calculated on a prudent interpretation of the tax rules currently in force.

The advance and deferred income taxes are calculated on the basis of reasonable certainty that future taxable amounts can be offset with the temporary differences between the value attributed to an asset or liability according to civil law and the value attributed to those assets and liabilities for tax purposes. The effect that this recording has brought to the year's result is shown in a specific item in the Profit and Loss Statement.

Policies on handling financial risks

The company aims to manage and contain financial risks it is exposed to, as well as through a prudent evaluation by the company directors, also on the basis of specific risk management processes put in place in the company procedures, and also with specific centralized group functions.

The exposure of the company to financial risks is as described here below:

- Liquidity risk: it is essentially tied to the trend in current financial needs of the company to carry out its sales activities. This financial risk is covered through the preparation of financial plans that estimate the future trend of cash flows. In this regard, we highlight the relationship of the Deposit and Funding Agreement with companies in the Jaguar Land Rover group.
- Risk in changes in financial flows: this is essentially tied to the relationships in the Deposit and Funding Agreement, mentioned above, which provides interest matured at variable rates in line with those applied in the market.
- Credit risk: the exposure to solvency risks of the counterparty is essentially limited to receivable from clients such as state administration and leading car leasing companies, which represent a small percentage compared to the rest of the accounts receivable factorized by FGA Capital S.p.A. The specific function of credit management estimates their degree of recoverability and calculates the relative debt provision to be recorded in the accounts, which at 31 December 2013 amounted to about Indian Rupees 65 million.

Conversion rules for values in foreign currency

At the time of the encashment of the accounts receivable and of the payment of the accounts payable in currencies other than the Euro, the difference realized in the exchange rate, positive or negative, is recorded in the Profit and Loss Statement.

At the time the Financial Statements are drawn up, any items in other currencies, with the exception of the fixed assets, for which no exchange rate in Euros has been agreed with the counterparty, are converted at the exchange rate in force at the end of the year. Any net profit is not distributed until it is realized.

Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (Euros) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **EUR 1 = Rs 85.028** and **Rs 72.172** for the years ended 31 December 2013 and 2012 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Guarantees, commitments, pledges, third party assets and risks

The risks related to guarantees given, personal or real, for other parties' liabilities are indicated in the memorandum accounts for an amount of the guarantee given; the amount of the other parties' liabilities at the date of reference of the Financial Statements, if lower than the guarantee, is shown in this document.

The commitments, when they exist, are shown in the memorandum accounts at a nominal value, inferred from the relative documents.

ANALYSIS OF THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

The amounts in this Notes to the accounts are in Indian Rupees, except otherwise indicated.

Assets

Here below are the main changes and composition of the asset items.

B) Fixed assets

I. Intangible assets

Total operations of Intangible fixed assets

These amounted to INR 801,627,233 at 31 December 2013 and to INR 766,286,282 at 31 December 2012, with a net increase of INR 35,340,951.

The composition and movement of intangible fixed assets is shown in the table below with reference to each single item:

Concessions, licences, trademarks and similar rights	Historic cost	Depreciation	Net value
Balance at 31/12/2012	48.252.301	48.252.301	0
Purchases in the year	0	0	0
Current depreciation	0	0	0
Sales and disposals	0	0	0
exchange rate differences	8.595.183	8.595.183	0
Balance at 31/12/2013	56.847.485	56.847.485	0

Item B. I. 4. “Concessions, licences, trademarks and similar rights” has been completely depreciated and refers to the purchase of software with user license.

Goodwill	Historic cost	Depreciation Write down	Net value
Balance at 31/12/2012	2.649.689.096	1.885.615.534	764.073.561
Purchases in the year			0
Current depreciation		100.019.782	(100.019.782)
Sales and disposals			0
exchange rate differences	471.989.179	335.884.754	136.104.425
Balance at 31/12/2013	3.121.678.275	2.321.520.070	800.158.205

Item B. I. 5. “Goodwill” recorded in the Financial Statements for an amount of INR 800,158,205 and represents the value paid net of depreciation and write down.

Other Intangible fixed assets	Historic cost	Depreciation Write down	Net value
Balance at 31/12/2012	256.785.744	254.573.023	2.212.721
Purchases in the year	0	0	0
Current depreciation	(0)	1.137.775	(1.137.775)
Sales and disposals	12.488.567	12.488.567	0
exchange rate differences	45.741.250	45.347.168	394.083
Balance at 31/12/2013	315.015.561	313.546.532	1.469.029

Item B. I. 7. “Other intangible fixed assets” refers, for the amount of INR 1,469,029, entirely to the cost incurred for improvement works in the offices currently being rented.

The intangible fixed assets shown above have not undergone any write downs or write ups in the current year nor in the previous years, except for the item of goodwill whose write down was made in previous years and is shown in these accounts for an amount of INR 100,019,782.

II. Tangible assets

These amounted to INR 25,020,509 at 31 December 2013 and to INR 32,195,785 at 31 December 2012, with a net decrease of INR 7,175,276.

The composition and movement of tangible fixed assets is shown in the table below with reference to each single item:

General plant	Historic cost	Depreciation	Net value
Balance at 31/12/2012	9.535.733	9.425.526	110.207
Purchases in the year			
Current depreciation	0	19.938	(19.938)
Sales and disposals			
exchange rate differences	1.698.600	1.678.929	19.671
Balance at 31/12/2013	11.234.334	11.124.393	109.941

Industrial and commercial equipment	Historic cost	Depreciation	Net value
Balance at 31/12/2012	218.525.987	191.394.438	27.131.548
Purchases in the year	1.530.504		1.530.504
Current depreciation		3.804.531	(3.804.531)
Sales and disposals	169.606.105	159.819.306	9.786.798
exchange rate differences	(300.286.171)	(285.545.545)	(14.740.626)
Balance at 31/12/2013	89.376.425	69.472.731	19.903.694

The purchases for the year refers to the signs with the “Land Rover” mark located at the salesrooms and authorized garages.

Other tangible assets (represented by furniture, office machines and electronic calculators)	Historic cost	Depreciation	Net value
Balance at 31/12/2012	61.079.213	56.125.183	4.954.030
Purchases in the year	1.844.560	0	1.844.560
Current depreciation	0	2.085.402	(2.085.402)
Sales and disposals	2.283.026	1.694.168	588.857
exchange rate differences	6.313.990	6.609.161	(295.171)
Balance at 31/12/2013	71.520.789	66.513.915	5.006.874

The purchases for the year refer to office machines.

Assets with unit cost under INR 43,874.45

During the year of purchase and entry into use, the company completely depreciated instrumental assets with a unit cost under INR 43,874.45. These assets are nevertheless included by category in the summary tables above. The Fixed Assets above indicated have neither been revaluated nor have been impaired during the previous and this present Financial Year.

III. Financial assets

Shareholdings

Description	Value at 31/12/2012	Increase for the year	Decrease for the year	Current write down	Exchange rate differences	Value at 31/12/13
Other	9.382		(10.629)	0	1.671	425

The item B. III. 1 d. “Shareholdings in other companies”, for INR 425, refers to the cost incurred for the acquisition of the quota in CO.NA.I (Consorzio Nazionale Imballaggi - National Packaging Consortium).

Accounts receivable

Description	Value at 31/12/2012	Increase	Decrease for the year	Current write down	Exchange rate differences	Value at 31/12/2013
Other	7.043.483		(8.298.223)		1.254.739	0

The balance of item B. III. 2 d. is zero. In previous year it referred to medium to long-term receivables, for an amount of INR 5,815,187, relating to the supply of motor vehicles to the Italian State Police.

These receivables, originating from the Italian public administration supply, find their counterpart in the two loan agreements signed for the financing of supplies in accordance with Law No. 217 of 28 February 1992 and subsequent modifications. The repayment installment that was due in 2013 amounts to INR 5,815,187 and therefore no other receivables are due under this agreement.

The amount of the liability for the loans taken out had its contra item in D. 4. of the Liabilities to which reference should be made and that has also been fully repaid in 2013.

C) Current Assets***I. Stock***

The stock amounted to a total of INR 5,663,542,898 at 31 December 2013 compared to INR 3,177,569,105 at 31 December 2012, with a net increase of INR 2,485,946,793. The increase is due to a larger number of vehicles in stock associated with an increased production flow at the close of the year. The increase in stock on hand is mainly represented by Land Rover vehicles, accounting for 85% of the cars as final stock on hand. The composition and movement of the stock on hand shown in item C. I. 4. “Finished products and goods”, is summarized here below:

Description	Value at 31/12/2012	Value at 31/12/2013	Variations 31.12.2013 / 31.12.2012
a) Cars	2.119.519.365	4.411.072.396	2.291.553.031
b) Other motor vehicles	674.585.477	772.357.128	97.771.650
c) Spare parts	519.268.374	699.381.631	180.113.257
Write down	135.777.111	219.268.258	-83.491.146
Total stock	3.177.596.105	5.663.542.898	2.485.946.793

The item a) “Cars” in the table refers to a stock of new cars, whereas item b) “Other motor vehicles” represents the stock of cars that although are destined for sale, are used by the Company for a limited period of time. Item c) refers to the spare parts and accessories in stock.

The write down of the stock, for an amount of INR 219,268,258 at 31/12/2013, recorded in the Financial statements in adjustment of the stock, has undergone the following changes during the year:

Description	Value at 31/12/2012	Decrease for the year	Increase for the year	Exchange rate differences	Value at 31/12/2013
a) Cars	26.970.171	0	24.418.902	4.804.197	56.193.271
b) Other motor vehicles	108.806.940	0	34.886.264	19.381.783	163.074.987
Total stock	135.777.111	0	59.305.166	24.185.980	219.268.258

II. Accounts receivable

Accounts receivable from clients

The item C. II. 1 represents the receivables from clients and other companies in the group of a commercial nature which are recorded in the Financial Statements at 31 December 2013, included in the current assets. Said receivables, at 31/12/2013, amounted to INR 290,040,116, with a net decrease of INR 32,641,479. It should be

noted that, for comparative purposes, the balance of the previous year includes the amount of INR 86,016,961 that was reclassified in this item. In this regard, see the corresponding change in the item “Other liabilities” as commented here below in the note.

We show you here below the detailed analysis of the changes that took place in this item.

Description	Value 31/12/2012	Value 31/12/2013	Change
Receivables from clients for sale of cars, spare parts and miscellaneous	464.596.069	350.773.236	(113.822.833)
Receivables from other companies of the group	10.845.864	4.411.253	(6.434.611)
Write down	152.760.338	65.144.372	(87.615.966)
Balance	322.681.595	290.040.116	(32.641.479)

The receivables from clients are totally payable by the next year.

The adjustment of the nominal value of the receivables to the presumed realizable value was obtained by a specific write down that has undergone the following changes during the year:

Description	Value 31/12/2012	Decreases	Increases	Exchange rate differences	Value 31/12/2013
Write down - receivables	152.760.338	(122.429.152)	7.602.016	27.211.202	65.144.405
Total write down	152.760.338	(122.429.152)	7.602.016	27.211.202	65.144.405

Tax credits

The item C. II. 4 Bis represents the credits from the Italian Inland Revenue at 31 December 2013, amounting to INR 20,711,800. The size and changes are described here below:

Description	Value at 31/12/2012	Value at 31/12/2013	Change
Tax credits for income tax	217.812.859	20.711.800	(197.101.058)
Balance	217.812.859	20.711.800	(197.101.058)

The value at 31.12.2013 is exclusively represented by the IRES credit amounting to INR 20,711,800 due from the refund application filed for the years from 2007 to 2011 (in accordance with article 2, paragraph 1 quarter of Law Decree n. 201/2011) for the IRAP deduction for staff costs net of corporate income taxes calculated for the year and withholding taxes.

Advance tax

Item C. II. 4 Ter represents the value of advance tax shown net of deferred tax and amounts to INR 406,233,854.

The figures in the accounts are shown below:

Description	Value at 31/12/2012	Value at 31/12/2013	Change
IRES	207.689.653	339.719.688	132.030.035
IRAP	36.753.374	66.514.166	29.760.791
Balance	244.443.028	406.233.854	161.790.827

We indicate here below a table with the description of the time differences that have led to the appearance of deferred and advance tax compared to the previous year. With regards to the amounts charged to the Profit and Loss Statement, please see what is reported in the comment to item 22 of the Profit and Loss Statement. The IRAP rates considered to quantify the future fiscal effect is 4.81%, equal to the ordinary rate currently in force Applied to the company. The IRES rate is applied at 27.50%.

Financial Statements at 31 December 2013 – Notes to the accounts

Description	31/12/2013				31/12/2012			
	Time differences + deductible (-) taxable	Ires	Irap	Total	Time differences + (-) taxable	Deferred taxes +credit (-) due Ires	Irap	Total
tax rate								
Deferred tax credit								
Dep. intangible fixed assets IRES	182.123.497	50.083.962		50.083.962	165.748.516	45.580.842		45.580.842
Dep. intangible fixed assets IRAP	182.123.497		8.760.140	8.760.140	157.922.100		7.596.053	7.596.053
Provisions for liabilities and charges IRES	1.200.707.392	330.194.533		330.194.533	667.347.090	183.520.450		183.520.450
Provisions for liabilities and charges IRAP	1.200.707.396		57.754.026	57.754.026	667.347.094		32.099.395	32.099.395
Depreciation - stock IRES	219.268.258	60.298.771		60.298.771	135.777.143	37.338.714		37.338.714
Depreciation - stock IRAP	0			0	0			0
Write down receivables	65.144.404	17.914.711		17.914.711	152.760.429	42.009.118		42.009.118
Other costs with deferred deductibility	469.176	129.023		129.023	597.356	164.273		164.273
Other costs with deferred deductibility	0			0	0			0
Fiscal Loss	0	0		0	0	0		0
Total credits		458.621.000	66.514.166	525.135.166		308.613.397	39.695.447	348.308.844
Deferred tax liabilities								
Depreciation - goodwill	(432.368.424)	(118.901.312)		(118.901.312)	(366.995.506)	(100.923.744)		(100.923.744)
Depreciation - goodwill	0			0	(61.165.917)		(2.942.074)	(2.942.074)
Total liabilities		(118.901.312)	0	(118.901.312)		(100.923.744)	(2.942.074)	(103.865.818)
Total		339.719.688	66.514.166	406.233.854		207.689.653	36.753.374	244.443.027

Effects on P&L	Value at 2013	Value at 2012
Advance tax at beginning of the year	348.308.844	409.469.774
Variations due to the merger	0	0
Advance tax at the end of the year	525.135.166	348.308.856
Effect on P&L (A-B)	176.826.321	(61.160.918)
Advance tax at beginning of the year	(103.865.818)	(106.820.117)
Deferred taxes at the end of the year	(118.901.312)	(103.865.845)
Effect on P&L (A-B)	(15.035.494)	2.954.272
effect on P&L	161.790.828	(58.206.646)
Variations due to exchange rate differences	(43.542.643)	
Total effect on P&L	118.248.185	(58.206.646)

The accounting for advance taxes for an amount of INR 525,135,166 has been confirmed by the mid – term business perspectives , considering also the existence of the distribution agreement (TNMM) able to guarantee a fix margin of profitability to the company. Under these assumptions there is a reasonable confidence that the taxable amounts resulting in the following financial years will be able to absorb the temporary differences that consequently will be fully reversed in the incoming years.

Accounts receivable from others

Item C. II. 5. went from INR 27,348,569 at 31 December 2012 to INR 13,552,103 at 31 December 2013, with a decrease of INR 13,796,466 compared to the previous year as shown in greater detail below:

Description	Value at 31/12/2012	Value at 31/12/2013	Change
Receivables from staff	3.445.058	3.861.462	416.403
Receivables from suppliers	-	-	-
Receivables from other	23.903.511	9.690.641	(14.212.870)
Balance	27.348.569	13.552.103	(13.796.466)

“Receivables from other companies in the group” are reported in item C. II. 6.

Receivables from other companies in the group

The item shows a receivable from Jaguar Land Rover Ltd due to the Funding agreement, signed by the companies of the group and paid at rates in line with those applied in the market; the balance at 31.12.2013 amounts to INR 3,768,011,994 compared to INR 3,666,487,934 of the previous year.

The decrease is essentially due to lower financial flow to Jaguar Land Rover Ltd at the time of the close of the year 2013.

Companies of the group is intended to mean companies other than controlled, affiliated or controlling companies in accordance with art. 2359 of the Civil Code, with which the Company shares its direct controlling parent company Jaguar Cars Limited (a company formed under British law) or the indirect controlling company Tata Motors Limited (a company formed under Indian Law).

IV. Liquid assets

The balance in item C. IV. represents the liquid assets and the existence of cash and cash equivalents at the date of close of the accounts as better described below:

Description	Value at 31/12/2012	Value at 31/12/2013	Change
Bank and postal deposits	634.776.052	624.316.134	(10.459.918)
Cash and cash equivalents	953.897	18.791	(935.106)
Total	635.729.949	624.334.925	(11.395.024)

D) Prepayments and accrued income

They measure the income and costs whose accrual is either before or after the actual movement: they disregard the payment date or encashment date of the relative income or costs common to two or more years and that can be spread out over time. The anticipated costs are also included. There did not exist, at 31/12/2013, any prepayments or accrued income with a duration of more than five years. The item can be broken down as follows:

Description	Value at 31/12/2012	Value at 31/12/2013	Change 2013-2012
Other	449.316	7.651.415	7.202.100
Total	449.316	7.651.415	7.202.100

Liabilities

Here below are the main changes and composition of the liability items.

A) Net equity

The summary of the changes that took place in the net equity items for the years 2011, 2012 and 2013 are shown in the tables below:

Financial Statements at 31 December 2013 – Notes to the accounts

Description	Value at 31/12/2011	Increases (Decreases)	Decreases Uses	Value at 31/12/2012	Increases (Decreases)	Decreases Uses	exchange rate differences	Value at 31/12/2013
Share capital	1.804.300.000			1.804.300.000			321.400.000	2.125.700.000
Legal reserve	37.383.292	5.038.302		42.421.594		3.270.602	7.556.589	53.248.785
Share Swap Reserve	151.773.025			151.773.025			27.035.332	178.808.357
Retained earnings (loss) carry forwards	1.001.616.101	95.727.917		1.097.344.018		62.141.268	195.469.905	1.354.955.191
Profit (loss) for the year	100.766.186	(100.766.186)	55.521.703	55.521.703	(65.411.785)	149.461.368	9.890.082	149.461.368
Total net equity	3.095.838.603	34	55.521.703	3.151.360.340	(65.411.785)	214.873.238	561.351.909	3.862.173.701

The share capital is entirely paid in and at 31/12/2013 amounted to INR 2,125,700,000 divided into 25,000,000 shares of INR 85,028 value, each subscribed by the sole Shareholder.

The Legal reserve has been increased by INR 3,270,602 by paying in the accrued quota of profits for 2012 in compliance with the provisions of art. 2430 of the Civil Code, as resolved by the Shareholders' Assembly.

The retained earnings carried forward, following the resolution of the Shareholders' Assembly, go from INR 1,097,344,018 to INR 1,354,955,191 following the use of 2012 profits carried forward for an amount of INR 62,141,268; the difference to catch up with the amount of INR 1,354,955,191 is made of the exchange rate fluctuations recorded between December 2012 and December 2013.

The item "Other reserves – Swap surplus" was generated by the 2011 merger and no changes were made in 2013.

We show here below the table recommended by the OIC with regards to the information required by point 7 bis, paragraph 1 of art. 2427 of the Civil Code.

Nature/description	Amount	Possible use	Quota availab	Uses during the three prior exercises	
				for covering loss	Other uses
Share capital	2.125.700.000				
Capital reserves:					
Reserve for own shares					
Reserve for shares and quotas in controlling company					
Share premium reserve	178.808.357	A,B	178.808.357		
Share Swap Reserve					
Profit reserves:					
Legal reserve	53.248.785	B	53.248.785		
Reserve for own shares					
Reserve for net profits on foreign exchange					
Reserve of evaluation of participations with the Net Equity method					
Reserves in derogation of paragraph 4 of art. 2423 of the Civil Code					
Profit carried forward	1.354.955.191	A,B,C	1.354.955.191		
Total			1.587.012.333		
Non distributable quota			232.057.142		
Distributable residual quota			1.354.955.191		
Key:					
A: for increase in capital					
B: to cover losses					
C: for distribution to shareholders					

B) Provisions for liabilities and charges

Other provisions

Item B. 3. “Other provisions for liabilities and charges” refers to the provisions that at 31 December 2013 amounted to INR 1,200,707,427 with a net increase of INR 533,360,368 compared to 2012.

The provisions recorded under this item refer to the amounts accrued to cover losses, liabilities, risks and charges of a certain nature or of a probable or certain existence, related to the running of business that, at the date of the close of the year, were unknown in value and/or due date. More specifically, they are shown in the table below with regards to their composition and movements:

Description	Value at 31/12/2012	Increases	Decreases/Destination	exchange rate differences	Value at 31/12/2013
Provision - maintenance and guarantees	248.938.910		(38.970.543)	44.343.494	254.311.861
Provisions - various risks and liabilities	418.408.149	769.504.117	(316.047.716)	74.531.017	946.395.567
Total B.3	667.347.059	769.504.117	(355.018.259)	118.874.511	1.200.707.427

Provisions - maintenance and guarantees

This provision, that amounts to INR 254,311,861 at 31/12/2013, has been accrued to guarantee the adequate coverage of the estimate of costs related to the maintenance of cars sold during 2013 and in the previous years.

During 2013 no provisions were made for this purpose whereas the use totalled INR 38,970,543.

Provision for other liabilities and charges

The main items of the various risk provisions are made up of provisions for legal risks for INR 153,050,400, for commercial charges for INR 769,504,080 and residual charges of INR 23,841,087 related to possible returns of car parts from salesrooms and authorized garages.

With regard to the use of this provision, we point out that the provision for legal risk is unchanged, since pending cases have not substantially changed as compared to the previous fiscal year.

The significant increase in commercial charges is instead due to the increased number of cars sold to salesrooms at the end of the year and thus commercial incentives in relation to the results achieved.

C) Employees' leaving indemnity

The provision accrued under item C of the Liabilities represents the actual liability of the Company at 31/12/2013 towards its employees on the payroll at that date.

Description	Value 31/12/2012	Increases	Decreases	exchange rate differences	Value 31/12/2013
Employee's leaving indemnity	150.026.453	31.286.799	(22.694.623)	26.724.214	185.342.844
Total	150.026.453	31.286.799	(22.694.623)	26.724.214	185.342.844

With reference to the provision of Law No. 296/2006 and the relative enacting decrees, we would like to point out that starting from July 2007, 47 employees have opted to keep their leaving indemnity for subordinate employment with the company, whereas 20 employees have opted to destine the amount to pension fund.

The balance at 31/12/2013 is able to cover the relative contractual and legal obligations.

Employment information

The average number of members of staff in the company, divided according to level, is shown in the table below:

Staff	Numbers at 31/12/2012	Numbers at 31/12/2013
Senior managers	14	16
Clerical staff	45	52
Total	59	68

D) Accounts payable

The accounts payable are evaluated at their nominal value and their due date is broken down as shown below:

Description	Balance at 31/12/2012	Balance at 31.12.2013				Change 2013
		31.12.2013	Falling due within 12 months	Falling due after 12 months	Falling due after 5 years	
D (4) Accounts payable to banks	5.815.187	0	0			(5.815.187)
D (6) Advances	721.720	850.280	850.280			128.560
D (7) Accounts payable to suppliers	1.850.565.861	1.164.037.571	1.164.037.571			(686.528.290)
D (12) Taxes payable	11.008.684	595.897.991	595.897.991			584.889.307
D (13) Accounts payable to social security bodies	33.716.593	28.159.148	28.159.148			(5.557.445)
D (14) Other accounts payable	111.228.317	135.138.912	135.138.912			23.910.595
D (15) Payables to other companies in the group	3.116.294.075	4.448.419.399	4.448.419.399			1.332.125.325
Balance	5.129.350.436	6.372.503.301	6.372.503.301	0	0	1.243.152.865

The balance of item D. 4. “Accounts payable to banks” at 31/12/2013 amounts to zero, whereas in the previous year it referred exclusively to loans granted by banks for receivables from the Italian public administration as shown in the comment to item B. III. 2 d. of the Assets.

During the year the item had a decrease of INR 5,815,187.

Item D. 7. “Accounts payable to suppliers” is entirely due during next year and refers to the liabilities of a commercial nature towards third party suppliers with regards to the purchase of goods and services.

The item D. 12. “Taxes payable” amounted to INR 595,897,991 at 31 December 2013. The liability is composed of the following items:

Description	Balance at 31/12/2013
Corporate income taxes payable (IRES ed IRAP)	194.368.271
Payable arising from tax inspection	18.171.568
VAT Payable	363.085.916
Withholding taxes payable	20.272.236
Total	595.897.991

The item D. 13 shows “Accounts payable to social security bodies” at 31/12/2013.

The item D. 14. “Other accounts payable” amounts to INR 135,138,912 with a net increase of INR 23,910,596. It should be noted that, for comparative purposes, the balance of the previous year includes the amount of INR 86,016,961, which has been reclassified to this item. The main items that make up this category are shown below:

Description	Value at 31/12/2012	Value at 31/12/2013	Change
Accounts payable for holidays matured and other payments to be made	38.140.232	63.285.871	25.145.639
Accounts payable to salesrooms	73.011.438	70.129.426	(2.882.013)
Other accounts payable	76.647	1.723.615	1.646.969
Total	111.228.317	135.138.912	23.910.596

The item D.15 “Accounts payable to other companies in the group”, amounts to INR 4,448,419,399 at 31 December 2013 and represents liabilities due to Jaguar Land Rover Limited for purchased cars and spare parts which were not yet paid at 31 December 2013.

Other Companies of the group is intended to mean companies other than controlled, affiliated or controlling companies in accordance with art. 2359 of the Civil Code, which the Company shares its direct controlling parent

company Jaguar Cars Limited (a company formed under British law) or the indirect controlling company Tata Motors Limited (a company formed under Indian law).

Memorandum accounts

The Memorandum Accounts at 31/12/2013 had the following composition and nature:

Description	Value at 31/12/2012	Value at 31/12/2013	Change
Fideiussory guarantees issued to third parties on our behalf	391.268.878	501.541.059	110.272.181
Fideiussory guarantees issued in our favour by third parties	2.337.433.481	2.761.105.316	423.671.835
Our assets held by third parties	1.099.262.413	860.919.808	(238.342.606)
Total	3.827.964.773	4.123.566.183	295.601.410

The Fideiussory guarantees issued to third parties on our behalf refer to such fideiussory guarantees issued by banks.

The Fideiussory guarantees issued in our favour by third parties refer, almost entirely, to fideiussory guarantees issued by banks in our favour as provided in the clauses of an agreement signed with Salesrooms and Repair workshops.

Our assets with third parties show the value of cars and other assets in stock with our depositories and salesrooms.

Third party assets with us show the value and presence of leased assets in our facilities (office machines).

Commentary and analysis of certain items of the Profit and Loss Statement

The detailed presentation of the positive and negative items of the Profit and Loss Statement and the comments made above on the Balance Sheet, allow us to limit our comments on the P&L to the main items dealt with below, making reference to the Management Report for a particular analysis of the running costs and operative income.

A) Revenues

The item revenues from sales and services refers to the sale of cars, spare parts, other goods and to the rendering of services according to the detail given below:

Revenues according to category of activity

The revenues from sales and services are broken down according to the following table:

Description	Value at 31/12/2012	Value at 31/12/2013	Change
Sales – cars	34.022.282.654	44.839.878.529	10.817.595.876
Sales - spare parts and accessories	2.952.979.592	3.433.293.235	480.313.642
Sales - other goods	4.118.784	6.948.913	2.830.129
Services	157.495.182	137.133.413	-20.361.768
Total	37.136.876.212	48.417.254.091	11.280.377.879

The revenues deriving from the sale of goods and services are shown net of discounts, allowances and bonuses.

The revenues have gone from INR 37,136,876,212 to INR 48,417,254,091 with a net increase of INR 11,280,377,879.

The change compared to the previous year is due essentially to an increase in sales volume of Land Rover vehicles.

B) Expenses**Raw materials, subsidiary materials, consumables and goods and Costs for services**

The costs for raw materials, subsidiary materials and consumables has gone from INR 33,590,458,380 at 31/12/2012 to INR 45,576,048,488 at 31/12/2013, with an increase of INR 11,985,590,108.

The costs for services amount to INR 3,556,748,449 with an increase of INR 156,644,841, despite the reduction in transport costs.

Staff costs

The item includes all the costs for subordinate employees including merit prizes, promotions, seniority increases and cost for accrued holidays and provisions according to law and to the collective labour agreements for a total of INR 598,399,600

Provisions for risks and charges

The provisions have been calculated prudentially with regards to risk and to the expected liabilities and have been entered as increase of the corresponding liabilities.

In this year they amount to zero.

C) Financial income and costs**Interest and other financial costs**

The item “Interest and other financial charges” amounts to INR 296,172,506 with a decrease of INR 63,844,381 compared to 2012. The costs refer to the cost items shown in detail here below:

Description	Values at 31/12/2013
Interest of financing (to factoring companies)	296.172.506
Total	296.172.506

E) Extraordinary income and costs**Extraordinary income**

The item “Extraordinary income”, amounting to INR 4,460,399 , refers to a contingent surplus related to minor costs for previous years.

Extraordinary costs

The item “Extraordinary costs”, amounting to INR 14,018,226, and refers to taxes of the previous years for a tax assessment with acceptance.

Taxes on income for the year

The taxes for the year amount to INR 205,430,369 . Here below we illustrate the changes during the year of current and advance tax:

Description	Value at 31/12/2012	Value at 31/12/2013
Current tax		
IRES	39.269.214	246.714.099
IRAP	47.565.899	76.964.455
Advance tax		
IRES	78.810.444	(95.034.265)
IRAP	(17.649.482)	(19.747.753)
Deferred tax		
IRES	0	0
IRAP	(2.954.315)	(3.466.166)
Total income tax	145.041.759	205.430.369

The income taxes for the year that affect the pre-tax result for 57.89% (72.32% in 2012), have undergone an increase of INR 60,388,610

The deferred and anticipated taxes on income were calculated on the temporary differences between the accounting values recorded in the financial statements and the corresponding values recognized for tax purposes, based on the applicable rate at the time these temporary differences arose. For a complete analysis, please refer to the detailed table for item C 4 ter.

In order to illustrate in detail the effects of the deferred tax, we highlight here below the reconciliation between the effective tax burden in the accounts and theoretical tax burden:

Calculation of taxable IRES

Description	Value	Tax
Pre-tax profit	354.891.737	
Theoretical tax burden (at 27.5%)		97.595.228
Temporary differences - deductible in future years	836.411.154	
Temporary differences from previous years	(375.391.344)	
Permanent differences not flowing into future years	81.230.631	
Taxable amount	897.142.178	
Current IRES tax on income for the year		246.714.099

Calculation of taxable IRAP

Description	Value	Tax
Differences between revenues and expenses	651.822.267	
Costs not significant for IRAP purposes	606.001.528	
Total	1.257.823.796	
Theoretical tax burden (at 4.82%)		60.627.107
Temporary differences - taxable in future years	(45.838.033.601)	
Temporary differences from previous years	878.316.857	
Permanent differences not flowing into future years	(143.394.425)	
Taxable amount	(43.845.287.373)	
Current IRAP tax on income for the year *		76.964.455

*: Tax applied on taxable amount that can be attributed to 2 regions (Latium/Lombardy)

F) Relations with related parties

We note that the transactions done by Jaguar Land Rover Italia S.p.A. with related parties, including intercompany transactions, are part of the ordinary business and are governed by market conditions; there are no transactions with related parties that have not occurred at market conditions and of a significant amount which have an unusual nature, outside the usual running of business.

Final comments

On 1 July 2013 The Regional Management Center for Lazio -- Office of Large Taxpayers -- of the Tax Agency served the Company with a tax assessment for the year 2009 in which it contested issues related to IRES and IRAP on the basis of a preliminary assessment report prepared by officials of that office at the conclusion of an audit, the formal notification of which took place on 22 June 2012. With respect to IRES and IRAP, the Tax Agency challenged as not in compliance with Italian legislation regarding intra-company transfer prices contained in art. 110, paragraph 7, of the Tax Code, approved by Decree of the President of the Republic No 917 of 22 December 1986, no. 917, JLRI's determination of the prices of intra-group commercial transactions for the purchase of goods and services. Other issues of minor amounts always with respect to IRES and IRAP. Specifically, the issue of intra-company transfer prices show a higher taxable income for IRES and a higher net value of production for IRAP of INR 152,692,517 and therefore higher taxes of INR 41,990,483 in respect for IRES and INR 7,260,711 for IRAP.

The company resolved through a facilitated procedure the minor tax issues raised but with respect to challenge on transfer pricing it has not appealed but will shortly apply to the competent Italian authorities for the initiation of an opening of a Mutual Agreement Procedures under Art. 6 (1) of the Arbitration Convention (Convention No. 90/436/EEC of 23 July 1990 on the elimination of double taxation in connection with the adjustment of profits of associated enterprises, implemented by Law no. 99 of 22 March 1993) and the under Mutual Agreement Procedure of Art. 26 of the Double Taxation Treaty between Italy and Great Britain. It should be noted that both the Preliminary Assessment Report and the Assessment Notice for the 2009 tax year, the tax authorities recognized that the transfer pricing documentation produced by the Company for the 2009 tax period as appropriate to provide the data and facts necessary for a complete and thorough analysis of the transfer prices as provided by Order of the

Director of the Tax Agency protocol no. 210/137654 dated 29 September 2010 and the Circular 58/E, 2010. Thus the Company was granted the benefit provided for in paragraph 2-ter art. 1 of Legislative Decree 471 of 1997, which provides that penalties will not be applied on matters relating to intra-company transfer pricing. Considering that the reasons for the assessment are completely unfounded no liabilities are expected to arise for the Company from this assessment.

No fees are paid out to the members of the Board of Directors.

The fees due to the Board of Statutory Auditors amount to INR 5,951,960 , whereas the fees due to the auditor for the yearly audit of the Financial Statements are INR 2,975,980.

for the Board of Directors

The Managing Director

JAGUAR LAND ROVER KOREA CO., LTD.

FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2013 AND 2012,
AND INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

English Translation of a Report Originally Issued in Korean

To the Shareholder and the Board of Directors of
Jaguar Land Rover Korea Co., Ltd.

We have audited the accompanying statements of financial position of JaguarLandrover Korea Co., Ltd. (the "Company"), as of December 31, 2013 and 2012, and the statements of income, changes in shareholder's equity and cash flows for the years then ended, all expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, and its results of operations and its cash flows for the years then ended in conformity with Accounting Standards for Non-Public Entities in the Republic of Korea ("KAS-NPEs").

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations, changes in shareholder's equity and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those knowledgeable about Korean accounting principles and auditing standards and their application in practice.

March 24, 2014

Notice to Readers

This report is effective as of March 24, 2014, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the auditors' report.

JAGUAR LAND ROVER KOREA CO., LTD.

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2013 AND 2012**

The accompanying financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, JaguarLandrover Korea Co., Ltd.

MCINTYRE DAVID IAIN

Chief Executive Officer

JAGUAR LAND ROVER KOREA CO., LTD.

JAGUAR LANDROVER KOREA CO., LTD.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013 AND 2012

A S S E T S	2013	2012	2013	2012
	(In Korean won)		(In Indian Rupee) (Note 2)	
CURRENT ASSETS:				
Cash and cash equivalents (Notes 11 and 19)	₩ 43,247,267,637	₩ 11,844,718,629	Rs 2,508,341,523	Rs 607,421,468
Accounts receivable - trade, net of allowance for doubtful accounts of ₩72,837,051 as of December 31, 2013 and ₩54,227,575 as of December 31, 2012 (Note 19)	7,210,868,081	5,376,640,010	418,230,349	275,725,129
Accounts receivable - other (Notes 11, 13 and 19)	2,573,363,953	731,290,387	149,255,109	37,502,071
Short-term loans (Note 19)	-	57,499,999	-	2,948,718
Accrued income (Note 19)	71,037,638	20,728,146	4,120,183	1,062,982
Advanced payments	145,406,864	168,461,638	8,433,598	8,639,058
Prepaid expenses	246,602,985	267,771,139	14,302,973	13,731,853
Current income tax assets	-	426,715,887	-	21,882,866
Prepaid special consumption tax	365,905,750	1,256,761,790	21,222,534	64,449,323
Value-added tax (VAT) receivable	-	45,606,460	-	2,338,793
Deferred income tax assets (Note 19)	1,698,135,215	879,089,722	98,491,842	45,081,524
Inventories, net (Notes 3 and 12)	67,167,106,668	62,942,441,336	3,895,692,187	3,227,817,504
Total Current Assets	122,725,694,791	84,017,725,143	7,118,090,298	4,308,601,289
NON-CURRENT ASSETS:				
Property and equipment, net (Note 4)	607,978,682	784,907,857	35,262,764	40,251,685
Leasehold deposits (Note 19)	728,433,500	671,379,500	42,249,143	34,429,718
Other deposits (Note 19)	131,410,000	131,230,000	7,621,779	6,729,744
Long-term prepaid expenses	-	30,000,000	-	1,538,462
Deferred income tax assets (Note 9)	2,697,646,303	1,805,833,143	156,463,486	92,606,828
Total Non-current Assets	4,165,468,485	3,423,350,500	241,597,172	175,556,437
TOTAL ASSETS	₩ 126,891,163,276	₩ 87,441,075,643	Rs 7,359,687,470	Rs 4,484,157,726

(Continued)

JAGUAR LANDROVER KOREA CO., LTD.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS OF DECEMBER 31, 2013 AND 2012

<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(In Korean won)		(In Indian Rupee) (Note 2)	
CURRENT LIABILITIES:				
Accounts payable - trade (Notes 11, 13 and 19)	₩ 84,133,304,021	₩ 61,211,453,145	Rs 4,879,731,633	Rs 3,139,048,879
Accounts payable - other (Notes 11 and 19)	5,782,360,724	4,219,819,322	335,376,922	216,400,991
Accrued expenses (Note 19)	6,953,770,481	3,591,871,509	403,318,688	184,198,539
Advances receipts	376,745,457	27,411,681	21,851,237	1,405,727
Withholdings	92,321,300	55,714,900	5,354,635	2,857,174
Value-added tax (VAT) payable	1,495,257,785	-	86,724,952	-
Current income tax liabilities	3,526,712,671	-	204,549,335	-
 Total Current Liabilities	 <u>102,360,472,439</u>	 <u>69,106,270,557</u>	 <u>5,936,907,402</u>	 <u>3,543,911,310</u>
NON-CURRENT LIABILITIES:				
Accrued severance indemnities, net	953,024,094	707,402,625	55,275,397	36,277,058
Warranty provision (Note 5)	11,440,322,920	7,576,534,000	663,538,729	388,540,205
 Total Non-current Liabilities	 <u>12,393,347,014</u>	 <u>8,283,936,625</u>	 <u>718,814,126</u>	 <u>424,817,263</u>
 TOTAL LIABILITIES	 <u>114,753,819,453</u>	 <u>77,390,207,182</u>	 <u>6,655,721,528</u>	 <u>3,968,728,573</u>
SHAREHOLDER'S EQUITY:				
Capital stock (Notes 1 and 6)	50,000,000	50,000,000	2,900,000	2,564,103
Additional paid-in capital (Note 6)	5,933,957,086	5,933,957,086	344,169,511	304,305,492
Retained earnings (Note 7)	6,153,386,737	4,066,911,375	356,896,431	208,559,558
 TOTAL SHAREHOLDER'S EQUITY	 <u>12,137,343,823</u>	 <u>10,050,868,461</u>	 <u>703,965,942</u>	 <u>515,429,153</u>
 TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	 <u>₩ 126,891,163,276</u>	 <u>₩ 87,441,075,643</u>	 <u>Rs 7,359,687,470</u>	 <u>Rs 4,484,157,726</u>

(Concluded)

See accompanying notes to financial statements.

JAGUAR LANDROVER KOREA CO., LTD.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012	2013	2012
	(In Korean won)		(In Indian Rupee) (Note 2)	
SALES :				
Sales of merchandise	₩ 315,202,502,909	₩ 192,072,955,726	Rs 18,281,745,169	Rs 9,849,895,165
Sales of parts	21,529,059,090	17,071,153,958	1,248,685,427	875,443,793
Total	336,731,561,999	209,144,109,684	19,530,430,596	10,725,338,958
COST OF SALES (Note 13):				
Cost of sales of merchandise	(260,058,451,822)	(150,355,895,258)	(15,083,390,206)	(7,710,558,731)
Cost of sales of parts	(14,379,046,604)	(12,081,654,823)	(833,984,703)	(619,572,042)
Total	(274,437,498,426)	(162,437,550,081)	(15,917,374,909)	(8,330,130,773)
GROSS PROFIT	62,294,063,573	46,706,559,603	3,613,055,687	2,395,208,185
SELLING AND ADMINISTRATIVE EXPENSES (Notes 4, 5, 16, 17 and 18)	32,390,982,074	24,393,529,942	1,878,676,960	1,250,950,253
OPERATING INCOME	29,903,081,499	22,313,029,661	1,734,378,727	1,144,257,932
OTHER INCOME (EXPENSES):				
Interest income	152,633,542	130,141,003	8,852,745	6,673,898
Loss on transfer price adjustment (Note 14)	(20,184,041,553)	(21,107,017,271)	(1,170,674,410)	(1,082,411,142)
Gain (Loss) on foreign currency transactions - net	(1,061,785,914)	937,872,448	(61,583,583)	48,096,023
Gain (Loss) on foreign currency translation - net	(116,465,808)	430,856,737	(6,755,017)	22,095,217
Others, net	(95,785,039)	976,394,104	(5,555,532)	50,071,493
Total	(21,305,444,772)	(18,631,752,979)	(1,235,715,797)	(955,474,511)
INCOME BEFORE INCOME TAX	8,597,636,727	3,681,276,682	498,662,930	188,783,421
INCOME TAX EXPENSE (Note 9)	6,511,161,365	712,195,837	377,647,359	36,522,863
NET INCOME	₩ 2,086,475,362	₩ 2,969,080,845	Rs 121,015,571	Rs 152,260,558
EARNINGS PER SHARE (Note 8)	₩ 208,648	₩ 296,908	Rs 12,102	Rs 15,226

See accompanying notes to financial statements.

JAGUAR LANDROVER KOREA CO., LTD.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Capital stock	Capital surplus	Retained earnings	Total shareholder's equity
	(In Korean won)			
Balance, January 1, 2012	₩ 50,000,000	₩ 5,933,957,086	₩ 1,097,830,530	₩ 7,081,787,616
Net income	-	-	2,969,080,845	2,969,080,845
Balance, December 31, 2012	₩ 50,000,000	₩ 5,933,957,086	₩ 4,066,911,375	₩ 10,050,868,461
Balance, January 1, 2013	₩ 50,000,000	₩ 5,933,957,086	₩ 4,066,911,375	₩ 10,050,868,461
Net income	-	-	2,086,475,362	2,086,475,362
Balance, December 31, 2013	₩ 50,000,000	₩ 5,933,957,086	₩ 6,153,386,737	₩ 12,137,343,823

	Capital stock	Capital surplus	Retained earnings	Total shareholder's equity
	(In Indian Rupee) (Note 2)			
Balance, January 1, 2012	Rs 2,564,103	Rs 304,305,492	Rs 56,299,000	Rs 363,168,595
Net income	-	-	152,260,558	152,260,558
Balance, December 31, 2012	Rs 2,564,103	Rs 304,305,492	Rs 208,559,558	Rs 515,429,153
Balance, January 1, 2013	Rs 2,900,000	Rs 344,169,511	Rs 235,880,860	Rs 582,950,371
Net income	-	-	121,015,571	121,015,571
Balance, December 31, 2013	Rs 2,900,000	Rs 344,169,511	Rs 356,896,431	Rs 703,965,942

See accompanying notes to financial statements.

JAGUAR LANDROVER KOREA CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012	2013	2012
	(In Korean won)		(In Indian Rupee) (Note 2)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	₩ 2,086,475,362	₩ 2,969,080,845	Rs 121,015,571	Rs 152,260,558
Expenses not involving cash outflows:				
Bad debt expense	18,609,476	1,924,875	1,079,350	98,712
Depreciation	176,929,175	95,441,128	10,261,892	4,894,417
Provision for severance indemnities	251,315,973	163,311,631	14,576,326	8,374,955
Warranty provision	8,602,534,267	5,583,832,559	498,946,987	286,350,388
Loss on foreign currency translation, net	116,465,808	-	6,755,017	-
Loss on disposal of property and equipment	-	49,214	-	2,524
Sub-total	9,165,854,699	5,844,559,407	531,619,572	299,720,996
Income not involving cash receipt:				
Gain on foreign currency translation, net	-	(430,856,737)	-	(22,095,217)
Sub-total	-	(430,856,737)	-	(22,095,217)
Changes in assets and liabilities resulting from operations:				
Accounts receivable - trade	(1,852,837,547)	(200,590,005)	(107,464,578)	(10,286,667)
Accounts receivable - other	(1,814,612,763)	(407,157,050)	(105,247,540)	(20,879,849)
Accrued income	(50,309,492)	3,436,081	(2,917,951)	176,209
Advanced payments	23,054,774	(4,118,606)	1,337,177	(211,211)
Prepaid expenses	51,168,154	(161,616,631)	2,967,753	(8,288,032)
Prepaid special consumption tax	890,856,040	(605,424,194)	51,669,650	(31,047,395)
Value-added tax (VAT) receivable	45,606,460	(45,606,460)	2,645,175	(2,338,793)
Deferred income tax assets, net	(1,710,858,653)	413,822,304	(99,229,802)	21,221,657
Current income tax assets	426,715,887	(426,715,887)	24,749,521	(21,882,866)
Inventories	(4,224,665,332)	(20,024,122,287)	(245,030,589)	(1,026,878,066)
Accounts payable - trade	22,775,395,191	25,911,992,526	1,320,972,921	1,328,820,130
Accounts payable - other	1,565,070,476	2,599,078,697	90,774,088	133,286,087
Accrued expenses	3,361,898,972	(6,909,495,527)	194,990,140	(354,333,104)
Advances receipts	349,333,776	(74,020,619)	20,261,359	(3,795,929)
Withholdings	36,606,400	(16,889,630)	2,123,171	(866,135)
Value-added tax (VAT) payable	1,495,257,785	(148,351,687)	86,724,952	(7,607,779)
Current income tax liabilities	3,526,712,671	(1,513,170,704)	204,549,335	(77,598,498)
Payments of severance indemnities	(5,694,504)	(109,674,663)	(330,281)	(5,624,342)
Warranty provision	(4,738,745,347)	(2,851,357,612)	(274,847,230)	(146,223,467)
Sub-total	20,149,952,948	(4,569,981,954)	1,168,697,271	(234,358,050)
Net cash provided by operating activities	31,402,283,009	3,812,801,561	1,821,332,414	195,528,287

(Continued)

JAGUAR LANDROVER KOREA CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012	2013	2012
	(In Korean won)		(In Indian Rupee) (Note 2)	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash inflows from investing activities:				
Collection of short-term loans	₩ 57,499,999	₩ 76,666,668	Rs 3,335,000	Rs 3,931,624
Decrease in leasehold deposits	-	131,468,220	-	6,741,960
Sub-total	<u>57,499,999</u>	<u>208,134,888</u>	<u>3,335,000</u>	<u>10,673,584</u>
Cash outflows for investing activities:				
Acquisition of property and equipment	-	(714,001,298)	-	(36,615,451)
Increase in leasehold deposits	(57,054,000)	(411,379,500)	(3,309,132)	(21,096,385)
Increase in other deposits	(180,000)	(1,090,000)	(10,440)	(55,897)
Sub-total	<u>(57,234,000)</u>	<u>(1,126,470,798)</u>	<u>(3,319,572)</u>	<u>(57,767,733)</u>
Net cash provided by (used in) investing activities	<u>265,999</u>	<u>(918,335,910)</u>	<u>15,428</u>	<u>(47,094,149)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Cash inflows from financing activities:	-	-	-	-
Cash inflows from financing activities:	-	-	-	-
Net cash provided by financing activities	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	31,402,549,008	2,894,465,651	1,821,347,842	148,434,138
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>11,844,718,629</u>	<u>8,950,252,978</u>	<u>686,993,681</u>	<u>458,987,330</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 10)	<u><u>₩ 43,247,267,637</u></u>	<u><u>₩ 11,844,718,629</u></u>	<u><u>Rs 2,508,341,523</u></u>	<u><u>Rs 607,421,468</u></u>

(Concluded)

See accompanying notes to financial statements.

JAGUARLANDROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

1. GENERAL:

JaguarLandrover Korea Co., Ltd. (the “Company”), was incorporated on October 1, 2008, through the spin-off from Premier Automotive Group Korea Co., Ltd. (“PAG Korea”), under the Foreign Capital Inducement Law of the Republic of Korea in order to engage in the import and distribution of Jaguar and Landrover brand vehicles and parts of vehicle in Korea. As of December 31, 2013, the Company’s total issued common stock amounted to ₩50,000 thousand (Rs2,900 thousand) and the Company is wholly owned by Jaguar Land Rover Limited, a UK corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements are scheduled to be approved at the Company’s shareholder’s meeting on March 31, 2014.

The significant accounting policies followed by the Company in preparation of the financial statements are as follows.

a. Basis of Presentation

The Company maintains its official accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in conformity with accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with accounting principles generally accepted in other countries. Accordingly, these financial statements are intended for use by those who are informed about Accounting Standards for Non-Public Entities in the Republic of Korea (KAS-NPEs). The accompanying financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Company’s financial position, results of operations, changes in shareholder’s equity or cash flows, is not presented in the accompanying financial statements.

The financial information is expressed in Korean won only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate KRW 1 = Rs 0.058 and Rs

0.051 for the years ended December 31, 2013 and 2012, respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

b. Cash Equivalents

Cash equivalents are highly liquid investments and short-term financial instruments with maturities of three months or less from the acquisition date, which are readily convertible without significant transaction cost and do not have significant risk of changes in interest rates.

c. Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts to cover estimated losses on receivables based on management's analysis of the collectibility of individual outstanding receivables.

d. Inventories

Inventories are stated at the lower of cost or net realizable value, with cost being determined using the weighted-average method, except for parts for which cost is determined using the moving-average method and inventory in transit for which cost is determined using the specific identification method. The Company maintains perpetual inventory system, which is adjusted to physical inventory counts performed at year-end.

When the net realizable value of inventories is less than the acquisition cost, the carrying amount is reduced to the net realizable value and any difference is charged to current operations. In that case, the situation that caused the loss on valuation of inventories is dissolved; new market value is more than the carrying amount; and the carrying amount is increased to the new market value, until it does not exceed the original acquisition cost.

e. Property and Equipment

Property and equipment are stated at cost (acquisition cost or manufacturing cost, plus expenditure directly related to preparing the asset ready for use in time for a place, net of sales discount given) and assets acquired from investment in-kind, by donation or free of charge are stated at fair value. When an asset is exchanged for a similar-kind asset, the asset received is stated at the carrying value of the asset given. When an asset is exchange for a different-kind asset, the asset received is stated at the fair value of the asset given. When there is uncertainty as to the fair value of the asset given, the asset received is recorded at its fair value.

If the costs incurred after acquisition or completion increase the future economic benefit of an asset, such costs are capitalized. If the costs can be objectively measured and incurred to replace an existing asset, the exiting asset is removed from the financial statements. Costs incurred to repair and maintain assets are expensed as incurred.

Property and equipment are depreciated using the straight-line method from the time when the assets are ready for use (ready for their intended use by the management in time and place) over their economic useful lives summarized below. Depreciation expense is recognized as manufacturing cost if it relates to manufactured goods or as selling and administrative expense for all other cases, as incurred.

	<u>Useful lives (years)</u>
Leasehold equipment	5
Office equipment	5

f. Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of assets, except for financial assets, inventories, assets generated from construction contracts, deferred tax assets, biological assets and non-current assets of discontinued operations to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying value of the asset is reduced to its recoverable amount, and an impairment loss is immediately recorded in profit or loss. If a tangible asset (an individual asset or cash-generating unit) has impairment indication and cash flow from disposition of asset is less than its carrying amount, the carrying value of the asset is reduced to the net proceed on disposition, and an impairment loss is immediately recorded in profit or loss.

Also, in regard of impairment loss indicators, assets not in use and assets held for future use are estimated for recoverable amounts.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of goodwill is estimated to be less than its carrying amount, an impairment loss is allocated to reduce the carrying value of the goodwill, and then allocated to reduce the carrying value of individual assets (or cash-generating unit(s)). The allocated amounts to individual assets cannot be lower than the larger of estimated recovered amount, value in use amount or zero.

g. Translation of Assets and Liabilities Denominated in Foreign Currency

Monetary assets and liabilities denominated in foreign currency are translated into Korean won at the internal exchange rates (₩1,061.72 and ₩1,066.59 to USD 1.00 and ₩1,754.39 and ₩1,724.14 to GBP 1.00) at December 31, 2013 and 2012, respectively. Gains or losses arising from foreign currency transactions and the translation of foreign currency assets and liabilities are charged or credited to current operations. The rate announced by Seoul Money Brokerage Services, Ltd. was ₩1,055.30 and ₩1,071.10 to USD 1.00 and ₩1,740.66 and ₩1,730.95 to GBP 1.00 at December 31, 2013 and 2012, respectively.

h. Accrued Severance Indemnities

In accordance with the Company's policy, all employees with more than one year of service are entitled to receive severance indemnity payments upon termination of their employment, based on their current rate of salary and length of service. The accrual for severance indemnities is determined based on the amount that would be payable assuming all employees were to terminate at the date of reporting period-end.

Actual payment for severance indemnities amounted to ₩5,695 thousand (Rs330 thousand) and ₩109,675 thousand (Rs5,624 thousand) for the years ended December 31, 2013 and 2012, respectively.

i. Warranty Provision

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is highly likely that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranty costs, which are estimated to be incurred, are provided at the time of sale of the merchandise.

j. Accounting for Lease

A lease is classified as a finance lease or an operating lease depending on the extent of transfer of the risk and rewards incidental to ownership to the Company. If a lease meets any one of the following criteria, it is accounted for as a finance lease:

- The lease transfers ownership of the property to the lessee by the end of the lease term;
- The lease contains an option to purchase the leased property at a bargain price;
- The lease term is for the major part of the assets even if title is not transferred;
- At the inception of the lease present value of the leased assets; or
- The leased assets are of such a specialized nature that only the lease can use them without major modification.

All other leases are accounted for as operating leases.

For operating leases, rental expense is recognized on the straight-line basis over the lease term in the statement of operations and contingent rent is recorded as incurred.

k. Revenue Recognition

Revenue is recognized at the collected price or the collectible price, less sales discount or sales returns, when goods or products sold are delivered.

l. Income Tax Expense

The Company recognizes deferred income tax assets or liabilities for the temporary differences between the carrying amount of an asset and liability for the financial reporting purposes and the amounts used for income tax purposes. A deferred tax liability is generally recognized for all taxable temporary differences with some exceptions and a deferred tax asset is recognized to the extent when it is probable that taxable income will be available against which the deductible temporary difference can be utilized in the future. Deferred income tax asset (liability) is classified as a current or non-current asset (liability) depending on the classification of related asset (liability) in the statements of financial position. Deferred income tax asset (liability), which does not relate to a specific asset (liability) account in the statement of financial position, such as a deferred income tax asset recognized for tax loss carryforwards, is classified as a current or non-current asset (liability) depending on the expected reversal period. Deferred income tax assets and liabilities in the same tax jurisdiction and in the same current or non-current classification are presented on a net basis. Current and deferred income tax expenses are included in income tax expense in the statements of income and additional income tax or tax refunds for the prior periods are included in income tax expense for the current period when recognized. However, income tax resulting from transactions or events, which was directly recognized in shareholder's equity in current or prior periods, or business combinations is directly adjusted to equity account or goodwill (or a gain from a bargain purchase in business combination).

3. INVENTORIES:

Details of inventories as of December 31, 2013 and 2012 are as follows (In thousands of Korean won and in thousands of Indian rupee):

	<u>2013</u>		<u>2012</u>		<u>2013</u>		<u>2012</u>	
Merchandise	₩	18,698,523	₩	13,088,199	Rs	1,084,515	Rs	671,190
Parts		8,143,439		5,745,403		472,319		294,637
Inventory in transit		40,716,781		44,547,291		2,361,573		2,284,476
Valuation reserve		<u>(391,636)</u>		<u>(438,452)</u>		<u>(22,715)</u>		<u>(22,485)</u>
Total	₩	<u>67,167,107</u>	₩	<u>62,942,441</u>	Rs	<u>3,895,692</u>	Rs	<u>3,227,818</u>

Details of losses on valuation for the years ended December 31, 2013 and 2012 are as follows (In thousands of Korean won and in thousands of Indian rupee):

	<u>Year ended December 31</u>		<u>Year ended December 31</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Losses on valuation	₩ 101,948	₩ 148,764	Rs 5,913	Rs 7,629
Reversal of losses on valuation	<u>-</u>	<u>(93,832)</u>	<u>-</u>	<u>(4,812)</u>
Total	<u>₩ 101,948</u>	<u>₩ 54,932</u>	<u>Rs 5,913</u>	<u>Rs 2,817</u>

4. PROPERTY AND EQUIPMENT:

As of December 31, 2013 and 2012, property and equipment consist of the following (In thousands of Korean won and in thousands of Indian rupee):

	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Leasehold equipment	₩ 523,262	₩ 523,262	Rs 30,349	Rs 26,834
Office equipment	<u>733,950</u>	<u>733,950</u>	<u>42,570</u>	<u>37,638</u>
Total	1,257,212	1,257,212	72,919	64,472
Less accumulated depreciation	<u>(649,233)</u>	<u>(472,304)</u>	<u>(37,656)</u>	<u>(24,220)</u>
Net	<u>₩ 607,979</u>	<u>₩ 784,908</u>	<u>Rs 35,263</u>	<u>Rs 40,252</u>

Changes in property and equipment for the years ended December 31, 2013 and 2012, are as follows (In thousands of Korean won and in thousands of Indian rupee):

2013

	<u>January 1, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Depreciation</u>	<u>December 31, 2013</u>
Leasehold equipment	₩ 446,484	₩ -	₩ -	(₩ 96,652)	₩ 349,832
Office equipment	<u>338,424</u>	<u>-</u>	<u>-</u>	<u>(80,277)</u>	<u>258,147</u>
Total	<u>₩ 784,908</u>	<u>₩ -</u>	<u>₩ -</u>	<u>(₩ 176,929)</u>	<u>₩ 607,979</u>

	<u>January 1, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Depreciation</u>	<u>December 31, 2013</u>
Leasehold equipment	Rs 25,897	Rs -	Rs -	(Rs 5,607)	Rs 20,290
Office equipment	<u>19,628</u>	<u>-</u>	<u>-</u>	<u>(4,655)</u>	<u>14,973</u>
Total	<u>Rs 45,525</u>	<u>Rs -</u>	<u>Rs -</u>	<u>(Rs 10,262)</u>	<u>Rs 35,263</u>

2012

	January 1,				December 31,	
	2012	Increase	Decrease	Depreciation	2012	
Leasehold equipment	₩ 29,749	₩ 460,462	₩ -	(₩ 43,727)	₩ 446,484	
Office equipment	<u>136,647</u>	<u>253,540</u>	<u>(49)</u>	<u>(51,714)</u>	<u>338,424</u>	
Total	₩ 166,396	₩ 714,002	₩ (49)	(₩ 95,441)	₩ 784,908	

	January 1,				December 31,					
	2012		Increase		Decrease		Depreciation		2012	
Leasehold equipment	Rs	1,526	Rs	23,613	Rs	-	(Rs	2,242)	Rs	22,897
Office equipment		<u>7,008</u>		<u>13,002</u>		<u>(3)</u>		<u>(2,652)</u>		<u>17,355</u>
Total	Rs	8,534	Rs	36,615	Rs	(3)	(Rs	4,894)	Rs	40,252

5. WARRANTY PROVISION:

Changes in warranty provision for the years ended December 31, 2013 and 2012 are as follows (In thousands of Korean won and in thousands of Indian rupee):

	2013	2012	2013	2012
Beginning balance	₩ 7,576,534	₩ 4,844,059	Rs 439,439	Rs 248,413
Provision	8,602,534	5,583,833	498,947	286,350
Usage	<u>(4,738,745)</u>	<u>(2,851,358)</u>	<u>(274,847)</u>	<u>(146,223)</u>
Ending balance	<u>₩11,440,323</u>	<u>₩ 7,576,534</u>	<u>Rs 663,539</u>	<u>Rs 388,540</u>

6. CAPITAL STOCK:

Details of capital stock as of December 31, 2013 and 2012 are as follows (In Korean won):

	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Authorized shares	40,000 shares	40,000 shares	40,000 shares	40,000 shares
Issued and outstanding shares:				
Common stock	<u>10,000 shares</u>	<u>10,000 shares</u>	<u>10,000 shares</u>	<u>10,000 shares</u>
Par value	<u>₩ 5,000</u>	<u>₩ 5,000</u>	<u>Rs 290</u>	<u>Rs 256</u>
Capital stock	<u>₩ 50,000,000</u>	<u>₩ 50,000,000</u>	<u>Rs 2,900,000</u>	<u>Rs 2,564,103</u>

There were no changes in capital stock for the years ended December 31, 2013 and 2012.

As of December 31, 2013 and 2012, additional paid-in capital of ₩5,933,957 thousand (Rs344,170 thousand and Rs304,305 thousand, respectively) represents book value of net assets that exceeded capital stock at spin-off date.

7. RETAINED EARNINGS:

The appropriation of retained earnings for the years ended December 31, 2013 and 2012 is as follows (In thousands of Korean won and in thousands of Indian rupee):

	Korean won		Indian rupee	
	2013	2012	2013	2012
RETAINED EARNINGS BEFORE APPROPRIATIONS:				
Unappropriated retained earnings carried over from prior year	₩ 4,066,911	₩ 1,097,831	Rs 235,880	Rs 56,299
Net income	<u>2,086,476</u>	<u>2,969,080</u>	<u>Rs 121,016</u>	<u>Rs 152,261</u>
End of year	6,153,387	4,066,911	Rs 356,896	Rs 208,560
APPROPRIATION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEAR	<u>₩ 6,153,387</u>	<u>₩ 4,066,911</u>	<u>Rs 356,896</u>	<u>Rs 208,560</u>

8. **EARNINGS PER SHARE:**

Basic net income per share for the years ended December 31, 2013 and 2012 is calculated as follows (In Korean won and in Indian rupee):

	<u>2013</u>		<u>2012</u>	
Net income	₩	2,086,475,362	₩	2,969,080,845
	(Rs	121,015,571)	(Rs	152,260,558)
Number of common share outstanding		<u>10,000</u>		<u>10,000</u>
Earnings per share	₩	208,648	₩	296,908
	(Rs	<u>12,102</u>	(Rs	<u>15,226</u>)

9. **INCOME TAX:**

(1) Details of income tax expense

Income tax expense for the years ended December 31, 2013 and 2012 is as follows (In thousands of Korean won and in thousands of Indian rupee):

	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Income tax currently payable	₩ 3,667,168	₩ 298,374	Rs 212,696	Rs 15,301
Changes in deferred tax assets (Note)	(1,710,859)	413,822	(99,230)	21,222
Additional income tax for prior periods	<u>4,554,852</u>	<u>-</u>	<u>264,181</u>	<u>-</u>
Income tax expense	<u>₩ 6,511,161</u>	<u>₩ 712,196</u>	<u>Rs 377,647</u>	<u>Rs 36,523</u>

(Note) Changes in deferred tax assets related to temporary differences for the years ended December 31, 2013 and 2012, are as follows (in thousands of Korean won and in thousands of Indian rupee):

	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Beginning of year	₩ 2,684,923	₩ 3,098,745	Rs 155,725	Rs 158,910
End of year	<u>(4,395,782)</u>	<u>(2,684,923)</u>	<u>(254,955)</u>	<u>(137,688)</u>
Changes in deferred tax assets	<u>(₩1,710,859)</u>	<u>₩ 413,822</u>	<u>(Rs 99,230)</u>	<u>Rs 21,222</u>

(2) Reconciling items between income before tax and income tax expense

Reconciling items between income before tax and income tax expense for the years ended December 31, 2013 and 2012, are as follows (In thousands of Korean won and in thousands of Indian rupee):

	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Income before income tax expense	₩ 8,597,637	₩ 3,681,277	Rs 498,663	Rs 188,783
Statutory tax rate	<u>22.0%</u>	<u>22.0%</u>	<u>22.0%</u>	<u>22.0%</u>
Income tax expense at statutory rate	1,869,480	787,881	108,430	40,404
Adjustments (Note)	<u>4,641,681</u>	<u>(75,685)</u>	<u>269,217</u>	<u>(3,881)</u>
Income tax expense	<u>₩ 6,511,161</u>	<u>₩ 712,196</u>	<u>Rs 377,647</u>	<u>Rs 36,523</u>
Effective tax rate	<u>75.73%</u>	<u>19.35%</u>	<u>75.73%</u>	<u>19.35%</u>

(Note) Adjustment items between income tax expense at statutory tax rate and the recorded tax expense for the years ended December 31, 2013 and 2012, are as follows (In thousands of Korean won and in thousands of Indian rupee):

	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Non-deductible expenses	₩ 102,721	(₩ 44,883)	Rs 5,958	(Rs 2,302)
Additional income tax for prior periods	4,554,852	-	264,181	-
Others	<u>(15,892)</u>	<u>(30,802)</u>	<u>(Rs 922)</u>	<u>(Rs 1,579)</u>
Total	<u>₩ 4,641,681</u>	<u>(₩ 75,685)</u>	<u>Rs 269,217</u>	<u>(Rs 3,881)</u>

(3) Accumulated temporary differences and deferred tax assets as of December 31, 2013 and 2012, are as follows (In thousands of Korea won and in thousands of Indian rupee):

	2013	2012	2013	2012
Beginning of year, net	₩ 12,204,194	₩ 14,085,205	Rs 707,843	Rs 722,318
Increase (Decrease) in the current year (Note 2)	7,776,632	(1,881,011)	451,045	(96,462)
End of year, net	19,980,826	12,204,194	1,158,888	625,856
Statutory tax rate (Note 1)	22.0%	22.0%	22.0%	22.0%
Deferred tax assets	₩ 4,395,782	₩ 2,684,923	Rs 254,955	Rs 137,688
Current assets	₩ 1,698,136	₩ 879,090	Rs 98,492	Rs 45,082
Non-current assets	2,697,646	1,805,833	156,463	92,606
Deferred tax assets	₩ 4,395,782	₩ 2,684,923	Rs 254,955	Rs 137,688

(Note 1) The marginal tax rate, which is expected to be applied in the period in which the related temporary differences are expected to reverse, was used for the measurement of deferred tax assets and deferred tax liabilities.

(Note 2) The adjusted amount of deferred tax assets as of December 31, 2012 for final tax adjustment is reflected to increase (decrease) in the current year.

10. STATEMENT OF CASH FLOWS:

The Company's statement of cash flows is prepared using the indirect method. No significant transactions involving the inflow or outflow of cash for the years ended December 31, 2013 and 2012, are noted. The cash and cash equivalents in the statements of cash flows are the same as the cash and cash equivalents in the statements of financial position.

11. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES:

The details of monetary assets and liabilities denominated in foreign currencies as of December 31, 2013 and 2012 are as follows (In thousands of Korean won and in thousands of Indian rupee and foreign currencies):

Accounts	2013						2012					
	Foreign currencies		Korean won equivalent		Indian rupee equivalent		Foreign currencies		Korean won equivalent		Indian rupee equivalent	
<u>Assets:</u>												
Cash and cash equivalents	GBP	28,322	₩	49,687	Rs	2,882	GBP	314,436	₩	542,131	Rs	27,802
Accounts receivable -other	US\$	671		713		42	US\$	-		-		-
Accounts receivable -other	GBP	1,153,764		2,024,147		117,401	GBP	392,864		677,179		34,727
Accounts receivable -other	EUR	-		-		-	EUR	167		236		12
	GBP	1,182,085	₩	2,073,834	Rs	120,283	GBP	707,300	₩	1,219,248	Rs	62,529
	US\$	671		713		42	US\$	671		-		-
Total	EUR	-		-		-	EUR	-		236		12
<u>Liabilities:</u>												
Accounts payable - trade	US\$	68,335,658	₩	72,553,287	Rs	4,208,091	US\$	55,662,573	₩	59,368,934	Rs	3,044,561
Accounts payable - trade	GBP	1,478,106		2,593,169		150,404	GBP	1,021,164		1,761,476		90,332
Accounts payable - trade	EUR	76,864		112,366		6,517	EUR	-		-		-
Accounts payable - other	US\$	141,685		150,429		8,725	US\$	-		-		-
Accounts payable - other	GBP	669		1,173		68	GBP	121,378		209,274		10,732
Accounts payable - other	AUD	16,262		15,397		893	AUD	-		-		-
	GBP	1,478,775	₩	2,594,342	Rs	150,472	GBP	1,142,542	₩	1,970,750	Rs	101,064
	US\$	68,477,343		72,703,716		4,216,816	US\$	55,662,573		59,368,934		3,044,561
	EUR	76,864		112,366		6,517	EUR	-		-		-
Total	AUD	16,262		15,397		893	AUD	-		-		-

12. INSURANCE:

Insured coverage carried by the Company as of December 31, 2013 is as follows (In thousands of Korean won and in thousands of Indian rupee):

Insured	Insured coverage	Insured period	Insurance company
Commercial general liability	1,738,500 (Rs 100,833)	2013.6.1 ~ 2014.5.31	Mitsui Sumitomo Insurance
Insurance on goods	7,859,682 (Rs 455,862)	2013.6.1 ~ 2014.5.31	AIG Insurance
Property package Insurance	63,744 (Rs 3,697)	2013.6.1 ~ 2014.6.1	Hyundai Marine & Fire Insurance

The Company carries comprehensive insurance for its vehicles with Samsung Fire and Marine insurance Co., Ltd.

13. TRANSACTIONS WITH RELATED PARTIES:

Significant transactions and account balances with related parties as of and for the years ended December 31, 2013 and 2012 are as follows (In thousands of Korean won and in thousands of Indian rupee):

Description	Related parties	2013	2012	2013	2012
Transactions:					
Purchases and other	Jaguar Land Rover Ltd.	₩309,238,502	₩205,659,185	Rs17,935,833	Rs 10,546,625
Accounts balances:					
Accounts receivable - other (Note)	Jaguar Land Rover Ltd.	₩ 2,024,879	₩ 665,822	Rs 117,443	Rs 34,145
Accounts payable - trade and other	Jaguar Land Rover Ltd.	₩ 83,147,763	₩ 60,733,616	Rs 4,822,570	Rs 3,114,544

(Note) The amounts represent accounts receivable related to warranty cost.

14. LOSS ON TRANSFER PRICE ADJUSTMENT:

The Company purchased most of inventories from related parties, Jaguar Land Rover Ltd. Transfer price adjustment received (paid) from related parties are accounted for as other income (expenses).

15. COMMITMENTS AND CONTINGENCIES:

(1) Dealer sales and service agreement

As of December 31, 2013, the Company has entered into dealer sales and service agreements with 11 companies, including Chunil Automobile, KCC Automobile and others.

(2) Guarantee provided

As of December 31, 2013, the Company is provided with payment guarantee up to ₩59,000 thousand (Rs3,422 thousand) by Seoul Guarantee Insurance.

(3) Financial agreement with financial institutions

As of December 31, 2013, the Company has entered into a borrowing agreement with Hana Bank up to ₩2,000,000 thousand (Rs116,000 thousand). The expiration date of the agreement is December 31, 2014.

16. OPERATING LEASE:

The Company has entered into operating lease agreements with Hana Capital Inc. Operating lease expense amounted to ₩114,347 thousand for the year ended December 31, 2013. The payment schedule of the Company's operating lease as of December 31, 2013, is as follows (In thousands of Korean won and in thousands of Indian rupee):

<u>Years ending December 31,</u>	<u>Local currency lease</u>		<u>Indian rupee</u>	
2014	₩	14,447	Rs	838
2015	₩	15,890	Rs	922
Total	₩	30,337	Rs	1,760

17. VALUE-ADDED INFORMATION:

Details of valued-added information included in selling and administrative expense for the years ended December 31, 2013 and 2012, are as follows (In thousands of Korean won and in thousands of Indian rupee):

Description	2013		2012		2013		2012	
Salary	₩	3,006,178	₩	1,503,073	Rs	174,358	Rs	77,081
Provision for severance indemnities		251,316		163,312		14,576		8,375
Employee welfare		757,984		583,951		43,963		29,946
Rent		991,634		747,731		57,515		38,345
Depreciation		176,929		95,441		10,262		4,894
Taxes and dues		461,615		38,877		26,774		1,994
Total	₩	<u>5,645,656</u>	₩	<u>3,132,385</u>	Rs	<u>327,448</u>	Rs	<u>160,635</u>

18. SELLING AND ADMINISTRATIVE EXPENSES:

Selling and administrative expenses for the years ended December 31, 2013 and 2012 are as follows (In thousands of Korean won and in thousands of Indian rupee):

	2013	2012	2013	2012
Salary	₩ 3,006,178	₩1,503,072	Rs 174,358	Rs 77,081
Provision for severance indemnities	251,316	163,312	14,576	8,375
Employee welfare	757,984	583,951	43,963	29,946
Education	61,178	10,021	3,548	514
Contribution to warranty provision	8,602,534	5,583,833	498,947	286,350
Vehicle maintenance	741,464	720,192	43,005	36,933
Fee	2,154,292	3,939,502	124,949	202,026
Transportation	33,026	43,133	1,916	2,212
Supplies	405,106	248,820	23,496	12,760
Repairs and maintenance	250,288	164,175	14,517	8,419
Depreciation	176,929	95,441	10,262	4,894
Communication	132,577	141,917	7,689	7,278
Rent	991,634	747,731	57,515	38,345
Travel	715,228	387,757	41,483	19,885
Insurance	60,048	68,067	3,483	3,491
Entertainment	156,043	127,016	9,050	6,514
Taxes and dues	461,615	38,877	26,774	1,994
Membership fee	85,160	73,826	4,939	3,786
Advertising	5,985,277	4,238,619	347,146	217,365
Promotion	7,344,496	5,495,987	425,982	281,845
Bad debt	18,609	1,925	1,079	99
Others	-	16,356	-	838
Total	<u>₩32,390,982</u>	<u>₩24,393,530</u>	<u>Rs1,878,677</u>	<u>Rs1,250,950</u>

19. FINANCIAL INSTRUMENTS:

As of December 31, 2013 and 2012, details of financial instruments are as follows (In thousands of Korean won and in thousands of Indian rupee) :

	<u>2013</u>		<u>2012</u>		<u>2013</u>		<u>2012</u>	
Financial assets :								
Cash and cash equivalents	₩	43,247,268	₩	11,844,719	Rs	2,508,342	Rs	607,421
Accounts receivable-trade, net		7,210,868		5,376,640		418,230		275,725
Accounts receivable-other		2,573,364		731,290		149,255		37,502
Short-term loans		-		57,500		-		2,949
Accrued income		71,038		20,728		4,120		1,063
Leasehold deposits		728,434		671,380		42,249		34,430
Other deposits		131,410		131,230		7,622		6,730
Total financial assets	₩	53,962,382	₩	18,833,487	Rs	3,129,818	Rs	965,820
Financial liabilities :								
Accounts payable-trade	₩	84,133,304	₩	61,211,453	Rs	4,879,732	Rs	3,139,049
Accounts payable-other		5,782,361		4,219,819		335,377		216,401
Accrued expenses		6,953,770		3,591,871		403,319		184,199
Total financial liabilities	₩	96,869,435	₩	69,023,143	Rs	5,618,428	Rs	3,539,649

Contractual maturities of the Company's financial liabilities as of December 31, 2013 and 2012 are as follows (In thousands of Korean won and in thousands of Indian rupee):

2013

	<u>Under 3 months</u>		<u>3 months-1 year</u>		<u>Total</u>	
Accounts payable-trade	₩	-	₩	84,133,304	₩	84,133,304
Accounts payable-other		5,782,361		-		5,782,361
Accrued expenses		6,953,770		-		6,953,770
	₩	12,736,131	₩	84,133,304	₩	96,869,435
	<u>Under 3 months</u>		<u>3 months-1 year</u>		<u>Total</u>	
Accounts payable-trade	Rs	-	Rs	4,879,732	Rs	4,879,732
Accounts payable-other		335,377		-		335,377
Accrued expenses		403,319		-		403,319
	Rs	738,696	Rs	4,879,732	Rs	5,618,428

2012

	<u>Under 3 months</u>	<u>3 months–1 year</u>	<u>Total</u>
Accounts payable-trade	₩ -	₩ 61,211,453	₩ 61,211,453
Accounts payable-other	4,219,819	-	4,219,819
Accrued expenses	<u>3,591,871</u>	<u>-</u>	<u>3,591,871</u>
	<u>₩ 7,811,690</u>	<u>₩ 61,211,453</u>	<u>₩ 69,023,143</u>

	<u>Under 3 months</u>	<u>3 months–1 year</u>	<u>Total</u>
Accounts payable-trade	Rs -	Rs 3,139,049	Rs 3,139,049
Accounts payable-other	216,401	-	216,401
Accrued expenses	<u>184,199</u>	<u>-</u>	<u>183,199</u>
	<u>Rs 400,600</u>	<u>Rs 3,139,049</u>	<u>Rs 3,539,649</u>

The Company establishes short-term and long-term fund management plans. The Company then analyzes and reviews actual cash outflow and its budget to match the maturity profiles of financial assets and liabilities. Management of the Company believes that financial liability may be redeemed by cash flow arising from operating activities and financial assets.

**JAGUAR LAND ROVER AUTOMOTIVE
TRADING (SHANGHAI) CO., LTD.**

Annual Report 2013 – 14

JAGUAR LAND ROVER AUTOMOTIVE TRADING (SHANGHAI) CO., LTD.

FINANCIAL STATEMENTS AND AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

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AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF JAGUAR LAND ROVER AUTOMOTIVE TRADING
(SHANGHAI) CO., LTD.

We have audited the accompanying financial statements of Jaguar Land Rover Automotive Trading (Shanghai) Co., Ltd. (the "Company"), which comprise the balance sheet as of 31 December 2013, and the related income statement and cash flow statement for the year then ended, and the notes to the financial statements.

1. Management's responsibility for the financial statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing the financial statements in accordance with the Accounting Standards for Business Enterprises and the Accounting System for Business Enterprises to achieve fair presentation of the financial statements; (2) designing, implementing and maintaining internal control that is necessary to enable the financial statements that are free from material misstatement, whether due to fraud or error.

2. Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. Those standards require that we comply with the Code of Ethics for Chinese Certified Public Accountants and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

3. Opinion

In our opinion, the financial statements of the Company have been prepared in accordance with Accounting Standards for Business Enterprise and the Accounting System for Business Enterprise, and present fairly, in all material respect, the financial position as of 31 December 2013, and the results of its operations and cash flows for the year then ended.

Deloitte Touche Tohmatsu CPA LLP
Shanghai, China

Chinese Certified Public Accountant
Hua Cheng Jie
Zhu Zhe

7 May 2014

The auditors' report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

JAGUAR LAND ROVER AUTOMOTIVE TRADING (SHANGHAI) CO., LTD.

BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2013

<u>ASSET</u>	<u>NOTES</u>	<u>31/12/2013</u> INR	<u>31/12/2012</u> INR
CURRENT ASSETS :			
Bank balances and cash	4	34,887,178,638.19	38,940,131,470.65
Short-term investments	5	8,161,600,000.00	-
Interest receivables		302,038,816.41	312,770,374.43
Accounts receivable	6	684,450,475.14	1,434,039,339.50
Prepayments		32,150,653,538.22	44,339,556,753.41
Other receivables	7	59,852,099,168.62	4,169,216,924.43
Inventories	8	43,751,032,690.46	14,604,694,210.02
Prepaid Expenses		35,109,029.97	13,285,146.89
Total current assets		<u>179,824,162,357.01</u>	<u>103,813,694,219.33</u>
LONG-TERM INVESTMENT :			
Long-term equity investments	9	<u>8,289,125,000.00</u>	<u>-</u>
NON-CURRENT ASSETS :			
Fixed assets – cost	10	3,557,909,490.91	2,254,420,482.92
Less: Accumulated depreciation	10	<u>912,727,614.04</u>	<u>519,826,147.50</u>
Fixed assets - net book value	10	<u>2,645,181,876.87</u>	<u>1,734,594,335.42</u>
Total fixed assets		<u>2,645,181,876.87</u>	<u>1,734,594,335.42</u>
INTANGIBLE ASSETS AND OTHER ASSETS			
Intangible assets	11	<u>431,404,924.01</u>	<u>218,405,309.95</u>
TOTAL ASSETS		<u><u>191,189,874,157.89</u></u>	<u><u>105,766,693,864.70</u></u>

(Continued)

JAGUAR LAND ROVER AUTOMOTIVE TRADING (SHANGHAI) CO., LTD.

<u>LIABILITIES AND OWNER'S EQUITY</u>	<u>NOTES</u>	<u>31/12/2013</u> INR	<u>31/12/2012</u> INR
CURRENT LIABILITIES :			
Accounts payable		17,930,642,568.16	8,555,667,391.93
Advances from customers		3,248,001,076.87	8,313,091,425.08
Salaries and wages payable		178,535,000.00	92,190,000.00
Taxes payable	12	9,242,668,624.35	12,128,876,716.19
Other payables		20,999,858,025.16	13,538,049,910.39
Accrued expenses		40,585,881,414.50	31,070,203,368.98
Total current liabilities		92,185,586,709.04	73,698,078,812.57
Total liabilities		92,185,586,709.04	73,698,078,812.57
OWNER'S EQUITY:			
Paid-in capital	13	683,617,248.32	588,331,644.80
Surplus reserves	14	341,808,624.16	294,165,822.40
Retained earnings	15	97,978,861,576.37	31,186,117,584.93
Total owners' equity		99,004,287,448.85	32,068,615,052.13
TOTAL LIABILITIES AND OWNERS' EQUITY		191,189,874,157.89	105,766,693,864.70

The accompanying notes are part of the financial statements.

The financial statements on pages 3 to 23 were signed by the following:

Head of the Company:

Chief Financial Officer:

Head of Accounting Department:

JAGUAR LAND ROVER AUTOMOTIVE TRADING (SHANGHAI) CO., LTD.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

<u>Items</u>	<u>NOTES</u>	<u>Year ended</u> <u>31/12/2013</u> INR	<u>Year ended</u> <u>31/12/2012</u> INR
Revenue	16	631,139,829,076.44	437,930,628,625.95
Less : Cost of sales	17	522,587,759,317.41	369,204,648,183.75
Sales tax	18	1,728,426,018.74	912,132,607.43
Gross profit		106,823,643,740.29	67,813,847,834.77
Add : Other operating profit		294,285,448.62	165,762,648.75
Less : Operating expenses		27,175,009,353.37	20,170,685,935.78
General and administrative expenses		3,097,211,711.83	2,504,344,359.08
Finance costs	19	404,240,631.45	(386,404,996.72)
Profit from operations		76,441,467,492.26	45,690,985,185.38
Add : Investment income (loss)	20	381,618,807.04	(72,183,014.00)
Subsidy income	21	6,984,327,792.74	3,276,940,773.67
Non-operating income		34,907,796.13	45,999,562.54
Less : Non-operating expenses		29,799,642.80	16,998,605.48
Profit before tax		83,812,522,245.37	48,924,743,902.11
Less : Income tax	22	22,070,650,600.84	17,738,626,317.09
Net profit for the year		61,741,871,644.53	31,186,117,585.02

The accompanying notes are part of the financial statements.

JAGUAR LAND ROVER AUTOMOTIVE TRADING (SHANGHAI) CO., LTD.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Year ended 31/12/2013 INR	Year ended 31/12/2012 INR
Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	734,630,109,355.72	577,509,903,286.89
Cash received relating to other operating activities	13,669,196,661.23	8,731,896,484.92
Sub-total of cash inflows	748,299,306,016.95	586,241,799,771.81
Cash paid for goods and services	458,227,526,406.84	375,751,443,226.00
Cash paid to and on behalf of employees	2,050,256,781.36	1,132,683,075.43
Taxes payments	202,085,962,682.45	120,713,347,598.15
Cash paid relating to other operating activities	21,457,012,142.37	77,440,685,199.57
Sub-total of cash outflows	683,820,758,013.02	575,038,159,099.15
Net cash flow from operating activities	64,478,548,003.93	11,203,640,672.66
Cash flow from investing activities:		
Cash receipts from disposal of investment in joint-venture	102,020,000.00	-
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	1,257,227,727.21	472,321,286.53
Cash receipts from investment income	340,986,341.43	67,322,967.66
Cash receipts from returns on investments	3,617,504,572.37	62,901,378.27
Sub-total of cash inflows	5,317,738,641.01	602,545,632.46
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,721,868,569.19	1,554,003,199.19
Cash payments to acquire investments	8,289,125,000.00	87,800,000.00
Cash paid relating to other investing activities	66,313,000,000.00	4,625,455,033.56
Sub-total of cash outflows	77,323,993,569.19	6,267,258,232.75
Net cash flow from investing activities	(72,006,254,928.20)	(5,664,712,600.29)
Cash flow from financing activities:		
Dividends payment	-	23,230,859,298.75
Sub-total of cash outflows	-	23,230,859,298.75
Net cash flow from financing activities	-	(23,230,859,298.75)
Effect of foreign exchange rate changes on cash and cash equivalents	-	-
Net decrease in cash and cash equivalents	(7,527,706,924.25)	(17,691,931,226.38)

(Continued)

JAGUAR LAND ROVER AUTOMOTIVE TRADING (SHANGHAI) CO., LTD.

<u>Supplemental information</u>	<u>NOTES</u>	Year ended <u>31/12/2013</u> INR	Year ended <u>31/12/2012</u> INR
Reconciliation of net profit to cash flow from operating activities			
Net Profit		61,741,871,644.53	31,186,117,585.02
Add: Provision of impairment loss on assets		63,334,779.93	356,392,550.74
Depreciation of fixed assets		601,542,802.98	442,667,602.76
Amortization of intangible assets		88,766,951.62	40,822,691.48
(Increase) decrease in prepaid expenses		(19,672,234.00)	13,666,405.92
Gains on disposal of fixed assets		(32,950,203.01)	(3,445,590.54)
Increase in accrued expenses		4,483,579,048.86	21,492,936,524.95
Financial expenses		-	(422,338,297.78)
Investment income (loss)		(381,618,807.04)	72,183,014.00
(Increase) decrease in inventories		(26,844,311,624.07)	926,727,128.72
Decrease (increase) in receivables under operating activities		22,710,143,775.06	(42,573,846,249.62)
Increase (decrease) in payables under operating activities		2,067,861,869.07	(328,242,692.99)
Net cash flow from operating activities		<u>64,478,548,003.93</u>	<u>11,203,640,672.66</u>
Net decrease in cash and cash equivalents:			
Cash at the end of the year	4	28,058,169,815.75	30,625,759,437.09
Less: Cash at the beginning of the year		<u>35,585,876,740.00</u>	<u>48,317,690,663.47</u>
Net decrease in cash and cash equivalents		<u>(7,527,706,924.25)</u>	<u>(17,691,931,226.38)</u>

The accompanying notes are part of the financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. GENERAL

Jaguar Land Rover Automotive Trading (Shanghai) Co., Ltd. (the “Company”) was established in Shanghai Pudong New District by Land Rover as a wholly foreign-owned enterprise on 9 May 2008 with an operating period of 20 years. Acting as the authorized general distributor of JLR brand vehicle, the Company mainly engages in the import and sale of JLR vehicles in domestic market (excluding retail), and in carrying trading, inter-company trade within the tariff-free zone and intra-regional trade agency services; and in wholesale, import and export of vehicles’ auxiliary equipments, chemicals (excluding dangerous, special and precursor chemicals), hardware tools, textiles, lubricants and; it also serves as a commission agent (excluding auction); it also operates in the above business related marketing, technical support, training and backup service (excluding the goods subject to state trading administration; for the commodities controlled by quota and licenses, relevant state regulations shall be followed); in addition, the Company also provides consulting services in the area of enterprise management, economic information and investing activities (subject to license where a license is required). The registered capital of the Company was INR 683,617,248.32 Details of capital contribution of the investing party are disclosed in Note 13.

2. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Accounting system and accounting standards adopted

The Company has adopted the Accounting Standards for Business Enterprises, the Accounting System for Business Enterprises and the supplementary regulations thereto.

Basis of accounting and principle of measurement

The Company has adopted the accrual basis of accounting and uses the historical cost convention as the principle of measurement. If there is any subsequent impairment loss, provision for decline in value should be made in accordance with appropriate standards.

Accounting year

The Company has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

Recording currency

The recording currency of the Company is Renminbi ("RMB").

2. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

Foreign currency translation

Transactions denominated in foreign currencies (currencies other than the recording currency) are translated into Renminbi at the applicable rates of exchange (“market exchange rate”) prevailing at the beginning of the month in which the transaction occurs. Monetary assets and liabilities denominated in foreign currencies are translated into Renminbi at the market exchange rate prevailing at the balance sheet date. Exchange gains or losses are dealt with as finance costs.

Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounting for bad debts

1) Criteria for recognition of bad debts

The irrecoverable amount of a bankrupt debtor after pursuing the statutory procedures;
The irrecoverable amount of a debtor who has deceased and has insufficient estate to repay;
The amount owed by a debtor who is unable to repay the obligations after the debts fall due, and the amount is irrecoverable or unlikely to be recovered as demonstrated by sufficient evidence.

2) Accounting treatment for bad debt losses

Bad debt is accounted for using the allowance method and provided according to the recoverability of receivables. The provision for bad debts is reasonably determined case by case and based on relevant information such as past experience, actual financial position and cash flows of the debtors, as well as other relevant information.

Inventories

Inventories are initially recorded at cost. The cost of inventories comprises of purchase cost, costs of conversion, and other costs incurred to bring inventories to their present location and condition. Inventories mainly include merchandise.

Inventories are accounted for using actual costing method. In determining the cost of inventories transferred out or issued for use, the actual costs are determined by the specific identification method.

The Company has perpetual inventory records.

2. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

Provision for decline in value of inventories

Inventories are measured at the lower of cost and net realizable value at the end of a period. Where the net realizable value is lower than the cost, the difference is recognized as a provision for decline in value. Provision for decline in value of inventories is made on an individual item basis.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated expenses and related taxes necessary to make the sale.

Short-term investments

A short-term investment is initially recorded at its cost of acquisition. The initial cost of an investment is the total price paid on acquisition, including incidental expenses such as tax payments and handling charges. However, cash dividends declared but unpaid or bond interest due but unpaid that are included in the acquisition cost are accounted for separately as receivables.

Cash dividends or interest on short-term investments, other than those recorded as receivables as noted in the preceding paragraph, are off-set against the carrying amount of investments upon receipt.

Short-term investments are carried at the lower of cost and market value at the end of each period. Where the market value is lower than cost, the difference is recognized as a provision for decline in value of short-term investments, which is calculated on the basis of individual investment.

Indirect loans to others via an authorized lending institution

Indirect loans to others via an authorized lending institution are accounted for at the actual amount lent out. The principal and interest receivable due within one year is recorded as “other receivables”, while due over one year is recorded as “long-term receivables”.

Interest income from such loans is accrued at the interest rate specified in the loan agreement and recognized in the income statement on a periodic basis. Accruing interest is stopped and any interest that has previously been accrued is reversed if that interest cannot be collected on its due date. Indirect loans are carried at the lower of cost and market value at the end of each period. Where the recoverable amount is lower than the principal amount of an indirect loan, the difference is recognized as a provision for impairment loss.

2. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

Long-term investments

(1) Accounting treatment for long-term investments

A long-term investment is initially recorded at its acquisition cost.

The equity method is used when the Company can control, jointly control or has significant influence over the investee enterprise.

When the equity method is adopted, the investment income for the current period is recognized according to the attributable share of the net profit or loss of the investee enterprises. The attributable share of net losses incurred by the investee enterprise is recognized to the extent that the carrying amount of the investment is reduced to zero. If the investee enterprise realizes net profits in subsequent periods, the carrying amount of the investment is resumed by the excess of the Company's attributable share of profits over the share of unrecognized losses.

(2) Impairment of long-term investments

At the end of each period, the Company determines whether an impairment loss should be recognized for a long-term investment by considering the indications that such a loss may have occurred. Where the recoverable amount of any long-term investment is lower than its carrying amount, an impairment loss on the long-term investment is recognized for the difference.

Fixed assets and depreciation

Fixed assets are recorded at actual cost on acquisition. Depreciation is provided to write off the cost of each category of fixed assets over their estimated useful lives from the month after they are put into use, using the straight-line method. The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

<u>Category of fixed assets</u>	<u>Residual value</u>	<u>Useful lives</u>	<u>Annual depreciation rate</u>
Vehicles	0%	5 years	20%
Electronic equipment, furniture and fixtures	0%	3 to 5 years	20%~33%
Leasehold improvement	0%	shorter of lease period and remaining useful life	

Subsequent expenditure relating to a fixed asset should be added to the carrying amount of the asset when the expenditure will result in expected future economic benefits, in excess of those originally assessed, to flow to the enterprise. The subsequent expenditure is added to the carrying amount of the fixed asset to the extent that the resulting carrying amount does not exceed the recoverable amount of the fixed asset.

Fixed assets acquired under a finance lease are recorded at an amount equal to the lower of the original carrying amount of the leased asset as recorded in the books of the lessor and the present value of the minimum lease payments at the inception of a lease.

2. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

Fixed assets and depreciation - Continued

Fixed assets held under a finance lease are depreciated on the same basis as owned assets. If it is reasonably certain that the ownership of the leased asset will be transferred at the end of the lease term, depreciation is provided over the useful life of the leased asset. If it is not reasonably certain that the ownership of the leased asset at the end of the lease term will be transferred, depreciation is provided over the shorter of the lease term and the estimated useful life of the leased asset.

Impairment of fixed assets

At the end of each period, the Company determines whether an impairment loss should be recognized for a fixed asset by considering the indications that such a loss may have occurred. Where the recoverable amount of any fixed asset is lower than its carrying amount, an impairment loss on fixed asset is recognized for the difference.

Recoverable amount

Recoverable amount is the higher of an asset's net selling price and the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

Intangible assets

Intangible assets are recorded at the actual cost of acquisition. For a purchased intangible asset, the actual cost is the actual purchase price.

The cost of an intangible asset is amortized evenly over its expected useful life from the month in which it is obtained. If the expected useful life exceeds the beneficial period prescribed in the relevant contract or the effective period stipulated by law, the amortization period is limited to the shorter of the beneficial period and the effective period. If the relevant contract does not prescribe the beneficial period and the law does not stipulate the effective period, the amortization period is 10 years.

Revenue recognition

Revenue from sales of goods:

Revenue is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, will receive the economic benefits associated with the transaction, and can reliably measure the relevant amount of revenue and costs.

Interest income:

Interest income is measured based on the length of time for which the enterprise's cash is used by others and the applicable interest rate.

2. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

Revenue recognition - Continued

Subsidy income:

Subsidy income is recognized when actually received.

Leasing

A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset. All other leases are classified as operating leases.

The Company as lessee under operating leases

Lease payments under operating leases are recognized as an expense in the income statement on a straight line basis over the lease term.

Income tax

Income tax is provided under the tax effect accounting method. The income tax provision is calculated based on the accounting profit for the period as adjusted in accordance with the relevant tax laws.

3. TAXATION

Value added tax

Value added tax ("VAT") on sales is calculated at 6% or 17% on revenue from principal operations and paid after deducting input VAT on purchases.

Income tax

The income tax rate is 25%.

Other taxes

The business tax rate is levied at 5% of service income.

The consumption tax rate is levied at 12%~40% of price including custom.

The city maintenance tax is levied at 1% of VAT, consumption tax and business tax.

The education fund is levied at 5% of VAT, consumption tax and business tax.

The river management fee is levied at 1% of VAT, consumption tax and business tax.

4. BANK BALANCES AND CASH

		<u>31/12/2013</u>	<u>31/12/2012</u>
		INR	INR
Cash on hand and in bank	(1)	34,887,178,638.19	38,940,131,470.65
Less: Restricted funds	(2)	<u>6,829,008,822.44</u>	<u>8,314,372,033.56</u>
Cash and cash equivalents		<u>28,058,169,815.75</u>	<u>30,625,759,437.09</u>

(1) Cash on hand and in bank includes the money market fund of RMB 1,544,270,401.84 (2012: RMB 908,241,731.69).(2013 INR equivalent: 15,754,646,639.57, 2012 INR equivalent 7,974,362,404.24)

(2) In January 2013, the Company signed agreements with China Contruction Bank Corporation Shanghai Putuo Sub-branch for credit facilit up to Great British Pounds 19,000,000.00 with pledged cash of RMB 192,254,418.00 (INR equivalent: 1,961,379,572.44)for a period of one year and the interest rate is 2.9%. The credit facility will be utilised by Jaguar Land Rover Ltd..

In April 2013, the Company signed agreements with Deutsche Bank (China) Shanghai Branch for credit facility up to Great British Pounds 20,600,000.00 with pledged cash of RMB 220,000,000.00 (INR equivalent: 2,244,440,000.00)for a period of one year and the interest rate is 3%. The credit facility will be utilized by Jaguar Land Rover Ltd..

In March 2013, the Company signed an agreement with Australia and New Zealand Bank (China) Co., Ltd Shanghai Branch for credit facility up to Great British Pounds 25,000,000.00 with a pledged cash of RMB 257,125,000.00 (INR equivalent: 2,623,189,250.00) for a period of one year and the interest rate is 3%. The credit facility will be utilised by Jaguar Land Rover Ltd..

5. SHORT-TERM INVESTMENTS

	<u>31/12/2013</u>	<u>31/12/2012</u>
	INR	INR
Financial products	<u>8,161,600,000.00</u>	<u>-</u>

The above financial product is non-guaranteed fund purchased from China Construction Bank and its annualized return was 4.60%.

6. ACCOUNTS RECEIVABLE

The aging analysis of accounts receivable is as follows :

	31/12/2013				31/12/2012			
	Gross amount INR	Ratio %	Bad debt provision INR	Net book value INR	Gross amount INR	Ratio %	Bad debt provision INR	Net book value INR
Within 1 year	684,450,475.14	100.00	-	684,450,475.14	23,077,302.74	1.61	-	23,077,302.74
1 to 2 years	-	-	-	-	-	-	-	-
Over 2 years	-	-	-	-	1,410,962,036.76	98.39	-	1,410,962,036.76
Total	684,450,475.14	100.00	-	684,450,475.14	1,434,039,339.50	100.00	-	1,434,039,339.50

7. OTHER RECEIVABLES

The aging analysis of other receivables is as follows :

	31/12/2013				31/12/2012			
	Gross amount INR	Ratio %	Bad debt provision INR	Net book value INR	Gross amount INR	Ratio %	Bad debt provision INR	Net book value INR
Within 1 year	59,491,783,801.63	99.40	-	59,491,783,801.63	3,032,773,634.80	72.74	-	3,032,773,634.80
1 to 2 years	137,042,744.72	0.23	-	137,042,744.72	1,003,796,724.78	24.08	-	1,003,796,724.78
2 to 3 years	182,328,004.84	0.30	-	182,328,004.84	132,646,564.85	3.18	-	132,646,564.85
Over 3 years	40,944,617.43	0.07	-	40,944,617.43	-	-	-	-
Total	59,852,099,168.62	100.00	-	59,852,099,168.62	4,169,216,924.43	100.00	-	4,169,216,924.43

The balance of other receivables includes the X border lending of RMB 5,700,000,000.00 (INR equivalent: 58,151,400,000.00) to relate parties of the Company (2012: Related party entrust loan of RMB 77,000,000.00, INR equivalent: 676,060,000.00). Detail refers to Note 23(3)(b).

8. INVENTORIES & PROVISION FOR DECHINE IN VALUE

	31/12/2013 INR	31/12/2012 INR
Merchandise	44,228,481,001.44	14,961,086,760.76
Less: provision for decline in value	477,448,310.98	356,392,550.74
Inventories-net	43,751,032,690.46	14,604,694,210.02

Movements of the provision for decline in value are as follows :

	31/12/2012 INR	Addition INR	31/12/2013 INR
Provision for decline in value:			
Merchandise	356,392,550.74	121,055,760.24	477,448,310.98

9. LONG-TERM EQUITY INVESTMENTS

	<u>31/12/2013</u>	<u>31/12/2012</u>
	INR	INR
Initial investments in associations(Note 1)	8,289,125,000.00	-
Initial investments in joint ventures	-	102,020,000.00
Less: investment adjustment(Note 2)	-	102,020,000.00
Long-term equity investments – net	<u>8,289,125,000.00</u>	<u>-</u>

Note 1: Refer to the initial investment to Chery Jaguar Land Rover Automobile Co., Ltd. (called "CJLR" for short). CJLR is a sino-foreign joint venture established in Changshu, Jiangsu Province by Chery Automobile Co., Ltd. (called "Chery" for short), Jagaur Land Rover Limited (called "JLRL" for short) and the Company. CJLR was established on 16 November 2012 and the registered capital was RMB 7,000,000,000.00(INR equivalent: 71,414,000,000.00), of which Chery should contribute RMB 3,500,000,000.00 (representing 50%)(INR equivalent: 35,707,000,000.00), JLRL should contribute RMB 1,750,000,000.00 (25%)(INR equivalent: 17,853,500,000.00) , and the Company should contribute RMB 1,750,000,000.00 (25%)(INR equivalent: 17,853,500,000.00). As of 31 December 2013, all investors have contributed RMB 3,250,000,000.00(INR equivalent: 33,156,500,000.00), of which the Company has contributed RMB 812,500,000.00(INR equivalent: 8,289,125,000.00).

Note 2: As of 31 December 2013, the 50% equity of Suzhou Chery Jaguar Land Rover Trading Co., Ltd. held by the Company has been totally transferred to CJLR.

10. FIXED ASSETS AND ACCUMULATED DEPRECIATION

	<u>Vehicle</u>	<u>Electronic equipment, furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Total</u>
	INR	INR	INR	INR
Cost				
At 1 January 2013	2,149,593,033.95	126,260,536.47	343,690,594.34	2,619,544,164.76
Addition	2,156,364,644.31	96,046,426.31	203,063,637.99	2,455,474,708.60
Disposal	(1,468,820,384.50)	(14,284,425.48)	(34,004,572.47)	(1,517,109,382.45)
At 31 December 2013	<u>2,837,137,293.76</u>	<u>208,022,537.30</u>	<u>512,749,659.86</u>	<u>3,557,909,490.91</u>
Accumulated depreciation				
At 1 January 2013	365,421,902.09	63,508,532.94	175,086,234.30	604,016,669.33
Charge for the year	445,320,102.39	34,540,390.69	121,682,309.91	601,542,802.98
Eliminated on disposals	(278,837,280.89)	(3,953,087.69)	(10,041,489.69)	(292,831,858.27)
At 31 December 2013	<u>531,904,723.59</u>	<u>94,095,835.94</u>	<u>286,727,054.52</u>	<u>912,727,614.04</u>
Net book value				
At 1 January 2013	<u>1,784,171,131.86</u>	<u>62,752,003.53</u>	<u>168,604,360.04</u>	<u>2,015,527,495.43</u>
At 31 December 2013	<u>2,305,232,570.17</u>	<u>113,926,701.36</u>	<u>226,022,605.34</u>	<u>2,645,181,876.87</u>

11. INTANGIBLE ASSETS

	<u>Software</u> INR
Cost	
At 1 January 2013	329,019,952.87
Addition	<u>266,393,860.58</u>
At 31 December 2013	<u>595,413,813.45</u>
Accumulated amortization	
At 1 January 2013	75,241,937.82
Charge for the year	<u>88,766,951.62</u>
At 31 December 2013	<u>164,008,889.44</u>
Net book value	
At 1 January 2013	<u>253,778,015.05</u>
At 31 December 2013	<u>431,404,924.01</u>

12. TAXES PAYABLE

	<u>31/12/2013</u> INR	<u>31/12/2012</u> INR
Income tax	13,245,743,191.84	11,761,970,035.46
(Deductible) value added tax	(4,107,315,849.00)	315,838,091.16
Others	<u>104,241,281.51</u>	<u>51,068,589.57</u>
	<u>9,242,668,624.35</u>	<u>12,128,876,716.19</u>

13. PAID-IN CAPITAL

	<u>31/12/2012 & 31/12/2013</u>		
	USD	Ratio %	INR equivalent
Jaguar Land Rover Holdings Ltd.	<u>10,000,000.00</u>	<u>100</u>	<u>683,617,248.32</u>

The capital contribution has been verified by verification report Xinyanpuwai (2008) No. 0011, Xinyanpuwai (2008) No. 0012, Huhaipuyanwai (2009) No. 0002 and Hulingfangkuaijibao (2010) No. BY 0105 issued by Shanghai Xinzhong CPA Ltd, Shanghai Haiming CPA Ltd and Shanghai Lingfang CPA Ltd respectively.

14. SURPLUS RESERVES

31/12/2013 and
31/12/2012
INR

Reserve fund		341,808,624.16

The reserve fund can be used to offset accumulated losses. The reserve fund can be used to increase capital upon approval from the relevant authority. The reserve fund balance has reached 50% of paid-in capital as of 31 December 2013.

15. RETAINED EARNINGS

	Year ended 31/12/2013 INR	Year ended 31/12/2012 INR
At 1 January	36,236,989,931.84	23,230,859,298.66
Add: Net profit for the year	<u>61,741,871,644.53</u>	<u>31,186,117,585.02</u>
Profit to be distributed	97,978,861,576.37	54,416,976,883.68
Less: Dividend declared	<u>-</u>	<u>23,230,859,298.75</u>
At 31 December	<u>97,978,861,576.37</u>	<u>31,186,117,584.93</u>

16. REVENUE

	Year ended 31/12/2013 INR	Year ended 31/12/2012 INR
Revenue from sale of goods	<u>631,139,829,076.44</u>	<u>437,930,628,625.95</u>

17. COST OF SALES

	Year ended 31/12/2013 INR	Year ended 31/12/2012 INR
Cost of goods sold	<u>522,587,759,317.41</u>	<u>369,204,648,183.75</u>

18. SALES TAXES

	Year ended 31/12/2013 INR	Year ended 31/12/2012 INR
City maintenance tax and extra education fund	1,410,347,893.59	778,323,065.96
River management fee	235,057,982.27	129,720,511.00
Business tax	83,020,142.88	4,072,513.97
Others	-	16,516.50
	<u>1,728,426,018.74</u>	<u>912,132,607.43</u>

19. FINANCE COSTS

	Year ended 31/12/2013 INR	Year ended 31/12/2012 INR
Interest income	(1,252,253,554.69)	(983,784,058.63)
Exchange difference	1,597,868,826.21	571,745,972.46
Others	58,625,359.93	25,633,089.45
	<u>404,240,631.45</u>	<u>(386,404,996.72)</u>

20. INVESTMENT INCOME (LOSS)

	Year ended 31/12/2013 INR	Year ended 31/12/2012 INR
X border lending interest income	253,115,812.61	-
Entrust loan interest income	14,139,972.00	15,616,986.00
Short-term investment income		
Interests from financing products	12,343,022.43	-
Long-term investment		
Loss recognized under equity method	-	(87,800,000.00)
Gains from long-term investment disposal	102,020,000.00	-
	<u>381,618,807.04</u>	<u>(72,183,014.00)</u>

21. SUBSIDY INCOME

Subsidy income is granted by the management committee of Shanghai Free Trade Zone and the Finance Bureau of Pudong New Area.

22. INCOME TAX

	Year ended 31/12/2013 INR	Year ended 31/12/2012 INR
Income tax for the year	<u>22,070,650,600.84</u>	<u>17,738,626,317.09</u>

The income tax provision is 25% of the taxable income which is calculated by adjusting the accounting profits before tax for the year in accordance with the relevant tax laws.

23. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(1) The following entities are related parties where a control relationship exist:

<u>Name</u>	<u>Registration</u>	<u>Place of Principal business</u>	<u>Relationship with the Company</u>	<u>Nature or Type of business</u>
Jaguar Land Rover Automotive PLC	UK	Production and sales of motorcars	Ultimate holding company	Foreign enterprise
Jaguar Land Rover Holdings Ltd. (Former: Land Rover)	UK	Production and sales of motorcars	Holding company	Foreign enterprise

(2) Nature of relationship with related parties where a control relationship does not exist

<u>Name</u>	<u>Relationship with the Company</u>
Jaguar Land Rover Ltd.	Controlled by the same ultimate holding company
Chery Jaguar Land Rover Automotive Co., Ltd.	Associate
JLR North America	Controlled by the same ultimate holding company
Suzhou Chery Jaguar Land Rover Trading Co., Ltd.	Subsidiary of Chery Jaguar Land Rover Automotive Co., Ltd.

(3) Significant transactions between the Company and the above related parties are as follows:

(a) Purchases

	Year ended 31/12/2013 INR	Year ended 31/12/2012 INR
- Jaguar Land Rover Ltd.	<u>261,399,976,632.39</u>	<u>173,510,401,843.37</u>

The above transactions are conducted based on the contract price.

23. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS – continued

- (3) Significant transactions between the Company and the above related parties are as follows:
- continued

(b) Borrowings/loans

Details of borrowings and loans between the Company and its related parties were as follows:

	<u>Amount Incurred</u> <u>in 2013</u> INR	<u>Closing balance</u> <u>2013</u> INR	<u>Amount Incurred</u> <u>in 2012</u> INR	<u>Closing balance</u> <u>2012</u> INR	<u>Annual</u> <u>interest rate</u> %
Lend to (return)					
X border lending					
and entrust loan					
Jaguar Land Rover					
Ltd.	58,151,400,000.00	58,151,400,000.00	-	-	2.60%
Suzhou Chery Jaguar					
Land Rover					
Trading Co., Ltd.	(785,554,000.00)	-	676,060,000.00	676,060,000.00	5.40%
	<u>57,365,846,000.00</u>	<u>58,151,400,000.00</u>	<u>676,060,000.00</u>	<u>676,060,000.00</u>	

(c) Interests income from X border lending and entrust loan

	<u>Year ended</u> <u>31/12/2013</u> INR	<u>Year ended</u> <u>31/12/2012</u> INR
- Jaguar Land Rover Ltd.	253,115,812.61	-
- Suzhou Chery Jaguar Land Rover		
Trading Co., Ltd.	<u>14,139,972.00</u>	<u>15,616,986.00</u>
	<u>267,255,784.61</u>	<u>15,616,986.00</u>

(d) Internation service employee charge

	<u>Year ended</u> <u>31/12/2013</u> INR	<u>Year ended</u> <u>31/12/2012</u> INR
Revenue		
- Chery Jaguar Land Rover Automotive		
Co., Ltd.	<u>1,336,962,428.71</u>	<u>-</u>
Expense		
- Jaguar Land Rover Ltd.	<u>414,469,860.90</u>	<u>-</u>

23. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

- (3) Significant transactions between the Company and the above related parties are as follows:
- continued

(e) Others

The Company pledged its cash in bank to get the credit facility from the bank. The credit facility will be utilised by Jaguar Land Rover Ltd.. Details are disclosed in Note 4.

(f) Accounts due to/from related companies

<u>Accounts</u>	<u>Name of the related parties</u>	<u>31/12/2013</u> INR	<u>31/12/2012</u> INR
Accounts receivable	- Jaguar Land Rover Ltd.	-	1,410,962,036.76
Accounts payable	- Jaguar Land Rover Ltd. - JLR North America	2,403,955,045.25 12,760,873.50	1,267,027,936.73 39,370,292.20
		2,416,715,918.75	1,306,398,228.93
Other receivables	- Jaguar Land Rover Ltd. - Suzhou Chery Jaguar Land Rover Trading Co., Ltd.	59,515,399,823.80 72,934,878.04	2,682,605,538.10 691,165,872.52
		59,588,334,701.84	3,373,771,410.62
Other payables	- Jaguar Land Rover Ltd.	621,800,279.92	-
Advance to suppliers	- Jaguar Land Rover Ltd.	26,115,028,994.82	40,369,697,200.59
Accrued expense	- Jaguar Land Rover Ltd. - JLR North America	336,546,236.68 79,574,858.42	128,881,183.20 26,301,372.48
		416,121,095.10	155,182,555.68

24. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Company has outstanding commitments in respect of non-cancelable operating leases, which fall due as follows:

	<u>31/12/2013</u> INR'000	<u>31/12/2012</u> INR'000
The minimum lease payments under non-cancelable operating leases:		
Within one year	365,487	204,416
In the second year	199,296	213,688
In and after the third year	110,161	102,111
Total	<u>674,944</u>	<u>520,215</u>

25. CAPITAL COMMITMENTS

	<u>31/12/2013</u> INR'000	<u>31/12/2012</u> INR'000
Capital commitments that have been entered into but have not been recognised in the financial statements:		
- External investment commitment	<u>9,564,375</u>	<u>15,365,000</u>

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (Chinese Yuan Renminbi) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **CNY 1 = Rs 10.202** and **Rs 8.780** for the years ended 31 December 2013 and 2012 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Jaguar Land Rover Canada ULC

Financial statements

Year ended 31 March 2014

Conversion into Indian Rupees

*The financial information is expressed in the local currency of the relevant company (Canadian Dollars) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **CAD 1 = Rs 54.165, Rs 53.381 and Rs 51.223** for the years ended 31 March 2014, 2013 and 2012 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.*

Jaguar Land Rover Canada ULC

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Statement of Directors' Responsibilities

The directors are responsible for preparing the statutory financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB").

In preparing these statutory financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS as adopted by the IASB are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with IFRS as adopted by the IASB. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' responsibility statement

We confirm to the best of our knowledge the financial statements, prepared in accordance with IFRS as adopted by the IASB, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole.

Joe Eberhardt
Director, Jaguar Land Rover Canada ULC
May 30, 2014

David Chambers
Director, Jaguar Land Rover Canada ULC
May 30, 2014

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF JAGUAR LAND ROVER CANADA ULC

We have audited the financial statements of Jaguar Land Rover Canada ULC for the year ended 31 March 2014 which comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ("IASB").

This report is made solely to the company's directors in order to satisfy the reporting requirements of the ultimate parent company, Tata Motors Limited (India), to present audited subsidiary financial statements to the shareholders at the Annual General Meeting in accordance with Section 212 of the India Companies Act 1956. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- have been prepared in order to satisfy the reporting requirements of the ultimate parent company, Tata Motors Limited (India), to present audited subsidiary financial statements to the shareholders at the Annual General Meeting in accordance with Section 212 of the India Companies Act 1956.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham
30 May 2014

Jaguar Land Rover Canada ULC

Balance Sheets in INR	Note	As at 31 March	
		2,014	2,013
Non-current assets			
Property, plant and equipment	6	67,311,126	66,120,373
			0
Other financial assets	5	1,907,764,913	2,586,837,902
Other assets		0	0
Deferred income taxes	8	1,313,602,864	1,147,684,827
Total non-current assets		3,288,678,903	3,800,643,102
Current assets			
Inventories	4	3,210,924,345	1,191,021,439
Trade receivables	20	266,457,666	1,628,755,116
Finance receivables		0	0
Other financial assets		9,666,584	20,809,872
Other current assets		13,622	214,599,189
Cash and cash equivalents	3	1,604,269,343	1,471,220,921
Current income tax assets	8	36,173,602	0
Total current assets		5,127,505,162	4,526,406,537
Total assets		8,416,184,065	8,327,049,639
Current liabilities			
Accounts payable		-2,186,549,556	-2,660,270,326
Marketing provisions	13	-1,442,263,128	-1,648,332,025
Financial liabilities		-4,617,841	-4,139,767
Other current liabilities	10	-399,902,467	-329,234,395
Provisions	9	-1,167,064,776	-764,222,540
Current income tax liabilities	8	0	-111,237,890
Total current liabilities		-5,200,397,768	-5,517,436,943
Non-current liabilities			
Other non-current liabilities		-3,859,229	-6,472,446
Provisions	9	-3,056,792,087	-2,199,715,442
Other financial liabilities	9, 11	-27,322,211	-172,263,454
Deferred tax		0	0
Total non-current liabilities		-3,087,973,527	-2,378,451,342
Total liabilities		-8,288,371,295	-7,895,888,285
Equity attributable to shareholders			
Ordinary shares		0	0
Share premium		0	0
Retained earnings brought forward		-3,064	-322,313,506
Profit for the year		-127,809,661	-108,847,850
Pension reserve		0	0
Equity attributable to shareholders		(127,812,725)	(431,161,356)
Total liabilities and equity		8,416,184,065	8,327,049,639

See accompanying notes to the financial statements

Jaguar Land Rover Canada ULC

Income Statements in INR

	Note	Year ended 31 March	
		2,014	2,013
Income			
Revenue		25,237,275,521	18,706,557,570
Other income		17,776,637	7,301,972
Total Income		25,255,052,158	18,713,859,542
Expenditure			
Direct costs	4	-21,572,342,000	-15,934,561,371
Employee costs	14	-217,801,391	-182,946,920
Other expenses	15	-3,276,852,762	-2,478,682,538
Total expenditure		-25,066,996,153	-18,596,190,829
Profit before depreciation, interest, amortization and tax		188,056,005	117,668,713
Depreciation and amortisation	6	-8,119,862	-5,159,397
Miscellaneous Expenses		-37,177,041	-14,295,770
Finance income/(expense), net	16	34,589,516	32,778,979
Profit before tax		177,348,618	130,992,525
Income Tax Expense	8	-49,538,936	-22,144,664
Profit for the period		127,809,682	108,847,861

Statements of Comprehensive Income In INR

	Year ended 31 March	
	2,014	2,013
Profit for the period	127,809,682	108,847,861
Other comprehensive income:		
Actuarial losses	0	17,601,050
Other comprehensive income for the year	0	17,601,050
Total comprehensive income for the year	127,809,682	126,448,911

See accompanying notes to the financial statements

Jaguar Land Rover Canada ULC

Statement of Cash Flows

In INR

For the Fiscal Year Ended 31 March

	2,014	2,013
Cash flows from operating activities:		
Net income	127,809,682	108,847,860
Adjustments for noncash items included in net income:		
Depreciation	8,119,862	5,159,397
Inventory write-down	3,599,455	8,203,260
Allowances for trade and other receivables	0	0
Loss/(gain) on sale of assets / assets written off	0	0
Minimum pension liability	0	17,601,050
Income tax expense	49,538,936	22,144,664
Interest income	-15,538,151	-4,640,891
Interest expense		0
Cash flows from operating activities before changes in following assets and liabilities		
Decrease in Other Financial Assets (Non-current)	717,065,551	159,467,372
Decrease in Other non-current assets	0	0
(Increase) in Deferred tax assets	-149,062,134	-295,303,692
(Increase) in Inventories	-2,006,009,980	-557,833,027
Decrease/(increase)/ in Trade receivables	1,386,218,764	-360,428,307
(Increase) / decrease in Finance receivables	-3,660,389	111,614,253
Decrease / (increase) in Other Financial Assets	11,448,974	-20,809,872
Decrease in Other Current Assets	217,737,375	-90,277,609
(Increase) in Current income tax assets	-36,173,602	0
(Decrease)/increase in Trade payables	-512,791,824	741,978,922
(Decrease) in Current income tax liabilities	26,364,862	137,750,292
(Decrease) / increase in Marketing Provisions	-230,277,741	419,633,807
Increase in Financial Liabilities	417,264	680,986
Increase/(decrease) in Other Current Liabilities	65,979,816	-122,541,531
Increase in Provisions (Current)	391,618,196	213,923,591
(Decrease) in Other Non-Current Liabilities	-2,708,305	-22,545,455
Increase in Provisions (Non-current)	824,769,702	786,693,046
(Decrease) / increase in Other Financial Liabilities (Non-current)	-147,471,236	49,018,941
Increase in Deferred Tax Liabilities	0	0
Increase/(decrease) in Pension Reserve	0	0
Cash generated from operating activities	726,995,077	1,308,337,057
Income tax refunds received/(tax paid)	-188,775,425	-156,716,367
Net cash (used by)/generated from operating activities	538,219,652	1,151,620,690
Cash flows from investing activities:		
Interest received	19,198,531	28,182,899
Payments for property, plant and equipment	-8,339,513	-24,143,539
Proceeds from sale of property, plant and equipment	0	0
Net cash generated by investing activities	10,859,018	4,039,360
Cash flows from financing activities:		
Interest paid	-147,166	-44,840
Elimination of equity investment by parent company	0	-135,156,261
Dividend paid to parent company	-437,490,705	0
Net cash used in financing activities	-437,637,871	-135,201,101
Net change in cash and cash equivalents	111,440,799	1,020,458,949
Effect of foreign exchange on cash and cash equivalents		
Cash and cash equivalents, beginning of the year	1,492,828,557	450,761,985
Cash and cash equivalents, end of the year	1,604,269,356	1,471,220,934

See accompanying notes to the financial statements

Jaguar Land Rover Canada ULC

In INR

	Ordinary Share Capital	Share Premium	Retained Profit	Pension Reserve	Total Equity
Balance at 1 April 2012	-129,692,384	-1,839,828	-307,443,714	16,889,504	-422,086,422
Income for the year	0	0	-108,847,850	0	-108,847,850
Other comprehensive income for the year	0	0	0	-17,601,050	-17,601,050
Elimination of equity investment by parent company	135,156,261	1,917,339	-1,917,339	0	135,156,261
Balance at 31 March 2013	0	0	-8,077,057	0	-8,077,057
Income for the year	0	0	-127,809,675	0	-127,809,675
Dividend paid to parent company	0	0	437,490,705	0	437,490,705
Balance at 31 March 2014	0	0	-127,812,744	0	-127,812,744

See accompanying notes to the financial statements

Jaguar Land Rover Canada ULC

1. Background and operations

Jaguar Land Rover Canada ULC ("the Company" or "JLRC") is a distributor of luxury cars and sport utility vehicles in Canada. The Company's primary areas of business are the distribution, marketing, sales, and service of its products. The parts business is managed under two different relationships. Starting 1 January 2014, the Jaguar parts business was insourced whereby the Company purchased all parts inventory previously owned by a third party logistics provider. That third party remains as the manager of the physical inventory and distribution of the inventory under a global contract. For Land Rover, the Company has an agreement with a different third party logistics provider to manage the physical inventory and distribution. JLRC owns the inventory and manages the sale and collection function. JLRC is a wholly-owned subsidiary of Jaguar Land Rover Limited, which is a UK company. The ultimate parent and controlling party is Tata Motors Limited ("TML"), registered and domiciled in India. JLRC headquarter is located in Mississauga, Ontario, Canada.

As of 31 March 2014, the Company is a wholly owned subsidiary of Jaguar Land Rover Limited. The ultimate parent and controlling party is Tata Motors Limited ("TML"), registered and domiciled in India.

2. Significant accounting policies

a. *Statement of compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as "IFRS") as issued by the International Accounting Standards Board (referred to as "IASB"). The results of the company are included in the consolidated financial statements of its ultimate parent, TML and these are publicly available.

Basis of preparation

The financial statements have been prepared on historical cost basis. The Company's fiscal year end is 31 March of each year. Certain prior year amounts have been reclassified to conform with current year presentation.

All figures are presented in Canadian dollars except for share volume and unless otherwise stated.

b. *Use of estimates and judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

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

- i) Note 6 – Property, plant and equipment – the Company applies judgement in determining the estimate useful life of assets.

Note 2 - Significant accounting policies (continued)

- ii) Note 9 – Provisions – it is necessary for the Company to assess the provision for anticipated payments on locally offered vehicle services under such programs as manufacturer's warranty, certified pre-owned, roadside assistance and service loaner. The valuation of these provisions requires a significant amount of judgement and the requirement to form appropriate assumptions around expected future costs. Additionally, the Company is responsible for some of the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically three years.

c. *Going concern / Events after the balance sheet date*

As a wholly-owned subsidiary of Jaguar Land Rover Limited, the Company's going concern is linked to the going concern of that entity.

The directors of the Company have considered the financial position of the Jaguar Land Rover Limited at 31 March 31, 2014 and the projected cash flows and financial performance of the Jaguar Land Rover Limited for at least 12 months from the date of approval of these financial statements, and believe that the plan for sustained profitability remains on course.

The directors of the Company have taken actions to ensure that appropriate long term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Therefore the directors of the Company consider, after making appropriate enquiries and taking into consideration the risks and uncertainties, the Company has adequate resources to continue in operation as a going concern for the foreseeable future and is able to meet its financial covenants linked to the borrowings in place. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

There were no events occurring after the balance sheet date that would have a material impact on the Company's results of operations, financial position or cash flows.

d. *Revenue recognition*

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

The Company recognizes revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are segregated for dispatch to dealers, which is when risks and rewards of ownership pass to the customer. Sale of products is presented net of excise duty where applicable and other indirect taxes.

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

e. *Cost recognition*

Costs and expenses are recognized when incurred and are classified according to their nature.

Note 2 - Significant accounting policies (continued)

f. Provisions

A provision is recognized 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

i) Locally offered vehicle services expenses

The estimated liability for locally offered vehicle services under such programs as manufacturer's warranty, certified pre-owned, roadside assistance and service loaner is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when claims will arise, being typically up to five years.

ii) Residual risk

The Company is responsible for some of the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically three years.

g. Foreign currency

The signed financial statements are presented in Canadian Dollars ("CAD").

Transactions are typically not recorded in foreign currencies; in the rare instance of such a transaction, they would be recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are remeasured into CAD at the exchange rate prevailing on the balance sheet date. Exchange differences are recognized in the income statement.

h. Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of operations except, when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss, or where they arise from the initial accounting for business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

Current income taxes are determined based on the taxable income of the company and tax rules applicable for Canada.

Deferred tax assets and liabilities are recognized 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 tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Note 2 - Significant accounting policies (continued)

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized 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 against current tax 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.

i. *Inventories*

Inventories consist of finished vehicles and automotive parts and accessories and are valued at the lower of cost and net realizable value. As a limited risk distributor the Company operates under a transfer price agreement with the parent company. Profit adjustments, negative or positive, to meet the required profit targets, are reflected in income statement as a component of Direct Costs.

j. *Property, plant and equipment*

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

Cost includes purchase price, taxes and duties, labor 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.

Depreciation is provided on a straight-line basis over estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

	Estimated useful Life (years)
Buildings	20 – 40 years
Plant and equipment	9 – 30 years
Furniture and fixtures	3 – 20 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital-work-in-progress includes capital advances.

k. *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. Currently, the Company only has operating leases. Payments made under operating leases are recognized in the Income statement on a straight-line basis over the term of the lease.

l. *Impairment*

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment may be impaired. If any such impairment indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Note 2 - Significant accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

As of 31 March 2014, none of the Company's property, plant and equipment was considered impaired.

m. *Employee benefits*

Plan Descriptions:

- a. *Defined Contribution Pension Plan ("DCPP")*— covers all former employees from the Ford Motor Company who transferred as a result of the sale and became members of the DPP effective January 1, 2009. All full-time and part-time employees hired on or after January 1, 2009 automatically join the DCPP on their date of hire as a condition of employment. The Company will make contributions to the member's DCPP account in an amount equal to a percentage of the member's salary. The Company's only liability is limited to the contributions currently required under the plan.
- b. *Retirement Savings Plan ("RSP")*, — An employee is eligible to join the RSP as of the date of hire. Participation is voluntary. The member may contribute a percentage of base salary and direct the contribution to the Group RRSP or the Employee Profit Sharing Plan ("EPSP") or a combination of both. The Company will match a portion of the member's contribution to the EPSP at a percentage authorized by the Company. The Company maintains at its discretion the right to change the level of matching contributions and to amend, modify, or terminate the plans.
- c. *Group Registered Retirement Savings Plan ("Group RRSP")*— The Company also maintains a plan covering certain Ford legacy employees that provides additional postretirement benefits to replace pension benefits lost as a result of the acquisition of the Jaguar and Land Rover businesses on June 2, 2008 by a subsidiary of Tata Motors Limited. The Company funds these benefits on a pay-as-you go basis out of Company assets.

Note 2 - Significant accounting policies (continued)

n. *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 are classified into categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

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 at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

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

These includes trade receivables, balances with banks, and other financial assets.

Other financial liabilities: These are measured at amortized cost using the effective interest method.

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. Valuation techniques include discounted cash flow method and other valuation models and utilize available market data.

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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

Note 2 - Significant accounting policies (continued)

iv) *Impairment of financial assets:*

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Loans and receivables: Objective evidence of impairment includes default in payments with respect to amounts receivable from customers.

Impairment loss in respect of loans and receivables is calculated as the difference between their carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Such impairment loss is recognized in the income statement. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. The reversal is recognized in the income statement.

o. *New accounting pronouncements*

The Company has adopted/early adopted the following standards/amendments to standards and interpretations:

IAS 1 *Presentation of Financial Statements* was amended in June 2011 to revise the way other comprehensive income is presented. In particular, it requires entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently and requires tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items. The amendment is effective for annual periods beginning on or after 1 July 2012, with early adoption permitted.

IAS 19 *Employee Benefits* (2011) was amended in June 2011 to include revised requirements for pensions and other post-retirement benefits, termination benefits and other changes. The key amendments include: requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19); Introducing enhanced disclosures about defined benefit plans; Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits; Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features; Incorporating other matters submitted to the IFRS Interpretations Committee. The standard is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

An amendment to IAS 27 *Separate Financial Statements* (2011) was issued in May 2011. This now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 *Consolidated and Separate Financial Statements*. Requirements for consolidated financial statements are now contained in IFRS 10 *Consolidated Financial Statements*. The standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 *Financial Instruments*. The standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements. The amendment is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

Note 2 - Significant accounting policies (continued)

IAS 28 *Investments in Associates and Joint Ventures* (2011) was issued in May 2011. This standard supersedes IAS 28 *Investments in Associates* and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 1 *First-time Adoption of International Financial Reporting Standards* was amended in March 2012. The amendment relates to government loans and addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendment is effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IFRS 7 *Financial Instruments: Disclosures* was amended in December 2011 to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 *Financial Instruments: Presentation* to be disclosed. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The amendments are effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The standard, issued in May 2011 and amended in June 2012 for transition guidance, requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entities*. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 11 *Joint Arrangements*, issued in May 2011 and amended in June 2012 for transition guidance, classifies joint arrangements as either joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity). A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires the use of the equity method of accounting for interests in joint ventures thereby eliminating the proportionate consolidation method. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 12 *Disclosure of Interests in Other Entities* applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard, issued in May 2011 and amended in June 2012 for transition guidance, requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

IFRS 13 *Fair Value Measurement* defines 'fair value' and sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurements. It seeks to increase consistency and comparability in fair value measurements and related disclosures through a fair value hierarchy. IFRS 13 was issued in May 2011 and is applicable prospectively from the beginning of the annual period in which the standard is adopted. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

Note 2 - Significant accounting policies (continued)

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* was issued in October 2011 and clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement. The interpretation is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2009 – 2011 cycle. These amendments are effective for annual periods beginning on or after 1 January 2013, with early application permitted.

Of the above standards, revisions and amendments to standards and interpretations, only the adoption of IAS 19 *Employee Benefits* (2011) has had an impact on the results of the group. However, this does not impact the net assets or total comprehensive income of the group in any period. The adjustment is for an element of the defined benefit cost being transferred between other comprehensive income and profit or loss. The comparatives included in these financial statements have been restated on a retrospective basis for the impact of the adoption of the revised IAS 19.

3. Cash and cash equivalents

Cash and cash equivalents consist of amounts on deposit with banks for operating purposes. At 31 March 2014 and 2013, these amounted to INR1603.3 million and INR1473.3 million, respectively.

4. Inventories

Inventories consist of vehicles and automotive parts and are classified as finished goods. At 31 March 2014 and 2013 the Company had the following:

	As at 31 March	
	2014	2013
Vehicle inventory	2,621,388,191.00	874,031,632.00
Parts inventory	651,376,152.00	372,428,198.00
Obsolescence provisions	- 61,839,997.00 -	55,438,383.00
Total inventories	3,210,924,346.00	1,191,021,447.00

	As at 31 March	
	2014	2013
Direct costs	21,572,342,000.00	15,934,561,376.00
Inventory write-down expense	3,599,455.00	8,203,260.00

Jaguar Land Rover Canada ULC

5. Other financial assets (non-current)

Other financial assets (non-current) consist of deposits with banks whose use in whole or in part are restricted for specific purposes bound by virtue of contracted agreements. For both fiscal years presented, the Company has contractual arrangements with a financial institution requiring it to deposit collateral for the residual value of vehicles that are subject to retail leases financed by the financial institution, which the Company shares in the potential losses upon termination. The Company is also party to various letters of credit to guarantee surety bonds issued by a financial institution on the Company's behalf. At 31 March 2014 and 2013, these deposits amounted to INR1906.6 million and INR2589 million, respectively.

6. Property, plant and equipment

In INR	Buildings	Plant and equipment	Computers	Furniture and fixtures	Total
Cost as of April 1, 2012	40,435,829	3,712,463	0	6,358,854	50,507,146
Additions	19,818,390	327,226	197,403	3,800,514	24,143,533
Disposal	0	0	0	0	0
Cost as of March 31, 2013	60,254,219	4,039,689	197,403	10,159,368	74,650,679
Accumulated depreciation as of April 1, 2012	-4,044,657	-617,102	0	-614,712	-5,276,471
Disposals	0	0	0	0	0
Depreciation charge for the year	-4,291,565	-332,510	-19,751	-515,554	-5,159,380
Accumulated depreciation as of March 31, 2013	-8,336,222	-949,612	-19,751	-1,130,266	-10,435,851
Net book value as of March 31, 2013	51,917,997	3,090,077	177,652	9,029,102	64,214,828
Cost as of April 1, 2013 in CA Dollars	60,254,219	4,039,689	197,403	10,159,368	74,650,679
Additions	3,801,732	0	0	4,537,781	8,339,513
Disposal	0	0	0	0	0
Capital work-in-progress moved into service	0	0	0	0	0
Cost as of March 31, 2014	64,055,951	4,039,689	197,403	14,697,149	82,990,192
Accumulated depreciation as March 2013	-8,336,222	-949,612	-19,751	-1,130,266	-10,435,851
Disposals	0	0	0	0	0
Depreciation charge for the year	-6,706,484	-320,024	-20,030	-19,816	-7,066,354
Accumulated depreciation as of March 31, 2014	-15,042,706	-1,269,636	-39,781	-1,150,082	-17,502,205
Net book value as of March 31, 2014	51,331,436	2,947,741	160,247	12,871,741	67,311,120

Notes:

- The Company did not have any property, plant and equipment under finance lease arrangements.

7. Leases

The Company has taken land, buildings, plant and equipment, computers and furniture and fixtures under operating leases. The following is a summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company and operating lease rent expense recognized:

	Minimum Lease Payments	
	31 March 2014	31 March 2013
Not later than one year	13,374,508	20,344,989
Later than one year but not later than five years	72,460,908	81,379,958
Later than five years	13,465,300	38,994,563
Total minimum lease commitments	99,300,716	140,719,510

	Minimum Lease Payments	
	31 March 2014	31 March 2013
Facilities rent expense	8,813,950	11,087,245
Computer lease expense	1,485,165	3,635,419

8. Income taxes

The components of income tax expense:

	As at 31 March	
	2,014	2,013
Current taxes:		
Current year	152,601,769	315,526,657
Prior period adjustments	45,999,247	1,921,716
Deferred taxes:	0	
Current year	-102,463,606	-274,431,721
Prior period adjustments	-46,598,474	0
Effect of changed tax rate	0	-20,871,971
Total income tax expense	49,538,936	22,144,681

Income tax expense recognized in the income statement consists of the following:

Current	198,601,016	317,448,373
Deferred	-149,062,080	-295,303,692
Total income tax expense	49,538,936	22,144,681

Jaguar Land Rover Canada ULC

Note 8 - Income taxes (continued)

The reconciliation of estimated income tax to income tax expense is as follows:

	As at 31 March	
	2,014	2,013
Profit before income taxes	177,348,614	130,992,543
Income tax expense at tax rates applicable to individual entities	46,996,570	34,689,216
Non-deductible expenses	1,656,922	7,259,816
Reduction(increase) in tax rates	6,568	-20,871,971
Prior years' tax expense adjustments	-599,243	1,921,716
Other	1,478,115	-854,096
Income tax expense reported	49,538,932	22,144,681

The provincial government enacted changes to its statutory tax rate which cancelled the proposed decline in the tax rate and the tax rate was frozen at 11.5%. The combined federal and provincial statutory tax rate is 26.5% for the 2013 and future taxation years.

Significant components of deferred tax asset and liability for the year ended 31 March 2014 were as follows:

Significant components of deferred tax asset and liability for the year ended March 31, 2014

	Opening balance	Recognized in Income statement	Recognized in / reclassified from Statement of comprehensive income	Closing balance
Deferred tax assets:				
Tax effects of excess depreciation over capital cost allowance	-115,101	-6,251,927	0	-6,367,028
Expenses deductible in future years:	0	0	0	0
Contingent liabilities incurred including warranty payables and impact of reduction in tax rates	1,143,802,305	155,314,075	0	1,299,116,380
Inventory	14,895,375	0	0	14,895,375
			0	
Capital loss treatment on assumed contingent liabilities on purchase of assets from Ford Motor Company Canada Limited	0	0	0	0
Post retirement benefit plan	5,958,150	0	0	5,958,150
Total deferred tax assets	1,164,540,729	149,062,148	0	1,313,602,877

Jaguar Land Rover Canada ULC

Note 8 - Income taxes (continued)

Significant components of deferred tax asset and liability for the year ended 31 March 2013 were as follows:

Significant components of deferred tax asset and liability for the year ended March 31, 2013

	Opening balance	Recognized in Income statement	Recognized in / reclassified from Statement of comprehensive income	Closing balance
Deferred tax assets:				
Tax effects of excess depreciation over capital cost allowance	366,994	-480,429	0 \$	(113,435)
Expenses deductible in future years:	0	0	0 \$	-
Contingent liabilities incurred including warranty payables and impact of reduction in tax rates	832,476,695	294,769,882	0 \$	1,127,246,577
Inventory	13,665,536	1,014,239	0 \$	14,679,775
Capital loss treatment on assumed contingent liabilities on purchase of assets from Ford Motor Company Canada Limited	0	0	0 \$	-
Post retirement benefit plan	5,871,910	0	0 \$	5,871,910
Total deferred tax assets	852,381,135	295,303,692	0	1,147,684,827

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9. Provisions

Provisions consist of accruals for the Company's expected future cash flow related to locally offered vehicle services under such programs as manufacturer's warranty, certified pre-owned, roadside assistance and service loaner as well as residual risk sharing agreements on leased vehicles and retirement leave. The overall provision was as follows:

	Locally Offered Vehicle Services	Residual Risk	Retirement Leave	Total
Balance at 31 March 2012	-1,585,308,332	-369,168,877	-8,844,135	-1,963,321,344
Provisions made during the year	-1,208,571,209	-457,446,926	-2,909,472	-1,668,927,607
Provisions used during the year	665,564,113	2,746,854	0	668,310,967
Balance at 31 March 2013	-2,128,315,428	-823,868,949	-11,753,607	-2,963,937,984
Current	-664,485,857	-99,736,681	0	-764,222,538
Noncurrent	-1,463,829,569	-724,132,265	-11,753,607	-2,199,715,441
Transfers of amounts into Current Provisions ⁽¹⁾	-119,965,567	0	0	-119,965,567
Transfers of amounts into Non-Current Provisions ⁽¹⁾	-142,436,139	0	0	-142,436,139
Provisions made during the year	-1,577,408,662	-1,315,851,206	-1,728,512	-2,894,988,380
Provisions used during the year	1,018,257,380	909,918,375	12,826,397	1,941,002,152
Balance at 31 March 2014	-2,949,868,416	-1,229,801,780	-655,722	-4,180,325,918
Current	-1,014,376,492	-152,688,295	0	-1,167,064,787
Noncurrent	-1,966,750,223	-1,089,213,542	-828,346	-3,056,792,111

(1) The disclosure of certain prior year amounts related to locally offered vehicle services have been reclassified so as to align with the current year treatment which the directors consider to be a fairer presentation. As such the following amounts have been reflected in transfers:

- INR260 million originally presented in 2013 within Accounts Payable is now included in current provisions, net of INR(138.8) million originally presented in 2013 within Marketing Accruals
- INR138.8 million originally presented in 2013 within Other (Non-current) Financial Liabilities is now included in non-current provisions.

For details on expected timing of cash outflows, see Note 20 – Disclosures on financial instruments.

Jaguar Land Rover Canada ULC

10. Other current liabilities

Other current liabilities consist of sales and use taxes, excise taxes and duties as follows.

	As at 31 March	
	2014	2013
VAT taxes	-106,379,596	-285,969,947
Import duties	-214,880,167	-38,217,264
Transfer price adjustments	-70,445,906	-5,047,184
Other	-8,196,797	0
Total Other current liabilities	-399,902,466	-329,234,395

11. Other financial liabilities

For both years presented, Other financial liabilities non-current consists of unamortized landlord reimbursements for construction performed at the Company's leased facility. This will be amortized against rent expense over the existing term of the lease. See Note 7 – Leases for further details around the Company's facility lease. Additionally, the fiscal year ended 31 March 2013 included liabilities for the Company's non-current portion of scheduled maintenance and wear & tear coverage contracts.

12. Equity

During the year ended 31 March 2013, Jaguar Land Rover Limited eliminated its equity investment in the Company. Previously, the Company maintained members' equity in the amount of INR141 million comprised of 2,531,917 common shares \$1.00 par value, authorized, issued and outstanding and additional paid-in capital.

13. Marketing Accruals

Fixed marketing accruals are comprised of liabilities for advertising and promotion. Variable marketing accruals are comprised of liabilities for dealer incentives and scheduled maintenance programs. The maturity of these accruals is detailed in Note 20 – Disclosures on financial instruments. These accruals amounted to:

	As at 31 March	
	2014	2013
Variable marketing	-657,110,829	-870,392,658
Variable dealer margin	-761,153,452	-671,901,073
Fixed marketing	-176,306,530	-106,038,293
Total marketing accruals	-1,594,570,811	-1,648,332,024

Jaguar Land Rover Canada ULC

14. Employee Cost

Employee cost consists of the following:

	Year ended 31 March	
	2014	2013
Salaries, wages and bonus	165,611,427	137,545,129
Benefits	74,055,617	40,937,233
Defined benefit pensions	0	16,628,576
Other	1,134,874	1,174,612
Total employee costs	240,801,918	196,285,550

15. Other Expenses

Other expenses consist of the following:

	Year ended 31 March	
	2014	2013
Warranty (Scheduled maintenance, Goodwill, Service loaner and Roadside assistance)	1,556,269,673	1,305,138,391
Fixed Marketing	902,694,718	719,123,700
Depots and distribution costs, prep and handling	516,194,670	188,582,455
Consulting costs and other purchased services	206,960,179	65,518,564
Travel and entertainment costs	29,726,989	22,435,624
Facilities costs	18,185,640	161,882,655
Information technology costs	9,173,900	5,616,472
Other general operating expenses	37,646,994	10,384,677
Total Other expenses	3,276,852,763	2,478,682,538

16. Finance income, net

Finance income, net consisted of the following:

	Year ended 31 March	
	2014	2013
Interest income	34,736,682	32,823,794
Interest expense	(147,166)	(44,815)
Finance income, net	34,589,516	32,778,979

17. Employee benefits

The Company sponsors and administers a Defined Contribution Pension Plan (“DCPP”) a Retirement Savings Plan (“RSP”), a Group Registered Retirement Savings Plan (“Group RRSP”) and an Employee Profit Sharing Plan (“EPSP”) for the benefit of its employees.

The DCPP covers all former employees of the Ford Motor Company who transferred as a result of the sale and became members of the DCPP effective January 1, 2009. All full-time and part-time employees hired on or after January 1, 2009 will automatically join the DCPP on their date of hire as a condition of employment. The Company will make contributions to the member’s DCPP account in an amount equal to a percentage of the member’s salary. The Company’s only liability is limited to the contributions currently required under the plan. For the years ended 31 March 2014 and 2013, the Company made a contribution of approximately INR13.1 million and INR12.5 million.

An employee is eligible to join the RSP as of the date of hire. Participation is voluntary. The member may contribute a percentage of base salary and direct the contribution to the Group RRSP or the EPSP or a combination of both. The Company will match a portion of the member’s contribution to the EPSP at a percentage authorized by the Company. The Company maintains at its discretion the right to change the level of matching contributions and to amend, modify, or terminate the plans. For the years ended 31 March 2014 and 2013, the Company made a matching contribution of approximately INR3.8 million and INR3.3 million.

The Company maintained a plan covering certain Ford legacy employees that provides additional postretirement benefits to replace pension benefits lost as a result of the acquisition of the Jaguar and Land Rover businesses on June 2, 2008 by a subsidiary of Tata Motors Limited. The Company funds these benefits on a pay-as-you go basis out of Company assets. As of 31 March 2014 and 2013, the Company had accrued approximately INR812,475 and INR11.7 million related to future benefit payments, respectively.

As of March 31, 2012, the Company maintained a plan covering certain Ford legacy employees that provided additional postretirement medical, dental and life insurance benefits to replace benefits lost as a result of the acquisition of the Jaguar and Land Rover businesses on June 2, 2008 by a subsidiary of Tata Motors Limited. The Company funded these benefits on a pay-as-you go basis out of Company assets. During the year ended March 31, 2013, the Company settled the plan thereby eliminating this liability with the exception of minimal future payments to be made under the settlement. As of 31 March 2014 and 2013, approximately INR3.8 million and INR6.5 million remained to be paid out which was classified within Other non-current liabilities on the Balance sheet.

18. Commitments and contingencies

In the normal course, 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, with the assistance of external legal counsel wherever necessary. 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. Any claims of a product liability nature are assessed and a liability recorded, if necessary, by Jaguar Land Rover Limited, a UK enterprise and parent of the Company.

Management asserts that none of the claims against the Company are probable or estimable, and it believes that none of the contingencies either individually or in aggregate, would have a material adverse effect on the Company’s financial condition, results of operations or cash flows.

Guarantees

The Company does not make any guarantees for related parties or unrelated third parties.

Note 18 – Commitments and contingencies (continued)

Commitments

In the normal course of business, the Company contracts with third parties to provide goods and/or services to the Company in order to operate day to day.

For commitments related to leases, refer Note 7.

Contingent Asset on Residual Risk

In the normal course of business, the Company has a vehicle residual risk sharing arrangement with a financial institution that underwrites retail leases. The Company is not a party to these retail leases. Under the current arrangement, residual collateral deposits are made at the inception of the lease based on final expected residual values of the underlying vehicle at lease termination. At certain points in the life of the retail leases, an interim review is performed and if there is excess collateral on deposit, the Company is entitled to receive a refund of previously deposited collateral. Due to the uncertainty in future residual values as they are impacted by many factors (e.g. economic environment, fuel prices, etc.) management is unable to predict the value, if any, of any future refunds.

19. Capital Management

The Company is capitalized via investment from its parent company, Jaguar Land Rover Limited. The Company purchases the majority of products it sells from the parent company and related Group companies. The cash flow from the sale of vehicles and parts is sufficient to pay the parent company and all other suppliers. Any remaining cash after paying all suppliers, vendors and operating expenses is retained within the Company. As such, no additional financing is required. From time to time, the Company will remit excess cash to Jaguar Land Rover Limited in the form of a dividend. During the year ended 31 March 2014, the Company paid a dividend to Jaguar Land Rover Limited in the amount of INR437,490,705..

During the year ended 31 March 2013, Jaguar Land Rover Limited eliminated its equity investment in the Company. At 31 March 2012, the Company maintained members' equity in the amount of INR140.8 million comprised of 2,531,917 common shares \$1.00 par value, authorized, issued and outstanding and additional paid-in capital.

20. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Jaguar Land Rover Canada ULC

Note 20 – Disclosures on financial instruments (continued)

a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2014 and 2013, respectively:

	As at 31 March			
	2014		2013	
	Total Carrying Value	Total Fair Value	Total Carrying Value	Total Fair Value
Financial Assets				
Cash and Cash Equivalents	1,604,269,343	1,604,269,343	1,471,220,921	1,471,220,921
Trade Receivables	266,457,666	266,457,666	1,628,755,116	1,628,755,116
Other Financial Assets	9,666,584	9,666,584	20,809,872	20,809,872
Total	1,880,393,594	1,880,393,594	3,120,785,909	3,120,785,909
Financial Liabilities				
Trade Payables	-2,186,549,556	-2,186,549,556	-2,660,270,326	-2,660,270,326
Marketing Accruals	-1,442,263,128	-1,442,263,128	-1,648,332,025	-1,648,332,025
Financial Liabilities	-4,617,841	-4,617,841	-4,139,767	-4,139,767
Other Current Liabilities	-399,902,467	-399,902,467	-329,234,395	-329,234,395
Provisions (current)	-1,167,064,776	-1,167,064,776	-764,222,540	-764,222,540
Income Tax Liability	0	0	-111,237,890	-111,237,890
Other Financial Liabilities	-27,322,211	-27,322,211	-172,263,454	-172,263,454
Other Non-Current Liabilities	-3,859,229	-3,859,229	-6,472,446	-6,472,446
Provisions (non-current)	-3,056,792,087	-3,056,792,087	-2,199,715,442	-2,199,715,442
Total	-8,288,371,295	-8,288,371,295	-7,895,888,285	-7,895,888,285

Notes

The Company does not have any derivative financial instruments.

The short term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in a sales transaction as of respective dates. The estimated fair value amounts as of 31 March 2014 and 2013 have been measured as of the respective dates. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

Note 20 – Disclosures on financial instruments (continued)

b) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in interest rates, credit risk and liquidity risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers risks associated with the financial assets and liabilities like interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment – by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings – by determining the financial value of the expected earnings in advance.

i) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

a) Foreign currency exchange rate risk:

The company does not have any material exchange risk due to limited transactions in currencies other than US dollars, nor does it have any material balances at the period end which are denominated in any currency other than Canadian dollars.

b) Interest rate risk

The company's interest rate risk is limited to any short term borrowings, which are at market rates.

ii) Credit risk

Credit risk is the risk of financial loss 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 and finance receivables. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was INR3786.1 million and INR5706.4 million as of 31 March 2014 and 2013, respectively, being the total of the carrying amount of cash balance with banks, trade receivables, and financial assets.

Note 20 – Disclosures on financial instruments (continued)

ii) Credit risk (continued)

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as of 31 March 2014, that any defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

Jaguar Land Rover Canada

	March 31, 2014			March 31, 2013		
	Gross	Allowance	Total	Gross	Allowance	Total
Trade Receivables						
Period						
Not due	172,789,600	0	172,789,600	1,352,640,876	0	1,352,640,876
Overdue 1-3 months	100,121,944	0	100,121,944	276,114,237	0	276,114,237
Overdue 3-6 months	-6,567,181	0	-6,567,181	0	0	0
Overdue more than 6 months	113,313	0	113,313	0	0	0
Total	266,457,676	0	266,457,676	1,628,755,113	0	1,628,755,113

i) **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that it is available for use as per requirements.

The Company is primarily funded through the sale of vehicles and parts at a profit. Generally, funds generated through that means are sufficient to cover all obligations. Any excess cash is retained by the Company and sporadically remitted back to the parent company, Jaguar Land Rover Limited in the form of a dividend.

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2014:

Jaguar Land Rover Canada ULC

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd - 5th year	Due after 5 years	Non-cash amount
Trade payables	-2,186,549,556	-2,186,549,556	0	0	0	0
Marketing provisions	-1,442,263,128	-1,442,263,128	0	0	0	0
Financial liabilities	-4,617,841	-4,617,841	0	0	0	0
Other current liabilities	-399,902,467	-399,902,467	0	0	0	0
Provisions (current)	-1,167,064,776	-1,167,064,776	0	0	0	0
Other non-current liabilities	-3,859,229	0	-3,859,229	0	0	0
Provisions (noncurrent)	-3,056,792,087	0	-1,352,924,493	-1,703,867,593	0	0
Other financial liabilities	-27,322,211	0	0	0	0	-27,322,211
Total	-8,288,371,295	-5,200,397,768	-1,356,783,722	-1,703,867,593	0	-27,322,211

ii) Derivative financial instruments and risk management

The Company does not have any derivative financial instruments.

21. Collaterals

The Company does not have any guarantees or assets pledged as collateral.

22. Segment reporting

The company operates in one segment, the sale of Jaguar Land Rover vehicles and part in one geographic segment, Canada.

23. Related party transactions

The Company's related parties principally consist of subsidiaries of its parent company, Jaguar Land Rover, Limited, Tata Motors Limited and other Tata related companies. The Company routinely enters into transactions with these related parties in the ordinary course of business.

The Company purchases the majority of its inventory from subsidiaries of the UK parent company Jaguar Land Rover Limited. As a result, the Company will incur payables to those entities. Additionally, the Company has entered into a transfer price arrangement with Jaguar Land Rover Limited whereby profitability is fixed as a percentage of selected selling expenses. As a result of this arrangement, the Company will transfer profits or losses to these entities to arrive at the appropriate profit target by adjusting cost of revenues and offsetting payables to affiliated companies. At 31 March 2014 and 2013, the Company had approximately INR1960.8 million and INR1484 million, respectively recorded as payables owed to Jaguar Land Rover Limited.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Cumulative compensation of those individuals identified as key management personnel was as follows:

Jaguar Land Rover Canada ULC

	Year ended 31 March	
	2014	2013
Salaries	48,578,983	52,254,415
Incentive compensation	18,064,028	7,913,893
Other	9,832,512	12,698,421
Total key employee compensation	76,475,523	72,866,729

The Company did not have any other transactions with key management personnel.

Refer Note 17 for information on transactions with post-employment benefit plans.

24. Subsequent events

There were no events occurring after the balance sheet date that would have a material impact on the Company's results of operations, financial position or cash flows.

JAGUAR LAND ROVER FRANCE SAS

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JAGUAR LAND ROVER FRANCE SAS

A French limited company in the form of a *Société par Actions Simplifiée*

165 boulevard de Valmy
ZA Kléber, Bâtiment Ellington, CS
92700 COLOMBES

Auditor's Report on the Financial Statements
Year ended 31 December 2013

In compliance with the assignment entrusted to us by you, we hereby report to you, for the year ended 31 December 2013, on:

- The audit of the accompanying financial statements of Jaguar Land Rover France;
- The justification of our assessments;
- The specific verifications and information required by law.

These financial statements have been approved by the Chairman. Our responsibility is to express an opinion on the financial statements, based on our audit.

I – Opinion on the financial statements

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and financial position of the company at 31 December 2013 and the results of operations for the year then ended in accordance with French generally accepted accounting principles.

II – Justification of assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we inform you that the assessments we made were related to the appropriateness of the company's accounting policies and significant accounting estimates.

The assessments were thus made in the context of the performance of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

III – Specific verifications and information

We have also performed the specific verifications required by law, in accordance with professional standards applied in France.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the Chairman's report and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Neuilly-sur-Seine, 27 March 2014

The Statutory Auditor
Deloitte & Associés

R J Alex Legon

BALANCE SHEET – ASSETS

(in Indian Rupees)	Accounting period ended 31 December 2013 (12 months)			31-Dec-12 (12 months)
	GROSS	DEPRECIATION, AMORTIZATION, PROVISIONS	NET	NET
NON-CURRENT ASSETS				
INTANGIBLE ASSETS				
Concessions, patents, licenses, software, and similar rights	1 139 419	629 497	509 921	529 541
Goodwill	498 165 982		498 165 982	422 844 654
PROPERTY, PLANT AND EQUIPMENT				
Buildings	4 267 708	1 028 742	3 238 966	444 291
Industrial and technical plant	43 934 819	26 309 875	17 624 944	17 843 444
Other plant and equipment	42 149 163	16 805 032	25 344 131	24 311 559
PP&E under construction	3 274 032		3 274 032	93 824
FINANCIAL ASSETS				
Guarantee deposits	12 853 152		12 853 152	9 894 777
TOTAL	605 784 275	44 773 146	561 011 128	475 962 090
CURRENT ASSETS				
INVENTORIES AND WORK-IN-PROGRESS				
Bought-in goods	3 132 221 479	15 496 038	3 116 725 441	2 330 116 473
Payments on account – inventories	2 116 679		2 116 679	1 639 900
ACCOUNTS RECEIVABLE				
Trade receivables and related accounts	1 126 055 327	23 752 738	1 102 302 589	884 764 613
Debit vendor balances	5 268 563 236		5 268 563 236	3 263 544 444
OTHER CURRENT ASSETS				
Cash and cash equivalents	14 947 654		14 947 654	91 758 055
Prepayments	16 962 879		16 962 879	23 416 817
TOTAL	9 560 867 253	39 248 776	9 521 618 477	6 595 240 303
Deferred charges				
Bond redemption premiums				
Unrealized foreign exchange losses				
GRAND TOTAL	10 166 651 528	84 021 923	10 082 629 605	7 071 202 393

Conversion into Indian Rupees

*The financial information is expressed in the local currency of the relevant company (Euros) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **EUR 1 = Rs 85.028** and **Rs 72.172** for the years ended 31 December 2013 and 2012 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.*

BALANCE SHEET – LIABILITIES & SHAREHOLDERS' EQUITY

(in Indian Rupees)	Accounting period ended 31 December 2013 (12 months)	31-Dec-12 (12 months)
SHAREHOLDERS' EQUITY		
Share capital	264 937 045	224 879 291
Additional paid-in capital	92 410 678	78 438 438
Legal reserve	26 493 705	18 885 685
Retained earnings	536 868 363	358 825 292
Net income (loss) for the period	147 522 701	100 472 294
Tax-driven provisions	66 974	250 276
TOTAL	1 068 299 466	781 751 276
PROVISIONS FOR CONTINGENCIES AND LOSSES		
Provisions for contingencies	303 972 014	239 461 388
Provisions for losses	104 371 530	108 011 923
TOTAL	408 343 544	347 473 311
LIABILITIES		
Operating liabilities		
Trade payables and related accounts	5 083 334 805	3 653 862 610
Tax and employee-related liabilities	1 251 150 608	858 400 425
Other liabilities		
Other liabilities	2 241 790 628	1 415 437 688
Deferred income and miscellaneous		
Deferred income	29 710 554	14 277 083
TOTAL	8 605 986 595	5 941 977 806
Unrealized foreign exchange gains		
GRAND TOTAL	10 082 629 605	7 071 202 393

INCOME STATEMENT FOR THE YEAR

(in Indian Rupees)			Accounting period ended 31 December 2013 (12 months)	31-Dec-12 (12 months)
OPERATING REVENUES	France	Export		
Sales of bought-in goods	34 631 111 537	8 334 421 680	42 965 533 217	34 547 578 846
Sales of own services	254 513 391	643 523 344	898 036 735	761 410 524
NET SALES	34 885 624 928	8 977 945 024	43 863 569 952	35 308 989 370
Operating subsidies			216 113	180 430
Reversals of dep'n and provisions, reclassification of expenses			223 240 785	125 897 309
Other revenues			252 509	613 462
TOTAL			44 087 279 359	35 435 680 571
OPERATING EXPENSES				
Purchases of bought-in goods (including customs duties)			39 382 858 229	31 383 412 068
Change in inventories of bought-in goods			-359 917 394	83 590 096
Other purchases and external charges			3 492 285 338	3 002 438 440
Duties and taxes other than corporate income tax			259 759 874	135 800 833
Wages and salaries			374 077 705	273 386 501
Employee welfare contributions and similar charges			197 337 040	134 481 752
Depreciation and amortization			10 012 197	10 574 787
Impairment of current assets			118 024 279	23 806 193
Charges for provisions			87 118 214	98 423 197
Other charges			2 197 654	575 343
TOTAL			43 563 753 135	35 146 489 210
NET OPERATING INCOME			523 526 224	289 191 361
Financial income			6 903 708	12 770 308
Financial expenses			139 020 042	78 370 025
NET FINANCIAL EXPENSE			-132 116 334	-65 599 717
NET INCOME (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX			391 409 890	223 591 644
Exceptional income - operating items			1 624 843	1 103 778
Exceptional income - capital items			231 981	2 831 360
Exceptional income - reversal of provisions and reclassification of expenses			62 910 220	66 593 748
Exceptional income			64 767 043	70 528 886
Exceptional charges - operating items			50 429 315	29 048 057
Exceptional charges - capital items			1 347 609	1 975 853
Exceptional charges for impairment and provisions			54 464 855	71 392 283
Exceptional charges			106 241 779	102 416 193
NET EXCEPTIONAL ITEMS			-41 474 735	-31 887 307
Statutory employee profit-sharing scheme			30 755 215	15 695 329
Corporate income tax			171 657 239	75 536 714
NET INCOME (LOSS) FOR THE PERIOD			147 522 701	100 472 294

Jaguar Land Rover France SAS was created on 10 November 2008 with share capital of Indian Rupees 264,937,045 comprising 311,588 shares with a par value of Indian Rupees 850.28 each.

The following notes apply to the company's financial statements including a balance sheet (before appropriation of net income) as at 31 December 2013 disclosing total assets of Indian Rupees 10,082,629,605 and an income statement for 2013 disclosing net income of Indian Rupees 147,522,701.

The financial year comprised twelve months from 1st January to 31 December 2013.

The financial statements have been authorised for publication by the company's Chairman. The main events of the period have been commented on in the Chairman's Report to shareholders.

The notes and tables hereafter are an integral part of the financial statements for 2013. All amounts are in Indian Rupees unless otherwise stated.

The main events of the period were as follows:

1/ Environment:

With 1,790,456 new cars registered in 2013, the automobile market fell by 5.7% over 2012 (already down 13.9% over 2011).

The market for large luxury sedans applicable to Jaguar fell by 21% to 19,653 units. Jaguar achieved 879 new car registrations compared to 897 in 2012 (-2.0%), i.e. a performance far superior to that of the market.

The 4x4/SUV market fell by 13.4% to 231,276 units. The 4x4 luxury segment applicable to Land Rover fell steeply by 12.8% to 78,001 units.

Land Rover, because of production constraints which reduced allocations for the French market, was not able to equal its sales of 2012 but achieved 8,231 units compared with 9,248 units in 2012 (-11%). In addition, the commercial launch of the New Range Rover Sport only took place in September 2013, so the full year impact of the new model will only be experienced in 2014.

It should be noted that because of the increase in the unit value of the vehicles sold, the company's sales nevertheless rose in comparison to 2012.

These elements, as well as the activity level expected until the end of 2014, are such as to ensure the pursuit of Jaguar Land Rover France's activities as a going concern.

To date, Jaguar Land Rover France SAS has no knowledge of any events liable to compromise the Group's cash pooling arrangements and capacity to ensure adequate financing of its operations.

2/ Dividends:

No dividend has been distributed to our shareholder Jaguar Land Rover Automotive Plc.

1. ACCOUNTING POLICIES

The financial statements for the year ended 31 December 2013 have been prepared in accordance with French regulation PCG 531 article 1/1 and with French generally accepted accounting principles.

The following accounting conventions have been applied:

- Going concern (cf. above);
- Consistency of accounting policies;
- Accrual basis.

Unless otherwise stated, the historical cost basis of valuation has also been applied.

The company's main accounting policies are as follows:

a/ Intangible assets and property, plant and equipment

a1. Intangible assets

- . Intangible assets are recorded at acquisition cost.
- . Goodwill is not amortised but is subject to impairment depending on the economic environment
- . Computer software is amortised on a straight-line basis over five years.

a2. Property, plant and equipment

Property, plant and equipment are recorded at historical cost and depreciated on a straight-line basis using the following estimated useful lives:

- Fixtures and fittings	3 years
- Equipment and tools	3 to 17 years
- Technical installations	1 to 3 years
- Furniture	1 to 10 years

b/ Non-current financial assets

Non-current financial assets comprise guarantee deposits, in particular for the company's leasehold premises in Colombes, and do not require the recognition of any impairment.

c/ Inventories

Spare part inventories are measured at average cost. Impairment allowances are recognised when the estimated net realisable value is below cost (e.g. for slow-moving items based on recent sales or consumption).

Vehicles are measured on the basis of individual historical cost. Impairment allowances are recognised when the estimated net realisable value is below cost.

d/ Receivables and payables

Trade receivables are measured on the basis of the applicable invoice amounts less any impairment based on the legal and financial appraisal of debtors as at the balance sheet date.

Receivables and payables are recognised inclusive of the applicable taxes.

Vehicles are billed to dealers when they leave the UK factory. Direct sales are billed on delivery. Spare parts despatched are billed at the end of each week.

e/ Sales incentive programmes

The cost of sales incentive programmes is deducted from the applicable sales and accrued as appropriate. Occasionally, incentives may be decided on subsequent to sale (e.g. in the case of retail programmes designed to clear dealer inventories), in which case appropriate provision is made at the time of the decision. The corresponding liabilities are recognised as part of other liabilities.

f/ Factoring

Receivables arising from sales of vehicles to dealers are transferred on a daily basis to FC France which is responsible for collection and assumes the applicable risks.

Receivables arising from sales of vehicles to public authorities and (in part) dealers in French overseas territories are transferred on a daily basis to Factocic which is responsible for collection and assumes the applicable risks up to a predefined contractual limit.

Receivables arising from sales of spare parts are transferred on a weekly basis to Factocic which is responsible for collection and assumes the applicable risks up to a predefined contractual limit.

g/ Post-employment and long-service benefits

Post-employment and long-service benefits are provided for over employees' expected working lives and recognised as part of provisions for contingencies.

The main actuarial assumptions applicable to post-employment benefits are as follows:

- Discount rate of 3.1% (2.9% in 2012);

- Annual salary increases of 3%;
- Long-term inflation of 2% per annum;
- Mortality per the INSEE table for 2007-2009;
- Retirement at 65 for all managers and for employees/technicians born since 1967, and at 62 for employees/technicians born before 1967;
- Retirement assumed to be voluntary;
- Social contribution loading factors of 49.7% for senior executives, 49.9% for other managers and 50% for employees/technicians;
- Use of the projected unit credit method reflecting past service;
- Staff turnover rates by age band as follows and respectively for managerial/non-managerial personnel: 18-24 (18%, 10%), 25-29 (13%, 6%), 30-34 (9%, 4%), 35-39 (6%, 2%), 40-44 (3%, 1%), 45-49 (1%, 0.5%), and 50-65 (0%, 0%);
- Collective bargaining agreement applicable to the metallurgy industry.

h/ Product warranty

No warranty is provided for by Jaguar Land Rover France SAS since all warranty costs for vehicles and spare parts are borne by Jaguar Cars Limited and Land Rover Limited in the UK.

Dealers receive warranty credits from Jaguar Land Rover France SAS based on the amounts granted by Jaguar Land Rover Limited (UK). In parallel, Jaguar Land Rover France SAS recognises credits from its parent company net of its margin on the original sale of parts to the dealers.

i/ Transactions denominated in foreign currencies

Income and expenses denominated in foreign currencies are recognised at the exchange rates prevailing on the transaction dates. Receivables and payables are adjusted to the applicable closing rates at the balance sheet date. Unrealised losses are charged to profit or loss.

ADDITIONAL INFORMATION IN RESPECT OF THE BALANCE SHEET

SHARE CAPITAL AND RESERVES

2. Share capital

The company's opening and closing share capital comprised 311,588 shares with a par value of Indian Rupees 850.28 each.

3. Statement of changes in equity

	2013
Opening equity at 1st January 2013:	
- Share capital	264 937 045
- Reserves	92 410 641
- Legal reserve (after appropriation of net income for 2012)	26 493 704
- Retained profits (after appropriation of net income for 2012)	536 868 323
- Tax-driven provisions	294 877
	921 004 590
Net income for the year	147 522 730
Dividends paid	-
Change in tax-driven provisions	-227 854
Closing equity at 31 December 2013	<u>1 068 299 466</u>

PROVISIONS

4. Breakdown of provisions

	Tax-driven provisions	Provisions for contingencies and losses	Impairment allowances	Total
Opening balance	294 877	409 368 751	52 789 889	462 453 517
Charges for the period		141 583 099	118 024 306	259 607 405
Reversals for the period	-227 875	-142 608 281	-131 565 355	-274 401 511
Closing balance	67 002	408 343 569	39 248 839	447 659 410

4.1 Tax-driven provisions

As at 31 December 2013 this line item represented tax-driven depreciation and amortisation. The reversal for the period represented the difference between the tax and accounting amortisation charge in respect of computer software.

4.2 Provisions for contingencies and losses

The provision of Indian Rupees 408,343,569 comprised:

- 97,096,534 for standard returns of spare parts;
- 167,166,409 for litigation;
- 39,709,096 for maintenance commitments in respect of vehicles sold;
- 104,371,530 for post-employment and similar obligations.

The Indian Rupees 141,583,099 of charges for the period mainly comprised:

- 24,757,688 for standard returns of spare parts;
- 80,322,380 of payments under litigation;
- 12,550,303 of payments under maintenance commitments in respect of vehicles sold;
- 23,952,728 for post-employment and similar obligations.

The Indian Rupees 142,608,281 of reversals for the period mainly comprised:

- 18,182,302 relating to standard returns of spare parts (including €14,610 of surplus provision);
- 77,592,727 relating to litigation (including €367,359 of surplus provision);
- 28,586,073 relating to taxation;
- 18,247,179 relating to post-employment and similar obligations (all equating with surplus provision).

4.3 Impairment allowances

The total of Indian Rupees 39,248,755 as at 31 December 2013 comprised:

- 15,946,013 in respect of inventories;
- 23,752,742 in respect of trade receivables.

In the case of spare parts inventories, the fact that the company's initial inventories were measured at an amount net of impairment, and the pattern of consumption and scrapping since then, have obviated any need for recognition of any additional impairment allowance in 2013.

NON-CURRENT ASSETS

5. Breakdown of non-current assets

	Intangible assets	Tangible assets	Financial assets	Total
Gross opening balance	499 305 418	91 270 756	11 657 339	602 233 512
Additions		10 429 875	1 195 834	11 625 708
Disposals		-8 074 939		-8 074 939
Gross closing balance	499 305 418	93 625 691	12 853 173	605 784 282

6. Depreciation and amortisation

a) For accounting purposes

	Intangible assets	Tangible assets	Financial assets	Total
Opening balance	515 525	40 972 697		41 488 222
Straight-line charges	113 938	9 898 280		10 012 217
Eliminated for disposals		-6 727 330		-6 727 330
Closing balance	629 462	44 143 647		44 773 109

b) Tax-driven amounts

	Intangible assets	Tangible assets	Financial assets	Total
Opening balance	294 877			294 877
Adjustment for computer software	-227 875			-227 875
Closing balance	67 002			67 002

PROPERTY, PLANT AND EQUIPMENT

7. Measurement and depreciation

Gross property, plant and equipment are measured at acquisition cost inclusive of directly attributable expenditure with the exception of borrowing costs.

Items contributed when the company was created have been recognised as second-hand.

Depreciation is charged on a straight-line basis.

NON-CURRENT FINANCIAL ASSETS

8. Guarantee deposits

Jaguar Land Rover France does not hold any long-term investments. The total Indian Rupees 12,853,173 of non-current financial assets comprises guarantee deposits.

RECEIVABLES AND PAYABLES

9. Measurement of receivables and payables

Impairment allowances have been recognised against non-factored receivables to take account of any individual problems of recovery at the balance sheet date.

10. Breakdown of inventories

	Gross amount	Impairment	Net amount	Net N-1
Goods purchased for resale:				
- New vehicles	1 111 717 887		1 111 717 887	802 150 570
- Company vehicles	683 307 881	1 536 881	681 770 999	582 603 995
- Second-hand vehicles	3 847 262	3 314 902	532 360	576 510
	1 798 873 030	4 851 783	1 794 021 247 0	1 385 331 075
- Spare parts and accessories	1 274 941 292		1 274 941 292 0	901 192 278
- Advertising materials etc.	58 407 264	10 644 315	47 762 948 0	43 593 115
Total inventories	3 132 221 585	15 496 097	3 116 725 488	2 330 116 468

11. Breakdown of receivables and payables by maturity

	Gross amount	≤ 1 year	> 1 year and ≤ 5 years	> 5 years
A) RECEIVABLES				
Non-current assets:				
- Guarantee deposits	12 853 173		12 853 173	
Current assets:				
-				
Advces/paymts/account/orders	2 116 687	2 116 687		
- Trade receivables	1 126 055 309	1 126 055 309		
- Other receivables	5 268 563 265	5 268 563 265		
- Prepaid expenses	16 962 916	16 962 916		
Total receivables	6 426 551 348	6 413 698 177	12 853 173	
B) PAYABLES				
Trade payables	5 083 334 784	5 083 334 784		
Tax and payroll liabilities	1 251 150 628	1 251 150 628		
Other liabilities	2 241 790 599	2 241 790 599		
Deferred revenue	29 710 569	29 710 569		
Total payables	8 605 986 580	8 605 986 580		

12. Details of other receivables and payables

	2013	2012
A) RECEIVABLES		
- Valued added tax	425 812 997	386 556 696
- Retentions by Factocic	54 288 252	55 800 720
- Factocic current account	130 263 831	161 284 140
- Group cash pooling balance	4 657 092 821	2 632 501 125
- Taxes		2 574 087
- Miscellaneous items	1 105 449	24 827 529
Total	5 268 563 350	3 263 544 297
B) PAYABLES		
- Amounts due to customers	21 528 409	31 201 543
- Related company balance	17 906 642	8 241 032
- Customer rebates payable	2 202 355 548	1 375 995 049
Total	2 241 790 599	1 415 437 625

13. Details of accrued expenses and accrued income

	2013	2012
A) ACCRUED EXPENSES		
I. TRADE PAYABLES		
1. Accrued invoices - 3rd party suppliers	320 676 045	356 906 057
2. Accrued invoices - Group suppliers	522 394 346	937 454 955
II. OTHER PAYABLES		
1. Credit notes payable to 3rd party customers	2 223 883 957	1 375 995 049
2. Credit notes payable to Group customers	17 906 642	8 241 032
III. TAX AND PAYROLL LIABILITIES		
1. Accrued holiday pay	35 329 899	26 296 590
2. Accrued profit-sharing bonus	35 976 367	15 666 304
3. Other payroll benefit accruals	6 889 734	5 470 710
4. Social contributions - accrued holiday pay	17 731 739	13 004 601
5. Other accrued social contributions	11 192 576	5 447 615
6. Accrued Organic sales tax	71 032 306	56 632 069
7. Accrued works committee funding	148 374	41 932
8. Accrued apprenticeship tax	2 403 657	1 850 923
9. Accrued housing levy	1 638 830	1 262 000
10. Accrued training levy	3 385 560	2 550 558
11. Accrued advertising tax	1 028 924	873 353
12. Accrued TVTS tax	9 621 258	14 450 567
13. Accrued eco-contribution	376 079	
14. Accrued CVAE and CFE taxes	1 406 703	142 251
B) ACCRUED INCOME		
I. TRADE RECEIVABLES		
1. Accrued 3rd party income	12 014 456	29 328 030
II. OTHER RECEIVABLES		
1. -		
2. Accrued Group current account interest	3 047 318	314 886
3. Accrued 3rd party supplier rebates	1 573 188	22 036 565

ADJUSTMENT ACCOUNTS

14. Prepaid expenses and deferred income

Prepaid expenses of Indian Rupees 16,962,916 wholly comprised operating items including 2,683,484 of insurance premiums, 8,080,636 of marketing expenses and 6,198,796 of miscellaneous expenses including rent.

Deferred income of Indian Rupees 29,710,484 wholly comprised operating items, namely vehicle sales invoiced but not yet delivered.

15. Directors' remuneration

a) The Chairman of JLR France SAS is not an employee of the company and so received no remuneration from JLR France SAS.

b) As required by the French code of commercial law, no advances or loans have been made to executives of the company.

16. Cash and cash equivalents

Cash and cash equivalents amounted to Indian Rupees 14,947,667 on the basis of their nominal amounts. No foreign currency liquidities exist.

RELATED PARTIES

17. Related party receivables

Related party receivables amounted to Indian Rupees 5,235,222,001 including 577,493,596 of trade receivables and 4,657,728,405 of other receivables.

By “related parties” are meant all Jaguar and Land Rover entities with which Jaguar Land Rover France SAS concludes transactions. They do not include our dealer network since our dealers are not consolidated by our Group.

Jaguar Land Rover France SAS has a cash pooling agreement with other Group companies all of which provide funds to Land Rover UK. There is no risk of non-recovery. As at 31 December 2013 Jaguar Land Rover France SAS had a cash pooling balance of Indian Rupees 4,657,091,631 in its favour.

Jaguar Land Rover France SAS has not undertaken any material related party transaction at other than arm’s length conditions.

18. Related party payables

Related party payables amounted to Indian Rupees 4,632,077,668 including 4,614,170,942 of trade payables (of which 522,394,346 of accruals) and 17,906,642 of other payables (credit notes payable).

By “related parties” are meant all Jaguar and Land Rover entities with which Jaguar Land Rover France SAS concludes transactions. They do not include our dealer network since our dealers are not consolidated by our Group.

Jaguar Land Rover France SAS has not undertaken any material related party transaction at other than arm’s length conditions.

ADDITIONAL INFORMATION IN RESPECT OF THE INCOME STATEMENT

19. Breakdown of net sales by activity

	2013	2012
- Vehicles	31 934 151 916	25 855 162 079
- Spare parts	2 875 816 251	2 240 129 892
- Services	155 116 750	156 996 040
Total France	34 965 084 917	28 252 288 011
- Vehicles	1 046 042 090	1 013 381 919
- Spare parts	7 119 033 666	5 438 904 943
- Services	733 409 269	604 414 446
Total Export	8 898 485 025	7 056 701 308
Grand total	43 863 569 943	35 308 989 319

20. Financial income and expense involving related parties

The company had no financial expense involving related parties in either 2013 or 2012. It received Indian Rupees 3,047,318 of related party financial income in 2013 and Indian Rupees 9,432,231 in 2012.

21. Exceptional income and expense

	Expense	Income
Tax-driven depreciation		227 875
Provisions for taxation		28 586 073
Provisions for contingencies and losses (payroll costs)	54 464 855	34 096 228
Costs of litigation	31 084 281	
Vehicle late delivery penalties	291 816	
Miscellaneous items	13 717 992	1 856 841
Damage to vehicles	5 335 167	
Carrying amount of assets disposed of	1 347 609	
Total	106 241 722	64 767 018

22. Reclassification of expenses

Compensation for spare parts damaged in transit	6 328 719
Compensation for damaged vehicles	5 420 790
Total	11 749 509

23. Breakdown of average employees

	2013	2012
Employees:		
- Managers	50	44
- Employees and technicians	3	5
- Apprentices	3	2
Total	56	51

Average employees have been computed on the basis of headcount at the end of each month (rounded upwards).

24. Individual training entitlement

The Company's employees:

- Had 5,149 hours of individual training entitlement at 1st January 2013;
- Acquired 272 hours of additional entitlement during the year;
- Used or lost 147 hours of prior entitlement; so
- Had 5,274 hours of individual training entitlement at 31 December 2013.

25. Corporate income tax

The corporate income tax charge amounted to Indian Rupees 138,170,415 based on 414,511,330 of taxable profit. Additional contributions required by law of Indian Rupees 2,423,827 and 14,815,541 were also payable.

The company had the benefit of apprenticeship, competitiveness, corporate sponsorship and "family" tax credits amounting respectively to Indian Rupees 255,084, 866,860, 255,084 and 307,175.

The total tax charge for 2012 thus amounted to Indian Rupees 131,881,441 of which 156,882,442 applicable to current profit and a credit of -19,959,239 applicable to net exceptional charges.

26. Secured liabilities (nil)

27. Third party contingent assets and liabilities not including finance lease obligations

a) Commitments given

Factocic guarantee	228 588 340
Other commitments towards:	
- Car renters	
- Colombes landlord	133 004 029
- Dealers	
- Suppliers	867 139 012
Total	1 228 731 380

b) Commitments received

Guarantees provided by dealers and authorised repairers	1 939 228 324
Total	1 939 228 324

By “related parties” are meant all Jaguar and Land Rover entities with which Jaguar Land Rover France SAS concludes transactions. The company had no related party contingent assets and liabilities.

28. Finance lease obligations

The company is not a party to any finance leases.

29. Deferred tax

The company’s deferred tax position was as follows:

	Assets/(liabilit) at 1/1/2013	Income/(expense) for the year	Impact of tax rate changes	Assets/ (liabilities) at 31/12/2013
Tax-driven provisions (including invest grants)	-103 309	85 453	-7 227	-25 083
Non-deductible prov for contingencies and losses	41 234 584	-7 764 842	2 889 592	36 359 333
Non-deductible accruals	31 318 023	11 300 221	2 194 658	44 812 902
Total	72 449 298	3 620 832	5 077 022	81 147 152

The applicable effective tax rates amounted to 37.4835% at the end of 2013 and 35.029% at the end of 2012.

30. Events after the reporting date (none)

31. Impact of tax-driven items

The company’s profit before tax for 2013 amounted to Indian Rupees 302,896,180. It would have amounted to 302,668,305 had not 227,875 of tax-driven amortisation been recorded in previous accounting periods.

32. Identity of the consolidating entity

The financial statements of Jaguar Land Rover France SAS are fully consolidated by Jaguar Land Rover Automotive Plc, registered under N° 06477691 and located in Banbury Road, Gaydon, Warwickshire, CV35 0RG, UK.



Jaguar Land Rover South Africa (Pty) Ltd
(Registration Number: 2001/027269/07)

**Audited Financial statements
for the year ended 31 March 2014**

Preparation supervised by: L Kretzschmar (Financial Director)

Conversion into Indian Rupees

*The financial information is expressed in the local currency of the relevant company (South African Rand) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **ZAR 1 = Rs 5.681** and **Rs 5.874** for the years ended 31 March 2014 and 2013 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.*

Jaguar Land Rover South Africa (Pty) Ltd
(Registration number 2001/027269/07)
Financial Statements for the year ended 31 March 2014

General Information

Country of incorporation and domicile	South Africa (unless otherwise noted)
Nature of business and principal activities	Acting as principal in the sale and marketing of vehicles, parts and accessories and the provision of related services.
Directors	K Flynn R Chetty (resigned 31/05/2013) B Hastie (appointed 17/08/2012) N Clarke (appointed 17/08/2012) P Biven (appointed 1/02/2013) R Beattie (appointed 24/06/2013) L Kretzschmar (appointed 1/01/2014)
Registered offices	28 Victoria Link Route 21 Corporate Park Nelmapius Drive Irene X30 0184
Business address	28 Victoria Link Route 21 Corporate Park Nelmapius Drive Irene X30 0184
Postal address	Private Bag X2 Pierre van Ryneveld 0045
Holding company	Jaguar Land Rover (South Africa) Holdings Limited incorporated in the United Kingdom
Auditors	Deloitte & Touche Registered Auditor
Secretary	Vacant
Company registration number	2001/027269/07

Jaguar Land Rover South Africa (Pty) Ltd
(Registration number 2001/027269/07)
Financial Statements for the year ended 31 March 2014

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Directors' responsibilities and approval

The directors are required by the Companies Act, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, that

appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the 12 month period to 31 May 2015 and, in light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been audited by the company's external auditors and their report is presented on page 5.

The financial statements set out on pages 8 to 36 were approved by the directors on 31 May 2014 and were signed on its behalf by:

K FLYNN
DIRECTOR

L KRETZSCHMAR
DIRECTOR

To the Shareholders of Jaguar Land Rover South Africa Pty Ltd

We have audited the annual financial statements of Jaguar Land Rover South Africa Pty Ltd set out on pages 8 to 36, which comprise the statement of financial position as at 31 March 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that 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 conducted our audit in accordance with International Standards on Auditing. 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.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jaguar Land Rover South Africa Pty Ltd as at 31 March 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2013, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparers. Based on reading this reports we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on the report.

Deloitte & Touche
Registered Auditor
Per: M Osman
Partner
3 December 2013

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2014.

1. Principal activities

Jaguar Land Rover South Africa (Pty) Ltd (the Company) is a company incorporated and domiciled in South Africa and has its registered office and principal place of business at 28 Victoria link, Route 21 Corporate Park, Nellmapius Drive, Irene, Pretoria. The principal activities of the Company are acting as principal in the sale and marketing of vehicles, parts and accessories and the provision of related services.

2. Results of operations

The company's profit for the year was INR 1,737 million (2013: INR 863 million restated) after taxation expenses of INR 601 million (2013: INR 335 million).

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

3. Going concern

We draw attention to the fact that at 31 March 2014, the company had retained earnings of INR 1,651 million and that the company's total assets exceed its liabilities by INR 1,651 million.

In the prior year the company had negative retained earnings of INR 88 million and the company's total liabilities exceeded its assets by INR 88 million due to the restatement of opening retained earnings as disclosed in note 21. Prior to the restatement the company had positive retained earnings of INR 688 million and the company's total assets exceeded its liabilities by INR 688 million.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Based on our current planning assumptions we expect operating cash flows in 2014/15 to be positive. We continue to face many risks and uncertainties related to the global economy, our industry in particular, and the credit environment which could materially impact our plan. We believe that the risk that is reasonably possible to have a material impact on our going concern analysis is a decline in industry volume to levels below our current planning assumptions.

We believe that we would not exceed our present available liquidity. Therefore, we do not believe that these reasonably possible scenarios will cause substantial doubt about our ability to continue as a going concern for the next year.

4. Post balance sheet events

No post balance sheet events were identified.

5. Directors' interest in contracts

No directors interests in contracts have been identified.

Directors' report (Continued)

6. Authorised and issued share capital

During 2014 the company issued no additional ordinary shares (2013: 0).

7. Non-current assets

The company's major non-current asset is related to deferred taxation which arises primarily as a result of temporary differences on the company's warranty provisions.

8. Dividends

No dividends were declared during the year.

9. Directors

The directors of the company during the year and to date of this report are as follows:

K Flynn	
R Chetty	(resigned 31/05/2013)
B Hastie	(appointed 17/08/2012)
N Clarke	(appointed 17/08/2012)
P Biven	(appointed 1/02/2013)
R Beattie	(appointed 24/06/2013)
L Kretzschmar	(appointed 1/01/2014)

10. Holding company

The company's holding company is Jaguar Land Rover (South Africa) Holdings Limited incorporated in the United Kingdom.

11. Correction of prior period errors

Restatement to comparatives includes changes in the assumptions and input into the deferred revenue model. See note 21, for further disclosure.

Statement of profit or loss and other comprehensive income for the year ended 31 March 2014

		31/03/14	31/03/13
	Notes	INR '000	Restated INR '000
Revenue	1	31,093,101	26,643,788
Cost of sales		(27,407,945)	(24,316,521)
Gross profit		3,685,157	2,327,267
Investment revenue	2	83,533	59,433
Other gains and losses	3	(5,619)	(6,156)
Marketing expenses		(829,693)	(610,185)
Administration expenses		(540,320)	(487,472)
Finance costs	4	(55,202)	(85,455)
Profit before tax		2,337,856	1,197,433
Income tax expense	5	(601,027)	(334,836)
PROFIT FOR THE YEAR	6	1,736,829	862,597

Statement of financial position as at 31 March 2014

		31/03/14	31/03/13	31/03/12
	Notes	INR '000	Restated INR '000	Restated INR '000
Assets				
Non-current Assets				
Deferred tax asset	5	1,072,346	749,176	675,631
Property and equipment	7	53,311	66,664	76,065
Total non-current assets		1,125,656	815,840	751,695
Current Assets				
Receiver of Revenue	5	136,452	405,065	165,375
Inventories	8	5,034,945	5,343,108	3,778,358
Trade and other receivables	9	1,259,756	901,171	579,139
Related party receivable	10	188,382	101,544	112,047
Cash and bank balances	16	4,172,291	709,444	1,072,987
Total current assets		10,791,826	7,460,332	5,707,906
Total assets		11,917,482	8,276,172	6,459,601
Equity and liabilities				
Equity				
Share capital	11	11	12	13
Retained earnings		1,651,387	(88,345)	(1,077,540)
Total Equity		1,651,399	(88,333)	(1,077,527)
Liabilities				
Non-current liabilities				
Post-employment health care benefit	12	8,698	9,393	9,671
Provisions	13	1,981,527	1,681,879	1,442,062
Deferred Revenue	14	2,580,941	2,277,573	1,885,418
Total non-current liabilities		4,571,166	3,968,844	3,337,152
Current liabilities				
Related party payables	10	1,722,053	1,320,957	1,461,618
Provisions	13	1,082,889	783,016	598,787
Deferred Revenue	14	1,081,407	801,789	572,183
Trade and other payables	15	1,808,569	1,489,899	1,567,388
Total current liabilities		5,694,918	4,395,661	4,199,976
Total Liabilities		10,266,084	8,364,506	7,537,128
Total Equity and Liabilities		11,917,482	8,276,172	6,459,601

Statement of changes in equity for the year ended 31 March 2014

	Notes	Share capital INR '000	Retained earnings INR '000	Total INR '000
Balance at 31 March 2012 as previously reported		13	(441,240)	(441,226)
- Correction of prior period error	21	-	(636,300)	(636,300)
Restated balance at 31 March 2012		13	(1,077,540)	(1,077,527)
Restated profit for the year		-	862,597	862,597
Balance at 31 March 2013		12	(88,345)	(88,333)
Profit for the year		-	1,736,829	1,736,829
Balance at 31 March 2014		11	1,651,387	1,651,399

Statement of cash flows for the year ended 31 March 2014

	31/03/14	31/03/13
	INR '000	Restated INR '000
Cash flows from operating activities		
Profit for the year	1,736,829	862,597
Income tax expense	601,027	334,836
Finance costs	55,202	85,455
Investment revenue	(83,533)	(59,433)
Loss on sale of property, plant and equipment	-	1,651
Depreciation	10,942	16,976
	2,320,467	1,242,081
Movements in working capital		
Increase in trade and other receivables	(478,369)	(392,736)
Decrease / (Increase) in inventories	132,606	(2,008,661)
Increase in trade and other payables	812,122	137,722
Increase in deferred revenue	684,163	910,499
Increase in provisions	624,921	579,223
Cash generated from operations	4,095,910	468,128
Interest paid	-	-
Income tax refunds received (note 5)	909	28,113
Income taxes paid (note 5)	(694,298)	(774,992)
Net cash generated/(utilised) by operating activities	3,402,521	(278,751)
Cash flows from investing activities		
Interest received	83,414	59,433
Purchase of property, plant and equipment	(1,286)	(18,362)
Proceeds from sale of property, plant and equipment	290	200
Net cash generated by investing activities	83,636	41,271
Cash flows from financing activities		
Ordinary shares issued	-	-
Dividends paid	-	-
Net cash used in investing activities	-	-
Net decrease in cash and cash equivalents	3,486,157	(237,480)
Cash and cash equivalents at the beginning of the year	686,134	946,924
Cash and cash equivalents at the end of the year	4,172,291	709,444

Accounting Policies

General information

Jaguar Land Rover South Africa (Pty) Ltd (the company) is a private company incorporated and domiciled in the Republic of South Africa. The address of its registered office and principal place of business are disclosed in the introduction to the financial report.

Adoption of new and revised International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act. The financial statements have been prepared on the historical cost basis except where specifically indicated below, and incorporate the principal accounting policies set out below, and on the going concern principle.

Standards and interpretation adopted

IFRS 1 First-time Adoption of International Financial Reporting Standards — Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters.

-The amendment provides first-time adopters relief from providing comparative information when disclosing information regarding the three-level hierarchy classification of its fair value measurements.

IFRS 7 Financial Instrument: Disclosures- Enhancing disclosures about transfers of financial assets.

- The amendments require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but it is not derecognised. New disclosures are introduced for assets that are derecognised but where the entity continues to have an exposure to the asset after the sale.

IAS 32 Financial Instruments: Presentation - Classification of Rights Issues.

- Prior to the amendment, rights issues offered for a fixed amount of foreign currency were required to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to an entity's all existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.

IAS 27 Separate Financial Statements- Removal of consolidation principles.

- The principles for the consolidation of a subsidiary have been incorporated into IFRS 10 and IFRS 12

IFRS 3 Business Combinations- Measurement of Non-Controlling Interest.

- IFRS 3 provides an accounting policy choice regarding whether to measure non-controlling interest at fair value or at the proportionate share of the net assets of the acquiree. This was amended to limit the choice to those instruments, which entitle their holders to a proportionate share of the net assets of the acquiree on liquidation. All other instruments must be measured at fair value unless another measurement basis is required by IFRS.

IFRS 3 Business Combinations- Un-replaced and Voluntarily Replaced Share Based Payment Awards.

The amendment requires the allocation of the market-based measure of replacement awards between the consideration transferred for the business combination and post-combination remuneration applies to all replacement awards regardless of whether the acquirer is obliged to replace the awards or does so voluntarily.

IFRS 7 Financial Instruments: Disclosures

Qualitative disclosures are encouraged to help users to form an overall picture of the nature and extent of risks arising from financial instruments. The required level of disclosure around credit risk and collateral held is also clarified.

Accounting Policies - continued

Standards and interpretation adopted - continued

IAS 1 Presentation of Financial Statements

The amendment clarifies that the analysis of other comprehensive income by item may be presented either in the statement of changes in equity or in the notes to the financial statements.

IAS 34 Interim Reporting

The disclosure about significant events and transactions in interim periods should update the relevant information presented in the most recent annual financial report.

IAS 24 Related Party Disclosures- Amended Definition of Related Parties.

The amendment has simplified the definition of related parties as well as eliminated some inconsistencies which existed in the previous definition. A related party is a person or entity that is related to the entity that is preparing its financial statements.

The impact of the adoption of these standards and interpretations had no significant impact on reporting.

Standards and interpretation in issue but not yet effective

New/Revised International financial Reporting Standards	Effective Date
IFRS 10 Consolidated Financial Statements	Annual periods beginning on or after 1 January 2013
IFRS 11 Joint Arrangements	Annual periods beginning on or after 1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	Annual periods beginning on or after 1 January 2013
IFRS 13 Fair value measurement	Annual periods beginning on or after 1 January 2013
IAS 27 Separate Financial Statements	Annual periods beginning on or after 1 January 2013
IAS 28 Investments in Associates and Joint Ventures	Annual periods beginning on or after 1 January 2013
IAS 19 Employee benefits	Annual periods beginning on or after 1 January 2013
IAS 28 Investments in Associates and Joint Ventures	Annual periods beginning on or after 1 January 2013
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	Annual periods beginning on or after 1 January 2014
IFRIC 21 Levies	Annual periods beginning on or after 1 January 2014

The impact of the above standards and interpretations has not yet been determined.

Accounting Policies - continued

Basis of preparation

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

The critical estimates are defined and described as below:

- Deferred revenue
- Warranty
- Inventories
- Deferred tax
- Property and equipment
- Income taxation
- Bad debt provision

Significant accounting policies

1. Revenue

Revenue comprises the invoices value of sales in respect of vehicles, parts and accessories, net of value added tax, discounts, variable marketing and other non operating income.

-Sale of motor vehicles, parts and accessories:

Revenue is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Net revenue includes direct and indirect marketing costs related to the sale of goods as well as discounts to customers.

-Careplan (Servicing Fees)

When the selling price of a product includes an identifiable amount for subsequent servicing, that amount is deferred and recognised as revenue over the period during which the service is performed. The amount deferred is that which will cover the expected costs of the services under the agreement, together with a reasonable profit on those services.

- Interest income:

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Accounting Policies - continued

2. Taxation

2.1 Current taxation

Income taxation on the profit or loss for the year comprises current and deferred taxation. Income taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further exclude items that are never taxable or deductible.

Current taxation is the expected taxation payable on the taxable income for the year, using taxation rates enacted or substantially enacted at the balance sheet date, and any adjustment to taxation payable in respect of previous years.

2.2 Deferred taxation

Deferred taxation is provided using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used in the computation of taxable income. The following temporary differences are not provided for: goodwill not deductible for taxation purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using taxation rates enacted or substantially enacted at the balance sheet date.

Deferred taxation liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interest in joint ventures, except where the company is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current taxation assets and liabilities on a net basis.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset will be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.

2.3 Dividends taxation and additional income taxes on distribution of dividends

Dividends taxation on companies and other additional taxes arising from the distribution of dividends are recognised in the year dividends are declared.

Accounting Policies - continued

3. Property and equipment

The cost of an item of property and equipment is recognised as an asset when :

- it is probable that the future economics benefit associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

3.1 Owned assets

Equipment is stated at cost, less accumulated depreciation and impairment losses. The cost of self-constructed assets include the costs of materials, direct labour, the initial estimate, where relevant, of the cost of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal or retirement of an item of equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property and equipment is carried at cost less accumulated depreciation.

3.2 Subsequent costs

The company recognises in the carrying amount of an item of equipment the cost of replacing part of such an item when the cost is incurred, if it is probable that additional future economic benefits embodied within the item will flow to the company and the cost of such item can be measured reliably. All other costs are recognised in the income statement as an expense when incurred.

3.3 Depreciation

Depreciation is recognised in the income statement on a straight-line basis at rates that will reduce the book values to estimated residual values over the estimated useful lives of the assets. The depreciation methods, estimated useful lives and residual values, if not insignificant, are reassessed annually.

	Average useful life
Computer Equipment	10 years
Office furniture and fixtures	12.5 years
Office machines	12.5 years
Computer Software	3 years
Marketing Equipment	5 years

4. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined at actual costs incurred. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale only of identified vehicles to be scrapped or damaged.

Accounting Policies - continued

5. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The company may, from time to time, be involved in possible disputes in the future where the outcome is uncertain. In addition, the resolution of the disputes could potentially result in an obligation for the Company. Where it is considered more than remote but less than probable the company will be required to settle the obligation or a reliable estimate cannot be made of the amount of the obligation, a contingent liability is disclosed in the accounts.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6. Deferred Revenue

If the sale of products includes a determinable amount for subsequent services (multiple-component contracts), the related revenues are deferred and recognised as income over the relevant service period. Amounts are normally recognised as income by reference to the pattern of related expenditure.

Deferred revenue per Careplan is derived on a cost plus margin basis and includes a risk adjustment for the uncertainty in future costs.

7. Warranty

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

Warranty comprises the value of the warranty contracts sold with the vehicles. Warranty rules of the road (RotR) are established to set consistent guidelines across the Company for all components of warranty reserves. The rules consider initial accruals, ongoing monitoring of reserves, reserve-to-spending ratios, and accounting practices. The RotR are based on the principle of using historical actual data along with the most recent data trends to ensure a reasonable level of warranty reserves. While the RotR were designed specifically around the United States warranty reserves, the principles are to be applied on Company warranty reserves worldwide. Each regional activity should establish an accrual process which is mathematically and statistically based and follows the principles of the United States, but reflects the adjustments for local conditions were deemed appropriate. Due to the level of data available from local warranty systems this process is designed to be consistent with the principles outlined above. Warranty transaction data is used to develop a 60 month history for each Land Rover and Jaguar Model assuming that expenditure is linear over the 5 year warranty period.

The provisions are presented at present value, using risk free rate and interest excreted to the Income statement.

Accounting Policies - continued

8. Employee benefits

Short-term employee benefits

The costs of all short-term employee benefits are recognised during the period in which the employee renders the related service. The provisions for employee entitlements to salaries, performance bonuses and annual leave represent the amounts which the company has a present obligation to pay as a result of the employee's services provided. The provisions have been calculated at undiscounted amounts based on current salary levels.

9. Financial instruments

9.1 Financial assets

Financial assets are classified into the following specific categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity investments, available for sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The company only has financial assets classified as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The net gain or loss recognised in profit or loss incorporates any dividends and interest earned on the financial assets, profit sharing and foreign exchange gains or losses.

Accounting Policies - continued

9.1 Financial assets - continued

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer of counterparty; or
- default of delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that would otherwise have been impaired or past due but have been renegotiated are accounted for by rolling over the old financial asset into the new financial asset with no resultant gain or loss from the renegotiation of the financial instrument.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and reward of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Accounting Policies - continued

9.2 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded at proceeds received, net of direct issue costs.

9.3 Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The net gain or loss recognised in profit or loss incorporates any interest accrued or paid on the financial liability and foreign exchange gains or losses.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Accounting Policies - continued

10. Prior period errors

Potential current period errors discovered in the period are corrected before the financial statements are authorised for issue. However, material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period. The entity corrects material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

- restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Notes to the financial statements for the year ended 31 March 2014

	31/03/14	31/03/13	
	INR '000	Restated INR '000	
1. Revenue			
Revenue from Sale of Goods			
Vehicles	28,373,203	24,147,579	
Vehicle Parts and accessories	2,691,754	2,466,892	
Other Revenue	28,144	29,317	
	31,093,101	26,643,788	
Refer to note 21. for disclosure of the prior period error.			
2. Investment revenue			
Interest revenue :			
Staff Loans	6,437	5,692	
Bank deposits	77,097	53,741	
	83,533	59,433	
3. Other gains and losses			
Other gains	(26,439)	-	
Net foreign exchange loss	20,821	(6,156)	
	(5,619)	(6,156)	
4. Finance costs			
Other interest expenses	1,886	(2,761)	
Warranty provision	(57,088)	(82,694)	
	(55,202)	(85,455)	
5. Taxation expense			
	31/03/14	31/03/13	31/03/12
	INR '000	INR '000	INR '000
South African normal taxation			
Current taxation expense			
Current year charges	675,136	556,726	735,421
Prior year adjustment	273,676	(68,967)	(204,146)
Deferred taxation			
Current year charges	(278,602)	(138,297)	(110,010)
Prior year adjustment	(69,183)	(14,626)	(43,311)
	601,027	334,836	377,954

Notes to the financial statements for the year ended 31 March 2014 - continued

5. Taxation expense - continued

The expense for the year can be reconciled to the accounting profit as follows:

	31/03/14 INR '000	31/03/13 INR '000	31/03/12 INR '000
Profit from continuing operations	13,281,360	1,197,433	1,345,810
Income tax expense calculated at 28%	3,718,783	335,282	376,829
Effect of expenses that are not deductible in determining taxable profit	(1,466,073)	83,146	248,588
Effect of adjustment relating to prior year	1,161,725	(83,593)	(247,457)
Income tax expense (income) recognised in profit or loss	3,414,434	334,836	377,961

The tax rate used for the 2014 and 2013 reconciliation above is the corporate tax rate of 28%.

South African Receiver of Revenue

Opening balance	391,756	145,945	120,593
Current tax expense	(675,136)	(556,726)	(735,421)
Prior year adjustment	(273,676)	68,967	204,146
Prior year refunds received	(909)	(28,136)	(86,994)
Provisional payments made	694,298	774,992	662,192
Interest accrued	119	23	859
South African Receiver of Revenue Refund / (payable)	136,452	405,065	165,375

Deferred tax balances

	Fixed Assets	Provisions	Deferred Revenue	Other	Allowances for future expenditure	Total
	INR '000	INR '000	INR '000	INR '000	INR '000	INR '000
Restated balance as at 1 April 2012	(1,278)	555,417	483,978	16,287	(378,773)	675,631
Recognised in profit or loss	1,780	279,121	185,977	(488)	(313,466)	152,924
Restated balance as at 1 April 2013	652	769,283	613,093	13,886	(647,738)	749,176
Recognised in profit or loss	(540)	1,124,565	(1,370,200)	(13,759)	607,719	347,785
Balance 31 March 2014	91	1,868,572	(777,252)	(329)	(18,736)	1,072,346

Notes to the financial statements for the year ended 31 March 2014 - continued

	31/03/14	31/03/13
	INR '000	INR '000
5. Taxation expense - continued		
Deferred tax balances are presented in the statement of financial position as follows:		
Deferred tax asset	1,072,346	749,176
6. Profit for the year		
Profit for the year is stated after taking account of the following items:		
Operating lease payments	18,679	15,877
Employee benefit expenses	108,183	120,153
Depreciation expenses	10,942	16,982
Loss on disposal of fixed assets	-	1,651
Director's emoluments	49,243	37,294
Auditors' remuneration		
- Audit fees	2,380	2,344
7. Property and equipment		
Net book value:		
Cost	94,827	98,748
Accumulated depreciation	(41,517)	(32,084)
	53,311	66,664
Furniture and fixtures	18,651	22,627
Computer equipment	7,272	8,406
Equipment	2,801	3,419
Computer software	-	-
Corporate Identity	24,587	32,213
	53,311	66,664

Notes to the financial statements for the year ended 31 March 2014 - continued

7. Property and equipment - continued

	Furniture and fixtures	Computer equipment	Equipment	Computer software	Corporate Identity	Total
	INR '000	INR '000	INR '000	INR '000	INR '000	INR '000
Cost						
Balance at 1 April 2012	36,588	15,116	12,027	6,929	49,221	119,881
Additions	14,374	1,786	-	-	2,203	18,362
Disposals	(19,925)	-	(4,024)	-	(1,463)	(25,411)
Balance at 1 April 2013	26,738	15,126	6,591	6,115	44,178	98,748
Additions	-	-	68	-	-	68
Disposals	-	-	(744)	-	-	(744)
Balance at 31 March 2014	25,860	14,629	5,698	5,914	42,727	94,827

Accumulated depreciation

Balance at 1 April 2012	(16,420)	(6,536)	(7,887)	(6,929)	(6,044)	(43,816)
Depreciation	(7,724)	(940)	(294)	-	(8,024)	(16,982)
Disposals	18,262	-	4,024	-	1,281	23,566
Reclassification	(159)	(12)	59	-	112	-
Balance at 1 April 2013	(4,112)	(6,720)	(3,172)	(6,115)	(11,965)	(32,084)
Depreciation	(3,232)	(858)	(284)	-	(6,567)	(10,942)
Disposals	-	-	454	-	-	454
Reclassification	-	-	-	-	-	-
Balance at 31 March 2014	(7,209)	(7,357)	(2,897)	(5,914)	(18,139)	(41,517)

	31/03/14	31/03/13
	INR '000	INR '000
8. Inventories		
Finished goods - Vehicles	3,618,891	3,984,105
Finished goods - Parts and accessories	685,538	582,090
Goods in transit - Vehicles	546,850	678,506
Goods in transit - Parts and accessories	271,478	107,430
Provision for Parts and accessories obsolescence	(87,814)	(9,022)
	5,034,944	5,343,108

The cost of inventories recognised as an expense during the year was INR 22,730 million (2013: INR 20,612 million).

Inventories are held at the lower of cost and net realisable value.

Notes to the financial statements for the year ended 31 March 2014 - continued

	31/03/14	31/03/13
	INR '000	INR '000
9. Trade and other Receivables		
Local trade receivables	1,223,678	682,952
Other receivables	36,882	52,931
Receiver of Revenue - VAT	-	174,223
Export rebate receivables	4,623	247
Allowance for doubtful debts	(5,428)	(9,181)
	1,259,755	901,171

Trade receivables

The average credit period on sales of goods is 30 days. No interest is charged on trade receivables balances. The Company has recognised an allowance of doubtful debt on specific known outstanding receivables.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Company has recognised an allowance for doubtful receivables for amounts that are not considered recoverable. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Ageing of past due but not impaired

30-60 days	62	12,177
60-90 days	6	3,307
90-120 days	-	18,691
> 120 days	29,945	36,213
Total	30,013	70,388

Movement in the allowance for doubtful debts

Balance at beginning of the year	(8,879)	(1,997)
Allowance raised for the year	3,452	(7,184)
Amounts written off during the year as uncollectible	-	-
Balance at end of the year	(5,428)	(9,181)

Notes to the financial statements for the year ended 31 March 2014 - continued

10. Related party transactions

The holding company of Jaguar Land Rover (South Africa) Holdings Limited is Jaguar Land Rover Limited (UK). During the year Land Rover Exports Limited was merged into Jaguar Cars Limited which was renamed Jaguar Land Rover Limited.

10.1 Trading transactions

During the year the Company entered into the following trading transactions with related parties.

Amounts charged by related parties:

	Purchase of Goods		Trade Mark Agreement Fees	
	Year ended	Year ended	Year ended	Year ended
	31/03/14	31/03/13	31/03/14	31/03/13
	INR '000	INR '000	INR '000	INR '000
Jaguar Land Rover Limited (Jaguar Cars Ltd)	18,846,332	1,384,919	354,534	201,743
Land Rover Exports Ltd	-	13,958,645	-	1,625,265
	18,846,332	15,343,564	2,014,108	1,827,008

Purchases were made at the approved Transfer Prices, between the related parties.

Amounts charged to related parties:

	Interest on Loans	
	Year ended	Year ended
	31/03/14	31/03/13
	INR '000	INR '000
Jaguar Land Rover Limited (Jaguar Cars Ltd)	-	-
Land Rover Exports Ltd	892	1,081
	892	1,081

During the year the Company extended loans to employees in order to assist them in purchasing a Company vehicle. Interest is charged on these loans at SARS related interest rate.

Notes to the financial statements for the year ended 31 March 2014 - continued

10. Related party transactions - continued

The following balances were outstanding at the end of reporting year:

	Amounts owed by related parties		Amounts owed to related parties	
	Year ended	Year ended	Year ended	Year ended
	31/03/14	31/03/13	31/03/14	31/03/13
	INR '000	INR '000	INR '000	INR '000
Jaguar Land Rover Limited (Jaguar Cars Ltd)	188,382	64,121	303,125	149,211
Land Rover Exports Ltd	-	37,423	-	1,171,746
	188,382	101,544	1,722,053	1,320,957

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expenses has been recognised in the current or prior periods for bad or doubtful debts in respect of amounts owed by related parties. No interest is charged on these balances.

11. Share Capital

	31/03/14	31/03/13
	INR '000	INR '000
Authorised		
2000 Ordinary shares of R1 each	11	12
Issued		
2 Ordinary share of R1 each	11	12

Notes to the financial statements for the year ended 31 March 2014 - continued

12. Post-employment health care benefit

The Company operates a Post-employment health care benefit scheme. Only members of the designated scheme who joined the Group on or before 1 January 1996 are eligible for a post-employment health care subsidy. The liability is actuarially valued annually using a projected unit credit method.

The most recent valuation of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2013 by NMG Consultants and Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	Valuation at	
	31/03/14	31/03/13
Consumer Price Inflation	7.03% p.a.	7.03% p.a.
Health care cost inflation	8.53% p.a.	8.53% p.a.
Discount rate	9.00% p.a.	9.00% p.a.
Real discount rate	0.43% p.a.	0.43% p.a.
Normal retirement age	60 years	60 years
Fully-accrued age	60 years	60 years
Spouse age difference	Actual	Actual
Continuation at retirement	100%	100%
Proportion married at retirement	Actual	Actual

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows.

Current service cost	193	200
Interest on obligation	665	687
Expected return on plan assets	-	-
Actuarial gains recognised in the year	(858)	(887)
	-	-

Movement in the present value of the benefit obligation in the current year were as follows:

Opening defined benefit obligation	9,249	8,535
Prior year adjustment	-	(1,087)
Current service cost	-	200
Interest cost	-	687
Remeasurements	-	1,057
Benefits paid	(386)	-
	8,698	9,393

Notes to the financial statements for the year ended 31 March 2014 - continued

	31/03/14	31/03/13		
	INR '000	INR '000		
13. Provisions				
Provisions (see below)	3,064,417	2,464,895		
	3,064,417	2,464,895		
Current	1,082,889	783,016		
Non-current	1,981,527	1,681,879		
	3,064,417	2,464,895		
Other provisions				
	Legal Fees (i)	Warranties (Restated) (ii)	Other Provisions (iii)	Total
	INR '000	INR '000	INR '000	INR '000
Balance at 1 April 2012	28,255	2,012,595	-	2,040,850
Additional provisions recognised	43,973	864,900	195,258	1,104,131
Reductions arising from payments	(46,980)	(476,017)	-	(522,997)
Interest expense	-	82,694	-	82,694
Balance at 31 March 2013	21,928	2,247,715	195,258	2,464,901
Balance at 1 April 2013	21,928	2,247,715	195,258	2,464,901
Additional provisions recognised	-	1,351,981	(56,520)	1,295,461
Reductions arising from payments	-	(672,045)	-	(672,045)
Interest expense	-	57,088	-	57,088
Balance at 31 March 2014	21,207	2,910,888	132,322	3,064,417

(i) The provision for legal fees relates to the estimated cost of legal fees for litigation cases identified during 2013.

(ii) The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the company's obligations for warranties under local sale of goods legislation. The historical warranty spend on units are used as a basis for providing the warranty on the wholesale units. The provision is adjusted for current market issues as and when they occur. When a new vehicle is introduced the manufacturing company (UK) of the said vehicle is contacted to establish the trend in that company's country and to establish a reasonable warranty provision. The "Rules of the Road" study is also closely adhered to.

(iii) Other provision represent estimated costs to be realised encouraging the sale of vehicles and parts and accessories.

Notes to the financial statements for the year ended 31 March 2014 - continued

14. Deferred revenue	31/03/14	31/03/13	31/03/12
	INR '000	INR '000	INR '000
Arising from maintenance contracts			
Current	1,081,407	801,789	572,183
Non-current	2,580,941	2,277,573	1,885,418
	3,662,348	3,079,362	2,457,602

Refer to note 21 for disclosure of the correction of the period period error.

15. Trade and other payables	31/03/14	31/03/13
	INR '000	INR '000
Trade payables	419,769	153,564
Receiver of Revenue - VAT	330,611	-
Employee benefits	33,035	29,681
Other accruals	1,025,153	1,306,654
	1,808,569	1,489,899

16. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents included cash on hand and in bank and investments in money market instruments. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial positions as follows:

	31/03/14	31/03/13
	INR '000	INR '000
Cash and bank balances	4,172,291	709,444
Guarantees exist as follows:		
Transnet National Ports Authority	14,203	14,685
Transnet Port Terminals	11,362	11,748
The AA South Africa	1,818	1,880
SA Chamber of Commerce and industry	18,798	-
	46,181	28,313

Notes to the financial statements for the year ended 31 March 2014 - continued

	<u>31/03/14</u>	<u>31/03/13</u>
	INR '000	INR '000
17. Operating lease arrangements		
17.1 The Company as lessee		
Leasing arrangements		
The future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than 1 year	16,577	17,140
Later than 1 year and not later than 5 years	-	-
	<u>16,577</u>	<u>17,140</u>

18. Financial instruments

The company's principle financial instruments consist mainly of bank balances and cash, trade and other receivables, trade and other payables and amounts due to related parties. The company does not speculate in the trading of derivative or other financial instruments.

Fair value

The estimated fair values at 31 March 2014 have been determined using available market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that the company could realise in the normal course of business. The fair value of almost all financial instruments equals their carrying value, either because of the short-term nature and normal trade terms thereof, or the market-related interest rates attached to it, except for certain related party balances which have no interest and or fixed repayment terms attached to them.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company's overall strategy remains unchanged from 2008.

The capital structure of the company consists of equity attributable to equity holders of the parent, comprising issued capital, share capital and retained earnings as disclosed in the company's statement of changes in equity. The company's directors review the capital structure of the entity on an annual basis and consider the cost of each class of capital and the related risks associated with each class of capital.

Notes to the financial statements for the year ended 31 March 2014 - continued

18. Financial instruments - continued

Categories of financial instruments	31/03/14 INR '000	31/03/13 INR '000
Financial assets - loans and receivables		
Cash and bank balances	4,172,291	709,444
Trade and other receivables	1,259,755	726,949
Related party receivables	188,382	101,544
Financial liabilities at amortised cost		
Trade and other payables	1,808,569	1,489,899
Related party payables	1,722,053	1,320,957

Credit risk

The company's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties. In essence all sales are on a cash basis.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date without taking account of the value of any collateral obtained was:

Trade and other receivables (excluding Value added taxation receivable)	1,259,755	726,949
Cash and cash equivalents	4,172,291	709,444
	5,432,046	1,436,393

Interest Rate Risk

The company's only significant interest-bearing assets or liabilities are provisions.

Should the interest rate used for the provisions vary by 1% then the following movements can be expected on the interest charges :

Warranty provisions	21,741	22,480
	21,741	22,480

Foreign Exchange Risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The company does not hedge against foreign exchange fluctuations.

Notes to the financial statements for the year ended 31 March 2014 - continued

18. Financial instruments - continued

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. These foreign currency transactions only relates to the Jaguar parts, which are procured in UK pounds. All other products are denominated in South African rands.

Industry Risk

The overall industry is affected by a number of factors, including overall economic health and growth, interest rate, inflation, fuel prices, vehicle prices, etc.

In a declining industry, the priorities include maintaining market share to ensure sales losses are not greater than the decline in the overall industry and identifying actions to lower the overall cost base to a level that can be supported by the reduced sales. In order to ensure a sustainable going concern when faced with a declining industry, the following matters are addressed:

- Increased variable marketing incentives to dealers;
- Cutbacks in procurement to avoid a build-up of inventory levels;
- Possible restructure of the business to be in line with the lower sales;
- Restrict discretionary administrative spending;

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected. The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities into relevant maturity groups based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

	31/03/14		31/03/13	
	Less than 1 year	2-3 years	Less than 1 year	2-3 years
	INR '000	INR '000	INR '000	INR '000
Trade and other payables	1,808,569	-	1,489,899	-
Warranty and careplan provisions	1,082,889	1,981,527	783,016	1,681,879
	2,891,459	1,981,527	2,272,915	1,681,879

Notes to the financial statements for the year ended 31 March 2014 - continued

19. Judgements and estimates

Property and equipment

The company makes judgements based on estimates and assumptions concerning the future of property, plant and equipment. The estimated useful lives and residual value are reviewed annually, taking account of the forecasted economic and commercial factors and through benchmarking of accounting treatments in industries where similar assets are used.

Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that taxable income will be available in the future against which these can be utilised. Future taxable profits are estimates based on plans which include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces.

Provision for stock obsolescence

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

Warranty provisions

Refer to accounting policy note 7 for detail of the judgements and estimates used by management in determining the value of these provisions.

Deferred revenue

Refer to accounting policy note 6 for detail of the judgements and estimates used by management in determining the value of these balances.

20. Commitments and contingencies

No capital commitments exist at either year-end.

Borrowing facilities

In terms of the articles of association, the borrowing powers of the company have not specifically been limited.

Contingent liabilities

There is no litigation, current or pending, which is considered likely to have a material adverse effect on the company.

Notes to the financial statements for the year ended 31 March 2014 - continued

21. Prior period error

In 2013 the company corrected the accounting treatment of the maintenance plan by recognising deferred revenue in relation to the plan and releasing this revenue to the income statement in line with costs incurred under the plan.

In 2014 the assumptions used to calculate deferred revenue have been updated to include inflation and cost uncertainty which were previously not included in the calculation.

The correction of the error is accounted for retrospectively, and the comparative information for 2013 has been restated. The nett effect of the error is a INR 210 million decrease in profits after taxation for the period ended 31 March 2013.

The effect of the prior year error on statement of comprehensive income and financial position is as follows:

	31/03/13 Restated INR '000	31/03/12 Restated INR '000
Decrease in revenue	298,540	883,757
Increase in deferred revenue	(298,540)	(883,757)
Decrease in taxation expenses	(83,593)	(247,450)
Increase in deferred tax asset	14,626	43,304
Increase in current tax asset	68,967	204,146
Decrease in retained earnings	-	636,307

In 2014 the company corrected the accounting treatment of the variable dealer margin by recognising it as a reduction in revenue where it was previously recognised as a cost of sales.

The correction of the error is accounted for retrospectively, and the comparative information for 2013 has been restated. The nett effect of the error is a INR 0 decrease in profits after taxation for the period ended 31 March 2013.

	31/03/13 Restated INR '000	31/03/12 Restated INR '000
Decrease in revenue	1,411,458	-
Increase in cost of sales	(1,411,458)	-

Jaguar Land Rover Brasil Importação e Comércio de Veículos Ltda.

Annual Report 2013 – 14

*(Convenience Translation into English from the
Original Previously Issued in Portuguese)*

***Jaguar Land Rover Brasil Importação
e Comércio de Veículos Ltda.***

*Financial Statements for the Years Ended
March 31, 2014 and 2013 and
Independent Auditors' Report*

Deloitte Touche Tohmatsu Auditores Independentes

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITORS' REPORT

To the Management of
Jaguar Land Rover Brasil Importação e Comércio de Veículos Ltda.
São Paulo - SP

We have audited the accompanying financial statements of Jaguar Land Rover Brasil Importação e Comércio de Veículos Ltda. (the "Company"), which comprise the balance sheet as of March 31, 2014, and the statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and international standards on auditing. 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.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jaguar Land Rover Brasil Importação e Comércio de Veículos Ltda. as of March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Emphasis of matters

Transactions carried on with related party

As mentioned in Notes 1 and 10 to the financial statements, the Company's purchase transactions are primarily represented by imports of vehicles, spare parts and accessories from its related party Jaguar Land Rover Limited. These transactions were conducted under terms and conditions agreed upon between the Company and Jaguar Land Rover Limited. Our opinion is not qualified regarding this matter.

Conversion into Indian rupees

As mentioned in Note 3 to the financial statements, the financial statements for the year ended March 31, 2014 were translated from local currency (Brazilian real) into Indian rupees, due to specific purposes, for the convenience of readers outside Brazil. Although the criteria adopted for such translation were agreed with Jaguar Land Rover Limited - Parent Company, they are not in accordance either with International Financial Reporting Standards - IFRSs, or with Brazilian Generally Accepted Accounting Principles - BR GAAP. Accordingly, this translation should not be constructed as a representation that any or all of the amounts could be converted into Indian rupees at this or any other rate.

Other matters

The corresponding figures for the year ended March 31, 2013, presented for purposes of comparison, were previously audited by us, whose report dated May 3, 2013 included the same "Emphasis of matters" paragraph mentioned above, regarding purchase transactions from its related party Jaguar Land Rover Limited.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, May 9, 2014


DELOITTE TOUCHE TOHMATSU
Auditores Independentes


Agenor N. Yamamoto
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

JAGUAR LAND ROVER BRASIL IMPORTAÇÃO E COMÉRCIO DE VEÍCULOS LTDA.

BALANCE SHEETS AS OF MARCH 31, 2014 AND 2013
(in thousands of Brazilian reais - R\$ and Indian rupees - INR)

ASSETS	Note	2014		2013		LIABILITIES AND SHAREHOLDERS' EQUITY	Note	2014		2013	
		R\$	INR	R\$	INR			R\$	INR	R\$	INR
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	4	195,867	5,183,424	77,501	2,078,654	Trade accounts payable - third parties	10	109,405	2,895,294	27,460	736,505
Trade accounts receivable - third parties	5	59,080	1,563,493	103,178	2,767,337	Trade accounts payable - related parties	11	109,167	2,888,995	124,860	3,348,870
Inventories	6	193,536	5,121,737	186,351	4,998,120	Taxes payable		49,058	1,298,271	68,882	1,847,484
Recoverable taxes	7	2,803	74,179	3,235	86,766	Payroll and related taxes		4,881	129,171	3,680	98,701
Other receivables		4,571	120,967	1,422	38,139	Provision for warranty, sales incentives and others	12	103,385	2,735,981	86,496	2,319,909
Total current assets		455,857	12,063,800	371,687	9,969,016	Provision for risks	13	11,671	308,861	9,437	253,110
NONCURRENT ASSETS						Income tax and social contribution	9	-	-	27,296	732,106
Long-term assets:						Interest on equity	14	1,062	28,105	1,996	53,535
Deferred income tax and social contribution	9	56,538	1,496,222	49,454	1,326,406	Advances from customers		2,012	53,246	864	23,173
Recoverable income tax and social contribution	9	156	4,128	-	-	Other payables		221	5,849	301	8,072
Trade accounts receivable - related parties	10	16,699	441,922	6,186	165,915	Total current liabilities		390,862	10,343,772	351,272	9,421,465
Recoverable taxes	7	33,218	879,081	25,379	680,690	NONCURRENT LIABILITIES					
Escrow deposits		796	21,065	696	18,667	Taxes payable	11	-	-	4,213	112,997
Property, plant and equipment	8	12,481	330,297	4,585	122,974	Provision for warranty, sales incentives and others	12	40,220	1,064,382	39,601	1,062,138
Intangible assets	8	9	238	34	912	Provision for risks	13	8,061	213,326	8,069	216,419
Total noncurrent assets		119,897	3,172,954	86,334	2,315,564	Total noncurrent liabilities		48,281	1,277,708	51,883	1,391,554
TOTAL ASSETS		575,754	15,236,754	458,021	12,284,580	SHAREHOLDERS' EQUITY					
						Capital	14	19,231	508,929	19,231	515,795
						Retained earnings		117,380	3,106,344	35,635	955,766
						Total shareholders' equity		136,611	3,615,274	54,866	1,471,561
						TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		575,754	15,236,754	458,021	12,284,580

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

JAGUAR LAND ROVER BRASIL IMPORTAÇÃO E COMÉRCIO DE VEÍCULOS LTDA.

STATEMENTS OF INCOME

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

(In thousands of Brazilian reais - R\$ and Indian rupees - INR)

	Note	2014		2013	
		R\$	INR	R\$	INR
NET OPERATING REVENUE	15	1,418,800	37,547,123	1,031,128	27,655,884
COST OF SALES	16	(1,138,954)	(30,141,279)	(802,526)	(21,524,550)
GROSS PROFIT		<u>279,846</u>	<u>7,405,845</u>	<u>228,602</u>	<u>6,131,334</u>
OPERATING INCOME (EXPENSES)					
Selling expenses	16	(61,301)	(1,622,270)	(91,601)	(2,456,830)
General and administrative expenses	16	(22,203)	(587,580)	(19,693)	(528,186)
Personnel expenses	16	(17,319)	(458,330)	(11,638)	(312,143)
Other operating income (expenses), net	17	(539)	(14,264)	1,646	44,147
		<u>(101,362)</u>	<u>(2,682,444)</u>	<u>(121,286)</u>	<u>(3,253,012)</u>
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME		<u>178,484</u>	<u>4,723,401</u>	<u>107,316</u>	<u>2,878,322</u>
FINANCIAL INCOME, NET	18	<u>3,214</u>	<u>85,055</u>	<u>234</u>	<u>6,277</u>
OPERATING INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		<u>181,698</u>	<u>4,808,456</u>	<u>107,550</u>	<u>2,884,599</u>
Income tax and social contribution - current	9	(70,151)	(1,856,476)	(46,015)	(1,234,168)
Income tax and social contribution - deferred	9	7,084	187,471	11,742	314,932
NET INCOME		<u>118,631</u>	<u>3,139,451</u>	<u>73,277</u>	<u>1,965,363</u>

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

JAGUAR LAND ROVER BRASIL IMPORTAÇÃO E COMÉRCIO DE VEÍCULOS LTDA.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R\$ and Indian rupees - INR)

	2014		2013	
	<u>R\$</u>	<u>INR</u>	<u>R\$</u>	<u>INR</u>
NET INCOME	118,631	3,139,451	73,277	1,965,363
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>118,631</u>	<u>3,139,451</u>	<u>73,277</u>	<u>1,965,363</u>

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

JAGUAR LAND ROVER BRASIL IMPORTAÇÃO E COMÉRCIO DE VEÍCULOS LTDA.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

(In thousands of Brazilian reais - R\$ and Indian rupees - INR)

	<u>Note</u>	<u>Capital</u>	<u>Retained earnings</u>	<u>Total</u>
BALANCES AS OF MARCH 31, 2012		19,231	63,838	83,069
Distribution of prior-year profit	14	-	(63,838)	(63,838)
Net income		-	73,277	73,277
Interest on equity for the year	14	-	(2,348)	(2,348)
Distribution of net income for the year	14	-	(35,294)	(35,294)
BALANCES AS OF MARCH 31, 2013		<u>19,231</u>	<u>35,635</u>	<u>54,866</u>
BALANCES AS OF MARCH 31, 2013 - INR		<u>515,795</u>	<u>955,766</u>	<u>1,471,561</u>
Distribution of prior-year profit	14	-	(35,635)	(35,635)
Interest on equity for the year	14	-	(1,250)	(1,250)
Net income		-	118,631	118,631
BALANCES AS OF MARCH 31, 2014		<u>19,231</u>	<u>117,380</u>	<u>136,611</u>
BALANCES AS OF MARCH 31, 2014 - INR		<u>508,929</u>	<u>3,106,344</u>	<u>3,615,274</u>

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

JAGUAR LAND ROVER BRASIL IMPORTAÇÃO E COMÉRCIO DE VEÍCULOS LTDA.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

(In thousands of Brazilian reais - R\$ and Indian rupees - INR)

		2014		2013	
	Note	R\$	INR	R\$	INR
CASH FLOW FROM OPERATING ACTIVITIES					
Income before income tax and social contribution		181,698	4,808,456	107,550	2,884,599
Adjustments to reconcile income before income tax and social contribution to net cash provided by operating activities:					
Provision for risks	13	3,892	102,998	306	8,207
Depreciation and amortization	8	159	4,208	1,202	32,239
Provision for losses and obsolete inventory items	6	1,199	31,730	653	17,514
Gain on sale of property, plant and equipment	17	(5,630)	(148,992)	(4,478)	(120,104)
(Reversal of) allowance for doubtful accounts	5	388	10,268	(396)	(10,621)
(Increase) decrease in operating assets:					
Trade accounts receivable - third parties		43,710	1,156,741	(77,989)	(2,091,743)
Trade accounts receivable - related parties		(10,513)	(278,216)	(3,436)	(92,157)
Inventories		(8,384)	(221,874)	(71,244)	(1,910,835)
Recoverable taxes		(7,407)	(196,019)	(4,933)	(132,308)
Other receivables		(3,149)	(83,335)	(146)	(3,916)
Escrow deposits		(100)	(2,646)	(218)	(5,847)
Increase (decrease) in operating liabilities:					
Trade accounts payable - third parties		81,945	2,168,592	20,741	556,294
Trade accounts payable - related parties		(15,693)	(415,300)	45,716	1,226,149
Taxes payable		(24,037)	(636,115)	51,663	1,385,653
Payroll and related taxes		1,201	31,783	1,466	39,320
Provision for warranty, sales incentives and others		17,508	463,332	54,497	1,461,664
Advances from customers		1,148	30,381	857	22,986
Other payables		(80)	(2,117)	(85)	(2,280)
Net cash provided by operations		257,855	6,823,875	121,726	3,264,814
Payment of risks	13	(1,666)	(44,089)	(3,005)	(80,597)
Income tax and social contribution paid	9	(97,603)	(2,582,966)	(24,853)	(666,582)
Net cash provided by operating activities		158,586	4,196,820	93,868	2,517,635
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and intangible assets	8	(9,696)	(256,595)	(1,158)	(31,059)
Proceeds from sale of property, plant and equipment		7,295	193,055	6,469	173,505
Net cash provided by (used in) investing activities		(2,401)	(63,540)	5,311	142,446
CASH FLOW FROM FINANCING ACTIVITIES					
Profit distribution	14	(37,819)	(1,000,842)	(99,132)	(2,658,820)
Net cash used in financing activities		(37,819)	(1,000,842)	(99,132)	(2,658,820)
INCREASE IN CASH AND CASH EQUIVALENTS		118,366	3,132,438	47	1,261
Translation adjustment		-	27,668	-	93,952
Cash and cash equivalents at beginning of year		77,501	2,078,654	77,454	2,171,345
Cash and cash equivalents at end of year		195,867	5,183,424	77,501	2,078,654
INCREASE IN CASH AND CASH EQUIVALENTS		118,366	3,132,438	47	1,261

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

JAGUAR LAND ROVER BRASIL IMPORTAÇÃO E COMÉRCIO DE VEÍCULOS LTDA.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

(Amounts in thousands of Brazilian reais - R\$ and Indian rupees - INR, unless otherwise stated)

1. GENERAL INFORMATION

Jaguar Land Rover Brasil Importação e Comércio de Veículos Ltda. (the “Company”) is a limited liability company with head office at Avenida Ibirapuera, 2.332 - Torre I - 10º andar, in the city of São Paulo, State of São Paulo, and is primarily engaged in the import and sale of motor vehicles, machines, tools, spare parts, components and accessories, as well as in the provision of services related to such activities.

The vehicles and other products resold by the Company are imported from the related party, Jaguar Land Rover Limited, located in England.

To introduce measures and regulate the future of automotive industry in Brazil, in October 2012 the Brazilian Government issued the Decree 7819/12 - Inovar Auto Program, which regulates the Incentive Program to Technological Innovation in the Motor Vehicles Supply Chain. The main purposes of the Program are to: (a) create competitiveness conditions by improving the quality of vehicles produced and reducing the federal VAT (IPI) by 30 percentage points, for companies that adopt the Program; (b) incentivize companies to manufacture more economical, safer vehicle (energy efficiency); and (c) ensure investments in the supply chain, engineering, basic manufacturing technology, Research and Development - R&D, and training.

In October 2012, the Company filed a request with the relevant bodies to participate in the Inovar Auto Program, it is entitled to the related benefits since December 28, 2012, and was granted to 30 percentage points of reduction in IPI rates to import a quota of 4,800 vehicles.

To maintain the benefits of Inovar Auto Program, the Company, during the granted period, must invest from 0.65% to 1.5% of its gross sales revenue, excluding tax and contributions levied on sales, on research, development, basic industrial technology, and training of suppliers. The Program shall be in effect as from January 1, 2013, expiring on July 31, 2017.

As of March 31, 2014, the Company’s Management understands that they are in compliance with Inovar Auto Program’s requirements.

2. PRESENTATION OF FINANCIAL STATEMENTS AND
SIGNIFICANT ACCOUNTING PRACTICES

The financial statements have been prepared in accordance with accounting practices adopted in Brazil (BR GAAP).

The accounting practices adopted in Brazil comprise the practices set out in the Brazilian Corporate Law and technical pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Federal Accounting Council (CFC).

The financial statements have been prepared based on the historical cost, unless otherwise indicated. The historical cost is generally based on the fair value of the consideration paid in exchange for an asset.

The significant accounting practices adopted in preparing the financial statements are as follows:

a) Foreign-currency translation

(i) Functional and reporting currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Brazilian reais - R\$, which is the Company's functional and reporting currency.

(ii) Transactions and balances

The foreign currency-denominated transactions are translated into the functional currency using the exchange rates effective on the transaction or valuation dates, when items are remeasured. Exchange gains and losses arising on the settlement of such transactions and the translation of monetary assets and liabilities in the foreign exchange rates prevailing at the end of the year are recognized in the statement of income.

b) Cash and cash equivalents

Include cash, bank accounts immediately available, and highly-liquid (up to 90 days) short-term investments, stated at cost plus income earned through the balance sheet dates, with an immaterial risk of change in fair or realizable value.

c) Trade accounts receivable

Stated at their original amounts due to their short-term maturity.

d) Allowance for doubtful accounts

Recognized based on an analysis of risks on collection of receivables, and considered by the Company's Management to be sufficient to cover potential losses.

e) Inventories

Stated at average purchase/import cost, adjusted to realizable value, when applicable. For items considered obsolete or slow-moving, an allowance for obsolescence is recognized considering their future utilization.

f) Property, plant and equipment

Stated at acquisition cost, net of accumulated depreciation calculated on a straight-line basis and, when applicable, less the allowance for impairment when future cash generation is lower than the carrying amount of the asset.

Subsequent costs are included in the carrying amount of the asset or recognized separately, as applicable, only when it is probable that future economic benefits will arise from the asset and that the cost of the asset can be reliably measured. All other maintenance and repairs are recorded as expense, when incurred.

Depreciation, at the rates described in Note 8, is recognized based on the estimated useful life of each asset on a straight-line basis, so that its cost less its residual value after its useful life is fully written off.

The residual values and depreciation methods are revised at the end of each year, and the effects of any changes in estimates are recorded prospectively.

An item of property, plant and equipment is written off upon sale or when no future economic benefits are expected from its continuing use. The gain or loss arising on the disposal or write-off of a property, plant and equipment item corresponds to the difference between the amount received on the sale and the carrying amount of the asset, and is recognized in profit or loss.

g) Intangible assets

Separately acquired intangible assets with finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, when applicable. Amortization is recognized on a straight-line basis, based on the estimated useful lives of the assets. The estimated useful life and amortization method are reviewed at the end of each balance sheet date, with the effect of any changes in estimates being accounted for on a prospective basis.

h) Current liabilities

Stated at known or estimated amounts plus, when applicable, financial charges, inflation adjustments and exchange differences incurred through the end of the balance sheet date.

i) Provision for warranty

Provision for warranty is recognized at the time of sales of vehicles based on the estimated amount to be spent over the warranty period of three years. This estimate is based on historical information, frequency and average cost of repairs by vehicle model.

j) Provision for risks

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and when a reliable estimate can be made of the amount of the obligation, and its settlement is probable.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the end of each balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured based on cash flows estimated to settle an obligation, its carrying amount corresponds to the present value of such cash flows (where the effect of the time value of money is material).

When some or all economic benefits required to settle a provision are expected to be recovered from a third party, an asset is recognized if, and only if, reimbursement is virtually certain and the amount can be reliably measured.

k) Current and deferred income tax and social contribution

Income tax and social contribution expenses for the year include current and deferred taxes.

Current income tax and social contribution are calculated as prescribed by tax laws already enacted or substantially enacted at the balance sheet date. Management periodically reviews the positions assumed by the Company in the income tax returns in cases where the applicable tax regulation gives rise to different interpretations and recognizes provisions, when appropriate, based on the estimated amounts payable to tax authorities.

Deferred income tax is recognized using the liability method on temporary differences arising from differences between asset and liability tax basis and their carrying amounts in the financial statements.

Deferred tax assets are recognized on temporary differences between the tax bases on assets and liabilities and the carrying amounts stated in the financial statements, to the extent it is probable that there will be sufficient future taxable income to absorb these tax credits. This assessment is made based on estimated future earnings prepared and on internal assumptions and future economic scenarios that might be, therefore, subject to changes.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities or when there is the intention of settling balances on a net basis, as prescribed by tax laws.

l) Revenue recognition

Revenue consists of fair value of consideration received or receivable for the sale of vehicles and spare parts in the normal course of the Company's business. Revenue is recorded net of taxes, returns, trade discounts and/or bonuses granted.

Sale of products

Revenue from sale of products is recognized when all of the following conditions are met:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- Incurred or unincurred costs related to the transaction can be measured reliably.

m) Use of estimates

In applying the Company's accounting practices described above, Management is required to make judgments and prepare estimates about the carrying amounts of assets and liabilities that cannot be easily obtained from other sources. The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effects from the review of accounting estimates are recognized in the year in which estimates are reviewed, if the review affects only that year, or also in subsequent years, if the review affects both current and future years.

The main items subject to judgment in applying the accounting practices are determination of the useful lives of property, plant and equipment for depreciation purposes, allowance for doubtful accounts, accrued warranty, provision for risks and projections to estimate the realization of deferred taxes, among others.

n) Financial instruments

Financial assets and financial liabilities

(i) Financial assets

Are classified in the following categories: (i) at fair value through profit or loss; (ii) held to maturity; (iii) loans and receivables; and (iv) available for sale. Classification is made according to the nature and purpose of the financial assets and is determined upon initial recognition.

Financial assets are measured at fair value through profit or loss when they are held for trading or designated at fair value through profit or loss on initial recognition. A financial asset is classified as held for trading if it is:

- Acquired principally for the purpose of selling it in the near term.
- Part of a portfolio of identified financial instruments that are jointly managed and for which there is evidence of a recent actual pattern of short-term profit-taking.
- A derivative that is not a designated and effective hedging instrument in a hedge accounting.

A financial liability not held for trading may be designated at fair value through profit or loss upon initial recognition if:

- This designation eliminates or significantly reduces an inconsistency that might arise upon measurement or recognition.

- It is part of a managed group of financial assets or liabilities, or both, and its performance is evaluated based on fair value according to the risk management or investment strategy documented by the Company, and the respective information is internally provided on the same basis.
- It is part of a contract containing one or more embedded derivatives, and technical pronouncement CPC 38 - Financial Instruments: Recognition and Measurement permits that the combined contract as a whole (assets or liabilities) be designated at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value, with related gains or losses recognized in profit or loss for the year. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

Held to maturity

Financial assets with fixed or determinable payments and fixed maturities, which the Company has the intention and ability to hold to maturity, are classified as held to maturity. Held-to-maturity financial assets are measured at amortized cost using the effective interest method, less the allowance for impairment losses. Interest income is recognized using the effective interest method.

Loans and receivables

Are financial assets with fixed or determinable payments that are not quoted in an active market, measured at amortized cost using the effective interest method, less the allowance for impairment losses. Revenue is recognized using the effective interest method.

Available for sale

Available-for-sale financial assets are nonderivative financial assets designated as available for sale and not classified in any of the categories above.

Available-for-sale financial assets are measured at fair value. Interest, inflation adjustment and exchange rate changes, when applicable, are recognized in profit or loss, when incurred. Changes arising from measurement at fair value are recognized in a specific line item of equity when incurred and are charged to profit or loss when realized or considered unrecoverable.

Effective interest method

A method used to calculate the amortized cost of a financial asset or a financial liability and allocate interest income or interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial asset, or, when appropriate, over a shorter period.

(ii) Financial liabilities

Are classified at fair value through profit or loss or as other financial liabilities.

Financial liabilities at fair value through profit or loss

This category includes financial liabilities held for trading or measured at fair value through profit or loss.

A financial liability is classified as held for trading if it is:

- Incurred principally for the purpose of repurchasing it in the near term.
- Part of a portfolio of identified financial instruments that are jointly managed and for which there is evidence of a recent actual pattern of short-term profit-taking.
- A derivative not designated as an effective hedge instrument.

Financial liabilities that are not held for trading can be designated at fair value through profit or loss upon initial recognition when:

- This designation eliminates or significantly reduces an inconsistency that might arise upon measurement or recognition.
- They are part of a managed group of financial assets or liabilities, or both, whose performance is measured based on their fair value, in accordance with the Company's documented risk management or investment strategy, and whose related information is provided internally on the same basis.
- They are part of a contract containing one or more embedded derivatives and permit that the combined contract as a whole (assets or liabilities) is designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with related gains or losses recognized in profit or loss. The net gains or losses recognized in profit or loss include any interest arising from the financial liability.

Other financial liabilities

Are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on a yield basis. The effective interest method is a method for calculating the amortized cost of a financial liability and allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, when appropriate, over a shorter period.

o) New standards, amendments and interpretations of standards

The new and revised standards already issued and effective for annual periods beginning on or after January 1, 2013 are as follows.

- CPC 26 (R1) - Presentation of Financial Statements (IAS 1).
- CPC 33 (R1) - Employee Benefits (IAS 19).
- CPC 40 (R1) - Financial Instruments: Disclosures (IFRS 07).
- CPC 19 (R2) - Joint Arrangements (IFRS 11).
- CPC 45 - Disclosure of Interest in Other Entities (IFRS 12).
- CPC 46 - Fair Value Measurement (IFRS 13).

When applicable, the Company adopted these amendments in its financial statements for the year ended March 31, 2014; however, no significant impacts resulted from the adoption of the aforementioned new and revised pronouncements.

New or revised standards and interpretation

The CPC did not issue during the year new or revised technical pronouncements corresponding to the International Financial Reporting Standards - IFRSs pronouncements or amendments listed below, as issued by International Accounting Standard Board - IASB. As part of the commitment to keep the Brazilian accounting pronouncements updated in relation to the IFRSs, it is expected that the amendments corresponding to the standards listed below be issued by the CPC before its required adoption date that is indicated below. Management is currently studying the impacts, if any, on future periods.

<u>IFRS</u>	<u>CPC</u>	<u>Subject</u>	<u>Adoption and transition</u>
IFRS 9 - Financial Instruments	Not issued	IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for classification and measurement of financial liabilities and for its derecognition. Additionally, IFRS 9 was amended in 2013 to include a new model of hedge accounting designed to be better aligned on how an entity treats its management activities related to financial and nonfinancial risk exposure.	In a meeting held in November 2013, IASB provisionally decided that the mandatory application of IFRS 9 would not be before reporting periods beginning on or after January 1, 2017.
IFRIC 21- Levies	Not issued	IFRIC 21 clarifies when an entity should recognize an obligation to pay levies in accordance with the law. A liability is recognized in the financial statements only when the event that triggers the obligation occurs.	Effective for reporting periods beginning on or after January 1, 2014.
Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities	Not issued	The amendments to IFRS 10 define an investment entity and require the reporting entity, which meets the definition of an investment entity not to consolidate its subsidiaries, but instead measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.	Effective for reporting periods beginning on or after January 1, 2014.
Amendment to IAS 19 - Employee Benefits Plans: Employee Contributions	Not issued	The amendment to IAS 19 clarifies the requirements related to contributions from employees or third parties related to services must be assigned. Additionally, this amendment allows specific resource when the amounts of the contributions are independent on the number of years of service.	Effective for reporting periods beginning on or after January 1, 2014.

<u>IFRS</u>	<u>CPC</u>	<u>Subject</u>	<u>Adoption and transition</u>
Amendment to IAS 32 - Offsetting Financial Assets And Liabilities	Not issued	The amendment to IAS 32 clarifies requirements relating to offsetting financial assets and liabilities. Specifically, this amendment clarifies the meaning of “currently has the legal right to offset” and “realization and simultaneous offsetting”.	Effective for reporting periods beginning on or after January 1, 2014.
Amendment to IAS 36 - Disclosure of Recoverable Amount Disclosures for Nonfinancial Assets	Not issued	The amendment to IAS 36 reduces the circumstances in which the recoverable amounts of assets or cash-generating units should be disclosed, clarifies the disclosures required and introduces an explicit requirement to disclose the discount rate, used in the determination of provision for loss of the recoverable amount (or reversal) in which the recoverable amount (based on the fair value less costs to sell) is determined using the net present value technique.	Effective for reporting periods beginning on or after January 1, 2014.
Amendments to IAS 39 - Novation of Derivatives and Hedge Accounting Continuation	Not issued	Amendments to IAS 39 permit an entity to elect to continue to apply hedge accounting (in accordance with IAS 39 or in accordance with the hedge accounting concept as per IFRS 9) when a derivative is renewed and certain conditions are met.	Effective for reporting periods beginning on or after January 1, 2014.
Amendments to IFRSs - Annual Improvements - 2010-2012 Cycle	Not issued	Improvements to the IFRSs issued between 2010-2012 include several changes in several IFRSs.	Effective for reporting periods beginning on or after January 1, 2014.

3. TRANSLATION INTO INDIAN RUPEES - INR

The Company maintains its accounting records and prepares its primary financial statements using the local currency, the Brazilian real (R\$). The translation of Brazilian reais amounts into Indian rupees amounts was performed solely for convenience of readers outside Brazil, and to meet the requirements of Section 212 of the Indian Companies Act, 1956, based on criteria presented hereafter. Therefore, the accompanying translated audited financial statements could not reflect translation either with IFRSs, nor with Brazilian accounting practices (BR GAAP).

The translation from Brazilian reais amounts into Indian rupees amounts has been performed as follows:

- All amounts and balances of balance sheets and statements of income, comprehensive income, changes in shareholders' equity and cash flows were translated by using the current exchange rate prevailing at the balance sheet dates: R\$1.00 = INR26.464 as of March 31, 2014 and R\$1.00 = INR26.821 as of March 31, 2013 and INR28.034 as of March 31, 2012.
- The impacts of translation adjustments related to the beginning balances were included in the statements of cash flows and in each note below, if applicable.

The translation into Indian rupees equivalents should not be constructed as a representation that any or all of the amounts could be converted to Indian rupees at this or any other rate.

4. CASH AND CASH EQUIVALENTS

	2014		2013	
	R\$	INR	R\$	INR
Cash and banks (a)	195,867	5,183,424	28,760	771,372
Bank Certificates of Deposit (CDBs) (b)	-	-	48,741	1,307,282
Total	<u>195,867</u>	<u>5,183,424</u>	<u>77,501</u>	<u>2,078,654</u>

(a) The balance as of March 31, 2014 held in cash and cash equivalents refers to funds that will be used to acquire vehicles at the beginning of April, and to start building the plant in Itatiaia, in the State of Rio de Janeiro.

(b) Short-term investments as of March 31, 2014 and 2013 refer to investments pegged to the fluctuation of the interbank deposit rate (CDI). The yield rates contracted for these investments are approximately 70% of CDI fluctuation, and investments can be redeemed at any time with immaterial risk of changes in their carrying amounts.

5. TRADE ACCOUNTS RECEIVABLE - THIRD PARTIES

	2014		2013	
	R\$	INR	R\$	INR
Receivables from car dealers - vehicles	48,440	1,281,916	93,965	2,520,235
Receivables from car dealers - spare parts	11,106	293,909	9,291	249,194
Allowance for doubtful accounts	(466)	(12,332)	(78)	(2,092)
Total	<u>59,080</u>	<u>1,563,493</u>	<u>103,178</u>	<u>2,767,337</u>

The aging list of trade accounts receivable is as follows:

	2014		2013	
	R\$	INR	R\$	INR
Current	44,546	1,178,865	32,855	881,204
Past-due:				
From 1 to 30 days	14,354	379,864	69,945	1,875,995
From 31 to 90 days	236	6,246	-	-
From 91 to 120 days	3	79	173	4,640
For more than 121 days	407	10,771	283	7,590
Total	<u>59,546</u>	<u>1,575,825</u>	<u>103,256</u>	<u>2,769,429</u>

The average days in sales of vehicles and spare parts to car dealers are 30 days, with no interest being paid.

Changes in the allowance for doubtful accounts

	2014		2013	
	R\$	INR	R\$	INR
Balance at beginning of year	(78)	(2,092)	(474)	(13,288)
Translation adjustment in the beginning balances	-	28	-	575
Addition	(388)	(10,268)	-	-
Reversal	-	-	396	10,621
Balance at end of year	<u>(466)</u>	<u>(12,332)</u>	<u>(78)</u>	<u>(2,092)</u>

The recognition and reversal of allowance for doubtful accounts were recorded in the statement of income for the year in the line item "Other operating (expenses) income, net" (Note 17). The amounts charged against the allowance refer to receivables whose amounts are not expected to be recovered.

6. INVENTORIES

	2014		2013	
	R\$	INR	R\$	INR
Vehicles for resale - Land Rover	21,021	556,300	13,367	358,516
Vehicles for resale - Jaguar	2,179	57,665	208	5,579
Vehicles of fleet intended for sale - Land Rover	19,947	527,877	25,069	672,376
Vehicles of fleet intended for sale - Jaguar	6,701	177,335	963	25,828
Spare parts and accessories	40,924	1,083,013	27,837	746,616
Imports in transit	107,532	2,845,727	122,476	3,284,929
Provision for losses and obsolete inventory items	<u>(4,768)</u>	<u>(126,180)</u>	<u>(3,569)</u>	<u>(95,724)</u>
Total	<u>193,536</u>	<u>5,121,737</u>	<u>186,351</u>	<u>4,998,120</u>

Changes in the provision for losses and obsolete inventory items

	2014		2013	
	R\$	INR	R\$	INR
Balance at beginning of year	(3,569)	(95,724)	(2,916)	(81,747)
Translation adjustment in the beginning balances	-	1,274	-	3,537
Addition	(2,250)	(59,544)	(1,810)	(48,546)
Reversal	<u>1,051</u>	<u>27,814</u>	<u>1,157</u>	<u>31,032</u>
Balance at end of year	<u>(4,768)</u>	<u>(126,180)</u>	<u>(3,569)</u>	<u>(95,724)</u>

7. RECOVERABLE TAXES

	2014		2013	
	R\$	INR	R\$	INR
ICMS (State VAT) (a)	19,867	525,760	11,764	315,522
IPI (Federal VAT)	1,304	34,509	726	19,472
IRRF (withholding income tax)	1,206	31,916	2,468	66,194
ICMS-ST (State VAT - tax replacement regime) (b)	17,623	466,375	17,623	472,666
Allowance for losses on unrealizable ICMS-ST	<u>(3,979)</u>	<u>(105,300)</u>	<u>(3,979)</u>	<u>(106,721)</u>
Others	-	-	12	323
Total	<u>36,021</u>	<u>953,260</u>	<u>28,614</u>	<u>767,456</u>
Current portion	2,803	74,179	3,235	86,766
Noncurrent portion	<u>33,218</u>	<u>879,081</u>	<u>25,379</u>	<u>680,690</u>
Total	<u>36,021</u>	<u>953,260</u>	<u>28,614</u>	<u>767,456</u>

- (a) The Company periodically reviews the changes in these accumulated tax credits to ensure that they can be used, and its Management understands that, except for credit amounts that were provided for, it will be recovered during the normal course of business.

- (b) From November 2009 to October 2010, approximately 47% of the Company's sales were made to car dealers located outside the State of São Paulo, through its branch in São Paulo, which received the imported vehicles through Cotia Vitória Serviços e Comércio S.A. ("Cotia Trading") in the city of Vitória, State of Espírito Santo. Under the laws applicable to such activity, ICMS-ST is calculated under the reverse charge regime ("regime de substituição tributária"). Consequently, the Company paid ICMS-ST when: (i) vehicles imported by Cotia Trading were transferred from the State of Espírito Santo to the State of São Paulo; and (ii) the Company's branch in São Paulo sold the vehicles to the branch in the State of the car dealer that acquired the vehicle for resale. For this reason, the Company filed a request with São Paulo State Finance Department to be authorized to offset these credits paid twice during the aforementioned period, by selling such credits to Cotia Trading, its major supplier, as allowed in CAT Administrative Rule 17/06.

As of March 31, 2014, the Company recognized a provision of R\$3,979 (R\$3,979 in 2013) to write down these assets to their expected realizable values.

The noncurrent portion is basically represented by ICMS credits that are expected to be realized in the long term.

8. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Annual depreciation/ amortization rate - %	2014				2013	
		Cost	Accumulated depreciation/ amortization	Net		Net	
				R\$	INR	R\$	INR
Property, plant and equipment:							
Vehicles (fleet)	20	1,581	(231)	1,350	35,726	1,715	45,998
Furniture and fixtures	10	1,862	(498)	1,364	36,097	1,158	31,059
IT equipment	20	2,273	(1,676)	597	15,799	542	14,537
Special tools	10	33	(24)	9	238	15	402
Improvements	4	1,270	(166)	1,104	29,216	1,155	30,978
Construction in progress (*)		<u>8,057</u>	<u>-</u>	<u>8,057</u>	<u>213,220</u>	<u>-</u>	<u>-</u>
		15,076	(2,595)	12,481	330,297	4,585	122,974
Intangible assets-							
Software	20	<u>127</u>	<u>(118)</u>	<u>9</u>	<u>238</u>	<u>34</u>	<u>912</u>
Total		<u>15,203</u>	<u>(2,713)</u>	<u>12,490</u>	<u>330,535</u>	<u>4,619</u>	<u>123,886</u>

(*) Refers to advance for the construction of a laboratory to analyze and measure gases emitted from vehicles, scheduled to be completed in 2015.

Changes in property, plant and equipment and intangible assets:

	2014		2013	
	R\$	INR	R\$	INR
Balances at beginning of year	<u>4,619</u>	123,859	6,653	186,510
Translation adjustment in the beginning balances	-	(1,622)	-	(8,070)
Additions:				
Improvements	-	-	39	1,046
Vehicles (fleet)	994	26,305	400	10,728
Furniture and fixtures	368	9,739	566	15,181
IT equipment	277	7,331	153	4,104
Construction in progress	<u>8,057</u>	<u>213,220</u>	<u>-</u>	<u>-</u>
Total	9,696	256,595	1,158	31,059
Write-offs, net	(1,666)	(44,089)	(1,990)	(53,374)
Depreciation/amortization	<u>(159)</u>	<u>(4,208)</u>	<u>(1,202)</u>	<u>(32,239)</u>
Balances at end of year	<u>12,490</u>	<u>330,535</u>	<u>4,619</u>	<u>123,886</u>

9. INCOME TAX AND SOCIAL CONTRIBUTION

Income tax and social contribution were calculated based on taxable income according to prevailing legislation. Income tax rate is calculated at the rate of 15%, plus a 10% surtax on taxable income exceeding R\$240. Social contribution is calculated on taxable income at the rate of 9%. The combined tax rate is 34%.

	2014		2013	
	R\$	INR	R\$	INR
Beginning balances - payable	(27,296)	(732,106)	(6,134)	(171,933)
Currency translation adjustment on beginning balance	-	9,744	-	7,413
Total current income tax and social contribution expenses	(70,151)	(1,856,476)	(46,015)	(1,234,168)
Payments made during the year	<u>97,603</u>	<u>2,582,966</u>	<u>24,853</u>	<u>666,582</u>
Ending balances (payable) recoverable	<u>156</u>	<u>4,128</u>	<u>(27,296)</u>	<u>(732,106)</u>

Reconciliation of income tax and social contribution expenses for the years ended March 31, 2014 and 2013 is as follows:

	2014		2013	
	R\$	INR	R\$	INR
Income before income tax and social contribution	181,698	4,808,456	107,550	2,884,599
Combined statutory rate	<u>34%</u>		<u>34%</u>	
Expected income tax and social contribution expenses related to income before taxes, at combined statutory rate	(61,777)	(1,634,867)	(36,567)	(980,764)
Effect of income tax on permanent differences:				
Transfer-pricing adjustment	(427)	(11,300)	(173)	(4,640)
Interest on equity	425	11,247	798	21,403
Others	<u>(1,288)</u>	<u>(34,086)</u>	<u>1,669</u>	<u>44,764</u>
Income tax and social contribution expenses	<u>(63,067)</u>	<u>(1,669,005)</u>	<u>34,273</u>	<u>919,236</u>

The balance of deferred income tax and social contribution assets is as follows:

	2014		2013	
	R\$	INR	R\$	INR
Deferred tax assets on temporary differences:				
Provision for losses and obsolete inventory items	114	3,017	-	-
Accrued bonuses	655	17,334	385	10,326
Provision for risks	6,709	177,547	5,952	159,639
Provision for warranty and technical assistance	28,256	747,767	24,132	647,244
Provision for incentive of marketing and sales	16,305	431,496	17,975	482,107
Allowance for doubtful accounts	158	4,181	26	697
Others	<u>4,341</u>	<u>114,880</u>	<u>984</u>	<u>26,392</u>
Total	<u>56,538</u>	<u>1,496,222</u>	<u>49,454</u>	<u>1,326,406</u>

10. RELATED-PARTY TRANSACTIONS

Refer to transactions conducted with affiliated company Jaguar Land Rover Limited.

	2014		2013	
	<u>R\$</u>	<u>INR</u>	<u>R\$</u>	<u>INR</u>
Transactions:				
Purchases of vehicles and spare parts	1,080,518	28,594,828	581,060	15,584,610
Reimbursement of expenses - revenue	(10,514)	(278,242)	(3,833)	(102,805)
Balances:				
Trade accounts receivable (a)	16,699	441,922	6,186	165,915
Trade accounts payable (b)	109,167	2,888,995	124,860	3,348,870

(a) Refer mainly to reimbursement of expenses on services provided to related parties located in Latin America, no fixed maturity or incidence of charges.

(b) Refer mainly to trade accounts payable for purchase of vehicles and spare parts from its affiliate Jaguar Land Rover Limited.

Prices, terms, and conditions of related-party transactions are agreed upon between the parties.

Management's compensation expenses for the year ended March 31, 2014 amounted to R\$1,921 (R\$1,803 in 2013). Such compensation includes salaries and related charges, Christmas and vacation bonus and short-term benefits, such as medical and dental assistance.

11. TAXES PAYABLE

	2014		2013	
	<u>R\$</u>	<u>INR</u>	<u>R\$</u>	<u>INR</u>
IPI (Federal VAT)	15,780	417,602	25,912	694,986
ICMS (State VAT)	2,750	72,776	4,027	108,008
ICMS-ST (State VAT - tax replacement regime)	29,780	788,098	42,605	1,142,709
PIS (tax on revenue)	91	2,408	33	885
COFINS (tax on revenue)	426	11,274	158	4,238
Others	231	6,113	360	9,656
Total	<u>49,058</u>	<u>1,298,271</u>	<u>73,095</u>	<u>1,960,481</u>
Current portion	49,058	1,298,271	68,882	1,847,484
Noncurrent portion	-	-	4,213	112,997
Total	<u>49,058</u>	<u>1,298,271</u>	<u>73,095</u>	<u>1,960,481</u>

In October 2012, the Company entered into an agreement with the State of Ceará to collect ICMS-ST debts in 30 monthly installments, and as a result the amount of R\$8,048 recorded as of March 31, 2012 was reclassified from line item "Provision for risks". The adjusted installed debts, less payments made, are R\$4,198 as of March 31, 2014 (R\$8,069 as of March 31, 2013).

12. PROVISION FOR WARRANTY, SALES INCENTIVES AND OTHERS

	2014		2013	
	R\$	INR	R\$	INR
Provision for warranty and technical assistance	83,339	2,205,483	70,694	1,896,084
Sales incentives	47,010	1,244,073	47,574	1,275,982
Accrued marketing expenses	1,294	34,244	5,295	142,017
Provision - Inovar Auto Program	11,962	316,562	2,534	67,964
Total	<u>143,605</u>	<u>3,800,363</u>	<u>126,097</u>	<u>3,382,047</u>
Current portion	103,385	2,735,981	86,496	2,319,909
Noncurrent portion	<u>40,220</u>	<u>1,064,382</u>	<u>39,601</u>	<u>1,062,138</u>
Total	<u>143,605</u>	<u>3,800,363</u>	<u>126,097</u>	<u>3,382,047</u>

13. PROVISION FOR RISKS

	2014		2013	
	R\$	INR	R\$	INR
Labor and social security	1,531	40,516	1,528	40,982
Tax	10,140	268,345	9,437	253,110
Civil	<u>8,061</u>	<u>213,326</u>	<u>6,541</u>	<u>175,437</u>
Total	<u>19,732</u>	<u>522,188</u>	<u>17,506</u>	<u>469,529</u>
Current portion	11,671	308,861	9,437	253,110
Noncurrent portion	<u>8,061</u>	<u>213,326</u>	<u>8,069</u>	<u>216,419</u>
Total	<u>19,732</u>	<u>522,188</u>	<u>17,506</u>	<u>469,529</u>

Changes in provision for risks

	Balance in 2013	Additions	Reversal	Payments	Balance in 2014	
					R\$	INR
Labor and social security	1,528	215	(212)	-	1,531	40,516
Tax	9,437	2,373	(4)	(1,666)	10,140	268,345
Civil	<u>6,541</u>	<u>3,268</u>	<u>(1,748)</u>	<u>-</u>	<u>8,061</u>	<u>213,326</u>
Total	<u>17,506</u>	<u>5,856</u>	<u>(1,964)</u>	<u>(1,666)</u>	<u>19,732</u>	<u>522,188</u>

	Balance in 2012	Additions	Reversal	Payments	Transfer Note 11	Balance in 2013	
						R\$	INR
Labor and social security	3,800	300	(2,572)	-	-	1,528	40,982
Tax	17,154	4,011	(2,946)	(734)	(8,048)	9,437	253,110
Civil	<u>7,299</u>	<u>1,513</u>	<u>-</u>	<u>(2,271)</u>	<u>-</u>	<u>6,541</u>	<u>175,437</u>
Total	<u>28,253</u>	<u>5,824</u>	<u>(5,518)</u>	<u>(3,005)</u>	<u>(8,048)</u>	<u>17,506</u>	<u>469,529</u>

The main risks accrued, based on the opinion of the Company's legal counsel and Management, are as follows:

- Labor and social security - refer to lawsuits claiming labor charges relating to independent contractors engaged by the Company.
- Tax - refer basically to the recognition of a provision on the ICMS-ST difference calculated on the price list released to consumers and the percentage rate of 30%, as prescribed by the ICMS regulation.
- Civil - refer to lawsuits filed by consumers claiming compensation for pain and suffering and financial losses.

As of March 31, 2014, the lawsuits assessed as possible losses by the Company's Management and legal counsel refer to civil suits in the amount of R\$15,108 (R\$6,541 in 2013).

Under the prevailing tax law, income tax returns for the last five years and other taxes and contributions are open to review and approval by tax authorities for varying statutory periods. The Company believes, however, that as of March 31, 2014 there is no other known material contingency that should be reflected in the financial statements.

14. CAPITAL

The Company's subscribed and paid-in capital is R\$19,231 as of March 31, 2014 and 2013, respectively, represented by 19,231,335 shares with par value of R\$1.00 each, respectively, held by the following shareholders:

<u>Shareholders</u>	<u>Shares</u>
Jaguar Cars Limited	19,231,334
Jaguar Cars Exports Limited	<u>1</u>
Total	<u>19,231,335</u>

Foreign capital, amounting to US\$7,815 thousand as of March 31, 2014 and 2013, is registered with the Central Bank of Brazil (BACEN) in the name of Jaguar Cars Limited. The remittance of dividends, capital repatriation and foreign reinvestments are subject to BACEN's regulations.

Profit allocation for the year ended March 31, 2014 was approved as follows:

- According to the minutes of the Partners' Meeting held on September 2, 2013, the distribution of remaining profits related to profit recorded in the year ended March 31, 2013, amounting to R\$35,635, was approved and paid during the year.
- According to the minutes of the Partners' Meeting held on December 23, 2013, the distribution of interest on capital related was approved, in the amount of R\$1,250.

15. NET OPERATING REVENUE

	2014		2013	
	R\$	INR	R\$	INR
Domestic sales	2,436,254	64,473,026	1,835,875	49,240,003
Taxes on sales	(784,713)	(20,766,645)	(729,366)	(19,562,325)
Returns, discounts and rebates	<u>(232,741)</u>	<u>(6,159,258)</u>	<u>(75,381)</u>	<u>(2,021,794)</u>
Total	<u>1,418,800</u>	<u>37,547,123</u>	<u>1,031,128</u>	<u>27,655,884</u>

16. EXPENSES BY NATURE

	2014		2013	
	R\$	INR	R\$	INR
Raw materials and consumables used	(1,088,743)	(28,812,495)	(761,307)	(20,419,015)
Depreciation and amortization costs and expenses	(744)	(19,689)	(1,352)	(36,262)
Personnel costs and expenses	(17,357)	(459,336)	(12,092)	(324,319)
Structure and maintenance costs	(5,278)	(139,677)	(5,171)	(138,691)
Insurance, warranty, fees and charges	(44,520)	(1,178,177)	(24,954)	(669,291)
Information technology and projects expenses	(1,713)	(45,333)	(1,769)	(47,446)
Outside services and others	(20,120)	(532,456)	(46,721)	(1,253,105)
Advertising, promotions and selling expenses	<u>(61,302)</u>	<u>(1,622,296)</u>	<u>(72,092)</u>	<u>(1,933,580)</u>
Total cost of sales and personnel, administrative, general and selling expenses	<u>(1,239,777)</u>	<u>(32,809,459)</u>	<u>(925,458)</u>	<u>(24,821,709)</u>
Cost of sales	(1,138,954)	(30,141,279)	(802,526)	(21,524,550)
Selling, general, administrative and personnel expenses	<u>(100,823)</u>	<u>(2,668,180)</u>	<u>(122,932)</u>	<u>(3,297,159)</u>
Total	<u>(1,239,777)</u>	<u>(32,809,459)</u>	<u>(925,458)</u>	<u>(24,821,709)</u>

17. OTHER OPERATING INCOME (EXPENSES), NET

	2014		2013	
	R\$	INR	R\$	INR
Extraordinary losses (write-off of uncollectible receivables and ICMS and IPI credits, and out-of-court agreements)	(1,940)	(51,340)	(2,694)	(72,256)
(Reversal of) allowance for doubtful accounts	(388)	(10,268)	396	10,621
Provision for civil, tax, labor, and social security risks	(3,892)	(102,998)	(306)	(8,207)
Gain on sale of property, plant and equipment	5,630	148,992	4,478	120,104
Others	<u>51</u>	<u>1,350</u>	<u>(228)</u>	<u>(6,115)</u>
Total	<u>(539)</u>	<u>(14,264)</u>	<u>1,646</u>	<u>44,147</u>

18. FINANCIAL INCOME, NET

	2014		2013	
	<u>R\$</u>	<u>INR</u>	<u>R\$</u>	<u>INR</u>
Banking expenses	(96)	(2,541)	(182)	(4,881)
Income from short-term investments	5,865	155,211	2,817	75,555
Discounts granted to car dealers	(2,237)	(59,200)	(2,036)	(54,608)
Exchange rate changes, net	105	2,779	(116)	(3,111)
Others	(423)	(11,194)	(249)	(6,678)
Total	<u>3,214</u>	<u>85,055</u>	<u>234</u>	<u>6,276</u>

19. FINANCIAL INSTRUMENTS

The Company enters into transactions involving financial instruments, basically short-term investments, all recorded in balance sheet accounts, to preserve its investment capacity and growth strategy.

a) The main financial assets and liabilities have been classified by category as follows:

	2014		2013	
	<u>R\$</u>	<u>INR</u>	<u>R\$</u>	<u>INR</u>
Financial assets-				
Cash and banks	195.867	5,183,424	28,760	771,372
Financial assets at fair value through profit or loss-				
Short-term investments	-	-	48,741	1,307,282
Loans and receivables stated at amortized cost:				
Trade accounts receivable - third parties	59.080	1,563,493	103,178	2,767,337
Related parties	16.699	441,922	6,186	165,915
Loans and receivables stated at amortized cost:				
Trade accounts payable	109,405	2,895,294	27,460	736,505
Related parties	109,167	2,888,995	124,860	3,348,870

b) General considerations and policies

Management of these risks is implemented through strategies defined and approved by the Company's Management in conjunction with control systems and specific limits for exposures. Transactions using financial instruments are not conducted for speculative purposes.

In addition, Management timely assesses the Company's position and monitors the financial results obtained based on the analysis of future projections to ensure that the business plan is fulfilled and the risks to which the Company is exposed are monitored.

The Company is exposed to the following risks:

(i) Market risk

The main market risk faced by the Company was related to exchange rate fluctuations, which affect the cost of imports of vehicles and spare parts. However, as from April 1, 2012, the Company started to import vehicles and spare parts in Brazilian reais from its affiliated company in England, being no longer exposed to this risk.

(ii) Foreign exchange risk

As from April 1, 2012, the Company started to import vehicles and spare parts in Brazilian reais from its related parties in England, being no longer exposed to the exchange rate relevant risks related to its activities.

(iii) Credit risk

The Company's sales policy considers the credit risk level that it is willing to assume in the ordinary course of its business. Individual risk limits are set based on internal or external ratings according to the limits set by Management. The use of credit limits is regularly monitored.

Management does not expect any significant loss arising from customers' default. Additionally, the Company has no customer that accounts for more than 10% of its sales.

With respect to short-term and other investments, the Company carries out transactions with financial institutions with good rating assigned by risk-rating agencies.

(iv) Liquidity risk

The Treasury Department estimates the cash flow and monitors the continuous forecasts of liquidity requirements to ensure that the Company has sufficient cash to meet its operational needs.

The Treasury Department invests cash surpluses in short-term deposits by selecting instruments with appropriate maturities or sufficient liquidity to provide a sufficient margin, based on the forecasts mentioned above.

(v) Capital management

The Company's purposes in managing its capital are to protect its ability to continue as a going concern to offer return to its shareholders and benefits to other stakeholders, besides maintaining an ideal capital structure to reduce such cost.

(vi) Fair value estimates

The Company adopts, when applicable, the technical pronouncement CPC 40 - Financial Instruments: Disclosure for financial instruments measured at fair value in the balance sheet, which requires the disclosure of fair value measurements based on the hierarchy: As of March 31, 2014, the Company does not have assets quoted at levels 1, 2 and 3.

c) Sensitivity analysis

Based on the financial position as of March 31, 2014, the Company did not have significant risks associated to exchange and interests rates.

Fair value of financial instruments measured at amortized cost

Short-term investments

The carrying amounts of short-term investments as of March 31, 2013 approximate their realizable values as operations are conducted based on floating rates and are immediately available for settlement.

20. INSURANCE COVERAGE

As of March 31, 2014, insurance policies contracted by the Company with third parties are as follows:

	<u>Insured amounts</u>	
	<u>R\$</u>	<u>INR</u>
Vehicles	2,500	66,160
Operations risks	128,457	3,399,486
Civil liability	3,088	81,721
Transportation	3,000	79,392
Total	<u>137,045</u>	<u>3,626,759</u>

21. APPROVAL OF FINANCIAL STATEMENTS

On May 9, 2014, the Company's Management examined and approved the financial statements for the year ended March 31, 2014.

22. OTHER MATTERS

- a) On November 11, 2013, the Brazilian tax authorities issued the Provisional Measure 627, to regulate the differences between the tax accounting records (old BR GAAP) and the accounting records (IFRSs), required by transitional tax regime (RTT). Such provisional measure also has determined new rules for dividends payments.
- b) As from February 2014, an Anti-corruption Law nº 12,846 came into force. Such Law requires that the Company implement mechanisms and procedures to detect problems and irregularities in contracts with government. In case of problems and irregularities are identified, fines may reach up to 20% of gross revenue.

LLC Jaguar Land Rover, Russia

**Financial Statements
for the year ended 31 December 2013**
(Translated from the original in Russian –
Unofficial translation)

Conversion into Indian Rupees

*The financial information is expressed in the local currency of the relevant company (Russian Federation Rouble) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **RUB 1 = Rs 1.876** and **Rs 1.798** for the years ended 31 December 2013 and 2012 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.*

AUDITOR'S REPORT

To the participant of LLC Jaguar Land Rover:

We have audited the accompanying financial statements of LLC Jaguar Land Rover, which comprise:

- Balance sheet as at 31 December 2013;
- Statement of financial results for the year ended 31 December 2013;
- Appendixes to the Balance sheet and Statement of financial results:
 - Statement of changes in equity for the year ended 31 December 2013;
 - Statement of cash flows for the year ended 31 December 2013;
 - Explanatory notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Russian accounting and financial reporting standards, and for the system of internal controls necessary for preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on fair presentation of the financial statements based on our audit. We conducted our audit in accordance with federal rules (standards) of auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Our audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on our judgment which is based on the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the system of internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the system of internal control.

The audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the audited entity, 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 express an opinion on the fair presentation of the financial statements.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of LLC "Jaguar Land Rover" as at 31 December 2013, the results of its financial performance and its cash flows for 2013 in accordance with the Russian accounting and financial reporting standards.

The Russian original signed by:

ZAO Deloitte & Touche CIS

27 March 2014
Moscow, Russian Federation

Andrey Sedov, Partner
(certificate no. 01-000487 dated 13.02.2012)
ZAO Deloitte & Touche CIS

The following financial statements were prepared for use in the Russian Federation in accordance with accounting principles and financial reporting practices generally accepted in the Russian Federation and are not intended to present the financial position and results of operations of the audited entity in accordance with accounting principles and practices generally accepted in any other jurisdiction.

AUDITED ENTITY: LLC Jaguar Land Rover:

State Registration Certificate No. 50 011233988 issued by the Interregional Inspectorate of the Federal Tax Service No. 13 for Moscow region on 22 May 2008.

Certificate of registration in the Unified State Register of Legal Entities №50 012594695 issued by the Interregional Inspectorate of the Federal Tax Service No. 13 for Moscow region on 5 March 2012.

Location: 141411, Russian Federation, Moscow, Mezhdunarodnoe St., 28B, bldg. 2.

Independent auditor: ZAO Deloitte & Touche CIS

State Registration Certificate No. 018.482 issued by the Moscow Registration Chamber on 30 October 1992.

Certificate of registration in the Unified State Register of Legal Entities No. 1027700425444 issued by Interregional Inspectorate of the Russian Ministry of Taxes and Levies No.39 for Moscow on 13 November 2002.

Certificate of membership in self-regulated organization "Non-Commercial Partnership "Audit Chamber of Russia" No. 3026 dated 20 May 2009; main registration number 10201017407.

BALANCE SHEET
As at 31 December 2013

Entity
Taxpayer identification number
Type of activity
Legal status / form of ownership

Unit
Address

LLC Jaguar Land Rover

Wholesale of vehicles
Limited Liability Company/Ownership of foreign legal entity
Thousands of Indian Rupees
Mezhdunarodnoe St, 28B, bldg.2, 141411, Moscow, Russian Federation

Form OKUD
Date (day, month, year)

CODES	
0710001	
31/12/2013	
86658358	
5047095543	
50.10.1	
65/23	
384	

Item description	Note	31 December 2013	31 December 2012	31 December 2011
ASSETS				
I. NON-CURRENT ASSETS				
Intangible assets		60,208	64,944	3,901
Property and equipment	3.1	760,001	785,654	615,339
Deferred tax assets	3.3	798,330	585,959	393,461
Other non-current assets		8,536	10,072	17,433
Total Section I		1,627,075	1,446,629	1,030,134
II. CURRENT ASSETS				
Inventories	3.4	8,040,547	6,807,972	4,154,200
Value-added tax receivable		112,961	2,945	3,079
Accounts receivable	3.5	2,722,291	2,046,626	1,201,569
Investments (other than cash equivalents)	3.2	0	0	9,374,830
Cash and cash equivalents	3.6	8,771,116	4,654,071	1,062,596
Other current assets		5,112	4,788	-
Total Section II		19,652,027	13,516,402	15,796,274
TOTAL ASSETS		21,279,102	14,963,031	16,826,408
EQUITY AND LIABILITIES				
III. EQUITY AND RESERVES				
Charter capital	3.7	80,108	80,108	80,108
Additional paid-in capital (excluding revaluation)		1,009,101	1,009,101	1,009,101
Retained earnings		9,850,849	5,794,762	8,698,262
Translation difference		2,247,776	1,868,098	954,065
Total Section III		13,187,834	8,752,069	10,741,536
IV. NON-CURRENT LIABILITIES				
Provisions	3.9	2,106,710	1,585,041	1,071,043
Total Section IV		2,106,710	1,585,041	1,071,043
V. CURRENT LIABILITIES				
Accounts payable	3.8	4,542,926	3,562,624	4,256,460
Provisions	3.9	1,441,632	1,063,297	756,835
Other current liabilities		0	-	534
Total Section V		5,984,558	4,625,921	5,013,829
TOTAL LIABILITIES AND EQUITY		21,279,102	14,963,031	16,826,408

Frank Wittemann, CEO

Olga Bukreeva, Chief Accountant

27 March 2014

STATEMENT OF FINANCIAL RESULTS
For the year ended 31 December 2013

Entity	LLC Jaguar Land Rover
Taxpayer identification number	
Type of activity	Wholesale of vehicles
Legal status / form of ownership	Limited Liability Company/Ownership of foreign legal entity
Unit	Thousands of Indian Rupees

Form OKUD
Date (day, month, year)

CODES
0710002
31/12/2013
86658358
5047095543
50.10.1
65/23
384

OKPO
INN
OKVED
OKOPF/
OKFS
OKEI

Item description	Note	2013	2012
Revenue	4.1	108,030,828	78,373,150
Cost of sales	4.2	(88,591,414)	(64,229,774)
Gross profit		19,439,414	14,143,376
Selling expenses	4.2	(10,561,889)	(8,871,812)
Profit from sales		8,877,525	5,271,564
Interest income	4.3	203,917	473,421
Other income	4.3	1,524,391	992,773
Other expenses	4.4	(1,375,151)	(1,085,186)
Profit before income tax		9,230,682	5,652,572
Current income tax expense		(2,117,019)	(1,354,379)
including permanent tax liabilities	3.3	83,587	61,172
Change in deferred tax assets	3.3	186,951	159,017
Previous years income tax adjustment		(974)	4,274
Net profit		7,299,640	4,461,484
ADDITIONAL INFORMATION			
Net assets		13,187,834	8,752,069

Frank Wittemann, CEO

Olga Bukreeva, Chief Accountant

27 March 2014

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2013

Entity	LLC Jaguar Land Rover	Form OKUD	Codes
Taxpayer identification number		Date (day, month, year)	0710003
Type of activity	Wholesale of vehicles	OKPO	31/12/2013
Legal status / form of ownership	Limited Liability Company/Ownership of foreign legal entity	INN	86658358
Unit	Thousands of Indian Rupees	OKVED	5047095543
		OKOPF/OKFS	50.10.1
		OKEI	65/23
			384

Item description	Charter capital	Additional paid-in capital (excluding revaluation)	Foreign currency translation reserve	Retained earnings	Total
Balance at 31 December 2011	80,108	1,009,101	954,065	8,698,262	10,741,536
Net profit	-	-	-	4,461,484	4,461,484
Payout to the participant	-	-	-	(7,364,984)	(7,364,984)
Translation difference	-	-	914,033	-	914,033
Balance at 31 December 2012	80,108	1,009,101	1,868,098	5,794,762	8,752,069
Net profit	-	-	-	7,299,640	7,299,640
Payout to the participant	-	-	-	(3,243,553)	(3,243,553)
Translation difference	-	-	379,678	-	379,678
Balance at 31 December 2013	80,108	1,009,101	2,247,776	9,850,849	13,187,834

Frank Wittemann, CEO

Olga Bukreeva, Chief Accountant

27 March 2014

STATEMENT OF CASH FLOWS
For the year ended 31 December 2013

Entity	LLC Jaguar Land Rover
Taxpayer identification number	
Type of activity	Wholesale of vehicles
Legal status / form of ownership	Limited Liability Company/Ownership of foreign legal entity
Unit	Thousands of Indian Rupees

	Codes
Form OKUD	0710004
Date (day, month, year)	31/12/2013
OKPO	86658358
INN	5047095543
OKVED	50.10.1
OKOPF/OKFS	65/23
OKEI	384

Item description	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sales of goods, products, work and services	115,038,918	84,205,445
Other cash inflows	4,674,555	2,511,326
(Expense)/Income on agency agreement	(311,956)	140,409
Purchases of goods, work, services	(78,707,473)	(60,634,855)
Payroll	(309,983)	(263,348)
Taxes payable	(5,163,108)	(3,191,419)
Customs duties (duties, fees, excises)	(21,849,719)	(16,331,570)
Bonuses and discounts	(7,244,782)	(7,031,180)
Other payments, contributions	(76,383)	(23,570)
Net cash from operating activities	6,050,069	(618,762)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including investment property) and intangible assets	(12,241)	(73,450)
Proceeds from sales of fixed assets and other assets	918,233	912,262
Dividends, interest on investments	202,638	577,189
Proceeds from repayment of loans receivable	-	10,068,800
Net cash from investing activities	1,108,630	11,484,801
CASH FLOW FROM FINANCING ACTIVITIES		
Distributions of net profit	(3,243,553)	(7,364,984)
Net cash from financing activities	(3,243,553)	(7,364,984)
Net change in cash and cash equivalents during the reporting period	3,915,146	3,501,055
Translation difference	201,899	90,420
Net cash and cash equivalents at the beginning of reporting period	4,654,071	1,062,596
Net cash and cash equivalents at the end of the reporting period	8,771,116	4,654,071

Frank Wittemann, CEO

Olga Bukreeva, Chief Accountant

27 March 2014

**NOTES to the FINANCIAL STATEMENTS of LLC Jaguar Land Rover
for the year ended 31 December 2013**

1. GENERAL

LLC Jaguar Land Rover (the "Company") was established by ZAO Ford Motor Company in May 2008. In May 2009, ZAO Ford Motor Company sold its 100% share in charter capital to Limited Liability Company Jaguar Cars Limited (Jaguar Cars Limited), a legal entity registered and acting under the laws of Great Britain/United Kingdom.

The Company began its operating activities in April 2009.

The registered address: Mezhdunarodnoe St., 28B, bldg.2, Moscow, Russian Federation 141411.

Executive body – General Director – Frank Vittemann.

The sole participant is Jaguar Land Rover Limited, registered under the laws of the United Kingdom.

The immediate parent undertaking of Jaguar Land Rover Limited is TML Singapore Pte Limited and ultimate parent undertaking and controlling party is Tata Motors Limited, India. Tata Motors Limited is a public company quoted on stock exchanges of Mumbai (India) and New-York (USA). The major beneficiary of Jaguar Land Rover Limited is Tata Sons Limited, India owning 25.67% of the shares.

1.1. Activities of LLC "Jaguar Land Rover" include:

- Import, export, purchasing, marketing, sales of vehicles, components and spare parts;
- Providing information on imports, exports, purchases, marketing, sales, servicing of vehicles, components and spare parts;
- Acting as commercial agent on its own behalf and on behalf of Russian legal entities in relation to servicing, sales, distribution and general marketing of vehicles, components and spare parts;
- Consulting, marketing and other services, related to import, export, purchasing, marketing, sales of vehicles, components and spare parts;
- Any other activities that comply with active legislation of the Russian Federation.

The primary activity of the Company during the reporting period was vehicles wholesale (OKVED (general classification of economic activity) code 50.10.1).

The Company performs its activities in accordance with legislation of the Russian Federation ("RF").

1.2. Number of employees

The Company's average number of staff in 2013 and 2012 was 65 and 59 people, respectively.

1.3. List of operating segments

The main source of income of the Company is sales of vehicles. Among other operating segments significant portion is attributable to spare parts sale.

1.4. Main customers

Vehicles are sold through the network of authorized dealers.

During the reporting period, the largest volume of the Company's sales was attributable to the following dealers:

- LLC Musa Motors JLR – 11% (2012: 14 %);
- LLC AAA Nezavisimost Premier Auto – 10% (2012: 13 %);
- PJSC Trading Company Artex – 7% (2012: 8 %);
- CJSC Autobiography Pulkovo – 5% (2012: 4%).

Sales shares of other dealers individually did not exceed 5% each of total amount of the Company's sales therefore loss of a dealer will not lead to significant negative consequences.

1.5. Customers on the territory of the Customs Union

From 1 April 2013 dealer centers have been opened on the territory of the Customs Union in the Republic of Belarus (RB) and the Republic of Kazakhstan (RK). In RB it was LLC Atlant M on Aerodromnaya, in RK it was LLC Caspian Motors.

2. ORGANIZATION OF ACCOUNTING

The Company maintains its accounting records in accordance with the requirements of the RF legislation on accounting and regulations of the RF Ministry of Finance.

In 2013 accounting records were maintained in accordance with the Company's accounting policies as approved by the Order of the general director.

Financial statements were prepared by the Company on the basis of the accounting and reporting regulations that are effective in the Russian Federation.

The Company uses SAP and 1C corporate information system to maintain its financial and tax accounting records.

2.1. Going concern assumption

In preparation of the financial statements, the Company's management assumed that the Company will continue as a going concern in the foreseeable future and has no plans or necessity to discontinue or significantly reduce its activities, and that therefore its obligations will be settled appropriately.

2.2. Chart of accounts

The Company has developed and applies a chart of accounts based on the standard chart of accounts for financial and business activities of organizations as approved by Order of the RF Ministry of Finance No. 94n dated 31 October 2000, with separate subaccounts which enable preparation of financial statements that comply with Russian and international accounting and tax law and separate cost accounting requirements.

2.3. Stocktake

Stocktake is performed in accordance with Methodological Guidelines for the Count of Property and Financial Liabilities approved by Order of the RF Ministry of Finance No. 49 dated 13 June 1995.

The count of fixed assets is performed by units and separate classes of fixed assets at least once every three years. The latest count of fixed assets was performed as at 26 and 27 December 2013, separately for vehicles and for other fixed assets.

Stocktake of spare parts was conducted as at 16 December 2013; stocktake of vehicles was conducted as at 26 and 27 November 2013. Stocktake of all other assets and liabilities was conducted as at 25 December 2013.

2.4. Foreign currencies

When accounting for business transactions in foreign currencies, the Company uses Central Bank of Russia's ("CBR") official exchange rates of the Russian ruble ("RUB") against such currencies as at the dates of transactions. Assets and liabilities denominated in foreign currencies are reported in amounts calculated on the basis of RUB official exchange rates established by the CBR as at 31 December 2013, 2012 and 2011.

Assets and liabilities denominated in foreign currencies are accounted for in line with the provisions of PBU 3/2006 "Accounting for assets and liabilities denominated in foreign currency". According to PBU 3/2006 liabilities denominated in foreign currencies are translated into rubles as at:

- The reporting date;
- The date of the transaction.

Gross foreign currency gains and losses are recognized in the statement of financial results as other income and expenses.

Conversion into Indian Rupees

The financial information is expressed in the local currency of the Company (Russian rubles) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate RUB 1 = INR 1.876, INR 1.798 and INR 1.657 for the years ended 31 December 2013, 2012 and 2011 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

2.5. Current and non-current assets and liabilities

Assets classified as current assets in the financial statements are expected to be used in the Company's production and other activities within 12 months after the reporting date. Liabilities classified as current liabilities in the financial statements are expected to be settled within 12 months after the reporting date. In other cases, such assets and liabilities are treated as non-current.

2.6. Accounting for fixed assets

The historical cost of fixed assets acquired for consideration includes actual costs incurred by the Company for acquisition, construction or production, net of the value added tax and other recoverable taxes (unless otherwise prescribed by Russian legislation).

The historical cost of fixed assets includes actual costs of transportation and bringing the assets to an operable condition.

Fixed assets are initially recorded at historical cost. The historical cost is determined based on the acquisition cost of fixed assets.

Useful life of fixed assets is determined in accordance with the Resolution of the Government of the RF No. 1 dated 1 January 2002 "On the Classification of Fixed Assets Included in Depreciation Groups".

Fixed assets are not revalued.

Assets with a value of less than INR 75,040, which fall within the criteria of PBU 6/01 are accounted for as inventory.

Depreciation of fixed assets is charged on a straight-line method, based on the initial cost of assets and using depreciation rates determined on the basis of the asset's useful life. The straight-line depreciation method is used throughout the asset's useful life.

Actual costs of current and capital repairs of fixed assets items are charged to production and selling expenses in the period in which they are incurred.

The value of an item of fixed assets which is disposed of or unable to bring economic benefits (income) to the Company in future is derecognized.

Gross gain and loss from disposal and sale of fixed assets are reported in the statement of financial results as other income and expenses.

Leased fixed assets are accounted for in the balance sheet of the Company in account 01.5 «Vehicles CSV».

Fixed assets received on lease are not included in the balance sheet and lease expenses are written off as current period expenses.

2.7. Accounting for intangible assets

The initial value of intangible assets is determined based on its acquisition cost. Amortization of intangible assets is charged according to respective useful lives.

Intangible assets are amortized on a straight-line basis.

Useful lives of intangible assets are determined by the Company itself at initial recognition of the object and established by the order of the general director of the Company.

Useful lives of intangible assets are reviewed on an annual basis to determine if they need to be revised.

Intangible assets are not revalued.

2.8. Accounting for investments

Investments for which market value is determinable under the established procedure, are presented in the financial statements at the market value as at the end of the reporting year through adjustment of their value as of the previous reporting date. The difference between the market value of financial investments at the reporting date and the previous valuation is recognized in financial results.

The investments for which current market value is not determinable are presented in the financial statements at the reporting date at initial cost.

As at 31 December of each reporting year and where there are indicators of impairment the Company tests financial investments for impairment, and if necessary recognizes impairment allowance in accordance with PBU 19/02 "Accounting for Financial Investments". The allowance is formed if the test reveals material steady decrease of the value of investments in accordance with PBU 19/02 "Accounting for Financial Investments".

2.9. Accounting for inventories

The actual cost of inventories acquired for consideration includes actual acquisition costs incurred by the Company, net of VAT and other recoverable taxes (unless otherwise prescribed by the Russian legislation).

Purchasing and storing of materials is accounted for using account 10 "Materials", where actual cost and turnover of materials are recorded.

When materials are placed into operations or disposed of, the Company uses the sliding average cost method to value the amount placed or disposed.

When the Company sells or disposes of vehicles, the Company evaluates identified cost of each item.

Calculation of average cost is made at the moment when the item is placed into operations.

Goods for resale are accounted for in the following way:

- Vehicles are accounted for at acquisition cost plus customs duties and fees (if applicable);
- Vehicle spare parts are accounted for at acquisition cost. Customs duties and fees (if applicable) are accumulated in total amount in a separate account.

To reflect the operations of storing and purchasing of inventory and other similar resources, the Company uses accounts 15 "Procurement and acquisition of inventories" and 16 "Deviation in the value of inventories".

Inventories that are obsolete, have fully or partially lost their original quality or whose current market value has decreased are presented in the balance sheet at the end of the reporting period net of the provision for inventory impairment. A provision for inventory impairment is charged against the Company's financial results and is calculated as the difference between the current market value and actual cost of inventories, whichever is greater.

2.10. Accounting for cash and cash equivalents

Highly liquid financial investments with maturity of less than three months which may be easily converted into a known amount of cash and which are subject to an insignificant risk of value fluctuation are recognized as cash and cash equivalents in the balance sheet.

2.11. Income recognition

The Company's revenues include inflows from the sale of vehicles and vehicle spare parts, vehicle rentals, consulting services, sales of brochures and their delivery.

Any other income is treated as other income.

Revenue is recognized in the following way:

- From the sale of spare parts – at the moment of transfer to the first carrier;
- From the sale of vehicles – at the moment of transfer of the title under a contract (i.e. as soon as the Company receives payment for the car, provided that the vehicle was cleared by the custom authorities);
- From rendering of services – at the moment of fulfillment;
- Sales of brochures and services of their delivery are reflected according to the date of application.

Revenue from the sales of vehicles and spare parts is reduced by the amount of dealer bonuses.

Penal sum paid by dealers in case of the late payment for vehicles is recorded as other income.

2.12. Accounting for expenses

Expenses on operating activities are treated as follows:

- The cost of vehicles sold is defined on an individual unit basis. Transportation expenses are included in the cost of vehicles sold in proportion of the units sold to the total quantity of vehicles held in stock during the reporting period.
- The cost of spare parts sold is defined as weighted average cost. Transportation expenses are included in the cost of spare parts sold in proportion of the amounts (in monetary terms) sold to the total value of spare parts held during the reporting period. Customs duties, fees, excises (if applicable) are also included in the cost of spare parts sold in proportion of the amounts (in monetary terms) sold to the total value of spare parts held during the reporting period.

Prepaid expenses are expensed evenly over the period to which they relate.

General and selling expenses are fully charged to the cost of goods and services sold in the reporting year.

Other expenses include:

- State duty;
- Property tax;
- Transport tax;
- Losses on write-off of irreparable spoilage;
- Penalties, interest, forfeits for breach of contractual terms;

- Insignificant prior years losses identified in the current year;
- Accounts receivable with expired limitation period, other uncollectible debts;
- Foreign exchange differences;
- Other similar expenses.

2.13. Accounting for allowances and provisions

The Company creates the following allowances:

- Investments impairment allowance (see description in section 2.8 of Notes);
- Inventory obsolescence allowance (see description in section 2.9 of Notes);
- Bad debt allowance (it is the best estimate of the Company's management of that part of the debt, which may not be paid off).

The following types of provisions are recognized by the Company in its accounting and reporting:

- Provision for unused vacations;
- Provision for warranty claims;
- Other accruals which meet the criteria in clauses 4 and 5 of PBU 8/2010 "Provisions, Contingent Liabilities and Contingent Assets" ("PBU 8/2010").

Provision for unused vacation is recognized as follows:

Provision amount is recognized for each employee separately. Amount of the allowance is increased by the amount of insurance contributions. As employees use vacation (compensation for unused vacation) the allowance is reduced.

Percentage of **provision for warranty claims** is determined for each vehicle model based on historical data of warranty payments and adjusted for forecasted figures of vehicle quality improvement, changes of cost of works, inflation, changes in manufacturing technology and other similar indicators.

2.14. Accounting for prepaid expenses

Prepaid expenses are recognized in account 97 "Prepaid Expenses" on the basis of actual costs. Prepaid expenses are amortized on a monthly basis by debiting related expense accounts during the period specified in the respective documents (licenses, contracts, etc.). If it is impossible to determine the period from the relevant documents, it is determined by a committee members of which are appointed by the Company's General Director.

Prepaid expenses are presented on the balance sheet as part of other current assets and other non-current assets depending on the expected useful life at the reporting date.

Income Tax

In accordance with Accounting standard "Accounting for settlements on income tax" PBU 18/02, approved by Order of the Ministry of Finance of the Russian Federation No. 114n dated 19 November 2003, starting from the interim (quarterly) financial statements for 2009, the Company recognizes, for financial accounting purposes, the difference between income tax on profit (loss) recognized for accounting purposes and income tax recognized for tax purposes and declared in the income tax return.

Deferred tax assets and liabilities are carried in the balance sheet as non-current assets and long-term liabilities respectively. Deferred tax assets are recorded in the financial accounting records through a separate account 09, and deferred tax liabilities are recorded through a separate account 77. When preparing its financial statements, the Company reports gross deferred tax assets and liabilities in the balance sheet.

Permanent tax liabilities, movements in deferred tax assets, movements in deferred tax liabilities and current income tax are recognized in the Statement of Financial Results.

Current income tax of the Company is tax payable to the budget, determined based on the amount of theoretical income tax expense adjusted for the amount of movements in permanent tax liabilities during the current period, and changes in deferred tax assets and deferred tax liabilities.

3. BREAKDOWN OF CERTAIN BALANCE SHEET ITEMS

3.1. Property and equipment

Movements in historic cost of the groups of fixed assets were as follows:

Item description					(INR thousand)
	31 December 2012	Additions	Disposals	Translation difference	31 December 2013
Vehicles	842,088	953,837	(1,004,015)	36,532	828,442
Production and support tools	43,371	3,776	(827)	1,881	48,201
Total	885,459	957,613	(1,004,842)	38,413	876,643

Item description					(INR thousand)
	31 December 2011	Additions	Disposals	Translation difference	31 December 2012
Vehicles	681,756	897,261	(794,943)	58,014	842,088
Production and support tools	20,453	28,924	(7,746)	1,740	43,371
Total	702,209	926,185	(802,689)	59,754	885,459

Vehicles are cars used by the Company for its own purposes.

The historical cost of leased items of fixed assets as at 31 December 2013 amounted to INR 126,688 thousand (as at 31 December 2012 – INR 62,092 thousand, as at 31 December 2011 – INR 57,223 thousand), accumulated depreciation as at 31 December 2013 amounted to INR 13,010 thousand (as at 31 December 2012 - INR (4,441) thousand, as at 31 December 2011 – INR 4,093 thousand).

The amount of accumulated depreciation by key groups of fixed assets as at 31 December 2013, 2012 and 2011 was as follows:

Item description				(INR thousand)
	31 December			
	2013	2012	2011	
Accumulated depreciation				
Vehicles	97,038	88,801	79,433	
Production and support tools	19,604	11,004	7,437	
Total	116,642	99,805	86,870	
Leased fixed assets	113,678	57,651	53,140	

3.2. Short-term investments

Short-term investments as at 31 December 2011 comprised of loans to company Land Rover (UK) in total amount of INR 9,374,830 thousand with interest rates from 4.3% to 6.0%.

3.3. Income Tax

Current income tax expense for 2013 and 2012 comprised the following:

	2013	(INR thousand) 2012
Profit before income tax	9,230,682	5,651,075
Theoretical income tax expense	1,846,136	1,130,215
Permanent tax liabilities:		
expenses not deductible for tax purposes	83,465	61,172
expenses in excess of allowable limits	122	0
Total	83,587	61,172
Increase in deferred tax assets:		
change in inventory obsolescence allowance	24,699	26,341
change in provision for warranty	155,308	132,664
other	7,289	3,688
Total	187,296	162,693
Total current income tax expense	2,117,019	1,354,379

An error in the calculation of temporary differences for the purpose of income tax calculation for 2010 and 2009 was detected in 2012; therefore deferred tax assets were decreased by INR 3,677 thousand in the current period.

In 2013 deferred tax assets have been adjusted as a result they have decreased by INR 345 thousand in the current period.

On 7 March 2013 the Company received Resolution № 13-12/59 on the results of the tax field inspection for 2009, 2010 and 2011, on the accrual and timely payment of value added tax, corporate profit tax, transport tax, unified social tax, personal income tax, insurance contributions.

On the inspection results there were accrued INR 10,055 thousand: understated taxes amounted INR 9,494 thousand, fines amounted 492 thousand rubles and penalties amounted INR 88 thousand. All of the abovementioned amounts have been paid by the Company in time.

3.4. Inventories

As at 31 December 2013, 2012 and 2011 inventories comprised the following:

	(INR thousand)		
	31 December		
	2013	2012	2011
Inventories			
Vehicles	6,329,003	5,112,955	3,072,960
Spare parts	1,912,892	1,685,454	1,133,340
Spare parts in-transit	230,290	162,678	51,889
Vehicles in-transit	7,442	129,256	38,265
Transportation and procurement costs	22,535	33,700	22,928
Other	2,899	10,766	14,644
Inventory obsolescence allowance	(464,514)	(326,837)	(179,826)
Total	8,040,547	6,807,972	4,154,200

As at 31 December 2013, 2012 and 2011 the Company had no inventory pledged as collateral.

Movement in inventory obsolescence allowance was as follows:

Balance at 31 December 2011	179,826
Increase in allowance	131,709
Translation difference	15,302
Balance at 31 December 2012	326,837
Increase in allowance	123,499
Translation difference	14,178
Balance at 31 December 2013	464,514

3.5. Accounts receivable

As at 31 December 2013, 2012 and 2011 accounts receivable comprised the following:

	(INR thousand)		
	31 December		
	2013	2012	2011
Accounts receivable:			
Buyers and customers:			
Accounts with dealers for vehicles	65,268	145,654	9,524
Accounts with dealers for spare parts	1,118,820	746,600	435,186
Other sales	50,200	3,700	1,505
Ford Motor Company (warranty reimbursement)	-	96,340	226,414
Advances paid	204,795	170,981	48,378
Settlements on taxes and duties	507,435	720,547	306,500
Settlements with customs	22,334	17,730	64,759
Settlements with the parent company for reimbursement of expenses for warranty repair, warranty service	725,631	91,529	69,793
Other	38,105	63,414	39,510
Allowance for doubtful debts	(10,297)	(9,869)	-
Total	2,722,291	2,046,626	1,201,569

3.6. Cash and cash equivalents

As at 31 December 2013, 2012 and 2011 cash and cash equivalents comprised the following:

	(INR thousand)		
	31 December		
	2013	2012	2011
Cash and cash equivalents			
Current accounts with banks	682,930	1,273,721	26,971
Short-term deposits	8,088,186	3,380,350	1,035,625
Total	8,771,116	4,654,071	1,062,596

Interest rates on bank deposits varied from 4.1% to 6.4% as at 31 December 2011, 2012 and 2013.

3.7. Charter capital and distribution of net profit

On 20 December 2012, the sole participant of the Company decided to pay out the net retained earnings for 2009 and 2010 under Resolution №12 in the amount of INR 7,364,984 thousand.

On 26 June 2013, the sole participant of the Company decided to pay out the net retained earnings for 2011 under Resolution №13 in the amount of INR 3,243,553 thousand.

3.8. Accounts payable

As at 31 December 2013, 2012 and 2011 accounts payable comprised the following:

	(INR thousand)		
	31 December		
	2013	2012	2011
Accounts payable			
Suppliers			
Accounts for vehicles	7,442	133,300	1,565,726
Accounts for spare parts	232,832	279,318	342,068
Accounts for other goods and services	1,219,137	1,069,470	550,467
Accounts with dealers for warranty reimbursement	263,668	204,629	135,768
Advances received	244,540	145,631	68,466
Taxes payable	417,344	454,452	548,608
Accounts with dealers for bonuses and other payables	2,157,822	1,272,921	1,045,260
Other	141	2,903	97
Total	4,542,926	3,562,624	4,256,460

3.9. Provisions

Movements in provisions for the years 2011, 2012 and 2013 were as follows:

			(INR thousand)
	Provision for warranty claims	Provision for unused vacations	Total
Balance at 31 December 2011	1,807,870	20,008	1,827,878
Increase in provisions	1,589,049	21,946	1,610,995
Use of provisions	(925,731)	(20,344)	(946,075)
Translation difference	153,838	1,702	155,540
Balance at 31 December 2012	2,625,026	23,312	2,648,338
Increase in provisions	2,217,552	27,710	2,245,262
Use of provisions	(1,440,931)	(19,218)	(1,460,149)
Translation difference	113,878	1,013	114,891
Balance at 31 December 2013	3,515,525	32,817	3,548,342

4. BREAKDOWN OF CERTAIN ITEMS OF STATEMENT ON FINANCIAL RESULTS

4.1. Revenue

Revenue from operating activities for 2013 and 2012 comprised:

	2013	(INR thousand) 2012
Income (net) from selling goods and services		
Sale of vehicles	105,313,821	76,007,422
Sale of spare parts	8,764,346	6,898,726
Sale of other goods and services	98,400	41,574
	114,176,567	82,947,722
Less dealer bonuses	(6,145,739)	(4,574,572)
Total	108,030,828	78,373,150

4.2. Operating expenses

Breakdown of operating expenses by cost elements for 2013 and 2012 was as follows:

	2013	(INR thousand) 2012
Cost of goods and services sold	88,591,414	64,229,774
Sale of vehicles	81,407,335	58,618,288
Sale of spare parts	7,169,490	5,591,764
Sale of other goods and services	14,589	19,722
Selling expenses	10,561,889	8,871,812
Advertising and marketing	4,727,222	4,349,279
Warranty repairs and warranty service	2,565,374	1,831,695
Transportation and procurement costs	1,292,266	1,067,300
Payroll	321,757	275,689
Depreciation of property and equipment	202,316	176,323
Rent	177,700	140,940
Maintenance of vehicles	160,432	135,068
Business trip expenses	87,703	77,747
Consulting	62,615	55,463
Insurance	53,158	46,146
Communication services	10,104	11,957
Other expenses	901,242	704,205
Total	99,153,303	73,101,586

4.3. Other income

Other income for 2013 and 2012 comprised:

	2013	(INR thousand) 2012
Other income		
Gain on sale of fixed assets	876,788	805,788
Penalties and fines	411,934	15,580
Gain from Finance program	140,497	96,617
Gain as a result of inventory count	34,888	45,464
Foreign exchange gains	1,104	5,390
Other	59,180	23,934
Total	1,524,391	992,773

As was disclosed in Note 3.1, the Company's Fixed Assets are mainly presented by vehicles held for own use. In accordance with its Internal Policy, the Company regularly disposes of such vehicles.

4.4. Other expenses

Other expenses for 2013 and 2012 comprised:

	2013	(INR thousand) 2012
Other expenses		
Loss from sale of fixed assets	775,910	609,614
Loss from Finance program	133,209	88,471
Change in inventory obsolescence allowance	123,497	131,709
Bank charges	66,210	41,830
Compensation payments for warranty	49,890	25,420
Loss from sale and disposal of other assets	45,842	52,595
Loss from inventory count result	44,943	39,962
Foreign exchange losses (revaluation)	2,759	7,009
Loss from foreign exchange transactions	301	800
Other	132,590	87,776
Total	1,375,151	1,085,186

5. RELATED PARTIES

In 2013, 2012 and 2011 the Company had transactions with the following related parties:

- Jaguar Cars Limited (United Kingdom), founder – right to use intellectual activity results displayed at the Hub of Jaguar on the territory of Russian Federation;
- Land Rover Exports Limited (United Kingdom), a group company – import by the Company of Land Rover vehicles and spare parts for sale on the territory of Russian Federation;
- Jaguar Cars Exports Limited (United Kingdom), a group company – import by the Company of Vehicles of Jaguar trade mark for sale on the territory of Russian Federation;
- Jaguar Land Rover Exports Limited (United Kingdom), a group company – since 1 April 2012 import by the Company of Land Rover and Jaguar vehicles and Land Rover spare parts for sale on the territory of Russian Federation;
- Land Rover (United Kingdom), a group company – receipt of short term loans from the Company, right to use intellectual activity results displayed at the Hub of Land Rover on the territory of Russian Federation;
- Jaguar Land Rover Limited (United Kingdom), a group company – since 1 April 2013 import by the Company of Land Rover and Jaguar vehicles and Land Rover spare parts for sale on the territory of Russian Federation; since 30 January 2013 right to use intellectual activity results displayed at the Hub of Jaguar on the territory of Russian Federation.

In 2013 related party transactions included:

	Purchase of goods and services	Interest receivable	Accounts receivable 31.12.2013	Accounts payable 31.12.2013
Jaguar Land Rover Limited	58,354,149	-	725,594	213,712
Jaguar Land Rover Exports Limited	21,665,438	-	-	-
Total	80,019,587	0	725,594	213,712

In 2012 related party transactions included:

	Purchase of goods and services	Interest receivable	Accounts receivable 31.12.2012	Accounts payable 31.12.2012
Land Rover Exports Limited	15,676,924	-	20	-
Jaguar Cars Exports Limited	888,480	-	13	-
Land Rover	608	375,070	-	-
Jaguar Cars Limited	556	-	-	-
Jaguar Land Rover Exports Limited	39,630,875	-	91,496	386,818
Total	56,197,443	375,070	91,529	386,818

In 2011 related party transactions included:

	Purchase of goods and services	Loans issued including interest 31.12.2011	Interest receivable	Accounts receivable 31.12.2011	Accounts payable 31.12.2011
Land Rover Exports Limited	-	-	53,380	53,380	1,876,486
Jaguar Cars Exports Limited	-	-	16,414	16,414	3,244
Land Rover	9,374,830	247,085	9	-	-
Total	9,374,830	247,085	69,803	69,794	1,879,730

6. KEY MANAGEMENT PERSONNEL

The Company's general director, finance and administrative director, and chief accountant are considered to be key management personnel.

	2013	(INR thousand) 2012
Payroll	27,114	21,608
Bonuses	7,140	5,448
Other benefits	1,521	2,196
Total	35,775	29,252

The Company had not signed agreements with non-state pension funds during 2012 and 2013. The Company did not enter into any joint venture agreements in 2012 and 2013.

7. EXCHANGE RATES

The rates of the Central Bank of the Russian Federation effective at the reporting date were as follows:

Currency	31 December 2013	31 December 2012	31 December 2011
USD	61.400	54.610	53.349
EUR	84.364	72.331	69.050
	2013	2012	(INR thousand) 2011
Foreign exchange gains and losses, net, from translation of assets and liabilities denominated in foreign currency and payable in foreign currency	<u>(1,668)</u>	<u>(1,618)</u>	<u>(35,838)</u>

8. SEGMENT INFORMATION

The Company's segment reporting is presented on the basis of management's perspective and relates to the parts of the Company that are defined as operating segments.

Since the Company's risks and profits are determined mainly by the nature of its operations, data for operating segments is considered to be the primary segmental data, and data for geographic segments is considered to be secondary segmental data.

Information on operating segments for 2013 and 2012 is presented below:

	2013					(INR thousand)
	Vehicles Land Rover	Vehicles Jaguar	Vehicle spare parts Land Rover	Vehicle spare parts Jaguar	Other	Total
Revenue, net of VAT	92,803,773	6,846,017	7,528,013	754,625	98,400	108,030,828
Cost of sales	<u>(75,860,234)</u>	<u>(5,547,101)</u>	<u>(6,618,155)</u>	<u>(551,336)</u>	<u>(14,588)</u>	<u>(88,591,414)</u>
Gross profit	<u>16,943,539</u>	<u>1,298,916</u>	<u>909,858</u>	<u>203,289</u>	<u>83,812</u>	<u>19,439,414</u>

	2012					(INR thousand)
	Vehicles Land Rover	Vehicles Jaguar	Spare parts Land Rover	Spare parts Jaguar	Other	Total
Revenue, net of VAT	66,239,250	5,569,861	5,902,343	620,123	41,573	78,373,150
Cost of sales	<u>(54,348,053)</u>	<u>(4,270,236)</u>	<u>(5,167,817)</u>	<u>(423,947)</u>	<u>(19,721)</u>	<u>(64,229,774)</u>
Gross profit	<u>11,891,197</u>	<u>1,299,625</u>	<u>734,526</u>	<u>196,176</u>	<u>21,852</u>	<u>14,143,376</u>

On 1 April 2013 dealer centers in the Republic of Belarus and the Republic of Kazakhstan were opened. Information on these geographical segments was added in the segment note for the year ended 31 December 2013.

Information on geographic segments for 2013 and 2012 is presented below:

	2013					(INR thousand)
Segment	Moscow and Moscow Region	St. Petersburg and Leningrad- skaya Region	Other Regions	Republic of Belarus	Republic of Kazakhstan	Total
Revenue, net of VAT	58,926,458	16,140,339	30,455,941	920,720	1,587,370	108,030,828
Cost of sales	<u>(48,647,419)</u>	<u>(13,261,647)</u>	<u>(24,760,384)</u>	<u>(742,485)</u>	<u>(1,179,479)</u>	<u>(88,591,414)</u>
Gross profit	<u>10,279,039</u>	<u>2,878,692</u>	<u>5,695,557</u>	<u>178,235</u>	<u>407,891</u>	<u>19,439,414</u>

Segment	2012			(INR thousand)
	Moscow and Moscow Region	St. Petersburg and Leningradskaya Region	Other Regions	Total
Revenue, net of VAT	45,661,095	10,142,777	22,569,278	78,373,150
Cost of sales	(37,753,841)	(8,288,633)	(18,187,300)	(64,229,774)
Gross profit	7,907,254	1,854,144	4,381,978	14,143,376

9. RISKS

9.1. Country risks

Emerging markets, including Russia, are subject to economic, political, social, legal, and legislative risks which differ from the risks affecting more developed markets. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Russia and the Russian economy in general.

Laws and regulations governing business in Russia continue to change rapidly. Tax, currency and customs legislation within the RF are subject to varying interpretations, and other legal and fiscal impediments contribute to the challenges faced by entities currently operating in RF. The future economic direction of Russia is heavily influenced by the economic, fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory and political environment.

The global financial system continues to exhibit signs of deep stress and many countries witnessed slowed economic growth. Uncertainty associated with credit worthiness of a few Eurozone countries and financial institutions bearing significant risks on sovereign debts of such countries has also increased. These problems could slow or disrupt the Russian economy, adversely affect the Group's access to capital and cost of capital for the Group and, more generally, its business, results of operations, financial condition and prospects.

Due to the fact that Russia produces and exports large amounts of oil and gas, the Russian economy is particularly sensitive to changes in world prices for oil and gas.

The RF is facing a relatively high level of inflation (according to the government's statistical data consumer price inflation for the years ended 31 December 2013 and 2012 was 6.5% and 6.6%, respectively).

In March, 2014 USA and European Union imposed sanctions on several Russian authorities, businessmen and organizations. These sanctions, especially in the case of further escalation, may lead to the outflow of capital, Russian Rouble devaluation and other negative economic consequences. Currently it is difficult to evaluate influence of these events on future performance of the Company.

9.2. Legal risks

Russian tax, currency and customs legislation is subject to varying interpretations and frequent changes. Although the Company's management believes that the accompanying financial statements reflect fairly the Company's tax liabilities, there is a risk that the interpretation of the legislation by the tax and customs authorities, as applied to the transactions and activities of the Company, may not coincide with that of the management. The tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed.

Fiscal periods remain open to review by the tax authorities in respect of taxes for the three calendar years prior to the year of tax review. Under certain circumstances reviews may cover longer periods.

The Company purchases goods from foreign suppliers in the ordinary course of business. The management believes that customs duties are calculated in compliance with the applicable legislation. However, there is a risk that relevant regulatory authorities may take a different view. The Company qualifies the risk of an outflow of economic benefits in connection with these events as unlikely.

Russian transfer pricing legislation was amended starting from January 1, 2012 to introduce additional reporting and documentation requirements. The new legislation allows the tax authorities to impose additional tax liabilities in respect of certain transactions, including but not limited to transactions with related parties, if they consider transaction to be priced not at arm's length. As the practice of implementation of the new transfer pricing rules has not yet developed and wording of some clauses of the rules is unclear, the impact of challenge of the Company's transfer pricing positions by the tax authorities cannot be reliably estimated.

Frank Wittemann, CEO

Olga Bukreeva, Chief Accountant

27 March 2014

**Jaguar Land Rover (South Africa)
Holdings Limited**

Annual report and financial statements

Year ended 31 March 2014

(Registered number: 7769130)

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Director's report

The director presents his director's report and the audited financial statements for the year ended 31 March 2014.

Review of business and future developments

The company's principal activity is to act as a holding company for investments in group companies. The company does not trade therefore reported no turnover in the current or prior year. The director recommends that no dividend should be proposed for the year ended 31 March 2014 (2013: INR nil).

Going concern

The director has considered the financial position of the company at 31 March 2014 (net assets of INR15,631 million (2013: INR15,971 million)) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements and the director believes it is appropriate to prepare these financial statements on a going concern basis.

Directors

The directors who held office during the year are as follows:

Kevin Flynn
Anita Lamprecht (resigned 30 August 2013)

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Independent Auditor

In accordance with Section 485-488 of the Companies Act 2006 the company has elected to dispense with laying financial statements before the general meeting, holding annual general meetings and the annual appointment of an auditor. With such an election in force the company's auditor shall be deemed to be re-appointed for each succeeding financial year in accordance with Section 386 of the Act.

Statement of disclosure of information to auditor

In the case of the person who is a director at the time when the report is approved under section 418(2) the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

The director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption of the Companies Act 2006. As a result of the small companies' exemption, the company is not required to prepare a strategic report for the year ended 31 March 2014.

Approved by the director and signed on behalf of the director.

S.L.Pearson
Secretary
July 2014

Registered Address

Abbey Road
Whitley
Coventry
United Kingdom
CV3 4LF

Director's responsibilities statement

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, International Accounting Standard 1 requires that the director:

- properly selects and applies accounting policies;
- presents information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provides additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- makes an assessment of the company's ability to continue as a going concern.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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

We have audited the financial statements of Jaguar Land Rover (South Africa) Holdings Limited for the year ended 31 March 2014 which comprise the Income statement, the Balance sheet, the Statement of changes in equity, the Cash flow statement and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of director and auditor

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 2 to the financial statements, the company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies exemption from preparing a strategic report or in preparing the Director's report.

Richard Knights (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountant and Statutory Auditor

Birmingham, United Kingdom

Income statement

	<i>Note</i>	Year ended 31 March 2014 INR'm	Year ended 31 March 2013 INR'm
Revenue		-	-
Finance income		239	229
Net income before tax	3	<u>239</u>	<u>229</u>
Income tax charge	7	(68)	(65)
Net income attributable to shareholders		<u>171</u>	<u>164</u>

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

Balance sheet

	<i>Note</i>	31 March 2014 INR'm	31 March 2013 INR'm
Non-current assets			
Investments	5	11,088	11,454
Current assets			
Finance receivables	6	4,674	4,582
Total assets		15,672	16,036
Current liabilities			
Accounts payable		131	65
Total current liabilities		131	65
Total liabilities		131	65
Equity attributable to equity holders of the parent			
Ordinary shares	8	-	-
Share premium		11,088	11,454
Reserves	9	4,543	4,517
Equity attributable to equity holders of the parent		15,631	15,971
Total liabilities and equity		15,762	16,036

These financial statements were approved by the director and authorised for issue on July 2014
and were signed by:

Kevin Flynn
Director

Company registered number: 7769130

Statement of changes in equity

	Ordinary shares INR'm	Share premium INR'm	Reserves INR'm	Total equity INR'm
Balance at 1 April 2013	-	11,454	4,517	15,971
Income for the year	-	-	171	171
Total changes in equity	-	-	171	171
Balance at 31 March 2014	-	11,088	4,543	15,631

	Ordinary shares INR'm	Share premium INR'm	Reserves INR'm	Total equity INR'm
Balance at 1 April 2012	-	11,454	4,353	15,807
Income for the year	-	-	164	164
Total changes in equity	-	-	164	164
Balance at 31 March 2013	-	11,454	4,517	15,971

Cash flow statement

	Year ended 31 March 2014 INR'm	Year ended 31 March 2013 INR'm
Cash flows from operating activities		
Net income attributable to shareholders	171	164
Income tax expense	68	65
Finance income	(239)	(229)
Cash flows from operating activities	-	-
Movement in finance receivables	(239)	(229)
Movement in accounts payable	68	65
Cash generated from operations	(171)	(164)
Income tax paid	(68)	(65)
Net cash from operating activities	(239)	(229)
Cash flows from investing activities		
Finance income received	239	229
Net cash from investing activities	239	229
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

Notes to the financial statements

1 Background and operations

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

These financial statements have been prepared in South African Rand and rounded to the nearest million Rand (Rm) unless otherwise stated.

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as "IFRS") as adopted by the European Union. There is no difference between these accounts and the accounts for the company prepared under IFRS as adopted by the International Accounting Standards Board ("IASB").

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

Basis of preparation

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

Going concern

The director has considered the going concern position of the company at 31 March 2014 (net assets of INR15,631 million (2013: INR 15,971 million) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements. The director considers, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the company, that the company has adequate resources to continue in operation as a going concern for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing these financial statements.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future periods affected.

Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

Foreign currency

The functional currency of the company is South African Rand (R) for both the current and prior financial years.

The company had no transactions in foreign currency during the current year or previous year.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Income taxes

Income tax expense comprises current and deferred taxes.

Income tax expense is recognised in the income statement except, when they relate to items that are recognised outside net income / (loss) (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside net income / (loss), or where they arise from the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

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

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 unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year 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 against current tax 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.

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

Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

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

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified. The company has only one category of financial asset and one category of financial liability.

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

Other financial liabilities: These are measured at amortised cost using the effective interest method.

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. Valuation techniques include discounted cash flow method and other valuation models.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets and financial liabilities

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

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

Impairment of financial assets

The company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

New accounting pronouncements

The adoption of the following standards, revisions and amendments to standards and interpretations in the current year has not had any impact on the financial statements.

IAS 1 *Presentation of Financial Statements* (amended June 2011)

IAS 19 *Employee Benefits* (amended June 2011)

IAS 27 *Separate Financial Statements* (amended May 2011)

IAS 28 *Investments in Associates and Joint Ventures* (issued May 2011)

IFRS 1 *First-time Adoption of International Financial Reporting Standards* (amended March 2012)

IFRS 7 *Financial Instruments: Disclosures* (amended December 2011)

IFRS 10 *Consolidated Financial Statements* (issued May 2011 and amended June 2012)

IFRS 11 *Joint Arrangements* (issued May 2011 and amended June 2012)

IFRS 12 *Disclosure of Interests in Other Entities* (issued May 2011 and amended June 2012)

IFRS 13 *Fair Value Measurement* (issued May 2011)

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (issued October 2011)

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2009 – 2011 cycle.

Notes to the financial statements (continued)

2 Accounting policies (continued)

New accounting pronouncements (continued)

The following pronouncements, issued by the IASB, are not yet effective and have not yet been adopted by the company. The company does not expect a material impact on the financial statements as a result of adopting these pronouncements in future periods.

IAS 27 *Separate Financial Statements* (amended October 2012)

IFRS 10 *Consolidated Financial Statements* (amended October 2012)

IFRS 12 *Disclosure of Interests in Other Entities* (amended October 2012)

IAS 32 *Financial Instruments: Presentation* (amended December 2011)

IAS 36 *Impairment of Assets* (amended May 2013)

IAS 39 *Financial Instruments: Recognition and Measurement* (amended June 2013)

The following pronouncements, issued by the IASB, have not yet been endorsed by the EU, are not yet effective and have not yet been adopted by the company. The company does not expect a material impact on the financial statements as a result of adopting these pronouncements in future periods.

IAS 19 *Employee Benefits* (amended November 2013)

IFRS 9 *Financial Instruments* (issued November 2009, October 2010 and November 2013)

IFRS 14 *Regulatory Deferral Accounts* (issued January 2014)

IFRIC 21 *Levies* (issued May 2013) In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2010 – 2012 and 2011 – 2013 cycles.

Notes to the financial statements (continued)

3 Net income before tax

Included in net income before tax for the year is the following:

	Year ended 31 March 2014 INR'm	Year ended 31 March 2013 INR'm
Interest received	239	229

Auditor's remuneration for both the current and prior financial years is borne by the immediate parent company Jaguar Land Rover Limited and is not recharged. The company's allocation for fees payable to the company's auditor for the audit of the annual financial statements is INR 0.6 million (2013: INR 0.6 million). The company incurred no non audit fees.

4 Employees and directors' emoluments

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

The director did not receive remuneration for his service specifically to this company. Emoluments are paid by Jaguar Land Rover (South Africa) (Pty) Limited, a related group company who makes no recharge to this company.

5 Investments

Investments consist of the following:

	Year ended 31 March 2014 INR'm	Year ended 31 March 2013 INR'm
Balance at start and end of year	11,088	11,454

Name of Company	Interest	Class of share	Principal place of business and country of incorporation	Principal activity
Jaguar Land Rover (South Africa) (Pty) Limited	100%	Ordinary	South Africa	Distribution and sale of motor vehicles

Notes to the financial statements (continued)

6 Finance receivables

Finance receivables primarily consist of loans, the details of which are as follows:

	Year ended 31 March 2014 INR'm	Year ended 31 March 2013 INR'm
Total loan instalments to be received from group undertakings	4,674	4,582
Total	4,674	4,582
Current portion	4,674	4,582

All finance receivables are loans and interest on loans from other group companies and no impairment has been recognised.

7 Taxation

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

Recognised in the income statement

	Year ended 31 March 2014 INR'm	Year ended 31 March 2013 INR'm
Current income tax expense	68	65
Total income tax expense	68	65

Reconciliation of effective tax rate

	Year ended 31 March 2014 INR'm	Year ended 31 March 2013 INR'm
Net income attributable to shareholders for the year	171	164
Total income tax expense	68	65
Net income excluding taxation	239	229
Tax using the South African corporation tax rate of 28% (2013: 28%)	68	65
Total income tax expense	68	65

There are no unrecognised deferred tax assets at the balance sheet date.

Notes to the financial statements (continued)

8 Capital and reserves

	Year ended 31 March 2014 INR	Year ended 31 March 2013 INR
<i>Allotted, called up and fully paid</i>		
200 ordinary shares of R1 each	1,137	1,175

9 Other reserves

The movement of other reserves is as follows:

	Year ended 31 March 2014 INR'm	Year ended 31 March 2013 INR'm
Balance at start of year	4,373	4,353
Net income for the year	171	164
Balance at end of year	4,543	4,517

10 Dividends

During the years ended 31 March 2014 and 31 March 2013, no dividends were paid or proposed on the ordinary shares.

11 Capital management

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

The policy of the group headed by Jaguar Land Rover Automotive PLC is to borrow centrally through capital market issues supported by committed borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure is governed according to group policies approved by the Board and is monitored by various metrics, notably conformity with EBITDA to debt and EBITDA to interest ratios, as per the debt covenants and rating agency guidance. Funding requirements are reviewed periodically with any debt issuances and capital distributions approved by the Board.

The following table summarises the capital of the company:

	Year ended 31 March 2014 INR'm	Year ended 31 March 2013 INR'm
Equity	15,631	15,971
Total capital (debt and equity)	15,631	15,971

Notes to the financial statements (continued)

12 Financial instruments

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2014:

	Loans and receivables	Fair value
	INR'm	INR'm
Finance receivables	4,674	4,674
	4,674	4,674

	Other financial liabilities	Fair value
	INR'm	INR'm
Accounts payable	131	131
	131	131

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2013:

	Loans and receivables	Fair value
	INR'm	INR'm
Finance receivables	4,582	4,582
	4,582	4,582

	Other financial liabilities	Fair value
	INR'm	INR'm
Accounts payable	65	65
	65	65

The fair values disclosed above are based on the carrying value of the financial instruments.

Notes to the financial statements (continued)

13 Related party transactions

The company's related party transactions principally consist of intercompany loans.

The following table summarises related party transactions and balances for the year ended 31 March 2014.

	With subsidiaries 2014 INR'm	With immediate parent 2014 INR'm
Loans given	-	4,674
Accounts payable	131	-
	=====	=====

The following table summarises related party transactions and balances for the period ended 31 March 2013.

	With subsidiaries 2013 INR'm	With immediate parent 2013 INR'm
Loans given	-	4,582
Accounts payable	65	-
	=====	=====

14 Ultimate parent company and parent company of larger group

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

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

15 Conversion to Indian Rupee

The financial information is expressed in the local currency of the relevant company (South African Rand) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate ZAR South African Rand 1 = INR 5.686 for current year balance and ZAR South African Rand 1=INR 5.874 for all previous years balances . These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.



Jaguar Land Rover India Limited

Financial statements

Year ended March 31, 2014

Registered In India
Company number: U34200MH2012FLC237194



JAGUAR LAND ROVER INDIA LIMITED DIRECTORS' REPORT

TO THE MEMBERS OF JAGUAR LAND ROVER INDIA LIMITED

The Directors have pleasure in presenting the Second Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2014.

1. PRINCIPAL ACTIVITY

The Company's principal activity is to act as the vehicle for continuation and expansion of the Jaguar Land Rover operations in India. The financial statements are prepared under Indian Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

2. FINANCIAL RESULTS

(Rs in Lacs)

Particulars	April 01, 2013 to March 31, 2014	October 25, 2012 to March 31, 2013
Revenue – Other income	483.27	Nil
Loss for the period	(1,275.40)	(404.78)
Balance carried to Balance Sheet	(1,275.40)	(404.78)

In view of the loss incurred, no dividend has been recommended for the period ended March 31, 2014 (prior period: Nil).

3. REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

During the period, the Company had no turnover from the sale of vehicles or components.

Other income relates to the provision of services to group companies, interest on fixed deposits and gains on foreign exchange.

During the year, the Company continued to establish the framework for future operations of Jaguar Land Rover in India. The Directors, along with their counterparts based in the Group headquarters in England, UK, continue to assess the future strategic and operational plans for the Company.

The Company has embarked upon a project to acquire the existing Jaguar Land Rover Indian sales operations, currently undertaken by an importer. This will include the sale and distribution of all Jaguar Land Rover vehicles and After Market Operations.

The Company is also analysing its opportunities relating to manufacturing, product development and other related automotive activities in India.

4. INCREASE IN SHARE CAPITAL

During the year ended March 31, 2014, the paid-up capital was increased from INR 4.25 Crores to INR 41.25 Crores divided into 41,250,000 equity shares of INR 10/- each.

5. DIRECTORS

During the year, the Board appointed Mr Sajid Yacoob as an Additional Director of the Company effective March 13, 2014. In accordance with section 260 of the Companies Act, 1956 and Article 130 of the Articles of Association of the Company, Mr Yacoob would hold office till the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 from a shareholder recommending the appointment of Mr Yacoob at the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr C Ramakrishnan and Mr Jeremy Vincent are liable to retire by rotation and are eligible for re-appointment. Attention of Members is invited to the relevant items in the Notice of the Annual General Meeting.

Mr Tamoor Khan was appointed as the Manager under the Companies Act, 1956 effective September 18, 2013 for a period of three years and his appointment was approved by the Members at the Extra-Ordinary General Meeting held on October 9, 2013. As per the terms of appointment and the agreement executed between Mr Khan and the Company, Mr Khan was deputed to the Company by the parent company, Jaguar Land Rover Limited (based in the United Kingdom). Pursuant to the said arrangement, the Manager was not required to draw remuneration from the Company. However, due to administrative conveniences, Mr Khan has come on the payroll of the Company effective January 1, 2014 and would be drawing such remuneration from the Company as may be agreed between the Board of Directors and Mr Khan subject to such approvals as may be necessary.

6. AUDITORS

Deloitte Haskins & Sells LLP (DHS), Registration Number 117366W/W – 100018, are the Statutory Auditors of the Company and hold office until the conclusion of the ensuing Annual General Meeting. DHS have, under Section 139 and 141 of the Companies Act, 2013, furnished a certificate of their eligibility for re-appointment. Based on the recommendation of the Audit Committee and the Board, an item has been included in the Notice of the ensuing Annual General Meeting for their re-appointment as Statutory Auditors of the Company for the Financial Year 2014-15.

7. GOVERNANCE STRUCTURE

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, Government and others.

- a. The Company functions through the Board of Directors and a Committee of Directors, which have been delegated appropriate powers to perform its duties.
- b. As on date, the Board of Directors comprises Mr C Ramakrishnan, Mr S B Borwankar, Mr Jeremy Vincent, Mr Philip Hodgkinson and Mr Sajid Yacoob, all Non - Executive Directors. During the period under review, five meetings were held on May 16, 2013, September 18, 2013, October 7, 2013, December 18, 2013, and March 13, 2014.
- c. During the period, an Audit Committee was constituted on May 16, 2013. The Committee comprises of Mr Jeremy Vincent, Mr C Ramakrishnan, Mr S B Borwankar and Mr Philip Hodgkinson, all Non – Executive Directors. During the year, one meeting was held on March 13, 2014. The Committee Meeting was attended by the Manager, the Statutory Auditors and the Company Secretary.
- d. During the period, a Nomination and Remuneration Committee was constituted on March 13, 2014. The Nomination and Remuneration Committee comprises of Mr Jeremy Vincent, Mr C Ramakrishnan and Mr S B Borwankar. The Committee is empowered to review the

remuneration of the Managerial Personnel and other senior Management of the Company and deal with incidental matters relating to their appointment and remuneration benefits.

- e. An Extra-ordinary General Meeting was held on October 9, 2013 to consider the appointment of Mr Tamoor Khan as the Manager of the Company under the Companies Act, 1956 effective September 18, 2013 for a period of three years.

8. PARTICULARS OF EMPLOYEES

As at March 31, 2014, the Company had 10 employees (March 31, 2013: Nil) of the category specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

The information on employees who were in receipt of remuneration of not less than INR 60 lakhs during the year or INR 5 lakhs per month during any part of the said year as required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder is given below.

Name	Age (yrs)	Designation/ Nature of duties	Gross remuneration received (subject to tax) (in INR lacs)	Qualifications	Total experience	Date of commencement of employment	Last employment held, Designation, Period for which post held
Richard Cole	49	Site Manager, ODEC (Pune)	INR 64.34	Chartered Engineer, CEng.	27 Years	01 st January 2014	- Jaguar Land Rover Ltd. - Manager Business transformation - 09 th July 1990
Tamoor Khan	38	Vice President, Finance	INR 92.77	BCom, Chartered Accountant, MBA	18 Years	01 st January 2014	- Jaguar Land Rover Ltd. - Finance Controller - 18 th August 2008
Paul Uttley	47	Pune Operations Manager	INR 62.27	C Eng, B Eng (Hons)	15 Years	01 st January 2014	- Jaguar Land Rover Ltd. - Plant Quality Manager - 24 th May 1999
Avtar Hyare	67	Plant Quality/CME Manager	INR 70.22	BSC	35 Years	01 st January 2014	- Jaguar Land Rover Ltd. - Parts Quality Manager - 30 th April 1979
Nitin Khataavkar	46	Offshore Manager - Mechanical	INR 54.56	BEng Mechanical Engineering	24 Years	01 st January 2014	- Jaguar Land Rover Ltd. - Project Leader - 01 st July 2008
Ayub Bhayat	53	Senior Technical Manager	INR 56.62	Engineering Degree	35 Years	01 st January 2014	- Jaguar Land Rover Ltd. - Nerve Centre Manager - 15 th August 1977
Harvinder Bharaj	46	EE Infotainment ODEC Manager	INR 64.30	BTEC Electronics & IT, BSc	24 Years	01 st January 2014	- Jaguar Land Rover Ltd. - NSC Service Delivery Manager - 02 nd July 1990
Atputharaj Arulraj	34	Principal Engineer	INR 60.40	MSc & BE	10 Years	01 st January 2014	- Jaguar Land Rover Ltd. - Principal Engineer - 01 st March 2012
Shilpa Sanjeev	38	Project Leader	INR 14.17	Bachelor of Engineering (BE)	16 Years	01 st February 2014	- Jaguar Land Rover Ltd. - Principal Engineer - 01 st December 2011
Sanjeev Dhiman	38	Project Leader	INR 33.46	B.Tech (Bachelor of Technology)	16 Years	01 st February 2014	- Jaguar Land Rover Ltd. - Program Integration Lead - 05 th January 2012

Gross remuneration includes salary and perquisites. The employees mentioned above are not relatives of any Director of the Company.

9. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Disclosure on energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as an Annexure to the Directors' Report.

10. PUBLIC DEPOSITS

The Company has not accepted any fixed deposits within the meaning of Section 58A and/or Section 58AA of the Companies Act, 1956, during the period under review.

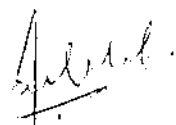
11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:-

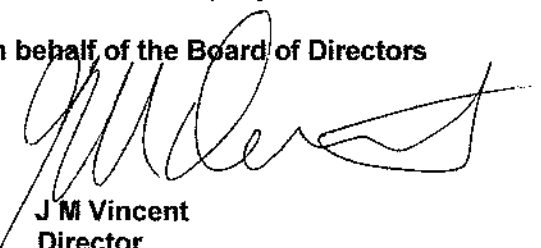
- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have, in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- iv. they have prepared the annual accounts on a going concern basis.

12. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Bank and other Government and regulatory agencies and would like to convey their appreciation to Jaguar Land Rover Limited, Tata Motors Limited and other business associates for the continuous support given by them to the Company.


C Ramakrishnan
Director

On behalf of the Board of Directors


J M Vincent
Director

Mumbai, May 16, 2014

Annexure to the Directors' Report

(Additional information given in terms of Notification 1029 of 31-12-1988 issued by the Department of Company Affairs)

A.	Conservation of Energy	Not applicable as the Company has not yet started operations
B.	Technology Absorption	Nil
C.	Foreign Exchange Earnings and Outgoings	INR Crores
	Earnings in foreign exchange	Nil
	Expenditure in foreign currency	1.68

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, 2014, 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 Management is responsible for 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended March 31, 2014 ; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended March 31, 2014.

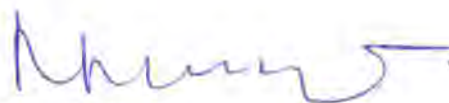
Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).



- (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Rupen K. Bhatt
Partner
(Membership Number: 46930)
Date: May 16, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (viii), (x), (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (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) There are no fixed assets disposed off during the year covered by our audit report.
- (iii) In respect of its inventories:

According to the information and explanations given to us, the Company has not commenced operations commensurate with size and nature of its business during the year covered by our audit report. There were no inventories held by the Company as on March 31, 2014.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act 1956.

- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (viii) According to the information and explanations given to us, since the Company has not commenced operations commensurate with size and nature of its business the Company does not have internal audit system in place.
- (ix) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- (x) In our opinion and according to the information and explanations given to us, the Company has neither obtained nor defaulted in the repayment of dues to the financial institutions, banks and debenture holders.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xiii) The Company has not obtained any term loans.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xv) The Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) The Company has not issued any secured debentures.
- (xvii) The Company has not raised any money by public issues.



- (xviii) 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 has been noticed or reported during the year.

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



Rupen K. Bhatt
Partner
(Membership No. 46930)
MUMBAI, May 16, 2014

Balance Sheet as at March 31, 2014

(in INR Lacs)

	Note	As at March 31, 2014	As at March 31, 2013
I EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share capital	2	4,125.00	425.00
(b) Reserves and surplus	3	(1,680.18)	(404.78)
		<u>2,444.82</u>	<u>20.22</u>
2. SHARE APPLICATION MONEY PENDING ALLOTMENT	4	-	500.00
3. NON-CURRENT LIABILITIES			
Long-term provisions	5	1.94	-
		<u>1.94</u>	<u>-</u>
4. CURRENT LIABILITIES			
(a) Trade payables	6	289.22	17.60
(b) Other current liabilities	7	21.69	6.70
(c) Short-term provisions	8	0.47	-
		<u>311.38</u>	<u>24.30</u>
TOTAL		<u><u>2,758.14</u></u>	<u><u>544.52</u></u>
II ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	9	212.94	-
(b) Deferred tax asset	10	-	-
		<u>212.94</u>	<u>-</u>
2. CURRENT ASSETS			
(a) Cash and bank balances	11	2,051.29	544.51
(b) Other current assets	12	493.91	0.01
		<u>2,545.20</u>	<u>544.52</u>
TOTAL		<u><u>2,758.14</u></u>	<u><u>544.52</u></u>

III NOTES FORMING PART OF THE FINANCIAL STATEMENTS

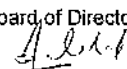
In terms of our report attached:

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants



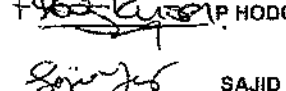
RUPEN K. BHATT
Partner

For and on behalf of the Board of Directors:

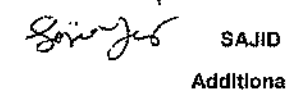

C. RAMAKRISHNAN


S. B. BORWANKAR


J. M. VINCENT


P. HODGKINSON

Directors


SAJID YACOOB

Additional Director


TAMOOR KHAN

Manager

Mumbai, May 16, 2014

Mumbai, May 16, 2014

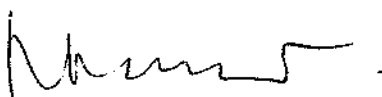
Statement of Profit and Loss for the year ended March 31, 2014

		(in INR Lacs)	
	Note	From April 01, 2013 to March 31, 2014	From October 25, 2012 to March 31, 2013
I. OTHER INCOME	13	483.27	-
II. TOTAL REVENUE		<u>483.27</u>	<u>-</u>
III. EXPENSES :			
(a) Employee cost / benefits expense	14	572.06	-
(b) Depreciation		10.47	-
(c) Product development expense / Engineering expenses		38.12	-
(d) Other expenses	15	1,138.02	404.78
TOTAL EXPENSES		<u>1,758.67</u>	<u>404.78</u>
IV. LOSS BEFORE TAX		(1,275.40)	(404.78)
V. Tax expense	10(b)	-	-
VI. LOSS AFTER TAX FOR THE YEAR / PERIOD		<u>(1,275.40)</u>	<u>(404.78)</u>
VII. EARNINGS PER SHARE	16		
A. Ordinary shares (Face value of INR 10 each)			
a. Basic (INR)		(6.16)	(102.36)
b. Diluted (INR)		(6.16)	(102.36)

VIII. NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS

In terms of our report attached:

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



RUPEN K. BHATT
Partner

For and on behalf of the Board of Directors:

C RAMAKRISHNAN

S B BORWANKAR

M VINCENT

P HODGKINSON

Directors

SAJID YACOOB

Additional Director

TAMMOOR KHAN

Manager



Mumbai, May 16, 2014

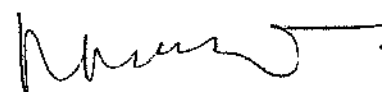
Mumbai, May 16, 2014

Cash Flow Statement for the year ended March 31, 2014

	(in INR Lacs)	
	From April 01, 2013 to March 31, 2014	From October 25, 2012 to March 31, 2013
I. Cash flow from operating activities		
Loss after tax	(1,275.40)	(404.78)
Adjustment for:		
Depreciation	10.47	-
Operating loss before working capital changes	(1,264.93)	(404.78)
Adjustments for changes in working capital:		
Other current assets	(472.18)	(0.01)
Trade payables	271.62	17.60
Other current liabilities	14.99	6.70
Provisions	2.41	-
Cash outflow from operations	(1,448.09)	(380.49)
Income taxes paid (net)	(21.72)	-
Net cash from operating activities	(1,469.81)	(380.49)
II. Cash flow from investing activities		
Purchase of fixed assets	(223.41)	-
Net cash used in investing activities	(223.41)	-
III. Cash flow from financing activities		
Proceeds from issue of ordinary shares	3,200.00	425.00
Proceeds from share application money pending allotment	-	500.00
Net cash from financing activities	3,200.00	925.00
Net increase in cash and cash equivalents	1,506.78	544.51
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as at beginning of the year / period (opening balance)	544.51	-
Cash and cash equivalents as at end of the year / period (closing balance)	2,051.29	544.51
Movement in cash and cash equivalents during the year / period	1,506.78	544.51

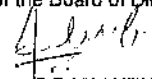
In terms of our report attached:

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

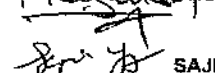


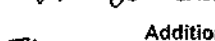
RUPEN K. BHATT
Partner

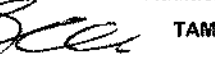
For and on behalf of the Board of Directors:


C RAMAKRISHNAN


S B BORWANKAR


M VINCENT


S HODGKINSON


SAJID YACOOB


TAMOOR KHAN
Manager

Mumbai, May 16, 2014

Mumbai, May 16, 2014

Notes forming part of the financial statements**1. Significant accounting policies****(a) Basis of preparation**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions thereof.

(b) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

(c) Nature of operations

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 vehicle for continuation and expansion of the Jaguar Land Rover operations in India. During the year, the Company was primarily involved in establishing the framework for these operations.

(d) Revenue recognition

Sales include income from services and exchange fluctuations relating to receivables.

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

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

(e) 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 probable 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 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.

Notes forming part of the financial statements (continued)

1. Significant accounting policies (continued)

(f) Depreciation and Amortisation

- (i) Depreciation is provided on a Straight Line Method (SLM), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in the case of motor vehicles where the asset is depreciated over a period of 48 months on straight line method with a residual value of 25%.
- (ii) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life.
- (iii) Depreciation is not recorded on capital work-in-progress until construction and installation are complete and asset is ready for its intended use.

(g) Leases

(i) Finance lease

Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

(ii) Operating lease

Leases other than finance leases, are operating leases, and the leased assets are not recognised on the Company's Balance Sheet. Payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

(h) Foreign currency transactions and translations

(i) Exchange differences

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations 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 of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement 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 or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

Notes forming part of the financial statements (continued)

1. Significant accounting policies (continued)

(i) Employee Benefits

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service.

(ii) Provident fund

The 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 are paid to the Tata Motors (the ultimate parent undertaking of the company) provident fund which was set up as an irrevocable trust by Tata Motors Limited and the State Pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

(iii) Compensated absences

The Company provides for the 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.

(j) Taxes on income

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

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 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 substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. 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 equity are recognised in equity and not in the Statement of Profit and Loss.

(k) Liabilities and contingent liabilities

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.

Notes forming part of the financial statements (continued)

		(in INR Lacs)	
		As at March 31, 2014	As at March 31, 2013
2. Share capital			
(a) Authorised:			
50,00,00,000 (P.Y. 50,00,00,000) Ordinary shares of INR 10 each		50,000.00	50,000.00
		50,000.00	50,000.00
(b) Issued, subscribed and fully paid:			
41,250,000 (P.Y. 4,250,000) Ordinary shares of INR 10 each		4,125.00	425.00
		4,125.00	425.00

(c) Movement in number of shares and share capital:

	2013-14		2012-2013	
	No. of Shares	INR Lacs	No. of Shares	INR Lacs
Ordinary shares:				
Shares as at beginning of the year / period	4,250,000	425.00	-	-
Add: Shares issued during the year / period	37,000,000	3,700.00	4,250,000	425.00
Shares as at end of the year / period	41,250,000	4,125.00	4,250,000	425.00

(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, 2014		As at March 31, 2013	
	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*	41,250,000	100.00%	4,250,000	100.00%

Jaguar Land Rover Limited directly owns 41,249,994 ordinary shares. A further six 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 England, United Kingdom.

		(in INR Lacs)	
		As at March 31, 2014	As at March 31, 2013
3. Reserves and surplus			
Profit and loss deficit			
(a) Opening balance		(404.78)	-
(b) Add: Loss for the year / period		(1,275.40)	(404.78)
(c) Deductions		-	-
(d) Closing balance		(1,680.18)	(404.78)

4. Share application money pending allotment

As at March 31, 2014, there was no share application money pending for allotment.

As at March 31, 2013, the Company had received an amount of INR 500.0 Lacs towards share application money relating to additional ordinary shares of the Company at par. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation, the Company is required to complete the allotment formalities in line with the requirements of the Indian Companies Act, 1956. The Company had sufficient authorised capital to cover the allotment of these shares. Pending allotment of shares, the amount was maintained in the Company's bank account. These shares were allotted during the year ended March 31, 2014.

Notes forming part of the financial statements (continued)

	(in INR Lacs)	
	As at March 31, 2014	As at March 31, 2013
5. Long-term provisions		
(a) Gratuity provision	1.94	-
	<u>1.94</u>	<u>-</u>

	(in INR Lacs)	
	As at March 31, 2014	As at March 31, 2013
6. Trade payables		
(a) Other payables	289.22	17.60
	<u>289.22</u>	<u>17.60</u>

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 amount of principal and interest outstanding during the period are given below:

	(in INR Lacs)	
	As at March 31, 2014	As at March 31, 2013
(a) Amounts outstanding but not due as at March 31	2.59	0.30
(b) Amounts due but unpaid as at March 31 - Principal	-	-
(c) Amounts paid after appointed date during the period - Principal	-	-
(d) Amount of interest accrued and unpaid as at March 31 - Interest	-	-
	<u>2.59</u>	<u>0.30</u>

	(in INR Lacs)	
	As at March 31, 2014	As at March 31, 2013
7. Other current liabilities		
(a) Statutory remittances (withholding, PF and other taxes)	21.69	6.70
	<u>21.69</u>	<u>6.70</u>

	(in INR Lacs)	
	As at March 31, 2014	As at March 31, 2013
8. Short-term provisions		
(a) Leave encashment provision	0.47	-
	<u>0.47</u>	<u>-</u>

Notes forming part of the financial statements (continued)

	(in INR Lacs)	
	As at March 31, 2014	As at March 31, 2013
9. Fixed assets		
Gross block		
(a) Opening balance at start of the year / period	-	-
(b) Additions	223.41	-
(c) Disposals	-	-
(d) Gross block at the end of the year / period	<u>223.41</u>	<u>-</u>
Accumulated depreciation		
(a) Opening balance at start of the year / period	-	-
(b) Additions	10.47	-
(c) Disposals	-	-
(d) Accumulated Depreciation at the end of the year / period	<u>10.47</u>	<u>-</u>
Net block at the end of the year / period	<u>212.94</u>	<u>-</u>

	(in INR Lacs)	
	As at March 31, 2014	As at March 31, 2013
10. Deferred tax asset		
(a) Components of deferred tax arising on account of timing differences are:		
(i) Depreciation (net)	27.56	14.87
(ii) Business Losses	411.36	18.70
(iii) Unabsorbed Depreciation	8.14	0.44
(iv) Others	1.25	1.65
	<u>448.31</u>	<u>35.66</u>
(b) Tax expense		
(i) Current tax*	-	-
(ii) Deferred tax^	-	-
Total	<u>-</u>	<u>-</u>

*The Company made a loss during the year. There is no current tax liability for the current year or prior period.

^The company has not recognised a deferred tax asset 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, 2014	As at March 31, 2013
11. Cash and bank balances		
Cash and cash equivalents		
(a) Cash on hand	0.03	0.07
(b) Balances with bank - in current account	1,056.26	544.44
(c) Fixed deposit with bank	995.00	-
	<u>2,051.29</u>	<u>544.51</u>

	(in INR Lacs)	
	As at March 31, 2014	As at March 31, 2013
12. Other current assets		
(a) Other - VAT recoverable	-	0.01
(b) Operational advance	0.10	-
(c) TDS receivable	21.72	-
(d) Recoverable from group companies for services provided	459.72	-
(e) Accrued interest on fixed deposit with bank	12.37	-
	<u>493.91</u>	<u>0.01</u>

Notes forming part of the financial statements (continued)

	(in INR Lacs)	
	From April 01, 2013 to March 31, 2014	From October 25, 2012 to March 31, 2013
13. Other income		
(a) Provision of services to group companies	462.53	-
(b) Interest on fixed deposit with bank	13.74	-
(c) Foreign exchange revaluation gain	7.00	-
	483.27	-

	(in INR Lacs)	
	From April 01, 2013 to March 31, 2014	From October 25, 2012 to March 31, 2013
14. Employee cost / benefits expense		
(a) Salaries, wages, bonus and other employment costs	561.98	-
(b) Contribution to provident fund and other funds	10.08	-
	572.06	-

	(in INR Lacs)	
	From April 01, 2013 to March 31, 2014	From October 25, 2012 to March 31, 2013
15. Other expenses		
(a) Power and fuel	5.04	0.96
(b) Rent	60.70	20.23
(c) Repairs to office building	39.77	46.57
(d) Travelling and conveyance	173.05	1.50
(e) Printing and stationery	3.22	0.80
(f) Entity incorporation and related costs	-	251.38
(g) Legal and professional	504.18	71.92
(h) IT and communications	21.13	1.06
(i) Office running costs	4.80	1.95
(j) Business promotion	291.99	8.04
(k) Insurance	16.80	-
(l) Stamp duty & share capital issue expenses	5.22	-
(m) Wealth tax	1.47	-
(n) DGFT Licence	1.00	-
(o) Other miscellaneous	9.65	0.37
	1,138.02	404.78

Payments to the auditors, included in other expenses, (including irrecoverable service tax) comprises:

As auditors - statutory audit	5.62	5.62
For taxation matters *	-	1.40
For other services	-	0.51
For out of pocket expenses *	0.50	0.73
	6.12	8.26

* The amounts include Nil (P.Y. INR 1.57 Lacs) payable to an affiliated firm of statutory auditors.

Notes forming part of the financial statements (continued)

16. Earnings Per Share			From	From
			April 01, 2013 to March 31, 2014	October 25, 2012 to March 31, 2013
(a) Loss attributable to equity shareholders	INR Lacs		(1,275.40)	(404.78)
(b) The weighted average number of Ordinary Shares for Basic EPS	No.		20,718,493	396,455
(c) Nominal value per share	INR		10.00	10.00
(d) Earnings Per Ordinary Share (Basic)	INR		(6.16)	(102.36)
(e) The weighted average number of Ordinary Shares for Diluted EPS	No.		20,718,493	#
(f) Earnings Per Ordinary Share (Diluted)	INR		(6.16)	(102.36)

The effect of Ordinary shares issuable as of March 31, 2013, against Share Application Money, is anti-dilutive for the period ended March 31, 2013 and have not been considered in the computation of diluted EPS, hence Diluted EPS is the same as Basic EPS

17. Disclosure in respect of leases

(a) Disclosure in respect of finance leases:

The Company has no finance leases.

(in INR Lacs)

(b) Disclosure in respect of operating leases:

Lease payments recognised in the Statement of Profit and Loss for the period

149.84 18.43

The Company has entered into 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

18. Related party disclosures

(a) Related party and their relationship

<u>Name of the Company / Key Management</u>	<u>Nature of relationship</u>
Mr. Tamoor Khan	Key Management Personnel (Effective from 18th September 2013)
Tata Motors Limited	Ultimate Holding Company
Jaguar Land Rover Limited	Parent Company

(b) Transactions with related parties

(in INR Lacs)

<u>Particulars</u>		<u>Key Management Personnel</u>	<u>Ultimate Holding Company</u>	<u>Parent Company</u>
Services received	Current year	-	165.38	168.15
	Previous period	-	75.90	-
Services rendered	Current year	-	203.49	259.04
	Previous period	-	-	-
Reimbursement of expenses incurred	Current year	-	-	-
	Previous period	-	253.65	-
Share capital issued	Current year	-	-	3,700.00
	Previous period	-	-	425.00
Share application money received	Current year	-	-	-
	Previous period	-	-	500.00
Remuneration paid	Current year	92.77	-	-
	Previous period	-	-	-

(c) Balances with related parties

(in INR Lacs)

<u>Particulars</u>		<u>Ultimate Holding Company</u>	<u>Parent Company</u>
Amount receivable / (payable)	As at March 31, 2014	188.09	83.27
	As at March 31, 2013	(0.12)	-
Share application money pending allotment	As at March 31, 2014	-	-
	As at March 31, 2013	-	500.00

19. Immediate and ultimate parent undertaking and controlling party

The immediate parent undertaking is Jaguar Land Rover Limited (previously Jaguar Cars Limited until it changed its name to Jaguar Land Rover Limited on December 28, 2012). 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.

20. Previous period's figures

Figures for the previous period have been regrouped wherever necessary. The previous period's figures are not comparable as they represent a short period of business from October 25, 2012 to March 31, 2013

**Jaguar Land Rover España, S.L.
(Sole-Shareholder Company)**

Financial Statements for the
year ended 31 December 2013
and Directors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Sole Shareholder of
Jaguar Land Rover España, S.L. (Sole-Shareholder Company):

We have audited the financial statements of Jaguar Land Rover España, S.L. (Sole-Shareholder Company), which comprise the balance sheet at 31 December 2013 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2.1 to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying financial statements for 2013 present fairly, in all material respects, the equity and financial position of Jaguar Land Rover España, S.L. (Sole-Shareholder Company) at 31 December 2013, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

Without qualifying our audit opinion, we draw attention to Notes 1 and 19 to the accompanying financial statements, which indicate that the Company forms part of the Tata Motors Group which is its main supplier and with which it has balances and performs transactions under the terms and conditions agreed upon by the two parties. The accompanying financial statements for 2013 should be interpreted taking these circumstances into account.

The accompanying directors' report for 2013 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2013. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

José Luis Aller

31 March 2014

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHAREHOLDER COMPANY)

BALANCE SHEETS AT 31 DECEMBER 2013

(Indian Rupees)

2013 85,028 Rupees per EUR
2012 72,172 Rupees per EUR

ASSETS	Notes	2013	2012	EQUITY AND LIABILITIES	Notes	2013	2012
NON-CURRENT ASSETS:				EQUITY:	Note 12		
Intangible assets	Note 5	633,053,612	459,562,464	SHAREHOLDERS' EQUITY-		4,352,065,499	3,413,050,627
Property, plant and equipment	Note 6	274,857,517	233,301,153	Share Capital		3,730,147,580	3,005,376,230
Long term investments	Note 9	88,111,710	39,295,714	Share premium		25,697,417	
Deferred tax assets	Note 17.5	15,347,894	6,266,225	Reserves		474,727,564	339,440,648
		254,736,491	180,699,372	Profit for the year		121,492,938	68,233,749
CURRENT ASSETS:		8,032,817,508	6,309,366,254	CURRENT LIABILITIES:		4,313,805,620	3,355,878,091
Inventories	Note 10	1,874,646,242	1,197,434,529	Short-term provisions	Note 14	1,381,562,748	950,831,929
Trade and other receivables-	Note 11	398,942,874	371,527,708	Current payables-		183,968,877	94,881,897
Trade receivables for sales and services		266,729,520	277,645,327	Other financial liabilities	Note 15	183,968,877	94,881,897
Receivable from Group companies and associates	Notes 11 & 19	86,817,925	81,239,073	Current payables to Group companies and associates	Note 19	-	284,785,849
Employee receivables		2,266,761	1,410,466	Trade and other payables-		2,748,273,996	2,025,378,416
Current income tax assets	Note 17.1	43,128,668	10,905,035	Payable to suppliers		166,041,063	81,758,354
Other liabilities with tax authorities	Note 17.1	-	327,807	Payable to suppliers - Group companies and associates	Note 19	1,956,500,572	1,463,551,902
Current investments in Group companies and associates	Note 19	5,574,369,103	4,714,953,714	Sundry accounts payable		54,761,348	118,987,050
Current prepayments and accrued income		969,574	1,125,529	Remuneration payable		15,762,406	9,351,522
Cash and cash equivalents		183,889,715	24,324,774	Other accounts payable to tax authorities	Note 17.1	555,208,607	351,729,588
TOTAL ASSETS		8,665,871,120	6,768,928,718	TOTAL EQUITY AND LIABILITIES		8,665,871,120	6,768,928,718

The accompanying Notes 1 to 23 are an integral part of the balance sheet at 31 December 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain
(see Notes 2 and 23) In the event of a discrepancy, the Spanish-language version prevails.

JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHAREHOLDER COMPANY)

INCOME STATEMENTS FOR 2013

(Indian Rupees)

	Notes	2013	2012
CONTINUING OPERATIONS:			
Revenue	Note 18.1	23,430,607,921	15,766,053,184
Procurements-		(20,952,396,713)	(14,268,726,974)
Cost of goods held for resale used	Note 18.2	(20,943,169,730)	(14,244,498,767)
Impairment of goods held for resale	Note 10	(9,226,983)	(24,228,207)
Other operating income		17,512,537	17,256,785
Staff costs-	Note 18.3	(344,677,578)	(165,055,784)
Wages, salaries and similar expenses		(270,128,684)	(135,483,354)
Employee benefit costs		(68,263,028)	(27,034,848)
Provisions		(6,285,866)	(2,537,582)
Other operating expenses-	Note 18.4	(1,955,857,930)	(1,256,008,867)
Outside services		(1,952,001,145)	(1,249,987,017)
Taxes other than income tax		(3,720,315)	(2,975,236)
Losses on, impairment of and change in allowances for trade receivables	Note 11	(136,470)	(3,046,614)
Depreciation and amortisation charge	Note 6	(23,553,011)	(8,406,138)
PROFIT/LOSS FROM OPERATIONS		171,635,226	85,112,206
Finance income:	Note 18.5	11,484,561	22,313,112
From marketable securities and other financial instruments		5,656,147	6,829,964
Group companies and associates		5,828,414	15,483,148
Finance costs:	Note 18.5	(3,745,994)	(4,101,847)
On debts to Group companies and associates		-	(1,241,293)
On debts to third parties		-	(1,421,941)
Interest cost relating to provisions	Note 13	(3,745,994)	(1,438,613)
Exchange differences		(276,511)	(104,361)
FINANCIAL PROFIT/LOSS		7,462,056	18,106,904
PROFIT/LOSS BEFORE TAX		179,097,282	103,219,110
Income tax	Note 17.3	(57,604,344)	(34,985,361)
PROFIT/LOSS FOR THE YEAR		121,492,938	68,233,749

The accompanying Notes 1 to 23 are an integral part of the balance sheet at 31 December 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain
(see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHARE HOLDER COMPANY)

STATEMENTS OF CHANGES IN EQUITY FOR 2013 **A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE** (Indian Rupees)

	Notes	2013	2012
PROFIT/LOSS PER INCOME STATEMENT		121,492,938	68,233,749
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	Note 13	(5,563,127)	1,287,917
Arising from actuarial gains and losses		(5,563,127)	1,287,917
TOTAL RECOGNISED INCOME AND EXPENSE		115,929,811	69,521,666

The accompanying Notes 1 to 23 are an integral part of the statement of recognised income and expense for the year ended 31 December 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHAREHOLDER COMPANY)

STATEMENTS OF CHANGES IN EQUITY FOR 2013

B) STATEMENTS OF TOTAL CHANGES IN EQUITY

(Indian Rupees)

	Share Capital	Share Premium	Reserves			Profit/Loss for the Year	Total
			Legal Reserve	Voluntary Reserves	Reserve for Goodwill		
2011 ENDING BALANCE	3,005,376,230	-	68,893,477	54,308,154	149,979,328	64,971,772	3,343,528,961
Total recognised income and expense for 2012	-	-	-	1,287,917	-	68,233,749	69,521,666
Distribution of 2011 profit	-	-	6,497,177	8,481,486	49,993,109	(64,971,772)	-
2012 ENDING BALANCE	3,005,376,230	-	75,390,654	64,077,557	199,972,437	68,233,749	3,413,050,627
Total recognised income and expense for 2013	-	-	-	(5,563,127)	-	121,492,938	115,929,811
Transactions with shareholders:							
Business combinations (Nota 12)	189,443,915	25,697,417	-	-	-	-	215,141,332
Distribution of 2012 profit	-	-	6,823,397	49,745,269	11,665,083	(68,233,749)	-
Exchange Rate Variation	535,327,435	-	16,128,268	13,708,066	42,779,960	-	607,943,729
2013 ENDING BALANCE	3,730,147,580	25,697,417	98,342,319	121,967,765	254,417,480	121,492,938	4,352,065,499

The accompanying Notes 1 to 23 are an integral part of the statement of changes in total equity for the year ended 31 December 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain
(see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHAREHOLDER COMPANY)

STATEMENTS OF CASH FLOWS FOR 2013

(Indian Rupees)

	Notes	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES (I)		260,373,847	376,542,318
Profit/Loss for the year before tax		179,097,282	103,219,110
Adjustments for-			
Depreciation and amortisation charge	Note 6	23,553,011	8,406,138
Impairment losses	Note 10	9,226,983	24,228,207
Changes in provisions	Note 11	136,470	3,046,614
Finance income	Note 18.5	(11,484,562)	(22,313,112)
Finance costs	Note 18.5	3,745,994	4,101,847
Exchange differences		276,511	104,361
Changes in working capital-			
Inventories		(156,400,673)	152,895,526
Trade and other receivables		257,204,088	93,385,257
Other current assets		535,336	5,837,088
Trade and other payables		(3,999,547)	89,857,470
Other current liabilities		(10,408,277)	(48,536,598)
Other non-current liabilities		(5,909,616)	(25,296,287)
Other cash flows from operating activities-			
Interest paid	Note 18.5	(3,745,994)	(4,101,847)
Interest received	Note 18.5	11,484,562	22,313,112
Income tax recovered (paid)		(32,937,722)	(30,604,568)
CASH FLOWS FROM INVESTING ACTIVITIES:		(90,329,071)	(518,228,893)
Payments due to investment-			
Group companies and associates	Note 6	(25,694,441)	(486,635,708)
Property, plant and equipment		(58,174,627)	(31,593,185)
Other financial assets		(6,460,002)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		(14,536,132)	(54,331,465)
Proceeds relating to financial liability instruments-			
Repayments from issue of intercompany borrowings			63,654,481
Proceeds from issue of other borrowings		(14,536,132)	(117,985,946)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(276,511)	(104,361)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		155,232,133	(196,122,401)
Cash and cash equivalents at beginning of year		24,324,774	220,447,174
Cash and cash equivalents at end of year		183,889,715	24,324,774

The accompanying Notes 1 to 23 are an integral part of the statement of cash flows for 2013.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

Jaguar Land Rover España, S.L. (Sole-Shareholder Company)

Notes to the financial statements for 2013

1. Company description

Jaguar Land Rover España, S.L.U. ("the Company") was incorporated on 12 January 2000 in Madrid in accordance with the Spanish Public Limited Liability Companies Law under the company name Osa Menor, S.L. On 30 April 2000, the Company acquired certain assets and liabilities from Rover España, S.A. On 5 May 2000, it changed its company name to Jaguar Land Rover España, S.L.U. The Company's registered office is at Paseo de la Castellana 130, 8ª Planta, Madrid. On 31 May 2013, it changed its name to Jaguar Land Rover España, S.L.U., after the merger described below.

Its current registered office is at Paseo de la Castellana no. 130, 8th floor, Madrid.

Its business activities consist of the distribution, import, export and sale of Land Rover and Jaguar-brand cars in Spain, as well as the maintenance and repair thereof. In practice, the Company has entered into an agreement with Jaguar Land Rover, Ltd. which regulates its entire operating activity and pursuant to which the applicable economic terms and conditions are established.

The Company forms part of the Tata Motors Group, whose Parent is Tata Motors Limited with registered office in the Republic of India. Tata Motors Ltd has formulated the consolidated financial statements as of 31 March 2013, which were formally prepared by the Company's Directors at its Board Meeting held on 29 May 2013 and are placed in the Mercantile Register Office of Mumbai (India).

Merger by absorption: business combinations

On 19 March 2013, the plan for the merger by absorption of Jaguar Hispania, S.L.U. (the absorbed company) into Land Rover España, S.L.U. (the absorbing company) was unanimously approved by the members of the Board of Directors of the latter. On 22 April 2013, the sole shareholder approved both the merger by absorption and the balance sheets of both companies closed at 31 December 2012 as the merger balance sheets. On 31 May 2013, the merger was executed in a public deed and was registered at the Mercantile Registry of Madrid, under the company name of Jaguar Land Rover España, S.L.U.

Pursuant to Article 49 of Law 3/2009, of 3 April, on structural changes to companies, it was not necessary for reports to be prepared by the directors or by an independent expert on the merger plan.

The merger process consisted of the dissolution without liquidation of the absorbed company and the transfer en bloc of all its assets and liabilities to the absorbing company, which acquired by universal succession the rights and obligations of the former, increasing the share capital of the absorbing company by the required amount (see Note 12) and granting the sole shareholder of the absorbed company the shares issued as consideration.

As indicated in the merger deed, for accounting purposes the transactions of the dissolved company were considered to have been performed by the Company since 1 January 2013.

This merger qualified for the special tax regime provided for in Chapter VIII of Title VII of Legislative Royal Decree 4/2004, of 5 March, approving the Consolidated Spanish Income Tax Law. Pursuant to Article 93 of the aforementioned Legislative Royal Decree, the following information is disclosed:

- The detail of the depreciable items of property, plant and equipment held by Jaguar Hispania, S.L.U. at 31 December 2012, by year of acquisition, is as follows (in rupees):

	Year of acquisition				Cost	Accumulated depreciation
	Prior years	2009	2011	2012		
	31/12/12					
Plant	1,041,658	5,801,691	14,362,011	3,825,982	25,031,343	(18,924,292)
Total	1,041,658	5,801,691	14,362,011	3,825,982	25,031,343	(18,924,292)

- The balance sheet of the absorbed company at 31 December 2012 (final balance sheet), was as follows:

ASSETS	Rupees	EQUITY AND LIABILITIES	Rupees
NON-CURRENT ASSETS		EQUITY	
Property, plant and equipment	6,107,050	Share capital	64,955,666
Non-current financial assets	1,277,805	Reserves	109,520,938
Deferred tax assets	79,596,261	Profit for the year	8,136,238
CURRENT ASSETS		CURRENT LIABILITIES	
Inventories	201,528,979	Short-term provisions	230,681,992
Trade and other receivables	210,161,905	Current payables	73,610,244
Investments in Group companies and associates	284,784,217	Trade and other payables	296,702,989
Current prepayments and accrued income	151,850		
TOTAL ASSETS	783,608,067	TOTAL EQUITY AND LIABILITIES	783,608,067

- A detail of the tax benefits obtained by the absorbed company with respect to which the Company must assume the fulfilment of certain requirements, is as follows:

Year earned	Last year for deduction	Rupees	
		Total tax loss carryforwards	Total tax charge
2011	2029	100,691,632	30,207,518
2012	2030	68,593,279	20,577,969
		169,284,911	50,785,487

The method used by the Company to account for the assets and liabilities contributed by the absorbed company was to recognise them at the carrying amounts at which they had been recorded in the financial statements of Land Rover España, S.L.U. for 2012, since the merger was between companies in the same Group that constitute a single business.

2. Basis of presentation of the financial statements

2.1. Regulatory framework for financial reporting applicable to the Group

These financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Group, which consists of:

1. The Spanish Commercial Code and all other Spanish corporate law.
2. Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations (R.D. 1159/2010).
3. The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
4. All other applicable Spanish accounting legislation.

2.2. Fair presentation

These financial statements were obtained from the Company's accounting records, are presented in accordance with Royal Decree 1514/2007 approving the Spanish National Chart of Accounts and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2013.

These financial statements, which were formally prepared by the Company's Directors, will be submitted for approval by the Sole Shareholder, and it is considered that they will be approved without any changes. The financial statements for 2012 were approved by the Sole Shareholder on 22 April 2013.

2.3 Accounting principles

The directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

2.4. Key issues in relation to the measurement and estimation of uncertainty

Estimations made by the Company's Directors were used for the elaboration of these financial statements in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimations relate basically to the following aspects:

- Assessment of possible impairment losses on certain assets (see Notes 4.3, 4.5 and 4.6).
- Calculation of provisions for short-term commercial incentives (see Notes 4.9 and 4.10).
- Recoverability of deferred tax (see Note 4.8).
- Temporary recognition of sales revenue (see Note 4.9).

Although these estimations were made on the basis of the best information available at 2013 year-end, future events might make it necessary to change them (upwards or downwards) in coming years. Changes in accounting estimations would be applied prospectively.

2.5. Comparative information

The information relating to 2012 included in these notes to the financial statements is presented for comparison purposes with that relating to 2013. In this connection, it is necessary to take into account that the merger transaction described in Note 1 was performed in 2013, which affects the comparability of the figures between the years.

2.6. Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows have been grouped together to facilitate their understanding. However, whenever involved amounts are significant, the information is broken down in the related notes of the financial statements.

3. Profit distribution

The proposed profit distribution for the year 2013 that the Company's Directors will submit for approval by the Sole Shareholder is as follows.

	Rupees
Distribution:	
To legal reserve	12,149,311
To reserve for goodwill	95,600,807
To voluntary reserve	13,742,820
Total	121,492,938

4. Accounting policies and measurement bases

The principal accounting policies and measurement basis used by the Company in preparing its financial statements for 2013, in accordance with the Spanish National Chart of Accounts, were as follows:

4.1. Intangible Assets

As a general rule, intangible assets are recognised initially at acquisition cost and are subsequently measured at cost less any accumulated amortization and by any impairment losses recognised according to the criteria mentioned in Note 4.3.

Goodwill is recognised as an asset when it arises in an acquisition for valuable consideration in the context of a business combination. Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination are expected to flow and is not amortised. Instead, these cash-generating units are tested for impairment at least once a year using the methodology described below and, where appropriate, are written down.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

Specifically, the Company recognises under this epigraph the goodwill that arose on acquisition of the assets of Rover España, S.A., as described in Note 5.

4.2. Fixed assets: Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost and are subsequently reduced by the related accumulated amortization and by any impairment losses recognised according to the criteria mentioned in Note 4.3.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Depreciation rate
Plant	15 % - 25 %
Tools	30 %
Furniture and office equipment	10 %
Computer hardware	25 %

4.3. Impairment of intangible and fixed assets

At the end of each reporting period (for goodwill) or whenever there is evidence of impairment, the Company develops a "Test of impairment" in order to determine whether the recoverable amount of the assets has been reduced to below their carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Each year, Management Department prepares for each cash-generating unit a business plan by market and line of business. The main components of this plan are as follows:

- Earnings projections
- Investment and working capital projections

Other variables affecting the calculation of the recoverable amount are:

- The discount rate to be used, which is taken to be the weighted average cost of capital, the main variables with an effect on its calculation being interest costs and the risks specific to the assets.
- The cash flow growth rate used to extrapolate the cash flow projections to beyond the period covered by the budgets or forecasts.

The projections are prepared on the basis of past experience and of the best estimates available, which are consistent with the information obtained from external sources.

If an impairment loss has to be recognised for a cash-generating unit to which all or part of an item of goodwill has been allocated, the carrying amount of the goodwill relating to that unit is written down first. If the loss exceeds the carrying amount of this goodwill, the carrying amount of the other assets of the cash-generating unit is then reduced, on the basis of their carrying amount, down to the limit of the highest of the following values: fair value less costs to sell; value in use and zero.

Where an impairment loss subsequently is reverted (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income.

At 31 December 2013 and 2012, the Company has not recognised any impairment losses on its assets.

4.4. Leasing

Leases are classified as financial leasing whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operational leasing.

Financial leasing

Financial leasing where the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value of the minimum lease payments agreed at the inception of the lease, including the price of the call option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

Operational leasing

Lease expenses from operational leasing are recognised at income statement on an accrual basis.

Any payment that might be made when arranging an operational leasing will be treated as a prepaid lease payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

4.5. Financial Instruments

4.5.1. Financial assets

Classification-

The financial assets held by the Company relate to loans and receivables, financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

Initial recognition -

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Subsequent measurement-

Loans, receivables, deposits and bails are measured at amortised cost.

The Company calculates valuation adjustments relating to trade and other receivables by recognising under "Losses on, Impairment of and Change in Allowances for Trade Receivables" the estimated amount of impairment of receivables in an irregular situation due to late payment, suspension of payments, insolvency, delinquency or other causes, by a case-by-case analysis of the collectability thereof. The impairment is recognised under "Impairment of Trade Receivables" by reducing the amount of "Trade Receivables for Sales and Services" in the accompanying balance sheet.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Company does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of note and bill discounting, with-recourse factoring, sales of financial assets subject to an agreement to buy them back at a fixed price or at the selling price plus a lender's return and the securitisation of financial assets in which the transferor retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

4.5.2. Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist or when all the risks have been transferred to a third party.

4.5.3. Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of a company after deducting all of its liabilities.

Capital instruments issued by the Company are recognised in equity at the proceeds received, net of issue costs.

4.6. Inventories

Inventories are valued at the lower of acquisition or net realisable value. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase.

Net realisable value is the estimated selling price less the estimated costs to be incurred in marketing, selling and distribution.

The cost of inventories of spare parts is assigned by using the weighted average cost formula.

The Company recognises the appropriate write-downs as an expense in the income statement when the net realisable value of the inventories is lower than acquisition or production cost. The Company's policy is to register a provision for 10% of the carrying amount of used vehicles of over one year old.

4.7. Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At each accounting period-end, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

4.8. Income tax

The current income tax expense is calculated on the basis of the accounting profit before tax, increased or reduced, as appropriate, by the permanent differences from taxable profit, net of tax relief and tax credits. The rates used to calculate the income tax expense are those in force at the balance sheet date.

Deferred tax assets and liabilities are recognised using the balance sheet liability method, recognising the differences between the carrying amount of the assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax assets and liabilities are calculated at the tax rates expected at the date on which the asset is realised or the liability is settled. Deferred tax assets and liabilities are recognised in full with a charge to the income statement, except when they relate to line items taken directly to equity accounts, in which case the deferred tax assets and liabilities are also recognised with a charge or credit to the related equity accounts.

Deferred tax assets and tax loss carryforwards are recognised when it is considered probable that the Company will be able to utilise them in the future, regardless of when they are recovered. Deferred tax assets and liabilities are not adjusted and are classified as non-current assets or liabilities in the balance sheet.

The income tax expense represents the sum of the current tax expense and the deferred tax assets and liabilities (see Note 17).

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

4.9. Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Specifically, the Company recognises the sale of new vehicles as soon as they leave the factory since the agreement entered into with Jaguar Land Rover Ltd. establishes ex-works conditions of sale. Also, the agreements entered into with the car dealers provide for the transfer of risks and rewards at that moment.

In addition, at that juncture the Company makes the corresponding provisions for discounts, incentives and volume rebates, which are recognised under "Current Provisions" on the liability side of the balance sheet, and the sales amounts are presented net of such amounts (see Note 14).

Interest income from financial assets is recognised using the effective interest method. Interest from financial assets accrued after the date of acquisition are recognised as income.

4.10. Provisions and contingencies

When preparing the financial statements the Company's Directors made a distinction between:

- a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain to its amount and/or timing will be required to settle the obligations; and
- b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

4.11. Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. There has been no provision registered in 2013 nor 2012 because there is not any predicted situation of this nature.

4.12. Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company's business activities do not have a significant environmental impact.

4.13. Pension obligations

Defined contribution -

Jaguar Land Rover España, S.L.U. has undertaken to make a defined contribution for its employees, consisting in a percentage of their salary, to an external pension plan. This plan is outsourced to Seguros Vitalicio.

The contributions made each year by Jaguar Land Rover España, S.L.U. in this connection are recognised under "Staff Costs" in the income statements. The annual expenditure for this purpose has been amounted to Rs 5,458,458 during 2013 (Rs 2,698,743 during 2012) (see Note 18.3).

Defined benefit -

Also, Jaguar Land Rover España, S.L.U. has undertaken with the management, the obligation of supplementing, according to the collective agreements currently in force, the Social Security benefits corresponding to its pensioners, current employees or their beneficiary rightholders, in the event of their retirement. These obligations have been outsourced and are covered by insurance policies.

The annual expenditure for this purpose has been amounted to Rs. 6,108,326 during 2013, (Rs 2,537,582 during 2012) (see Note 18.3).

4.14. Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

4.15 Current/Non-current classification

Current assets are those related to the normal operating cycle, which, in general, is considered to be one year. Other assets which are expected to mature, be disposed of or be realised within twelve months from the end of the reporting period, financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents have been also considered as current assets. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled within one year; and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

5. Intangible assets

Goodwill arose as a result of the following acquisition:

Acquisition	Rupees			
	Acquisition date	Cost	Accumulated amortisation at 31/12/2007	Net
Assets of Rover España, S.A.	30/04/2000	1,177,960,737	(903,103,220)	274,857,517

At 31 December 2013 and 2012 it has not been recognized any loss correction value of goodwill since transfer pricing policies established by the group ensure a positive recursively operating result.

6. Fixed assets: property, plant and equipment

Changes during 2013 and 2012 in "Property, Plant and Equipment" at the balance sheet and the most significant information affecting this epigraph were as follows (in rupees):

2013

	Rupee				
	Balances at 01/01/2013	Additions/ Charge for the year due to merger	Additions/ Charge for the year	Exchange Rate Variation	Balances at 31/12/2013
Plant	72,088,405	29,490,176	55,770,205	12,840,623	170,189,409
Tools	1,655,202	-	850,280	294,830	2,800,312
Furniture and office equipment	13,138,411	6,754,454	1,474,896	2,340,256	23,708,017
Computer hardware	5,345,522	2,479,672	79,246	952,162	8,856,602
Total cost	92,227,540	38,724,302	58,174,627	16,427,871	205,554,340
Plant	(33,339,108)	(22,295,277)	(23,169,280)	(5,938,471)	(84,742,136)
Tools	(1,655,202)	-	(127,542)	(294,830)	(2,077,574)
Furniture and office equipment	(12,591,994)	(6,754,454)	(251,428)	(2,242,927)	(21,840,803)
Computer hardware	(5,345,522)	(2,479,672)	(4,761)	(952,162)	(8,782,117)
Total accumulated depreciation	(52,931,826)	(31,529,403)	(23,553,011)	(9,428,390)	(117,442,630)
Total, net	39,295,714	7,194,899	34,621,616	6,999,481	88,111,710

2012

	Rupee			
	Balances at 01/01/2012	Additions/Charge for the year	Exchange Rate Variation	Balances at 31/12/2012
Plant	38,656,295	31,593,184	1,838,926	72,088,405
Tools	1,580,038	-	75,164	1,655,202
Furniture and office equipment	12,541,784	-	596,627	13,138,411
Computer hardware	5,102,777	-	242,745	5,345,522
Total cost	57,880,894	31,593,184	2,753,462	92,227,540
Plant	(23,910,768)	(8,290,879)	(1,137,461)	(33,339,108)
Tools	(1,580,038)	-	(75,164)	(1,655,202)
Furniture and office equipment	(11,910,154)	(115,258)	(566,582)	(12,591,994)
Computer hardware	(5,102,777)	-	(242,745)	(5,345,522)
Total accumulated depreciation	(42,503,737)	(8,406,137)	(2,021,952)	(52,931,826)
Total, net	15,377,157	23,187,047	731,510	39,295,714

The additions in 2013 related mainly to the new training centre inaugurated by the Company in Tres Cantos (Madrid).

The detail of the fully depreciated items of property, plant and equipment still in use (showing cost value) at 31 December 2013 and 2012, was as follows:

	Rupee	
	2013	2012
Plant	26,172,469	20,065,952
Tools	1,950,032	1,655,202
Furniture and office equipment	20,958,381	12,056,402
Computer hardware	8,777,355	5,345,522
	57,858,237	39,123,078

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject to. The Company's Directors consider that the insurance coverage of these risks is sufficient.

7. Leases

Operational leasing

At 31 December 2013 and 2012, the Company has contracted with lessors the following minimum leasing payments, based on the leaseings currently in force, without taking into account the charging of common expenses, or future increases in line with the CPI:

Minimum operating lease payments	Nominal value (Rupees)	
	2013	2012
Within one year	71,557,524	29,676,332
Between one and five years	170,035,934	29,342,826
Total	241,593,458	59,019,158

The amount of rental expense registered in 2013 and 2012 was Rs 51,821,250 and Rs 32,252,625 respectively (see Note 18.4).

The most significant operational leasing held by the Company as lessee were as follows:

1. Leasing of office space of 689 square metres located in Madrid. The lease commenced on 1 July 2006 and expired in May 2010, when a new three-year lease was signed and it was subsequently extended to 30 April 2014, at which date the Company envisages the transfer of its business activities to the new offices described below.
2. Lease of new offices of 1,041 square metres located in Madrid. The lease was entered into on 16 December 2013. It has an initial obligatory term of five years and is automatically renewed for a five-year period, unless agreed otherwise by the parties.
3. Leasing of training facilities of 344.3 square metres located in Tres Cantos (Madrid). The lease commenced on 1 April 2006 and has a term of 3 years, automatically renewable for one-year periods.

8. Information on the nature and level of risks of financial instruments

The Company's financial risk management is centralised at the Company's Financial Department and has the support of the central teams of the Group to which it belongs. In this connection, the Company has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk. The main financial risks affecting the Company are as follows:

a) Credit risk:

In general, the Company holds its cash and cash equivalents at banks with high credit ratings. Additionally, most of its trade receivables are factored by the financial institution FGA Capital Spain, S.A. (see Note 11).

b) Liquidity risk:

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its balance sheet, together with the Group current account (see Note 19.1).

c) Market risk:

Foreign currency risk is concentrated mainly on specific transactions with group companies denominated in sterling pounds. However, foreign currency risk impact is not significant. Also, since it has no bank borrowings, the Company is not exposed to significant risks in relation to changes in interest rates.

9. Long term investments

At this epigraph the Company registers the constituted deposits from leasings on offices and other facilities used to develop its activity.

10. Inventories

The detail of "Inventories" at 31 December 2013 and 2012 is as follows:

	Rupees	
	2013	2012
New cars	383,204,020	321,061,581
Used cars	1,065,131,471	627,635,344
Spare parts	568,087,458	367,755,184
Other	16,534,120	3,681,297
Total inventories	2,032,957,069	1,320,133,406
Inventory write-downs	(158,310,827)	(122,698,877)
Total, net	1,874,646,242	1,197,434,529

Vehicles guarantee is responsibility of Jaguar Land Rover Ltd. and, therefore, no provision is recognised on this issue.

Changes in the provision for inventory obsolescence in 2013 were as follows:

	Rupees				
	Beginning balance	Additions due to merge	Additions	Amount released	Ending balance
Inventory write-downs	122,698,877	4,529,442	13,128,153	(3,901,170)	158,310,827

Changes in the provision for inventory obsolescence in 2012 were as follows:

	Rupees		
	Beginning balance	Additions	Ending balance
Inventory write-downs	93,999,029	24,228,207	113.755.595

The Company takes out insurance policies to cover the possible risks to which its inventories are subject to. These risks are sufficiently insured.

11. Trade and other receivables

Sales of new vehicles by the Company to certain dealers were financed through FGA Capital Spain, S.A., which assumes the risk arising from the transaction. Also, FGA Capital Spain, S.A. grants a credit line to these dealers and pays the amount of the sale to the Company one day after the sale has taken place, and the Company recognises the amounts as customer collections.

During 2013 and 2012 the Company sold without recourse accounts receivable amounting to Rs 25,257,057 thousand and Rs 16,187,262 thousand, respectively.

The Company also recognises the accounts receivable from the spare parts business in these accounts.

"Trade and Other Receivables - Trade Receivables from Group Companies and Associates" includes mainly the warranties billed by dealerships that the Company reinvoices to the Group, and the billing of spare parts to Jaguar Land Rover Portugal Veiculos e Peças, Lda.

The changes in the provision for doubtful receivables in 2013 and 2012 were as follows:

2013

	Rupees				
	Beginning balance	Additions due to merger	Charge for the year (Note 18.4)	Exchange Rate Variation	Ending balance
Provision for doubtful receivables	24,332,713	13,980,304	136,470	4,334,222	42,783,709

2012

	Rupees			
	Beginning balance	Amounts used	Exchange Rate Variation	Ending balance
Provision for doubtful receivables	20,319,478	3,046,614	966,621	24,332,713

12. Equity

12.1. Share capital

At 31 December 2012, the Company's share capital amounted to Rs 3,005,376,230 and was represented by 4,164,162 fully subscribed and paid shares of Rs 721,72 par value each and all carry the same voting and dividend rights. All of these shares had the same voting and dividend rights.

As a result of the absorption of Jaguar Hispania, S.L.U., the Company's share capital increased by Rs 189,443,915, through the issuance of 222,801 equal, cumulative and indivisible shares of Rs 850,283 par value each. The aforementioned shares were issued with a share premium of Rs 25,697,417, i.e. a share premium of 1.3565 per share issued. The newly created shares were subscribed in full by the sole shareholder, Jaguar Land Rover Ltd.

Accordingly, at 31 December 2013, the Company's share capital amounted to Rs 3,730,147,580 and was represented by 4,386,963 fully subscribed and paid registered shares of Rs 850,28 par value each. All the shares have the same voting and dividend rights.

At the end of 2013 the Company's Sole Shareholder was Jaguar Land Rover, Ltd. (The Company domiciled in England).

In accordance with current Spanish corporate and commercial law, the Company was registered at the Mercantile Registry as a sole-shareholder company on 4 December 2003.

At 31 December 2013, the Company has a cash-pooling agreement with its Sole Shareholder and the balances thereof are disclosed in Note 19.

The Company's shares are not officially listed.

12.2. Legal reserve

Accorded to Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose. At 31 December 2013, the balance of the legal reserve has not reached the minimum legally required.

12.3. Reserve for goodwill

The legal reserve has a restrictive use which is determined by various legal dispositions. Under the Consolidated Spanish Companies Law, when distributing the profit for each year an appropriation of at least 5% of the goodwill recognised on the asset side of the balance sheet must be made to a restricted reserve for that goodwill. If a company does not report a profit, or reports an insufficient profit, unrestricted reserves must be used for this purpose.

13. Obligations with employees

Long-term defined benefit obligations

The detail of the present value of the obligations assumed by the Company in relation with post-employment benefits and other long-term employee benefits, of the related plan assets and of the amounts not recognised at 31 December 2013 and 2012 is as follows (in rupees):

	2013	2012
Present value of the benefit	99,892,850	49,993,109
Fair value of the plan assets	(99,892,850)	(49,993,109)
Long-term provisions - Provisions for long-term employee benefit obligations	-	-

The present value of the obligations was determined by qualified independent actuaries using the following actuarial techniques:

- Valuation method: "Projected Unit Credit"
- Actuarial assumptions used: unbiased and mutually compatible. In general, the most significant actuarial assumptions used in the calculations for 2013 and 2012 were as follows:

Actuarial Assumptions	2013	2012
Discount rate	3.91%	3.75%
Increase in CPI	2%	2%
Annual social security increase rate	2%	2%
Annual salary increase rate	3%	3%
Retirement age	65 years	65 years

The changes in 2013 and 2012 in the employee benefit obligations assumed by the Company and in the value of the plan assets were as follows:

	Rupees		
	Present value of the obligations	Fair value of the assets	Balance sheet balance
Balances at end of 2011	28,169,305	28,169,305	-
Current year costs (Notes 4.13 and 18.3)	2,537,582	-	
Interest cost	1,360,161	-	
Rate of return on plan assets	-	1,353,233	
Net actuarial gains	(4,564,905)	(5,852,822)	
Payments made by the sponsor	-	1,253,707	
Exchange Rate Variation	(1,340,047)	(1,340,047)	
Balances at end of 2012	37,972,000	37,972,000	-
Additions due to merger	49,046,956	49,046,956	
Current year costs (Notes 4.13 and 18.3)	6,108,326	-	
Interest cost (Nota 18.5)	3,745,994	-	
Rate of return on plan assets	-	3,735,875	
Net actuarial losses	(3,744,123)	(9,307,335)	
Payments made by the sponsor	-	11,681,657	
Exchange Rate Variation	6,763,697	6,763,697	
Balances at end of 2013	93,129,153	93,129,153	-

As a result of the review of the actuarial assumptions in the calculation of benefits, the Company recognised expenses of Rs 5,563,127 directly in equity in 2013 (2012: income of Rs 1,287,917). These variations are due primarily to changes in the discount rate used in calculating the present value of pension plan.

14. Short-term provisions

The balance recognised under "Short-Term Provisions" relates mainly to the provisions recognised in relation to the incentives and discounts to dealers, the detail at the end of 2013 and 2012 being as follows:

	Rupees	
	2013	2012
Marketing and advertising provision (*)	297,903,251	192,602,839
Provision for incentives (Note 4.9)	436,510,794	261,664,190
Volume discount provision (Note 4.9)	647,148,703	496,564,900
Total	1,381,562,748	950,831,929

(*)Relate to provisions for unreceived invoices for marketing and promotion campaigns and events already held.

15. Other financial liabilities

The company has begun to develop commercial operations with certain companies selling vehicles with a ten months buyback agreement. Regarding this matter, as of 31 december 2013 and 2012, there is registered a

liability amounting to Rs 183,968, 877 and Rs 94,881,897 which is equivalent to the repurchasement value of 46 and 29 vehicles, respectively, which are still part of the Company's inventory stock.

16. Information on the deferral of payments made to suppliers. Additional provision Three. "Disclosure requirements" under Law 15/2010, of 5 July.

The disclosures required under Additional Disposition Three of Law 15/2010, of 5 July, are as follows:

	Outstanding payments at year end date.		Outstanding payments at year end date.	
	2013		2012	
	Amount	%	Amount	%
Paymentes within the legal deadline	19,868,109,454	99,97%	12,774,252,802	99,81%
Others	5,167,747	0,03%	23,880,192	0,19%
Total	19,873,277,201	100%	12,798,132,993	100%
Exceeded Average Payment Period (Days)	1		1	
Deferrals exceeding the Legal maximum period	-		-	

Data relates to amounts payable to suppliers that by nature are trade payables for goods and services and, therefore, it includes the data on "Current Liabilities – Current Payables to Group Companies and Associates" and "Current Liabilities - Sundry Accounts Payable" in the balance sheet.

The Exceeded Average Payment Period has been calculated as the ratio where the numerator is composed by the sum of the products from each vendor payments made during the year with a delay greater than the respective statutory period of payment and number of days of delay exceeded, and the denominator composed by the total amount of payments made in the exercise with a delay greater than the statutory period for payment.

The maximum payment period applicable to the Company in 2013 under Law 3/2004, on combating late payment in commercial transactions, was 60 days. This law was amended by Law 11/2013, of 26 July, which establishes a maximum payment period of 30 days from the date of its application, unless there is an agreement between the parties with a maximum payment period of 60 days (75 days until 31 December 2012).

17. Tax matters

17.1. Current tax receivables and payables

The detail of the current tax receivables and payables is as follows:

	Rupees	
	2013	2012
Current income tax assets	43,128,668	10,905,035
Current income tax assets	43,128,668	10,905,035
Other liabilities with tax Authorities	-	327,807
Other liabilities with tax Authorities	-	327,807
Accrued social security taxes payable	5,692,455	2,460,334
Personnel income tax payable	9,592,859	6,246,955
VAT payable	539,923,293	343,052,299
Other accounts payable to tax authorities	555,208,607	351,729,588

17.2. Conciliation of the accounting profit and taxable profit/tax loss

The conciliation of accounting profit and taxable profit/tax loss for 2013 for income tax purposes is as follows:

	Rupees		
	Increase	Decrease	Total
Accounting profit before tax			179,097,707
Permanent differences –			
Non-deductible expenses	13,361,725	-	13,361,725
Timing differences –			
Borrowing costs	29,832,329		29,832,329
Provisions	362,300,482	(556,598,900)	(194,298,418)
Goodwill	-	(2,748,615)	(2,748,615)
Offset of prior years' tax losses	-	(6,311,203)	(6,311,203)
Tax loss	405,494,536	(565,658,718)	18,933,525

The conciliation of accounting profit and taxable profit/tax loss for 2012 for income tax purposes is as follows:

	Rupees		
	Increase	Decrease	Total
Accounting profit before tax			103,219,110
Permanent differences – Non-deductible expenses	2,620,075	-	2,620,075
Timing differences – Provisions	318,682,995	(531,643,291)	(212,960,296)
Goodwill	-	(9,998,622)	(9,998,622)
Tax loss	321,303,070	(541,641,913)	(117,119,733)

17.3. Conciliation of accounting profit and income tax expense

The conciliation of accounting profit and income tax expense for 2013 and 2012 is as follows (in rupees):

	2013	2012
Accounting profit before tax	179,097,707	103,219,110
Permanent differences	13,361,725	2,620,075
Adjusted accounting profit	192,459,432	105,839,185
Tax charge at 30%	57,737,830	31,751,756
Corporate tax adjustment from previous years	(133,409)	3,233,613
Total income tax expense recognised in the income statement	57,604,421	34,985,369

17.4. Breakdown of income tax expense

The breakdown of the income tax expense for 2013 and 2012 is as follows (in rupees):

	2013	2012
Current tax	7,573,359	-
Deferred tax	50,164,394	31,751,756
Adjustment of previous years	(133,409)	3,233,613
Total income tax expense	57,604,344	34,985,369

17.5. Deferred tax assets

The detail of "Deferred Tax Assets" at 2013 and 2012 year-end is as follows:

	2013	2012
Amortisation of goodwill	33,689,709	26,996,308
Provision for stock	65,325,907	35,864,060
Tax asset	90,903,435	58,098,144
Financial interest	21,453,160	10,613,098
Other provisions	43,364,280	49,127,762
Total deferred tax assets	254,736,491	180,699,372

The deferred tax assets indicated above were recognised because the Company's Directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

According to current Law, tax losses can be made up during next successive 15 accounting-years. However, the total amount to be made up could be modified as consequence of verification procedures on the date of their occurrence. Verification is pending at accounting period-end 2013 and 2012 for the following negative taxable bases:

Company	Date of origin	Expiration date	Rupees	
			Total tax loss carryforwards	Total tax charge
Land Rover España, S.L.U.	2010	2028	83,863,456	25,159,020
Jaguar Hispania, S.L.U. (Note 1)	2011	2029	118,627,835	35,588,384
Land Rover España, S.L.U.	2012	2030	19,708,215	5,912,507
Jaguar Hispania, S.L.U. (Note 1)	2012	2030	80,811,802	24,243,524
Total tax loss carryforwards			303,011,308	90,903,435

17.6. Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until four-year statute-of-limitations period has expired. At 2013 year-end the Company has the last five years open for review for income tax and the last four years for the other applicable taxes. The Company's Directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

18. Income and expenses

18.1. Revenue

The breakdown, by business line, of the Company's revenue for 2013 and 2012 is as follows (in rupees):

	2013	2012
Vehicles	21,317,255,602	13,992,038,148
Spare parts	2,113,352,319	1,774,015,036
Total	23,430,607,921	15,766,053,184

The total revenue of the Company refers to the sale of vehicles in Spain and Andorra.

18.2. Cost of goods held for resale used

The detail of "Cost of Goods Held for Resale Used" in 2013 and 2012 is as follows:

	Rupees	
	2013	2012
Cost of goods held for resale used:		
Purchases	20,479,248,969	14,091,603,240
Changes in inventories (Note 10)	463,920,761	152,895,527
Total	20,943,169,730	14,244,498,767

Most purchases made by the Company relate to Jaguar Land Rover, Ltd. in the United Kingdom (see Note 19.1)

18.3. Staff costs

The detail of "Staff Costs" at 31 December 2013 and 2012 is as follows (in rupees):

	2013	2012
Wages, salaries and similar expenses	270,128,684	135,483,354
Employee Benefit Costs	68,440,568	27,034,848
Provisions (Note 4.13 and 13)	6,108,326	2,537,582
Total	344,677,578	165,055,784

The detail of "Employee Benefit Costs" in the years ended 31 December 2013 and 2012 is as follows:

	Rupees	
	2013	2012
Social security costs	54,166,322	22,515,339
Life insurance	4,687,679	184,906
Pension plans (defined contribution) (Note 4.13)	5,458,458	2,698,743
Other employee benefit costs	4,128,109	1,635,860
Total	68,440,568	27,034,848

The Company makes annual contributions to a life insurance policy for all its employees.

The average number of employees at the Company in 2013 and 2012, by category, was as follows:

Professional category	Permanent staff	
	2013	2012
Directors	1	1
Management	15	8
Other	36	19
Total	52	28

Also, the headcount at the end of 2013 and 2012, by category and gender, was as follows:

	2013			2012		
	Men	Women	Total	Men	Women	Total
Directors	1	-	1	1	-	1
Management	10	5	15	5	3	8
Other	23	13	36	12	7	19
Total	34	18	52	18	10	28

18.4. Other operational expenses

The detail of "Other Operational Expenses" in the income statements for the years ended 31 December 2013 and 2012 is as follows (in rupees):

	2013	2012
Rent and royalties (Note 7)	51,821,250	32,252,625
Repairs and maintenance	194,214,240	152,687,020
Independent professional services	126,387,745	74,476,879
Transport expenses	120,267,855	88,741,612
Insurance premiums	12,889,394	2,375,988
Banking and similar services	2,406,207	3,087,319
Advertising, publicity and public relations	1,303,460,364	833,514,010
Utilities	1,565,195	1,704,712
Other operating expenses	138,988,895	61,146,852
Taxes other than income tax	3,720,315	2,975,236
Losses on, impairment of and change in allowances for trade receivables (Note 11)	136,470	3,046,614
Total	1,955,857,930	1,256,008,867

The financial audit services fees provided by the Company's auditors, Deloitte, S.L. amounted to Rs 2,863,488 in 2013. The fees for other services provided by the company's auditors, Deloitte S.L., amounted to Rs 532,700 in 2013.

18.5. Financial income and costs

In 2013 "Finance Income" amounted to Rs 5,828,414 (2012: Rs 15,483,148) and related to the income arising from the sweeping of the cash under the cash-pooling contract with Jaguar Land Rover, Ltd. The average interest bore on these transactions in 2013 was tied at market rates (see Notes 12.1 and 19.1).

In 2013 "Finance Costs" includes Rs 3,745,994 relating to the interest costs incurred on long-term defined benefit obligations (2012: Rs 1,438,613) (see Note 13).

19. Related party transactions and balances

19.1. Related party transactions and balances

The detail of the transactions and balances with related parties in 2013 is as follows (in rupees):

	Jaguar Land Rover, Ltd.	Land Rover Italia, Spa	Land Rover Francia	Jaguar Land Rover Portugal Veiculos e Peças, Lda.	Total
Purchases (a)	(21,127,840,257)	(7,388,338)	(6,987,176)	-	(21,142,215,771)
Other operating expenses (b)	(184,636,516)	-	-	-	(184,636,516)
Guarantees (c)	505,462,465	-	-	-	505,462,465
Sales and services rendered (d)		4,839,454	17,753,251	335,453,401	358,046,106
Interest income (e) (Note 18.5)	5,828,414	-	-	72,450,063	78,278,477
Trade receivables from Group companies (Note 11)	42,928,596	218,437	1,416,907	42,253,984	86,817,924
Payable to Suppliers - Group companies (f)	(1,955,981,561)	(276,681)	(242,330)	-	(1,956,500,572)
Loans to Group companies (e)	5,574,369,103	-	-	-	5,574,369,103

The detail of the transactions and balances with related parties in 2012 is as follows (in rupees):

	Land Rover Exports, Ltd.	Land Rover Italia, Spa	Land Rover Francia	Jaguar Land Rover Portugal Veiculos e Peças, Lda.	Jaguar Hispania, S.L.	Land Rover, Ltd.	Total
Purchases (a)	(13,930,606,866)	(7,137,419)	(10,388,569)	-	-	-	(13,948,132,854)
Other operating expenses (b)	(5,830,737)	-	-	-	(105,469,229)	(106,825,203)	(218,125,169)
Guarantees (c)	351,847,807	-	-	-	-	-	351,847,807
Sales (d)	-	3,070,070	9,502,220	237,553,696	66,188,166	-	316,314,152
Interest income (e) (Note 18.5)	-	-	-	-	-	15,483,148	15,483,148
Interest expense (f) (Note 18.5)	-	-	-	-	(1,241,293)	-	(1,241,293)
Trade receivables from Group companies (Note 11)	37,000,704	141,890	779,246	25,191,709	18,125,524	-	81,239,073
Payable to Suppliers - Group companies	(1,286,525,601)	(609,929)	(365,770)	-	(29,937,983)	(146,112,619)	(1,463,551,902)
Loans to Group companies (e)	-	-	-	-	-	4,714,953,714	4,714,953,714
Current payables (f)	-	-	-	-	(284,785,849)	-	(284,785,849)

Transactions with related party correspond mainly to:

- Purchases relating to the acquisition of new cars and spare parts from Jaguar Land Rover, Ltd. under the terms and conditions of the internal policy on transfer pricing.
- Other operating expenses relate to expenses incurred in the performance of agreements for the provision of services, mainly consisting of marketing costs.
- The guarantees billed by the dealers, which the Company re-bills to the Group. The Company registers these billings as a reduction of the procurement costs.

- d) Sales to Jaguar Land Rover Portugal Veiculos e Peças, Lda., corresponding to spare parts acquired from Jaguar Land Rover, Ltd. and services related to invoices corresponding to the distribution of selling costs.
- e) Interest income relating to remuneration received by the Company from sweeping its cash positions in connection with the Cash Pooling agreement with Jaguar Land Rover Ltd. This agreement was entered into on 13 March 2008, with indefinite maturity and accruing interest, for both creditor and debtor balances, tied to Euribor.
- f) The amount registered under "providers group companies" includes vehicle purchases made by the group which are subsequently sold by the Company.

19.2 Detail of investments in companies with similar activities and of the performance, as independent professionals or as employees, of similar activities by the Directors

Referring to the year 2013, none of the directors, except for Mr Luis Antonio Ruiz Alvarez, nor people attached to them, as defined under the Corporate Enterprises Law, have maintained participation on companies total capital with similar or complementary activity that constitutes the social object (goal) of the Society.

Mr Luis Antonio Ruiz Alvarez holds shares (with no significant value) in Ford Motor Company Automotive NT and Tata Motors Ltd.

19.3. Remuneration of Directors and senior executives

The members of the Board of Directors (3 men and 1 woman) did not receive remuneration for attending the Board of Directors meetings in 2013 nor 2012. The remuneration received in 2013 and 2012 by the Company's Directors and senior executives in respect of wages and salaries are as follow:

	Rupees	
	2013	2012
Company's directors	28,556,824	16,499,985
Senior executives	42,280,343	24,606,246

The remuneration received in 2013 by the members of the Board of Directors and senior executives under the pension plans in 2013 amounted to Rs 176,518 (2012: Rs 74,915). Also, in 2013 and 2012 no advances, credit facilities or loans were granted to its directors or to any senior executives.

20. Information on the environment

In view of the business activities carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

21. Guarantee commitments to third parties and other contingent liabilities

At 31 December 2013, the guarantees provided by Jaguar Land Rover, S.L. to various entities in order to secure normal commercial transactions amounted to Rs 76,247,754 (31 December 2012: Rs 93,396,558).

22. Events after the balance sheet date

No significant events took place subsequent to 2013 year-end.

23. Explanation added for translation to English

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (Euros) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate **EUR 1 = Rs 85.028** and **Rs 72.172** for the years ended 31 December 2013 and 2012 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Jaguar Land Rover España, S.L. (Sole-Shareholder Company)

Directors Report for the year Ended 31 December 2013

In line with the business consolidation carried out globally by the Jaguar Land Rover Group, Jaguar España and Land Rover España were consolidated in Spain, through the merger by absorption of Jaguar España into Land Rover España, whereby the latter acquired, by universal succession, all the assets and liabilities of JAGUAR HISPANIA, S.L.

The merger was performed on the basis of the balance sheets of both companies at 31 December 2012 and began in March 2013, with the filing of the draft terms of merger at the Mercantile Registry and was completed on 1 June 2013.

As a result of the aforementioned merger and effective from 1 June 2013, LAND ROVER ESPAÑA, S.L. (Sole-Shareholder Company) adopted the company name JAGUAR LAND ROVER ESPAÑA, S.L. (Sole-Shareholder Company), without modifying any of the other identifying data of the Company. As a result, JAGUAR LAND ROVER ESPAÑA, S.L. (Sole-Shareholder Company) was subrogated to the contractual positions of JAGUAR HISPANIA, S.L. (Sole-Shareholder Company).

In 2013 the off-the road market (Land Rover's competitive sector) increased by 8.7% on 2012. In 2013 148,096 units were registered in Spain, 11,810 units more than in 2012.

Land Rover registrations on the Spanish mainland and in the Balearic Islands totalled 7,278 units, representing a 13.5% increase on registrations in 2012. Land Rover sales, by model, on the Spanish mainland and in the Balearic Islands were as follows: Defender, 436 units; Freelander, 805 units; Discovery, 288 units; Range Rover Sport, 748 units; Range Rover, 230 units and Range Rover Evoque, 4,770 units. The launch of the Range Rover Sport in the second half of 2013 and the marketing of Range Rover throughout the year gave rise to an increase in Land Rover registrations.

In 2013 the luxury segment of the automotive industry (Jaguar's competitive sector) decreased by 9.1% on 2012. In 2013 9,680 units were registered in Spain, 970 units fewer than in 2012.

Total Jaguar registrations in the domestic market in 2013 totalled 876 units, either directly or through dealerships. This figure represents an increase of 5.50% on 2012. Jaguar sales, by model, on the Spanish mainland and in the Balearic Islands were as follows: XJ, 64 units; XK, 9 units; XF 756, units and F-Type, 47 units. The marketing of the XF Sportbrake throughout 2013 and the launch of the new F-Type model resulted in Jaguar being the only brand in the luxury sector to increase its registrations in 2013.

Outlook for 2014

2014 is forecast to be a year of changing trends in the automotive industry. It is envisaged that the economic climate in Spain will improve in 2014, although unemployment levels remain at an all-time high. The improvement in the socio-economic situation alludes to a recovery in the second half of the year. We envisage that the SUV industry will increase by 6.5%, achieving 157,000 registrations in 2014. Also, we envisage a 4% increase in the Premium sector.

In 2014 Land Rover will present its customers with significant changes to the products in its 15MY series. Such changes focus on reducing CO² emissions and improving engines and customer-focused accessories. The marketing of the Range Rover Sport throughout 2013 gives rise to the expectation that Land Rover will follow the prevailing trend in the industry and, accordingly, registrations will increase by 4.4% on 2013, with 7,600 units expected to be registered in 2014.

In 2014 Jaguar will launch the F-Type Coupé model, which will enable us to get a foothold in the two-seater sports car segment. This launch, along with the marketing of the F-Type Convertible throughout the year, leads us to believe that Jaguar will continue to follow the growth trend observed in 2013.

Acquisition and situation of treasury shares

The Company does not hold any treasury shares and has not carried out any transactions involving treasury shares since its incorporation.

Research and development expenditure

The Company did not perform any research and development activities in 2013.

Employees

In 2013 there were no significant changes in the Company's workforce.

Financial instruments

The Company does not arrange compound financial instruments in its normal course of operations.

Information on the environment

See Note 20 to the financial statements.

Events after the reporting period

In the period from 2013 year-end to the date of preparation of these financial statements, no significant events took place.

These financial statements and Directors' report of Jaguar Land Rover España, S.L. (Sole-Shareholder Company), were authorised for issue by the Board of Directors at its meeting of 28 March 2014. These financial statement and Directors' report relate to the year ended 31 December 2013 and are set forth on 34 sheets, all of which are signed by the Chairman and a Director and this last page is signed by the Directors.

Luis A. Ruiz
Chairman

Barry Carsley
Vocal

Philip C. Popham
Director

Cristina Ruiz
Director

JAGUAR LAND ROVER BELUX NV

Annual Report 2013 – 14

Jaguar Land Rover Belux NV

Statutory auditor's report for the year ended 31 March 2014 to the shareholders' meeting

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the financial statements together with the required additional comments.

Unqualified audit opinion on the financial statements

We have audited the financial statements of Jaguar Land Rover Belux NV for the year ended 31 March 2014, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 71.971 (000) EUR and a profit for the year of 2.053 (000) EUR.

The board of directors of the company is responsible for the preparation of the financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we have considered internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence that we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of 31 March 2014 give a true and fair view of the company's assets, liabilities, financial position and results in accordance with the accounting principles applicable in Belgium.

Additional comments

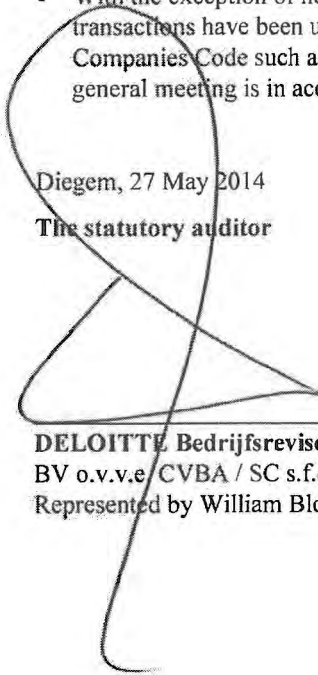
The preparation and the assessment of the information that should be included in the directors' report and the company's compliance with the requirements of the Companies Code and its articles of association are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments which do not change the scope of our audit opinion on the financial statements:

- The directors' report includes the information required by law and is in agreement with the financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the company, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- With the exception of not respecting the terms as stipulated in articles 143 and 533 of the Companies Code, no transactions have been undertaken or decisions taken in violation of the company's articles of association or the Companies Code such as we would be obliged to report to you. The appropriation of the results proposed to the general meeting is in accordance with the requirements of the law and the company's articles of association.

Diegem, 27 May 2014

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e / CVBA / SC s.f.d. SCRL

Represented by William Blomme

NAME: **Jaguar Land Rover Belux**

Legal form: **NV**

Address: .. **Generaal Lemanstraat** Nr.: ..**47** Box:

Postal code:**2018**..... Municipality: **Antwerp**.....

Country:**Belgium**.....

Register of legal persons - commercial court:**Rechtbank van Koophandel van Antwerpen**.....

Website*:

Companynumber

0456612553

Date **02/12/2013** of the deposition of the deed of incorporation OR of the most recent piece containing the date of publication of the deed of incorporation and change in bylaws.

ANNUAL ACCOUNTS approved by the general meeting of **2/6/2014**

regarding the period from **1/04/2013 to 31/3/2014**

Preceding period from **1/4/2012 to 31/3/2013**

COMPLETE LIST with name, surnames, profession, address (street, number, postal code and municipality) and position within the company, of the DIRECTORS, BUSINESS MANAGERS AND AUDITORS

Marcus Bienemann

Lingedijk 15, 4002 XH 8700, Tiel

Netherlands

Delegated administrator

17/01/2011 - 17/01/2017

Barry Carsley

Pine Close 11, CV379FB Shottery, Stratford-Upon-Avon, Warwickshire

United Kingdom

Director

17/01/2011 - 17/01/2017

Bernard Kuhnt

Angermainweg 7, 82335 Berg

Germany

Director

17/01/2011 - 17/01/2017

Deloitte Bedrijfsrevisoren

Nr.: **BE 0429.053.863**

Berkenlaan 8, 1831 Diegem, Belgium Auditor

03/06/2013 - 03/04/2016

Represented by:

William Blomme

Statutory auditor

Berkenlaan 8, 1831 Diegem, Belgium

RUPEE	82.39	69.566

ASSETS

FIXED ASSETS	51,431,172.32	672,772.09
Formation expenses	0.00	0.00
Intangible fixed assets	0.00	0.00
Tangible fixed assets	43,200,720.29	672,772.09
Land and buildings	0.00	0.00
Plant, machinery and equipment	154,666.63	259,531.27
Furniture and vehicles	16,951,460.73	413,240.82
Leasing and other similar rights	0.00	0.00
Other tangible fixed assets	26,094,592.93	0.00
Assets under construction and advance payments	0.00	0.00
Financial fixed assets	8,230,452.04	0.00
Affiliated enterprises	0.00	0.00
Participating interests	0.00	0.00
Amounts receivable	0.00	0.00
Other enterprises linked by participating interests	0.00	0.00
Participating interests	0.00	0.00
Amounts receivable	0.00	0.00
Other financial assets	8,230,452.04	0.00
Shares	0.00	0.00
Amounts receivable and cash guarantees	8,230,452.04	0.00

CURRENT ASSETS	5,878,230,612.79	991,758,734.90
Amounts receivable after more than one year	0.00	0.00
Trade debtors	0.00	0.00
Other amounts receivable	0.00	0.00
Stocks and contracts in progress	1,262,489,820.29	301,865,354.21
Stocks	1,262,489,820.29	301,865,354.21
Raw materials and consumables	0.00	0.00
Work in progress	0.00	0.00
Finished goods	0.00	0.00
Goods purchased for resale	1,262,489,820.29	301,865,354.21
Immovable property intended for sale	0.00	0.00
Advance payments	0.00	0.00
Contracts in progress	0.00	0.00
Amounts receivable within one year	4,578,784,123.60	687,957,366.56
Trade debtors	1,205,287,360.29	281,568,568.65
Other amounts receivable	3,373,496,763.31	406,388,797.91
Current investments	0.00	0.00
Own shares	0.00	0.00
Other investments and deposits	0.00	0.00
Cash at bank and in hand	32,207,308.89	24,716.80
Deferred charges and accrued income	4,749,360.02	1,911,297.33
TOTAL ASSETS	5,929,661,785.12	992,431,506.99

	RUPEE	82.39	69.566

EQUITY AND LIABILITIES

EQUITY	300,338,475.88	110,771,289.99
Capital	102,987,500.00	86,957,500.00
Issued capital	102,987,500.00	86,957,500.00
Uncalled capital	0.00	0.00
Share premium account	0.00	0.00
Revaluation surpluses	0.00	0.00
Reserves	10,298,750.00	8,695,750.00
Legal reserve	10,298,750.00	8,695,750.00
Reserves not available	0.00	0.00
In respect of own shares held	0.00	0.00
Other	0.00	0.00
Untaxed reserves	0.00	0.00
Available reserves	0.00	0.00
Accumulated profits (losses)	187,052,225.88	15,118,039.99
Investment grants	0.00	0.00
Advance to associates on the sharing out of the assets	0.00	0.00
 PROVISIONS AND DEFERRED TAXES	 173,546,769.74	 102,642,582.19
Provisions for liabilities and charges	173,546,769.74	102,642,582.19
Pensions and similar obligations	5,772,467.50	4,964,752.90
Taxation	0.00	0.00
Major repairs and maintenance	0.00	0.00
Other liabilities and charges	167,774,302.24	97,677,829.30
Deferred taxes	0.00	0.00

AMOUNTS PAYABLE	5,455,776,539.50	779,017,634.81
Amounts payable after more than one year	0.00	0.00
Financial debts	0.00	0.00
Subordinated loans	0.00	0.00
Unsubordinated debentures	0.00	0.00
Leasing and other similar obligations	0.00	0.00
Credit institutions	0.00	0.00
Other loans	0.00	0.00
Trade debts	0.00	0.00
Suppliers	0.00	0.00
Bills of exchange payable	0.00	0.00
Advances received on contracts in progress	0.00	0.00
Other amounts payable	0.00	0.00
Amounts payable within one year	5,438,571,614.18	779,017,634.81
Current portion of amounts payable after more than one year falling due within one year	0.00	0.00
Financial debts	0.00	0.00
Credit institutions	0.00	0.00
Other loans	0.00	0.00
Trade debts	4,613,647,691.03	665,652,520.16
Suppliers	4,613,647,691.03	665,652,520.16
Bills of exchange payable	0.00	0.00
Advances received on contracts in progress	0.00	0.00
Taxes, remuneration and social security	815,697,850.58	113,365,114.65
Taxes	764,928,212.28	97,162,716.02
Remuneration and social security	50,769,638.30	16,202,398.62
Other amounts payable	9,226,072.57	0.00
Accrued charges and deferred income	17,204,925.32	0.00
TOTAL LIABILITIES	5,929,661,785.12	992,431,506.99

RUPEE	82.39	69.566

INCOME STATEMENT

Operating income	24,578,498,930.67	2,512,191,459.75
Turnover	23,857,677,040.72	2,333,552,259.12
Increase (decrease) in stocks of finished goods, work and contracts in progress (+)/(-)	0.00	0.00
Own constructions capitalised	0.00	0.00
Other operating income	720,821,889.95	178,639,200.62
Operating charges	24,283,194,433.54	2,478,570,056.82
Raw materials, consumables	22,148,308,101.87	1,877,196,147.78
Purchases	22,519,316,148.74	1,888,120,115.55
Decrease (increase) in stocks (+)/(-)	-371,008,046.88	-10,923,967.76
Services and other goods	1,720,805,463.45	435,393,476.21
Remuneration, social security costs and pensions (+)/(-)	330,138,529.40	116,107,452.28
Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	7,257,471.45	989,605.57
Amounts written down stocks, contracts in progress and trade debtors - Appropriations (write-backs) (+)/(-)	55,437,387.72	2,661,366.29
Provisions for risks and charges - Appropriations (uses and write-backs) (+)/(-)	5,202,707.69	36,814,210.33
Other operating charges	16,044,771.96	9,407,798.36
Operation charges carried to assets as restructuring costs	0.00	0.00
Operating profit (loss)	295,304,497.13	33,621,402.93
Financial income	3,825,925.48	963,189.97
Income from financial fixed assets	0.00	0.00
Income from current assets	1,808,676.36	113,667.37
Other financial income	2,017,249.12	849,522.60
Financial charges	112,232,077.37	18,444,053.06
Debt charges	111,390,452.80	18,221,465.51
Amounts written down on current assets except stocks, contracts in progress and trade debtors (+)/(-)	0.00	0.00
Other financial charges	841,624.56	222,587.55
Gain (loss) on ordinary activities before taxes	186,898,345.25	16,140,539.84
Extraordinary income	67,709,465.55	0.00
Write-back of depreciation and of amounts written down intangible and tangible fixed assets	0.00	0.00
Write-back of amounts written down financial fixed assets	0.00	0.00
Write-back of provisions for extraordinary liabilities and charges	0.00	0.00
Gains on disposal of fixed assets	67,709,465.55	0.00
Other extraordinary income	0.00	0.00

Extraordinary charges	0.00	1,173,558.25
Extraordinary depreciation of and extraordinary amounts written off formation expenses, intangible and tangible fixed assets	0.00	1,173,265.37
Amounts written down financial fixed assets	0.00	0.00
Provisions for extraordinary liabilities and charges - Appropriations (uses) (+)/(-)	0.00	0.00
Loss on disposal of fixed assets	0.00	0.00
Other extraordinary charges	0.00	292.87
Extraordinary charges carried to assets as restructuring costs (-)	0.00	0.00
Profit (loss) for the period before taxes	254,607,810.80	14,966,981.59
Transfer from postponed taxes	0.00	0.00
Transfer to postponed taxes	0.00	0.00
Income taxes	85,460,528.65	5,125,935.23
Income taxes	85,552,707.40	6,560,073.80
Adjustment of income taxes and write-back of tax provisions	92,178.76	1,434,138.57
Profit (loss) for the period	169,147,282.16	9,841,046.36
Transfer from untaxed reserves	0.00	0.00
Transfer to untaxed reserves	0.00	0.00
Profit (loss) for the period available for appropriation	169,147,282.16	9,841,046.36

RUPEE	82.39	69.566

APPROPRIATION ACCOUNT

Profit (loss) to be appropriated(+)/(-)
Gain (loss) to be appropriated(+)/(-)
Profit (loss) to be carried forward(+)/(-)

Transfers from capital and reserves
from capital and share premium account
from reserves

Transfers to capital and reserves
to capital and share premium account
to the legal reserve
to other reserves

Profit (loss) to be carried forward(+)/(-)

Owner's contribution in respect of losses

Profit to be distributed
Dividends
Director's or manager's entitlements
Other beneficiaries

Codes	Period	Previous period
9906	187,052,225.88	230,772,639.99
(9905)	169,147,282.16	9,841,046.36
14P	17,904,943.72	220,931,593.63
791/2		
791		
792		
691/2		
691		
6920		
6921		
(14)	187,052,225.88	15,118,039.99
794		
694/6		
694		
695		
696		

RUPEE	82.39	69.566

C 5.3.2

PLANT, MACHINERY AND EQUIPMENT

Acquisition value at the end of the period	
.....	
Movements during the period	
Acquisitions, including produced fixed assets	
Sales and disposals	
Transfers from one heading to another (+)/(-)	
Acquisition value at the end of the period	
.....	
Revaluation surpluses at the end of the period	
.....	
Movements during the period	
Recorded	
Acquisitions from third parties	
Cancelled	
Transfers from one heading to another (+)/(-)	
Revaluation surpluses at the end of the period	
.....	
Depreciation and amounts written down at the end of the period	
.....	
Movements during the period	
.....	
Recorded	
.....	
Written back	
.....	
Acquisitions from third parties	
.....	
Cancelled owing to sales and disposals	
.....	
Transfers from one heading to another (+)/(-)	
.....	
Depreciation and amounts written down at the end of the period	
.....	
NET BOOK VALUE AT THE END OF THE PERIOD	

Codes	Period	Previous period
8192P	xxxxxxxxxxxxxx	9,437,213.42
8162		
8172	1,530,846.57	
8182		
8192	10,968,060.00	
8252P	xxxxxxxxxxxxxx	
8212		
8222		
8232		
8242		
8252		
8322P	xxxxxxxxxxxxxx	9,129,839.40
8272	330,693.69	
8282		
8292		
8302	0.00	
8312		
8322	10,813,393.37	
(23)	154,666.63	

FURNITURE AND VEHICLES

Acquisition value at the end of the period

.....
Movements during the period

Acquisitions, including produced fixed assets

Sales and disposals

Transfers from one heading to another (+)/(-)

Acquisition value at the end of the period

.....

Revaluation surpluses at the end of the period

.....

Movements during the period

Recorded

Acquisitions from third parties

Cancelled

Transfers from one heading to another (+)/(-)

Revaluation surpluses at the end of the period

.....

Depreciation and amounts written down at the end of the period

.....

Movements during the period

.....

Recorded

.....

Written back

.....

Acquisitions from third parties

.....

Cancelled owing to sales and disposals

.....

Transfers from one heading to another (+)/(-)

.....

Depreciation and amounts written down at the end of the period

.....

NET BOOK VALUE AT THE END OF THE PERIOD

Codes	Period	Previous period
8193P	xxxxxxxxxxxxxx	2,206,517.07
8163	21,414,868.94	
8173	0.00	
8183		
8193	23,621,386.02	
8253P	xxxxxxxxxxxxxx	
8213		
8223		
8233		
8243		
8253		
8323P	xxxxxxxxxxxxxx	1,717,098.23
8273	4,234,664.74	
8283		
8293		
8303	0.00	
8313		
8323	6,669,925.29	
(24)	16,951,460.73	

OTHER INVESTMENTS AND DEPOSIT, DEFFERED CHARGES AND ACCRUED INCOME (ASSETS)**INVESTMENTS: OTHER INVESTMENTS AND DEPOSITS**

	Codes	Period	Previous period
Shares	51		
Book value increased with the uncalled amount	8681		
Uncalled amount	8682		
Fixed income securities	52		
Fixed income securities issued by credit institutions	8684		
Fixed term deposit with credit institutions	53		
Falling due			
less or up to one month	8686		
between one month and one year	8687		
over one year	8688		
Other investments not yet shown seperately	8689		

DEFFERED CHARGES AND ACCRUED INCOME

Allocation of heading 490/1 of assets if the amount is significant.
 Prepaid expenses related to FY 2014/2015

Period
4,749,360.02

STATEMENT OF CAPITAL AND STRUCTURE OF SHAREHOLDINGS

STATEMENT OF CAPITAL**Social capital**

Issued capital at the end of the period

Issued capital at the end of the period

Changes during the period:

Structure of the capital

Different categories of shares

Registered shares.....

Bearer shares and/or dematerialized shares.....

Capital not paid

Uncalled capital

Capital called, but not paid

Shareholders having yet to pay up in full

OWN SHARES

Held by the company itself

Amount of capital held

Number of shares held

Held by the subsidiaries

Amount of capital held

Number of shares held

Commitments to issue shares

Following the exercising of CONVERSION RIGHTS

Amount of outstanding convertible loans

Amount of capital to be subscribed

Corresponding maximum number of shares to be issued

Following the exercising of SUBSCRIPTION RIGHTS

Number of outstanding subscription rights

Amount of capital to be subscribed

Corresponding maximum number of shares to be issued

Authorized capital, not issued

Shared issued, not representing capital

Distribution

Number of shares held

Number of voting rights attached thereto

Allocation by shareholder

Number of shares held by the company itself

Number of shares held by its subsidiaries

Codes	Period	Previous period
100P	XXXXXXXXXXXXXX	102,987,500.00
-100	102,987,500.00	

Codes	Amounts	Number of shares
	102,987,500.00	5000
8702	XXXXXXXXXXXXXX	5000
8703	XXXXXXXXXXXXXX	

	Uncalled capital	Capital called, but not paid
Codes		
-101		XXXXXXXXXXXXXX
8712	XXXXXXXXXXXXXX	

Codes	Period
	8721
	8722
	8731
	8732
	8740
	8741
	8742
	8745
	8746
	8747
	8751

Codes	Period
	8761
	8762
	8771
	8781

STRUCTURE OF SHAREHOLDINGS OF THE ENTERPRISE AS AT THE ANNUAL BALANCING OF THE BOOKS, AS IT APPEARS FROM THE STATEMENT RECEIVED BY THE ENTERPRISE

Jaguar Cars Ltd owns 4.999 shares

Jaguar Land Rover Export Ltd owns 1 share

PROVISIONS FOR OTHER LIABILITIES AND CHARGES

ALLOCATION OF THE HEADING 163/5 OF LIABILITIES IF THE AMOUNT IS CONSIDERABLE

Provision for warranty

Other provisions

Provision for legal cases

Period
36,467,049.85
102,470,752.39
28,836,500.00

STATEMENT OF AMOUNTS PAYABLE, ACCRUED CHARGES AND DEFERRED INCOME

	Codes	Period
ANALYSIS BY CURRENT PORTIONS OF AMOUNTS INITIALLY PAYABLE AFTER MORE THAN ONE YEAR		
Amounts payable after more than one year, not more than one year		
Financial debts	8801	
Subordinated loans	8811	
Unsubordinated debentures	8821	
Leasing and other similar obligations	8831	
Credit institutions	8841	
Other loans	8851	
Trade debts	8861	
Suppliers	8871	
Bills of exchange payable	8881	
Advance payments received on contracts in progress	8891	
Other amounts payable	8901	
Total amounts payable after more than one year, not more than one year	-42	
Amounts payable after more than one year, between one and five years		
Financial debts	8802	
Subordinated loans	8812	
Unsubordinated debentures	8822	
Leasing and other similar obligations	8832	
Credit institutions	8842	
Other loans	8852	
Trade debts	8862	
Suppliers	8872	
Bills of exchange payable	8882	
Advance payments received on contracts in progress	8892	
Other amounts payable	8902	
Total amounts payable after more than one year, between one and five years	8912	
Amounts payable after more than one year, over five years		
Financial debts	8803	
Subordinated loans	8813	
Unsubordinated debentures	8823	
Leasing and other similar obligations	8833	
Credit institutions	8843	
Other loans	8853	
Trade debts	8863	
Suppliers	8873	
Bills of exchange payable	8883	
Advance payments received on contracts in progress	8893	
Other amounts payable	8903	
Total amounts payable after more than one year, over five years	8913	

AMOUNTS PAYABLE GUARANTEED (headings 17 and 42/48 of liabilities)**Amounts payable guaranteed by Belgian public authorities**

Financial debts	8921
Subordinated loans	8931
Unsubordinated debentures	8941
Leasing and other similar obligations	8951
Credit institutions	8961
Other loans	8971
Trade debts	8981
Suppliers	8991
Bills of exchange payable	9001
Advance payments received on contracts in progress	9011
Remuneration and social security	9021
Other amounts payable	9051
Total amounts payable guaranteed by Belgian public authorities	9061

Amounts payable guaranteed by real guarantees given or irrevocably promised by the enterprise on its own assets

Financial debts	8922
Subordinated loans	8932
Unsubordinated debentures	8942
Leasing and other similar obligations	8952
Credit institutions	8962
Other loans	8972
Trade debts	8982
Suppliers	8992
Bills of exchange payable	9002
Advance payments received on contracts in progress	9012
Taxes, remuneration and social security	9022
Taxes	9032
Remuneration and social security	9042
Other amounts payable	9052
Total amounts payable guaranteed by real guarantees given or irrevocably promised by the enterprise on its own assets.....	9062

AMOUNTS PAYABLE FOR TAXES, REMUNERATION AND SOCIAL SECURITY**Taxes** (heading 450/3 of the liabilities)

Expired taxes payable	9072	
Non expired taxes payable	9073	753,526,504.88
Estimated taxes payable	450	11,401,707.40

Remuneration and social security (heading 454/9 of the liabilities)

Amount due to the National Office of Social Security	9076	
Other amounts payable relating to remuneration and social security	9077	50,769,638.30

ACCRUED CHARGES AND DEFERRED INCOME

Allocation of the heading 492/3 of liabilities if the amount is considerable

Period

OPERATING RESULTS**OPERATING INCOME****Net turnover**

Broken down by categories of activity

Allocation into geographical markets

Other operating income

Total amount of subsidies and compensatory amounts obtained from public authorities

740

OPERATING COSTS**Employees recorded in the personnel register**

Total number at the closing date

9086 15 14

Average number of employees calculated in full-time equivalents

9087 14.1 16.6

Number of actual worked hours

9088 24084 34.588

Personnel costs

Remuneration and direct social benefits

620 212,986,810.01 72,177,846.43

Employers' social security contributions

621 68,321,169.29 23,994,528.02

Employers' premiums for extra statutory insurances

622 18,365,180.03 6,943,108.37

Other personnel costs

623 25,219,097.84 8,778,719.98

Old-age and widows' pensions

624 5,246,272.23

Provisions for pensions

Additions (uses and write-back) (+)/(-)

635 -5,872,238.50 -4,693,108.80

Amounts written off

Stocks and contracts in progress

Recorded

9110 55,437,387.72 2,661,366.29

Written back

9111 0.00 0.00

Trade debtors

Recorded

9112 0.00 0.00

Written back

9113 0.00 0.00

Provisions for risks and charges

Additions

9115 11,074,946.19 45,271,883.22

Uses and write-back

9116 5,872,238.50 8,457,672.89

Other operating charges

Taxes related to operation

640 15,145,336.81 9,304,519.98

Other charges

641/8 899,435.15 103,278.38

Hired temporary staff and persons placed at the enterprise's disposal

Total number at the closing date

9096 1

Average number calculated as full-time equivalents

9097 1

Number of actual worked hours

9098 39

Charges to the enterprise

617 1,240

FINANCIAL AND EXTRAORDINARY RESULTS

FINANCIAL RESULTS

Other financial income

Amount of subsidies granted by public authorities, credited to income for the period

Capital subsidies

Interest subsidies

Allocation of other financial income

Exchange rates

Other

Amounts written down off loan issue expenses and repayment premiums

.....

Interests recorded as assets

.....

Value adjustments to current assets

.....

Appropriations

.....

Write-backs

.....

Other financial charges

.....

Amount of the discount borne by the enterprise, as a result of negotiating

amounts receivable

.....

Provisions of a financial nature

Appropriations

Uses and write-backs

Allocation of other financial charges

Exchange rates

Other

Codes	Period	Previous period
9125		
9126		
	5,454.22	16,132.36
	2,011,794.90	833,390.25
6501		
6503		
6510		
6511		
653		
6560		
6561		
	0.00	0.00
	841,624.56	222,587.55

EXTRAORDINARY RESULTS

Allocation other extraordinary income

Allocation other extraordinary charges

Period

INCOME TAXES AND OTHER TAXES**INCOME TAXE**

	Codes	Period
Income taxes on the result of the current period	9134	85,552,707.40
Income taxes paid and withholding taxes due or paid	9135	74,151,000.00
Excess of income tax prepayments and withholding taxes recorded under assets	9136	0.00
Estimated additional taxes	9137	11,401,707.40
Income taxes on previous periods	9138	0.00
Taxes and withholding taxes due or paid	9139	0.00
Estimated additional taxes estimated or provided for	9140	
In so far as income taxes of the current period are materially affected by differences between the profit before taxes, as stated in the annual accounts, and the estimated taxable profit		
Notional interest		-6,107,559.99
Non-deductible expenses		0.00
An indication of the effect of extraordinary results on the amount of income taxes relating to the current period		

Status of deferred taxes

	Codes	Period
Deferred taxes representing assets	9141	
Accumulated tax losses deductible from future taxable profits	9142	
Other deferred taxes representing assets		
Deferred taxes representing liabilities	9144	
.....		
Allocation of deferred taxes representing liabilities		

THE TOTAL AMOUNT OF VALUE ADDED TAX AND TAXES BORNE BY THIRD PARTIES

	Codes	Period	Previous Period
The total amount of value added tax charged			
To the enterprise (deductible)	9145	194,079,013.57	44,705,897.02
By the enterprise	9146	5,149,432,958.07	537,739,028.97
Amounts retained on behalf of third parties for			
Payroll withholding taxes	9147	84,759,148.34	28,753,741.91
Withholding taxes on investment income	9148		

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

	Code	Period
PERSONAL GUARANTEES GIVEN OR IRREVOCABLY PROMISED BY THE ENTERPRISE AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES	9149	
Of which		
Bills of exchange in circulation endorsed by the enterprise	9150	
Bills of exchange in circulation drawn or guaranteed by the enterprise	9151	
Maximum amount for which other debts or commitments of third parties are guaranteed by the enterprise	9153	
REAL GUARANTEES		
Real guarantees given or irrevocably promised by the enterprise on its own assets as a security of debts and commitments from the enterprise		
Mortgages		
Book value of the immovable properties mortgaged	9161	
Amount of registration	9171	
Pledging on goodwill - amount of registration	9181	0.00
Pledging of other assets - Book value of other assets pledged	9191	
Guarantees provided on future assets - Amount of assets involved	9201	
Real guarantees given or irrevocably promised by the enterprise on its own assets as a security of debts and commitments from third parties		
Mortgages		
Book value of the immovable properties mortgaged	9162	
Amount of registration	9172	
Pledging on goodwill - amount of registration	9182	
Pledging of other assets - Book value of other assets pledged	9192	
Guarantees provided on future assets - Amount of assets involved	9202	
GOODS AND VALUES, NOT DISCLOSED IN THE BALANCE SHEET, HELD BY THIRD PARTIES IN THEIR OWN NAME BUT AT RISK TO AND FOR THE BENEFIT OF THE ENTERPRISE		
SUBSTANCIAL COMMITMENTS TO ACQUIRE FIXED ASSETS		
SUBSTANCIAL COMMITMENTS TO DISPOSE FIXED ASSETS		
FORWARD TRANSACTIONS		
Goods purchased (to be received)	9213	
Goods sold (to be delivered)	9214	
Currencies purchased (to be received)	9215	
Currencies sold (to be delivered)	9216	

INFORMATION RELATING TO TECHNICAL GUARANTEES, IN RESPECT OF SALES OR SERVICES**INFORMATION CONCERNING IMPORTANT LITIGATION AND OTHER COMMITMENTS NOT MENTIONED ABOVE****IF THERE IS A SUPPLEMENTARY RETIREMENTS OR SURVIVOR'S PENSION PLAN IN FAVOUR OF THE PERSONNEL OR THE EXECUTIVES OF THE ENTERPRISE, A BRIEF DESCRIPTION OF SUCH PLAN OF THE MEASURES TAKEN BY THE ENTERPRISE TO COVER THE RESULTING CHARGES**

The enterprise provides a system of supplementary pension plan in favour of the employees.

The obligations which arise under this system are covered by a contract with an insurance company.

Its costs were booked through the premium billing charged to the financial year to which they relate

	Code	Period
PENSIONS FUNDED BY THE ENTERPRISE		
Estimated amount of the commitments resulting for the enterprise from past services	9220	

NATURE AND BUSINESS PURPOSE OF OFF-BALANCE SHEET ARRANGEMENTS..

Provided the risks or benefits arising from such arrangements are material and where the disclosure of such risks or benefits is necessary for assessing the financial position of the company; if required, the financial impact of these arrangements have to be mentioned too:

Jaguar Land Rover Belux NV has a factoring contract with FGA Capital Belgium, in which the trade receivables are factored 'without recourse'. We therefore see in the figures of Jaguar Land Rover Belux NV a receivable on FGA Capital Belgium.

C 5.14

RELATIONSHIPS WITH AFFILIATED ENTERPRISES AND ENTERPRISES LINKED BY PARTICIPATING INTERESTS

	Codes	Period	Previous period
AFFILIATED ENTERPRISES			
Financial fixed assets	(280/1)		
Investments	-280		
Amounts receivable subordinated	9271		
Other amounts receivable	9281		
Amounts receivable	9291	2,669,106,187.89	303,520,796.14
After one year	9301		
Within one year	9311	2,669,106,187.89	303,520,796.14
Current investments	9321		
Shares	9331		
Amounts receivable	9341		
Amounts payable	9351	3,124,666,585.03	391,533,949.75
After one year	9361		
Within one year	9371	3,124,666,585.03	391,533,949.75
Personal and real guarantees			
Provided or irrevocably promised by the enterprise, as security for debts or commitments of affiliated enterprises	9381		
Provided or irrevocably promised by affiliated enterprises as security for debts or commitments of the enterprise	9391		
Other substantial financial commitments	9401		
Financial results .			
Income from financial fixed assets	9421		
Income from current assets	9431	1,646,219.76	113,667.37
Other financial income	9441		
Debts charges	9461		
Other financial charges	9471		
Gains and losses on disposal of fixed assets			
Obtained capital gains	9481		
Obtained capital losses	9491		
ENTERPRISES LINKED BY PARTICIPATING INTERESTS			
Financial fixed assets	(282/3)		
Investments	-282		
Amounts receivable subordinated	9272		
Other amounts receivable	9282		
Amounts receivable	9292		
After one year	9302		
Within one year	9312		
Amounts payable	9352		
After one year	9362		
Within one year	9372		

TRANSACTIONS WITH RELATED PARTIES OUTSIDE NORMAL MARKET CONDITIONS

Mention of such operations if they are material, stating the amount of these transactions, the nature of the relationship with the related party and other information about the transactions necessary for the understanding of the financial position of the company:

Due to lack of legal criteria that allow to identify transactions with related parties outside normal market conditions, no information could be disclosed.

Period

FINANCIAL RELATIONSHIPS WITH

	Codes	Period
DIRECTORS AND MANAGERS, INDIVIDUALS OR BODIES CORPORATE WHO CONTROL THE ENTERPRISE WITHOUT BEING ASSOCIATED THEREWITH OR OTHER ENTERPRISES CONTROLLED BY THESE PERSONS, OTHER ENTERPRISES CONTROLLED BY THE SUB B. MENTIONED PERSONS WITHOUT BEING ASSOCIATED THEREWITH		
Amounts receivable from these persons	9500	
Conditions on amounts receivable		
Guarantees provided in their favour	9501	
Guarantees provided in their favour - Main condition		
Other significant commitments undertaken in their favour	9502	
Other significant commitments undertaken in their favour - Main condition		
Amount of direct and indirect remunerations and pensions, included in the income statement, as long as this disclosure does not concern exclusively or mainly, the situation of a single identifiable person		
To directors and managers	9503	
To former directors and former managers	9504	

	Codes	Period
AUDITORS OR PEOPLE THEY ARE LINKED TO		
Auditor's fees	9505	5,575,331.30
Fees for exceptional services or special missions executed in the company by the auditor		
Other attestation missions	95061	
Tax consultancy	95062	
Other missions external to the audit	95063	
Fees for exceptional services or special missions executed in the company by people they are linked to		
Other attestation missions	95081	
Tax consultancy	95082	
Other missions external to the audit	95083	

Mention related to article 133 paragraph 6 from the Companies Code

INFORMATION RELATING TO CONSOLIDATED ACCOUNTS**INFORMATION THAT MUST BE PROVIDED BY EACH COMPANY, THAT IS SUBJECT OF COMPANY LAW ON THE CONSOLIDATED ANNUAL ACCOUNTS OF ENTERPRISES**

The enterprise has drawn up published a consolidated annual statement of accounts and a management report*

The enterprise has not published a consolidated annual statement of accounts and a management report, since it is exempt for this obligation for the following reason*

The enterprise and its subsidiaries on consolidated basis exceed not more than one of the limits mentioned in art. 16 of Company Law*

The enterprise itself is a subsidiary of an enterprise which does prepare and publish consolidated accounts, in which her yearly statement of accounts is included*

If yes, justification of the compliance with all conditions for exemption set out in art. 113 par. 2 and 3 of Company Law:

Name, full address of the registered office and, for an enterprise governed by Belgian Law, the company number of the parent company preparing and publishing the consolidated accounts required:

INFORMATION TO DISCLOSE BY THE REPORTING ENTERPRISE BEING A SUBSIDIARY OR A JOINT SUBSIDIARY

Name, full address of the registered office and, for an enterprise governed by Belgian Law, the company number of the parent company(ies) and the specification whether the parent company(ies) prepare(s) and publish(es) consolidated annual accounts in which the annual accounts of the enterprise are included**

Jaguar Ltd
Browns Lane
CV5 9DR Allesley Coventry, United Kingdom

The enterprise draws up consolidated annual accounts data for the major part of the enterprise

If the parent company(ies) is (are) (an) enterprise(s) governed by foreign law disclose where the consolidated accounts can be obtained**

Jaguar Ltd
Browns Lane
CV5 9DR Allesley Coventry, United Kingdom

RUPEE

82.39

69.566

SOCIAL REPORT

Numbers of joint industrial committees which are competent for the enterprise: 218

STATEMENT OF THE PERSONS EMPLOYED

EMPLOYEES FOR WHOM THE COMPANY HAS SUBMITTED A DIMONA DECLARATION OR ARE RECORDED IN THE GENERAL PERSONNEL REGISTER

During the period

Codes	Total	1. Men	2. Women
Average number of employees			
Full-time	1001 22.7	15.5	7.2
Part-time	1002 1.5	0	1.5
Total of full-time equivalents	1003 24	15.5	8.5
Number of hours actually worked			
Full-time	1011 39,785.00	27,288.00	12,497.00
Part-time	1012 2,257.00	0.00	2,257.00
Total	1013 42,042.00	27,288.00	14,754.00
Personnel costs			
Full-time	1021 312,980,332.39	217,973,891.54	95,006,441.67
Part-time	1022 11,911,924.78		11,911,924.78
Total	1023 324,892,257.17	217,973,891.54	106,918,365.62
Advantages in addition to wages	1033 2,159,002.76	1,395,240.87	763,761.89

During the previous period

Codes	Total	1. Men	2. Women
Average number of employees in FTE	1003 14.1	9.3	4.8
Number of hours actually worked	1013 24,084.00	16,007.00	8,077.00
Personnel costs	1023 111,894,202.80	68,642,517.61	43,251,685.18
Advantages in addition to wages	1033 1,387,842.40	851,384.88	536,457.51

Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
At the closing date of the period			
Number of employees recorded in the personnel register	105 33	2	34.7
By nature of the employment contract			
Contract for an indefinite period	110 33	2	34.7
Contract for a definite period	111		
Contract for the execution of a specifically assigned work	112		
Replacement contract	113		
According to the gender and by level of education			
Male	120 22		22
primary education	1200		
secondary education	1201		
higher education (non-university)	1202		
university education	1203 22		22
Female	121 11	2	12.7
primary education	1210		
secondary education	1211		
higher education (non-university)	1212		
university education	1213 11	2	12.7
By professional category			
Management staff	130		
Employees	134 33	2	34.7
Workers	132		
Other	133		

HIRED TEMPORARY STAFF AND PERSONNEL PLACED AT THE ENTERPRISE'S DISPOSAL

Codes	1. Temporary personnel	2. Persons placed at the disposal of the enterprise
During the period		
Average number of employees	150 1	
Number of hours actually worked	151 1,184.00	
Charges of the enterprise	152 3,395,593.45	

TABLE OF PERSONNEL CHANGES DURING THE PERIOD

ENTRIES

Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees recorded on the personnel register during the financial year	205 20	1	20.8
By nature of the employment contract			
Contract for an indefinite period	210 20	1	20.8
Contract for a definite period	211		
Contract for the execution of a specifically assigned work	212		
Replacement contract	213		

Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
DEPARTURES			
The number of employees with a in the staff register listed			
date of termination of the contract during the period	305	1	1.0
By nature of the employment contract			
Contract for an indefinite period	310	1	1.0
Contract for a definite period	311		
Contract for the execution of a specifically assigned v	312		
Replacement contract	313		
According to the reason for termination of the employment contract			
Retirement	340		
Early retirement	341		
Dismissal	342		
Other reason	343	1	1.0
Of which the number of persons who continue to render services to the enterprise at least			
half-time on a self-employed basis	350		

INFORMATION WITH REGARD TO TRAINING RECEIVED BY EMPLOYEES DURING THE PERIOD

	Codes	Male	Codes	Female
Total number of official advanced professional training projects at				
company expense				
Number of participating employees	5801	1	5811	1
Number of training hours	5802	8	5812	4
Costs for the company	5803	44,708.93	5813	21,025.10
of which gross costs directly linked to the training	58031		58131	
of which paid contributions and deposits in collective	58032	44,708.93	58132	21,025.10
of which received subsidies (to be deducted)	58033		58133	
Total number of less official and unofficial advance professional training projects at company expense				
Number of participating employees	5821		5831	
Number of training hours	5822		5832	
Costs for the company	5823		5833	
Total number of initial professional training projects at company expense				
Number of participating employees	5841		5851	
Number of training hours	5842		5852	
Costs for the company	5843		5853	

C7: Valuation Rules

Additional information

As a result of the merger of Land Rover Belux NV and Jaguar Belux NV a number of legal and logical controls are not applicable, mainly those related to inventory, provisions for liabilities and charges, deferred taxes and the roll-forward of the number of employees.

As a result of the merger of Land Rover Belux NV and Jaguar Belux NV the equity of both companies were combined and the changes in equity will therefor not reconcile with the result appropriation, particularly the changes in reserves and retained earnings.

C8: Annual Report of the Board Of Directors

C9: Report of the auditor (only in Dutch)

Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (Euros) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate EUR 1 = Rs 82.390 and Rs 69.566 for the years ended 31 March 2014 and 2013 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Date	INR
31/03/2014	82.39
31/03/2013	69.566

The present valuation rules were drawn up in compliance with the provisions set out in Volume II, Title I, Chapter II of the Royal Decree of 30 January 2001 implementing the Act of 7 May 1999, Companies Code.

The valuation rules concern the valuation of all properties, receivables, debts and obligations of any nature whatsoever related to the company and the equity capital granted to it. When determining and applying the valuation rules it is assumed the company intends to continue doing business.

1. General valuation rules

Separate valuation of the assets

Each asset is valued separately. The depreciations and devaluations are specific to the assets they concern. The reserves for risks and costs are individualised.

Prudence, sincerity and good faith

The valuations, the depreciations, the devaluations and the reserves for risks and costs meet the prudence, sincerity and good faith requirements.

The depreciations, the devaluations and the reserves for risks and costs are systematically generated and are not dependent on the results for the financial year.

In cases in which the valuation, the foreseeable risks, the possible losses and the devaluations are inevitably aleatory because of a lack of objective evaluation criteria, this will be recorded in the explanatory note if the relevant amounts are important in respect of the true and fair view requirement.

The devaluations and the reserves for risks and costs that are higher than required are not maintained.

Purchase value - Nominal value - Revaluation

The general rule is that every asset is valued at purchase value and that this amount is entered in the balance sheet after deduction of the relevant depreciations and devaluations. The receivables, however, are valued at their

nominal value. The tangible fixed assets, the participations and shares under the financial fixed assets may be revalued in compliance with Article 34 of the above-mentioned R.D.

2. Special rules

Establishment costs

The establishment costs are borne during the financial year in which they were laid out.

Intangible fixed assets

Intangible fixed assets not acquired from third parties are only entered in the assets at production cost insofar as this cost does not exceed a cautious estimate of the use value or of the future yield of these fixed assets for the company. For intangible fixed assets acquired from third parties with limited useful life the following depreciation percentages are used:

Goodwill: 10% Linear

Tangible fixed assets

(a) Valuation gross value

The tangible fixed assets are valued at purchase value and this amount is entered in the balance sheet after deduction of the relevant depreciations en devaluations. In addition to the purchase price the purchase value comprises the additional costs.

(b) Depreciations

Tangible fixed assets with a limited useful life are depreciated linearly or degressively in compliance with the plan drawn up by the Board of Directors.

The following depreciation percentages are used:

Adaptation works to buildings: not applicable

Installations, machines and equipment: 10 % Linear

Office furniture: 10 % Degressive

Computers 20 % Degressive

Rolling stock 20 % Linear

Inventories

The raw materials, consumables and goods for resale are valued on the basis of their purchase value (individualised) at purchase value or at the market value on the balance sheet date if it is lower. Specific devaluations are provided in order to take into account slowly rotating and disused inventories.

Financial fixed assets

The participations and the guarantees paid in cash are entered at their purchase value.

Receivables

Are entered at nominal value. The necessary devaluations are entered on the outstanding receivables and the doubtful debts insofar as there is some uncertainty about the debt being paid on the due date.

Liquid assets

Liquid assets are valued at nominal value

Reserves for risks and costs are created in order to meet:

- The company's obligations regarding retirement and survival pensions, early retirement schemes and other similar pensions;
- The costs of major repair or maintenance works;
- The loss or cost risks resulting from personal or collateral securities granted to guarantee debts or third party obligations, from obligations to purchase or sell fixed assets, from the execution of orders placed or received, from forward positions or forward contracts in goods, from technical warranties linked to sales or services already supplied by the company, from pending disputes.

Debts

Debts are entered in the balance sheet at nominal value.

Foreign currency receivables and debts

Foreign currency receivables and debts are converted at the indicative rate of the N.B.B. (Belgian National Bank) on the balance sheet date. Non-realised exchange rates – resulting profits or losses are entered in the financial results.

Carried-forward accounts

The costs to be carried forward include costs incurred during the financial year but which will be paid in the following financial year. The accrued income, i.e. the income that will only be received in the following financial year but which is related to the past financial year, is also entered here.

This concerns costs that will only be paid in a subsequent financial year but which are related to the past financial year. These costs are valued at nominal value. This also concerns the income to be carried forward, i.e. income generated during the financial year or during the previous financial year but which is related to a subsequent financial year.

Free explanation concerning VOL 5.14 statement 18Bis

Transactions with related parties outside normal market conditions:

As this does not apply it has not been completed. This is due to the fact that the company does not engage in any significant transactions with related parties. In compliance with the RD related parties does not refer to companies that are “almost” entirely owned by the Tata Motors Group to which the company belongs.



Jaguar Cars South Africa (Proprietary) Ltd
(Registration Number: 2000/026853/07)

**Financial statements
for the year ended 31 March 2014**

Jaguar Cars South Africa (Proprietary) Limited
(Registration number 2000/026853/07)
Financial Statements for the year ended 31 March 2014

General Information

Country of incorporation and domicile	South Africa (unless otherwise noted)
Nature of business and principal activities	Non Trading dormant entity
Directors	R Reid K Flynn D van Bergen A. Lamprecht
Registered offices	Simon Vermooten Road Silverton Pretoria 0184 South Africa
Business address	Simon Vermooten Road Silverton Pretoria 0184 South Africa
Postal address	Private Bag X2 Pierre van Ryneveld 0045
Holding company	Jaguar Land Rover Limited incorporated in the United Kingdom
Auditors	Deloitte Registered Auditor
Secretary	M. Stow
Company registration number	2000/026853/07

Jaguar Cars South Africa (Proprietary) Limited
(Registration number 2000/026853/07)
Financial Statements for the year ended 31 March 2014

Balance Sheet at 31st March 2014

	Notes	<u>31/03/14</u> INR	<u>31/03/14</u> INR
Assets			
Non-current Assets			
Loan to Parent Undertaking	2	<u>6</u>	<u>6</u>
Total assets		<u>6</u>	<u>6</u>
Equity and liabilities			
Equity			
Share capital	3	<u>6</u>	<u>6</u>
Total Equity		<u>6</u>	<u>6</u>

Notes to the Financial Statements

1. Accounting Policy

The financial statements are prepared in accordance with IFRS based on the historical cost convention. The Company was dormant and did not trade in either financial period.

2. Loan to Parent Undertaking

The loan is unsecured, interest free and for an indefinite period

3. Share Capital

Authorised

1,000 Ordinary Shares of 1 Rand each

5,686 **5,874**

Issued

1 Ordinary Share of 1 Rand each

6 **6**

4. Taxation

No provision for taxation was made had no taxable income

5. Income Statement and Cash Flow Statement

The financial statements are prepared in accordance with IFRS based on the historical cost convention. The Company was dormant and did not trade in either financial period.

6. Conversion to Indian Rupee

The financial information is expressed in the local currency of the relevant company (South African Rand) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate ZAR South African Rand 1 = Rs 5.686 for current year balance and ZAR South African Rand 1= Rs 5.874 for all previous years balances . These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

The Jaguar Collection Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

Registered in England and Wales
Registered Number: 2018432

The Jaguar Collection Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

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The Jaguar Collection Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors and Advisors

Directors

K.D.M Gregor
K. J. Benjamin

Secretary

S. L. Pearson

Assistant Secretary

R. M.A. Bielby

Registered Office

Abbey Road
Whitley, Coventry
CV3 4LF

The Jaguar Collection Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

The directors submit the annual report and financial statements for the year ended 31 March 2014 for The Jaguar Collection Limited.

Review of business

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the period and preceeding financial period. It is anticipated that the company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

Directors

The directors of the company who held office during the period and subsequently are :

K.D.M.Gregor
K. J. Benjamin

The directors have no notifiable interests in the share capital of the company or any other group company.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Jaguar Collection Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

Auditors

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.

By order of the board :

S Pearson
Company Secretary

The Jaguar Collection Limited Annual Report and Financial Statements for the year ended 31 March 2014

Balance sheet as at 31 March 2014

	Notes	2014 INR'000s	2013 INR'000s
Amounts owed by parent company		<u>52</u>	<u>43</u>
Capital and reserves			
Called up share capital	3	10	8
Profit and loss account		42	35
Total shareholders' funds		<u>52</u>	<u>43</u>

- a) For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.
- b) Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 4 and 5 were approved by the Board of Directors on July 2014 and were signed on its behalf by:

K.D.M. Gregor
Director

The Jaguar Collection Limited Annual Report and Financial Statements for the year ended 31 March 2014

Notes to the financial statements for the year ended 31 March 2014

1 Profit and Loss Account

The company did not trade during the period and has made neither a profit nor loss, therefore no profit and loss account is attached.

2 Directors' Emoluments

There are no employees other than the directors and they received no remuneration for their services to the company during the year ended 31 March 2014 (31 March 2013: nil).

3 Called-up Share Capital

	2014 INR'000s	2013 INR'000s
Authorised, allotted, called-up and fully paid Ordinary shares of £1 each	<u>10</u>	<u>8</u>

4 Immediate and Ultimate parent undertaking and controlling party

The immediate parent undertaking as at 31 March 2014 was Jaguar Land Rover Limited by virtue of its 100% holding in the ordinary share capital of the company.

The ultimate parent undertaking and controlling party is Tata Motors Limited, a company incorporated in Mumbai, India, which is the parent undertaking of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is headed by Jaguar Land Rover Automotive PLC. Copies of the annual report of Tata Motors Limited can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody street, Mumbai - 400001, India.

5 Conversion to Indian Rupee

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances . These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Jaguar Cars Limited
(previously Jaguar Land Rover Automotive Limited)
Annual Report and Financial Statements
for the year ended 31 March 2014

Registered in England and Wales
Registered Number: 1672067

Jaguar Cars Limited (previously Jaguar Land Rover
Automotive Limited)
Annual Report and Financial Statements
for the year ended 31 March 2014

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Jaguar Cars Limited (previously Jaguar Land Rover Automotive Limited) Annual Report and Financial Statements for the year ended 31 March 2014

Directors and advisors

Directors

K.D.M. Gregor
K. J. Benjamin

Company Secretary

S.L. Pearson

Assistant Secretaries

R.M.A. Bielby

Registered office

Abbey Road
Whitley, Coventry
CV3 4LF

Jaguar Cars Limited (previously Jaguar Land Rover Automotive Limited) Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2014.

Review of business

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the period and preceeding financial period. It is anticipated that the company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

On 28 December 2013, the company changed its name from Jaguar Land Rover Automotive Limited to Jaguar Cars Limited.

Directors

The directors who held office during the period and subsequently are as follows:

K.D.M. Gregor
K. J. Benjamin

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Jaguar Cars Limited (previously Jaguar Land Rover Automotive Limited) Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

Auditors

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.

By order of the board

S Pearson
Company Secretary

Jaguar Cars Limited (previously Jaguar Land Rover Automotive Limited) Annual Report and Financial Statements for the year ended 31 March 2014

Balance sheet as at 31 March 2014

	Notes	2014 INR'000s	2013 INR'000s
Current assets			
Amounts owed by parent company		<u>10</u>	<u>8</u>
 Capital and reserves			
Called up share capital	3	10	8
Capital reserve	4	85,479	70,734
Profit and loss account		(85,479)	(70,734)
Total shareholders' funds		<u>10</u>	<u>8</u>

- For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.
- Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 4 and 5 were approved by the Board of Directors on July 2014 and were signed on its behalf by:

K.D.M. Gregor
Director

Jaguar Cars Limited (previously Jaguar Land Rover Automotive Limited) Annual Report and Financial Statements for the year ended 31 March 2014

Notes to the financial statements for the year ended 31 March 2014

1 Profit and Loss Account

The company did not trade during the period and has made neither a profit nor loss, therefore no profit and loss account is attached.

2 Directors' Emoluments

There are no employees other than the directors and they received no remuneration for their services to the company during the year ended 31 March 2014 (31 March 2013: nil).

3 Called-up Share Capital

	2014 INR'000s	2013 INR'000s
Authorised, allotted, called-up and fully paid Ordinary shares of £1 each	10	8

4 Reserves

A capital contribution of Rs 85,479,000 was received from its immediate parent undertaking in July 2007.

5 Immediate and Ultimate parent undertaking and controlling party

The immediate parent undertaking as at 31 March 2014 was Jaguar Land Rover Limited by virtue of its 100% holding in the ordinary share capital of the company.

The ultimate parent undertaking and controlling party is Tata Motors Limited, a company incorporated in Mumbai, India, which is the parent undertaking of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is headed by Jaguar Land Rover Automotive PLC. Copies of the annual report of Tata Motors Limited can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody street, Mumbai - 400001, India.

6 Conversion to Indian Rupee

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

**Jaguar Land Rover Holdings
Limited (formerly Land Rover)**

Annual report and financial statements

Year ended 31 March 2014

(Registered number: 4019301)

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Strategic report

The directors present their annual report and the audited financial statements of Jaguar Land Rover Holdings Limited (“the company”) for the year ended 31 March 2014.

Re-registration as a company limited by shares

On 4 October 2013, the company, then known as Land Rover and registered as unlimited, re-registered under the Companies Act 2006 as a company limited by shares and changed its name to Jaguar Land Rover Holdings Limited.

Principal activity

The principal activity of the company until 31 December 2012 was the design, development, manufacture and sale of premium off-road vehicles and related components. On 1 January 2013, the company transferred its net assets and trade to Jaguar Land Rover Limited and ceased its former trade. The company’s principal activity is now to act as a holding company for investments in group companies.

Review of business and future developments

The company does not trade and therefore has no revenue. Interest was earned on finance receivables of R 49.8 million and a dividend was received of R 14,943.9 million from the company’s principal subsidiary undertaking. There are no plans for any future developments in the company.

Key performance indicators

Given the cessation of the former trade of the company, the directors do not consider any key performance indicators to be relevant to the understanding of the financial performance or financial position of the company.

Principal risks and uncertainties

Following the cessation of the former trade of the company, the directors do not consider that the company has any principal risks and uncertainties.

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

S.L.Pearson
Company Secretary
July 2014

Registered Office:

Abbey Road
Whitley
Coventry
CV3 4LF

Directors' report

Results and dividends

The income statement shows a net income before tax for the financial period of Rs 14,993.7 million (2013: Rs 99,439.4 million).

A dividend of Rs 14,943.9 million (2013: Rs 12,374.3 million) was paid during the year. The directors recommend that no further dividend should be proposed in respect of the financial results for the year ended 31 March 2014.

Going concern and post balance sheet events

The directors have considered the financial position of the company at 31 March 2014 (net assets of Rs 348,211.7 million (2013: net assets of Rs 288,103.9 million)) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements.

Following the transfer of trade and net assets to Jaguar Land Rover Limited on 1 January 2013, the directors have prepared these financial statements on a basis other than going concern to meet financial reporting requirements under IFRS. Had the accounts been prepared on a going concern basis there would be no difference to the figures as reported in the primary statements nor would the net assets of the company as at 31 March 2014 be affected.

Directors

The directors who held office during the year and subsequently are as follows:

P. W. Cope (resigned 31 December 2013)	P. C. Popham
W. K. Epple	W. Stadler (appointed 17 February 2014)
K. D. M. Gregor	Dr. R. D. Speth
P. Hodgkinson	M. D. Wright

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Independent auditor

In accordance with Sections 485-488 of the Companies Act 2006 the company has elected to dispense with laying financial statements before the general meeting, holding annual general meetings and the annual appointment of an auditor. With such an election in force the company's auditor shall be deemed to be re-appointed for each succeeding financial year in accordance with Section 386 of the Act.

Statement of disclosure of information to auditor

In the case of each of the persons who are directors at the time when the report is approved under section 418(2) the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

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

S.L.Pearson
Company Secretary
July 2014

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditor's report to the members of Jaguar Land Rover Holdings Limited

We have audited the financial statements of Jaguar Land Rover Holdings Limited for the year ended 31 March 2014 which comprise the Income statement, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Cash flow statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 2 to the financial statements, the company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Richard Knights (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountant and Statutory Auditor

Birmingham, United Kingdom

Income statement

	<i>Note</i>	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Revenue	3	-	6573,520.3
Material and other cost of sales	4	-	(405,086.6)
Employee cost	5	-	(40,123.7)
Other expenses		-	(68,763.4)
Development costs capitalised		-	27,353.7
Other income		-	676.0
Depreciation and amortisation		-	(18,326.5)
Foreign exchange gain		-	3,264.6
Finance income	8	14,993.7	33,998.4
Finance expense (net)	8	-	(6,743.6)
Share of loss from associates		-	(329.8)
Net income before tax	9	14,993.7	99,439.4
Income tax expense	10	-	(17,592.7)
Net income attributable to shareholders		14,993.7	81,846.7

Statement of comprehensive income

	<i>Note</i>	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Net income		14,993.7	81,846.7
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss on defined benefit obligation	20	-	(10,057.7)
Income tax related to items that will not be reclassified	14	-	1,574.6
		<u>-</u>	<u>(8,483.1)</u>
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges booked in equity		-	16,529.3
Income tax related to items that may be reclassified	14	-	(3,817.0)
		<u>-</u>	<u>12,712.3</u>
Total other comprehensive income net of tax		<u>-</u>	<u>4,229.2</u>
Total comprehensive income attributable to shareholders		<u><u>14,993.7</u></u>	<u><u>86,075.8</u></u>

Balance sheet

	<i>Note</i>	31 March 2014 Rs m	31 March 2013 Rs m
Non-current assets			
Investments	11	348,211.7	281,253.1
Pension asset	20	-	-
Property, plant and equipment	12	-	-
Intangible assets	13	-	-
Total non-current assets		348,211.7	281,253.1
Current assets			
Finance receivables	15	-	6,850.8
Trade receivables	16	-	-
Total current assets		-	6,850.8
Total assets		348,211.7	288,103.9
Total liabilities		-	-
Equity attributable to shareholders			
Ordinary shares	17	498.2	412.2
Reserves	18	347,713.5	287,691.7
Total equity attributable to shareholders		348,211.7	288,103.9
Total liabilities and equity		348,211.7	288,103.9

These financial statements were approved by the board of directors and authorised for issue on signed on its behalf by:

July 2014. They were

K. D. M. Gregor
Director

Company registered number: 4019301

Statement of changes in equity

	Ordinary share capital Rs m	Reserves Rs m	Total equity Rs m
Balance at 31 March 2013	412.2	287,691.7	288,103.9
Income for the year	-	14,993.7	14,993.7
Total comprehensive income	-	14,993.7	14,993.7
Dividend paid	-	(14,949.9)	(14,943.9)
Balance at 31 March 2014	498.1	347,713.5	348,211.7

	Ordinary share capital Rs m	Share premium Rs m	Reserves Rs m	Total equity Rs m
Balance at 31 March 2012	55,482.3	53,108.0	89,324.0	197,914.3
Income for the year	-	-	81,846.7	81,846.7
Other comprehensive income for the year	-	-	4,229.2	4,229.2
Total comprehensive income	-	-	86,075.8	86,075.8
Issue of shares	16,488.0	-	-	16,488.0
Reduction of share capital	(71,558.1)	-	71,558.1	-
Realisation of share premium	-	(53,108.0)	53,108.0	-
Dividend paid	-	-	(12,374.3)	(12,374.3)
Balance at 31 March 2013	412.2	-	287,691.7	288,103.9

Cash flow statement

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Cash flows from operating activities		
Net income attributable to shareholders	14,993.7	81,846.7
<i>Adjustments for:</i>		
Depreciation and amortisation	-	18,326.5
Loss on sale of fixed assets	-	57.7
Income tax	-	17,592.7
Finance expense (net)	-	6,743.6
Finance income	(14,993.7)	(33,998.4)
Loss from associates		4.0
Cash flows from operating activities before changes in assets and liabilities	-	90,898.6
Trade receivables	-	135,465.8
Finance receivables	8,278.9	(148,01.2)
Other financial assets	-	3,1198.7
Other current assets	-	(1,220.1)
Inventories	-	(10,082.4)
Accounts payable	-	34,699.1
Other current liabilities	-	(1,929.1)
Other financial liabilities	-	(4,237.4)
Provisions	-	6,413.8
Cash generated from operations	8,278.9	14,295.1
Income tax paid	-	-
Net cash generated from operating activities	8,278.9	105,193.7
Cash flows used in investing activities		
Purchases of property, plant and equipment	-	(33,025.6)
Proceeds from the sale of fixed assets and intangibles	-	115.4
Cash paid for intangible assets	-	(37,279.5)
Increase in investment in subsidiary	(10,699.8)	-
Transfer of interest in associate	2,371.1	-
Finance income received	49.8	7,394.9
Dividends received	14,943.9	26,603.5
Net cash generated from/ (used in) investing activities	6,665.0	(36,191.3)
Cash flows from financing activities		
Interest paid	-	(6,512.8)
Repayment of short term debt	-	(72,094.0)
Finance lease liability paid	-	(255.6)
Dividends paid	(14,943.9)	(12,374.3)
Net cash used in financing activities	(14,943.9)	(91,239.6)
Net change in cash and cash equivalents	-	(22,234.2)
Transfer of cash to Jaguar Land Rover Limited	-	(130,346.2)
Cash and cash equivalents at beginning of year	-	152,580.4
Cash and cash equivalents at end of year	-	-

Notes to the financial statements

1 Background and operations

On 4 October 2013, the company, then known as Land Rover and registered as unlimited, re-registered under the Companies Act 2006 as a company limited by shares and changed its name to Jaguar Land Rover Holdings Limited.

The principal activity of the company until 31 December 2012 was the design, development, manufacture and sale of premium off-road vehicles and related components. On 1 January 2013, the company transferred its net assets and trade to Jaguar Land Rover Limited and ceased its former trade. The company's principal activity is now to act as a holding company for investments in group companies.

The company is incorporated and domiciled in the UK and has its registered office at Whitley, Coventry, England. The company is an indirect subsidiary of Tata Motors Limited, India ("TATA Motors").

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as "IFRS") as approved by the EU. There is no difference between these accounts and the accounts for the company prepared under IFRS as adopted by the International Accounting Standards Board ("IASB").

The company is exempt from preparing group accounts under s.400 of the Companies Act 2006 and therefore these financial statements contain information about the company and not its group.

The company is included in the consolidated accounts of Jaguar Land Rover Automotive PLC which are available from the company's registered office.

Basis of preparation

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

Going concern

The directors have considered the financial position of the company at 31 March 2014 (net assets of Rs 348,211.7 million (2013: net assets of Rs 288,103.9 million) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements.

Following the transfer of trade and net assets to Jaguar Land Rover Limited on 1 January 2013, the directors have prepared these financial statements on a basis other than going concern to meet financial reporting requirements under IFRS. Had the accounts been prepared on a going concern basis there would be no difference to the figures as reported in the primary statements nor would the net assets of the company as at 31 March 2014 be affected.

The directors consider, after making appropriate enquiries that the company has adequate resources to continue in operational existence for the foreseeable future.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future periods affected.

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 consolidated financial statements are included in the following notes:

- (i) Note 11 – Investments – the company applies judgement in determining the carrying value of its investments.

Revenue recognition

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

Sale of products

The company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products is presented net of excise duty where applicable and other indirect taxes.

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

Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

Expenditures are capitalised where appropriate in accordance with the policy for internally generated intangible assets and represent employee costs, stores and other manufacturing supplies, and other expenses incurred for product development undertaken by the company.

Foreign currency

The company has a functional and presentation currency of GBP.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the income statement.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement except, when they relate to items that are recognised outside net income (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside net income, or where they arise from the initial accounting for a business combination.

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

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 unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year 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 against current tax 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.

Property, plant and equipment

Property, plant and equipment is stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, non-recoverable 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.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

	Estimated useful life (years)
Buildings	20 to 40
Plant and equipment	9 to 30
Computers	3 to 6
Vehicles	3 to 10
Furniture and fixtures	3 to 20

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital-work-in-progress includes capital prepayments.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

Intangible assets (including goodwill)

Intangible assets purchased including those acquired in business combination, are measured at cost or fair value as of the date of acquisition, where applicable, less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

Amortisation is provided on a straight-line basis over the estimated useful lives of the intangible assets.

The amortisation for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Capital-work-in-progress includes capital advances.

	Estimated amortisation period
Goodwill	Indefinite life
Product development	2 to 10 years
Intellectual property rights and other	Indefinite life
Software	2 to 8 years

Internally generated intangible assets

Research costs are charged to the income statement in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets, when feasibility has been established, the company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use.

Interest cost incurred is capitalised up to the date the asset is ready for its 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.

Product development cost is amortised over a period of between 24 months and 120 months.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

Employee benefits

Pension plans

The company operates several defined benefit pension plans, which are contracted out of the second state pension scheme. The assets of the plans are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service year as set out in rules of each fund.

Contributions to the plans by the company take into consideration the results of actuarial valuations. The plans with a surplus position at the year end have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the company is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognised.

The UK defined benefit schemes were closed to new joiners in April 2010. A separate defined contribution plan is available to new employees of Land Rover. Costs in respect of this plan are charged to the income statement as incurred.

Actuarial gains and losses

Actuarial gains and losses relating to retirement benefit plans are recognised in other comprehensive income in the year in which they arise. Actuarial gains and losses relating to long-term employee benefits are recognised in the income statement in the year in which they arise.

Measurement date

The measurement date of retirement plans is the period end date. The assets and liabilities of the pension plans were transferred to Jaguar Land Rover Limited on 1 January 2013.

Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. Financial instruments are recognised on the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets and financial liabilities at fair value through profit or loss: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. Financial assets and liabilities are measured at fair value with changes in fair value recognised in the consolidated income statement.

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

Available-for-sale financial assets: Available-for-sale financial assets are those non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other financial assets categories. Subsequently, these are measured at fair value and changes therein, other than impairment losses which are recognised directly in other comprehensive income, net of applicable deferred income taxes.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

Financial instruments (continued)

Equity instruments

An equity instrument in 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.

Other financial liabilities

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

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. Valuation techniques include discounted cash flow method and other valuation models.

Derecognition of financial assets and financial liabilities

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

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

When the financial asset is derecognised, the cumulative gain or loss in equity is transferred to the consolidated income statement.

Impairment of financial assets

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

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

Equity investments: Impairment loss on equity investments carried at cost is not reversed.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Financial instruments (continued)

Hedge accounting:

The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The company designates these forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised in other comprehensive income (net of tax), and the ineffective portion is recognised immediately in the income statement. Amounts accumulated in other comprehensive income are reclassified to the income statement in the periods in which the forecasted transactions occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is immediately transferred to the income statement for the year.

New accounting pronouncements

In the current year, the company adopted the following standards, revisions and amendments to standards and interpretations.

IAS 1 *Presentation of Financial Statements* was amended in June 2011 to revise the way other comprehensive income is presented. In particular, it requires entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently and requires tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items. The amendment is effective for annual periods beginning on or after 1 July 2012, with early adoption permitted.

IFRS 12 *Disclosure of Interests in Other Entities* applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard, issued in May 2011 and amended in June 2012 for transition guidance, requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted.

The adoption of IAS 1 and IFRS 12 has resulted in changes to the presentation and disclosure included in the financial statements. The adoption of the following standards, revisions and amendments to standards and interpretations in the current year has not had any impact on the financial statements.

IAS 19 *Employee Benefits* (issued June 2011)

IAS 27 *Separate Financial Statements* (amended May 2011)

IAS 28 *Investments in Associates and Joint Ventures* (issued May 2011)

IFRS 1 *First-time Adoption of International Financial Reporting Standards* (amended March 2012)

IFRS 7 *Financial Instruments: Disclosures* (amended December 2011)

IFRS 10 *Consolidated Financial Statements* (issued May 2011 and amended June 2012)

IFRS 11 *Joint Arrangements* (issued May 2011 and amended June 2012)

IFRS 13 *Fair Value Measurement* (issued May 2011)

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (issued October 2011)

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2009 – 2011 cycle.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

New accounting pronouncements *(continued)*

The following pronouncements, issued by the IASB, are not yet effective and have not yet been adopted by the company. The company does not expect a material impact on the financial statements as a result of adopting these pronouncements in future periods.

IAS 27 *Separate Financial Statements* (amended October 2012)

IFRS 10 *Consolidated Financial Statements* (amended October 2012)

IFRS 12 *Disclosure of Interests in Other Entities* (amended October 2012)

IAS 32 *Financial Instruments: Presentation* (amended December 2011)

IAS 36 *Impairment of Assets* (amended May 2013)

IAS 39 *Financial Instruments: Recognition and Measurement* (amended June 2013)

The following pronouncements, issued by the IASB, have not yet been endorsed by the EU, are not yet effective and have not yet been adopted by the company. The company does not expect a material impact on the financial statements as a result of adopting these pronouncements in future periods.

IAS 19 *Employee Benefits* (amended November 2013)

IFRS 9 *Financial Instruments* (issued November 2009, October 2010 and November 2013)

IFRS 14 *Regulatory Deferral Accounts* (issued January 2014)

IFRIC 21 *Levies* (issued May 2013)

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2010 – 2012 and 2011 – 2013 cycles.

Notes to the financial statements *(continued)*

3 Revenue

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Sale of goods	-	573,520.3
Total revenues	-	573,520.3

The company operated in the automotive segment. The company had only one operating segment, so no separate segmental report is given.

All assets are in the UK and all sales were made in the UK, either to third party dealers or related party exporters.

4 Material and other cost of sales

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Changes in inventories of finished goods and work in progress	-	3,676.8
Raw materials and consumables	-	401,409.8
	-	405,086.6

5 Employee numbers and costs

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Wages and salaries	-	30,684.3
Social security costs and benefits	-	3,544.9
Pension costs	-	5,894.5
Total employee costs	-	40,123.7

Employee numbers

	Average number in the year ended 31 March 2014	Average number in the year ended 31 March 2013
Manufacturing	-	3,605
Research and development	-	1,794
Other	-	1,360
Total employee numbers	-	6,759

Notes to the financial statements (continued)

6 Directors' emoluments

	Year ended 31 March 2014 Rs	Year ended 31 March 2013 Rs
Directors' emoluments	-	126,055,316
	<u>-</u>	<u>126,055,316</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was R nil (2013: R 22,197,691). He was a member of a defined benefit scheme, under which his accrued pension at the period end was R nil (2013: R nil). During the year, the highest paid director received long term incentive award payments of R nil (2013: R 7,633,800).

	Year ended 31 March 2014	Year ended 31 March 2013
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	-	5
	<u>-</u>	<u>5</u>

7 Long term incentive plan (LTIP)

The company operated an LTIP arrangement for certain employees. The scheme provided a cash payment to the employees based on a specific number of phantom shares at grant and the share price of Tata Motors Limited at the vesting date. The cash payment was dependent on the achievement of internal profitability targets over the 3 year vesting period and continued employment at the end of the vesting period. The cash payment had no exercise price and therefore the weighted average exercise price in all cases was R nil.

	Year ended 31 March 2014 Number	Year ended 31 March 2013 Number
Outstanding at the beginning of the year	-	967,615
Granted during the year	-	580,235
Vested during the year	-	(158,475)
Transferred to Jaguar Land Rover Limited	-	(1,389,375)
Outstanding at the end of the year	<u>-</u>	<u>-</u>

The weighted average share price of the nil (2013: 158,475) phantom stock awards vesting in the year was R nil (2013: R 344.60).

The amount charged in the year in relation to the long term incentive plan was R nil (2013: R 140.1 million).

The fair value of the awards was calculated using a Black Scholes model at the grant date. The fair value was updated at each reporting date as the awards are accounted for as cash settled under IFRS 2. The inputs into the model were based on the Tata Motors Limited historic data and the risk-free rate is calculated on government bond rates. The inputs used were:

	Year ended 31 March 2014	Year ended 31 March 2013
Risk-Free rate (%)	n/a	0.26
Dividend yield (%)	n/a	1.57
Weighted average fair value per phantom share	n/a	Rs 308.33

Notes to the financial statements (continued)

8 Finance income and expense

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Finance income	49.8	7,394.9
Dividends received	14,943.9	26,603.5
Total finance income	14,993.7	33,998.4

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Total interest expense on financial liabilities measured at amortised cost	-	10,239.1
Interest capitalised	-	(3,495.5)
Total finance expense	-	6,743.6

The capitalisation rate used to calculate borrowing costs eligible for capitalisation in 2014 was nil (2013: 8.0%).

9 Net income

Included in net income for the year are the following:

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Foreign exchange gain	-	(3,264.6)
Depreciation of property, plant and equipment	-	6,743.6
Amortisation of intangible assets (excluding internally generated development costs)	-	1,261.3
Amortisation of internally generated development costs	-	10,321.5
Research and development expense	-	6,314.9
Operating lease rentals in respect of plant, property and equipment	-	379.2
Loss on disposal of property, plant, equipment	-	57.7
Fees payable to the company's auditor for the audit of the company's financial statements	-	41.2
Fees payable to the company's auditor for amounts incurred on behalf of other group companies	-	16.5

In the current year, auditor's remuneration is borne by Jaguar Land Rover Limited and no recharges have been made to the company. The company's allocation for fees payable to the company's auditor for the audit of the annual financial statements is Rs 10.0m (2013: Rs 8.2 m). The company incurred no non-audit fees in either period.

Notes to the financial statements *(continued)*

10 Taxation

Recognised in the income statement

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Current tax expense		
Current year	-	2,184.7
Deferred tax expense		
Origination and reversal of temporary differences	-	15,952.2
Adjustments in respect of prior years	-	16.5
Impact of change in UK tax rate	-	(560.6)
Deferred tax expense	-	15,408.1
Total income tax expense	-	17,592.7

Reconciliation of effective tax rate

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Net income attributable to shareholders for the year	14,993.7	81,846.7
Total income tax expense	-	17,592.7
Net income excluding taxation	14,993.7	99,439.4
Tax using the company effective corporation tax rate of 23% (2013: 23%)	3,447.0	22,868.9
Enhanced deductions for research and development	-	(1,063.5)
Non-taxable income	(3,437.1)	(6,117.1)
[Group relief received for no consideration]	(10.0)	-
Non-deductible expenses	-	263.8
Prior year items	-	16.5
Irrecoverable withholding taxes	-	2,184.7
Impact of change in UK tax rate	-	(560.6)
Total income tax expense	-	17,592.7

Notes to the financial statements *(continued)*

11 Investments

Investments consist of the following:

	31 March 2014 Rs m	31 March 2013 Rs m
Unquoted equity investments at cost	348,211.7	281,253.1
	<u>348,211.7</u>	<u>281,253.1</u>

The company has the following investments in subsidiaries:

Name of Company	Principal place of business and country of incorporation	Class of share	Interest	Principal activity
Jaguar Land Rover Limited	England & Wales	Ordinary	100%	Manufacture and sale of motor vehicles and sale of parts
Jaguar Land Rover Auto Trade (Shanghai) Co. Ltd	China	Ordinary	100%	Sales and marketing

On 31 May 2013, the company transferred its 20% interest in the ordinary share capital of Chery Jaguar Land Rover Automotive Co. Limited (whose principal activity is the manufacture and assembly of motor vehicles) to a fellow group company, Jaguar Land Rover Limited at its book value of R 2,371.1 million.

On 31 March 2014, the company acquired a further 107,427,520 £1 ordinary shares in Jaguar Land Rover Limited, increasing its investment by R 10,699.8 million.

Notes to the financial statements *(continued)*

12 Property, plant and equipment

	Land and Buildings Rs m	Plant and Equipment Rs m	Vehicles Rs m	Computers Rs m	Fixtures & Fittings Rs m	Under Construction Rs m	Leased Assets Rs m	Total Rs m
Cost								
Balance at 1 April 2012	16,009.9	61,327.3	57.7	321.5	263.8	10,535.9	2,893.7	91,409.7
Additions	313.3	34,303.4	-	107.2	98.9	(1,797.2)	-	33,025.6
Disposals	-	(2,349.5)	-	(16.5)	(16.5)	-	-	(2,382.5)
Transfer to Jaguar Land Rover Limited	(16,323.2)	(93,281.1)	(57.7)	(412.2)	(346.2)	(8,738.7)	(2,893.7)	(122,052.8)
Balance at 31 March 2013	-	-	-	-	-	-	-	-
Balance at 1 April 2013 and 31 March 2014	-	-	-	-	-	-	-	-
Depreciation and impairment								
Balance at 1 April 2012	1,269.6	28,961.3	16.5	82.4	82.4	-	1,195.4	31,607.6
Depreciation charge for the year	445.2	6,042.9	-	33.0	16.5	-	206.1	6,743.6
Disposals	-	(2,209.4)	-	(8.2)	-	-	-	(2,217.6)
Transfer to Jaguar Land Rover Limited	(1,714.8)	(32,794.7)	(16.5)	(107.2)	(98.9)	-	(1,401.5)	(36,133.6)
Balance at 31 March 2013	-	-	-	-	-	-	-	-
Balance at 1 April 2013 and 31 March 2014	-	-	-	-	-	-	-	-
Net book value								
At 31 March 2012	14,740.3	32,366.0	41.2	239.1	181.4	10,535.9	1,698.3	59,802.1
At 31 March 2013 and at 31 March 2014	-	-	-	-	-	-	-	-

Notes to the financial statements *(continued)*

13 Intangible assets

	Software Rs m	Goodwill Rs m	Intellectual property rights and other intangibles Rs m	Capitalised product development Rs m	Total Rs m
Cost					
Balance at 1 April 2012	11,698.3	22,275.4	29,991.8	126,990.9	190,956.3
Acquisitions	6,430.3	-	-	30,849.1	37,279.5
Disposals	(82.4)	-	-	-	(82.4)
Transfer to Jaguar Land Rover Limited	(18,046.2)	(22,275.4)	(29,991.8)	(157,840.0)	(228,153.3)
Balance at 31 March 2013	-	-	-	-	-
Balance at 1 April 2013 and 31 March 2014	-	-	-	-	-
Amortisation and impairment					
Balance at 1 April 2012	5,622.4	-	-	21,096.5	26,718.9
Amortisation for the year	1,261.3	-	-	10,321.5	11,582.9
Disposals	(74.2)	-	-	-	(74.2)
Transfer to Jaguar Land Rover Limited	(6,809.5)	-	-	(31,418.0)	(38,227.5)
Balance at 31 March 2013	-	-	-	-	-
Balance at 1 April 2013 and 31 March 2014	-	-	-	-	-
Net book value					
At 31 March 2012	6,075.8	22,275.4	29,991.8	105,894.5	164,237.4
At 31 March 2013 and 31 March 2014	-	-	-	-	-

Notes to the financial statements *(continued)*

14 Deferred tax assets and liabilities

There are no deferred tax assets or deferred tax liabilities for the year ended 31 March 2014.

Significant components of deferred tax asset and liability for the year ended 31 March 2013:

	Opening balance Rs m	Recognised in net income / (loss) Rs m	Recognised in other comprehensive income Rs m	Transfer to Jaguar Land Rover Limited Rs m	Closing balance Rs m
Deferred tax assets					
Tangible assets	5,490.5	(2,654.6)	-	(2,835.9)	-
Derivative financial instruments	1,360.3	(1,162.4)	(3,817.0)	3,619.1	-
Provisions	49.5	321.5	-	(371.0)	-
Compensated absences and retirement benefits	5,226.7	610.1	1,574.6	(7,411.4)	-
Losses	11,327.3	(8,639.7)	-	(2,687.6)	-
Total deferred tax asset	23,454.2	(11,525.1)	(2,242.4)	(9,686.7)	-
Deferred tax liabilities					
Intangible assets	(26,636.4)	(11,525.1)	-	30,519.4	-
Total deferred tax liability	(26,636.4)	(3,882.9)	-	30,519.4	-
Total net deferred tax liability	(3,182.2)	(15,408.1)	(2,242.4)	20,832.6	-

Deferred tax assets have been offset against deferred tax liabilities as they are expected to unwind in the same company and the same period.

The unrecognised deferred tax asset amounted to Rs nil (2013: Rs nil) at the end of the year.

Notes to the financial statements *(continued)*

15 Finance receivables

Finance receivables primarily consist of loans to Group companies, the details of which are as follows:

	31 March 2014 Rs m	31 March 2013 Rs m
Total loan instalments to be received	-	6,850.8
	<u>-</u>	<u>6,850.8</u>
	<u><u>-</u></u>	<u><u>6,850.8</u></u>

16 Allowances for trade and other receivables

Changes in the allowances for trade and other receivables are as follows:

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
At beginning of year	-	428.7
Allowance used during the year (net)	-	(82.4)
Transfer to Jaguar Land Rover Limited	-	(346.2)
	<u>-</u>	<u>-</u>
At end of year	<u><u>-</u></u>	<u><u>-</u></u>

17 Capital and reserves

	31 March 2013 Rs m	31 March 2012 Rs m
Allotted, called up and fully paid		
500,000,000 ordinary shares of £0.01 each	498.2	412.2
	<u>498.2</u>	<u>412.2</u>
Capital presented as equity	<u><u>498.2</u></u>	<u><u>412.2</u></u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Notes to the financial statements (continued)

18 Other reserves

The movement of reserves is as follows:

	Profit and loss reserve Rs m	Total reserves Rs m
Balance at 1 April 2013	287,691.7	287,691.7
Net income for the year	14,993.7	14,993.7
Dividend paid	(14,943.9)	(14,943.9)
Balance at 31 March 2014	347,713.5	347,713.5

	Hedging reserve Rs m	Pension reserve Rs m	Profit and loss reserve Rs m	Total reserves Rs m
Balance at 1 April 2012	(1,286.1)	(40,346.2)	130,956.3	89,324.0
Net income for the year	-	-	81,846.7	81,846.7
Dividend paid	-	-	(12,374.3)	(12,374.3)
Movements in employee benefit plan	-	(10,057.7)	-	(10,057.7)
Cash flow hedges	16,529.3	-	-	16,529.3
Taxation in comprehensive income	-	-	(2,242.4)	(2,242.4)
Realisation of reserves	(15,243.2)	50,404.0	(35,160.8)	-
Reduction of share capital	-	-	71,558.1	71,558.1
Realisation of share premium	-	-	53,108.0	53,108.0
Balance at 31 March 2013	-	-	287,691.7	287,691.7

19 Dividends

During the year ended 31 March 2014 an ordinary share dividend of 30.00p per ordinary share of £0.01 totalling Rs 14,943.9 million was paid (2013: 30.02p per ordinary share of £0.01 totalling Rs 12,374.3 million).

Notes to the financial statements *(continued)*

20 Employee benefits

Up to 31 December 2012 Land Rover had pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each fund. The Land Rover Pension Scheme was transferred to Jaguar Land Rover Limited on 1 January 2013.

The following table sets out the disclosure pertaining to employee benefits of Land Rover prior to the transfer.

Change in defined benefit obligation

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Defined benefit obligation at beginning of the year	-	198,623.2
Service cost	-	4,122.0
Interest cost	-	7,732.9
Actuarial loss	-	10,494.6
Benefits paid	-	(2,959.6)
Member contributions	-	66.0
Transfer to Jaguar Land Rover Limited	-	(218,079.1)
Defined benefit obligation at end of year	-	-

Change in plan assets

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Fair value of plan asset at beginning of the year	-	180,148.4
Expected return on plan assets	-	6,158.3
Actuarial gain being actual return on assets differing from expected return on assets	-	436.9
Employer's contributions	-	2,019.8
Members contributions	-	66.0
Benefits paid	-	(2,959.6)
Transfer to Jaguar Land Rover Limited	-	(185,869.7)
Fair value of plan assets at end of year	-	-

Notes to the financial statements (continued)

20 Employee benefits (continued)

Experience adjustments

	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 December 2010
	Rs m	Rs m	Rs m	Rs m	Rs m
Present value of defined benefit obligation	-	-	(198,623.2)	(167,906.0)	(135,457.5)
Fair value of plan assets	-	-	180,148.4	155,441.1	137,361.9
Surplus/ (deficit)	-	-	(18,474.9)	(12,465.0)	1,904.4
Experience adjustments on plan liabilities (as a percentage of plan liabilities)	-	13,149.2 / NA	19,868.1 / 10.0%	21,195.4 / 12.6%	2,893.7 / (2.6%)
Experience adjustments on plan assets (as a percentage of plan assets)	-	2,473.2 / NA	5,086.6 / 2.5%	2,077.5 / 1.3%	78,235.8 / 5.7%

Amount recognised in other comprehensive income

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Actuarial loss	-	10,057.7
	<u>-</u>	<u>10,057.7</u>

Net pension and post retirement cost consists of the following components:

	Year ended 31 March 2014 Rs m	Year ended 31 March 2013 Rs m
Service cost	-	4,122.0
Interest cost	-	7,732.9
Expected return on plan assets	-	(6,158.3)
Net periodic pension cost	<u>-</u>	<u>5,696.6</u>

The assumptions used in accounting for the pension plans are set out below:

	Year ended 31 March 2014	Year ended 31 March 2013
Discount rate	n/a	4.6%
Rate of increase in compensation level of covered employees	n/a	3.2%
Inflation increase	n/a	2.7%
Expected rate of return on plan assets	n/a	4.6%

Defined contribution plan

The company's contribution to defined contribution plans aggregated Rs nil (2013: Rs 412.2 million).

Notes to the financial statements *(continued)*

21 Capital management

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

The policy of the group headed by Jaguar Land Rover Automotive PLC is to borrow centrally through capital market issues supported by committed borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure is governed according to group policies approved by the Board of Jaguar Land Rover Automotive PLC and is monitored by various metrics, notably conformity with EBITDA to debt and EBITDA to interest ratios, as per the debt covenants and rating agency guidance. Funding requirements are reviewed periodically with any debt issuances and capital distributions approved by the Board.

The following table summarises the capital of the company:

	31 March 2014 Rs m	31 March 2013 Rs m
Short term debt	-	-
Total debt	-	-
Equity	348,211.7	288,103.9
Total capital	348,211.7	288,103.9

Notes to the financial statements *(continued)*

22 Financial instruments

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(a) Financial assets and liabilities

The following table shows the carrying amounts and fair value of each category of financial assets:

	31 March 2014 Rs m	31 March 2013 Rs m
Finance receivables, classified as loans and receivables	-	6,850.8
Total financial assets	-	6,850.8

There are no financial liabilities at either year end. No financial instruments are held at fair value. There is considered to be no difference between the carrying value of financial assets and their fair value.

(b) Financial risk management

Following the transfer of trade and net assets, in the course of its business, the company was exposed primarily to fluctuations in credit risk at 31 March 2013, which may adversely impact the fair value of its financial instruments. The company is not exposed to significant financial risk at 31 March 2014 as it has no financial instruments at that date.

The company has a risk management policy which covers credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to create a stable business planning environment and achieve greater predictability to earnings.

(c) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of 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 consist of finance receivables.

Exposure to credit risk

The carrying amount of financial assets of Rs nil (2013: Rs 6,850.8 million) represents the maximum credit exposure.

Financial assets that are neither past due nor impaired

None of the company's finance receivables are past due or impaired. Regarding finance receivables that are neither impaired nor past due, there were no indications as at 31 March 2014 (2013: no indications) that defaults in payment obligations will occur.

Notes to the financial statements *(continued)*

23 Related party transactions

The company's related parties principally consist of Tata Sons Ltd, subsidiaries of Tata Sons Ltd, associates and joint ventures of Tata Sons Ltd. The company routinely enters into transactions with these related parties in the ordinary course of business. The company previously entered into transactions for sale and purchase of products with its associates.

There are no related party transactions and balances not eliminated in the consolidated financial statements for the year ended 31 March 2014.

The following table summarises related party transactions and balances not eliminated in the consolidated financial statements for the year ended 31 March 2013.

	With associates Rs m	With immediate parent Rs m
Sale of products	468,507.8	-
Goods received	191,673.5	-
Services received	2,885.4	742.0
	<u> </u>	<u> </u>

24 Ultimate parent company and controlling party

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

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

25 Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.



**Land Rover Group Limited
Annual Report and Financial Statements
For the year ended 31 March 2014**

**Registered in Jersey
Company Number: 76896**

Land Rover Group Limited Annual Report and Financial Statements for the year ended 31 March 2014

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Directors' report for the year ended 31 March 2014

The directors submit the annual report and financial statements for the year ended 31 March 2014 for Land Rover Group Limited.

Review of the business

The company has been dormant throughout the period and preceding financial period with the exception of the payment of a dividend of INR 14,270,183 (GBP £143,238) in December 2012 to Land Rover. The directors propose to wind down the company over the next 12 months. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

Directors

The directors of the company who held office during the period and subsequently are :

K.D.M.Gregor
K. J. Benjamin

The directors have no notifiable interests in the share capital of the company or any other group company.

Land Rover Group Limited Annual Report and Financial Statements for the year ended 31 March 2014

Income statement for the year ended to 31 March 2014

The company did not trade during the current year or prior year and has no items of income or expense, did not make any profit or loss and has no items of other comprehensive income and therefore no statement of comprehensive income has been presented.

The directors recommended that no dividend should be proposed for the year ended 31 March 2014 (2013: nil).

Land Rover Group Limited Annual Report and Financial Statements for the year ended 31 March 2014

Balance sheet as at 31 March 2014

		2014	2013
	Notes	INR m	INR m Restated
Current assets			
Debtors - amounts owed by group companies		-	-
Net current assets		-	-
Net assets		-	-
Capital and reserves			
Called up share capital		-	-
Profit and loss account	1	-	-
Shareholders' funds		-	-

The balance sheet for 2013 has been restated to reflect the payment of a dividend of INR 14,270,183 (GBP £143,238) in December 2012 to Land Rover which reduced the net worth of the company to INR nil (GBP £nil). See note 1.

The financial statements on pages 3 to 4 were approved by the board of directors on July 2014, and were signed on its behalf by:

K. D. M. Gregor
Director

Land Rover Group Limited Annual Report and Financial Statements for the year ended 31 March 2014

Notes to the financial statements for the year ended 31 March 2014

1. Reserves and dividends

	Profit and loss account INR m
At 1 April 2013 and 31 March 2014	-

In December 2012, the company paid a dividend of INR 14,270,183 (GBP £143,238) to Land Rover which resulted in the net worth of company being reduced to INR nil (GBP: £nil).

2. Immediate and ultimate parent undertaking and controlling party

The immediate parent undertaking throughout the period and at 31 March 2014 was Jaguar Land Rover Limited, a company incorporated in England and Wales, by virtue of its 100% holding in the ordinary share capital of the company as at 31 March 2014.

The ultimate parent undertaking and controlling party at 31 March 2014 is Tata Motors Limited, a company incorporated in Mumbai, India. Copies of the annual report of Tata Motors Limited can be obtained from Tata Motors Limited, Bombay House, Homi Mody Street, Mumbai 400 001, India.

3. Conversion to Indian Rupee

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Land Rover Exports Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

Registered in England and Wales
Registered Number: 1596703

Land Rover Exports Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

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Land Rover Exports Limited Annual Report and Financial Statements for the year
ended 31 March 2014

Directors and Advisors

Directors

K.D.M. Gregor
K.G. Benjamin

Secretary

S. L. Pearson

Assistant Secretaries

R. M. A. Bielby

Registered Office

Abbey Road
Whitley
Coventry
CV3 4LF

Land Rover Exports Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

The directors submit the annual report and financial statements for the year ended 31 March 2014 for Land Rover Exports Limited.

Review of business

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the period. It is anticipated that the company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

Directors

The directors of the company who held office during the period and subsequently are :

K.D.M. Gregor
K.J. Benjamin (appointed 1 April 2013)
B.J. Carsley (resigned 1 April 2013)
P.C. Popham (resigned 1 April 2013)
R.D. Speth (resigned 1 April 2013)

The directors have no notifiable interests in the share capital of the company or any other group company.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Land Rover Exports Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

Auditors

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.

By order of the board

S Pearson
Company Secretary

Land Rover Exports Limited Annual Report and Financial Statements for the year ended 31 March 2014

Balance sheet as at 31 March 2014

	Notes	2014 INR	2013 INR
Amounts owed by Parent Company		<u>9,963</u>	<u>8,244</u>
Capital and reserves			
Called up share capital	3	9,963	8,244
Profit and loss account	4	-	-
Total shareholders' funds		<u>9,963</u>	<u>8,244</u>

- a) For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.
- b) Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 4 and 5 were approved by the Board of Directors on July 2014 and were signed on its behalf by:

K. D. M. Gregor
Director

Land Rover Exports Limited Annual Report and Financial Statements for the year ended 31 March 2014

Notes to the financial statements for the year ended 31 March 2014

1 Profit and loss account

The company did not trade during the period and has made neither a profit nor loss, therefore no profit and loss account is attached.

2 Directors' emoluments

There are no employees other than the directors and they received no remuneration for their services to the company during the year ended 31 March 2014 (31 March 2013: nil).

3 Called up share capital

	2014 INR	2013 INR
Allotted, called-up and fully paid ordinary shares of £1 each	9,963	8,244

4 Profit and loss account

	2014 INR	2013 INR
Opening balance	-	5,586,376,707
Dividend of INRnil (2013: INR55,863,767) per ordinary share	-	(5,586,376,707)
Closing balance	-	-

5 Immediate and ultimate parent undertaking and controlling party

The immediate parent undertaking as at 31 March 2014 was Jaguar Land Rover Limited by virtue of its 100% holding in the ordinary share capital of the company.

The ultimate parent undertaking and controlling party is Tata Motors Limited, a company incorporated in Mumbai, India, which is the parent undertaking of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is headed by Jaguar Land Rover Automotive PLC. Copies of the annual report of Tata Motors Limited can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody street, Mumbai - 400001, India.

6 Conversion to Indian Rupee

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

JAGUAR LAND ROVER IRELAND LIMITED

Annual Report 2013 – 14

LAND ROVER IRELAND LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

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LAND ROVER IRELAND LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Steve Morten (appointed 16th October 2012)
Malkeet Uppal
William Fennell (resigned 16th October 2012)

**SECRETARY AND
REGISTERED OFFICE**

Maple Securities Limited
c/o LK Shields Solicitors
39/40 Upper Mount Street
Dublin 2

REGISTERED NUMBER

318198

AUDITOR

Deloitte & Touche
Chartered Accountants & Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

SOLICITOR

LK Shields Solicitors
39/40 Upper Mount Street
Dublin 2

BANKER

Bank of Ireland
Main Street
Dundrum
Dublin 14

LAND ROVER IRELAND LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 September 2013.

PRINCIPAL ACTIVITY

The principal activity of the company was the importation and distribution of Land Rover motor vehicles and ancillary products although it actively ceased trading in September 2009. During 2011, 2012 and 2013 the company was in the process of unwinding all activities and settling all remaining liabilities and recovering all remaining assets.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Turnover for the period amounted to Rs Nil (2012: Rs Nil). Loss on ordinary activities before taxation for the year amounted to 6,393,047 Rupees (2012: 20,179,652 Rupees). The directors have not paid or proposed a dividend (2012: Rs Nil).

During 2009, the directors took the decision that the future trading of Land Rover products within Ireland will be taken over and managed independently by a third party importer. During 2012 and 2013, the company was in the process of unwinding all activities and settling all remaining liabilities and recovering all remaining assets.

On 1 January 2013, Land Rover transferred ownership of Land Rover Ireland Limited's shares to Jaguar Land Rover. There has been no change in the ultimate parent undertaking and controlling party as set out in note 10.

RISKS AND UNCERTAINTIES

The directors in the year took appropriate measures to try and ensure all receivables were recovered and all liabilities were settled as necessary.

KEY PERFORMANCE INDICATORS

During the period, the company did not actively trade or have any employed staff in the financial period and so did not have any key performance indicators.

DIRECTORS AND SECRETARY

The directors and secretary are set out on page 2. The directors are not required to retire by rotation.

On 16 October 2012, William Fennell resigned as a director of the company and on the same date Steve Moreton was appointed as a director.

DIRECTORS' AND SECRETARY'S INTERESTS

The directors and secretary in office at 30 September 2013 did not have any interest in the share capital of the company or any group undertaking as at 1 October 2012 and 30 September 2013.

EVENTS SUBSEQUENT TO THE YEAR END

There have been no significant events since the year end.

GOING CONCERN

The sales volume achievable in Ireland reduced to such a level in 2009 that the existing national sales company business model which Land Rover Ireland Limited operated under was no longer deemed viable for the Land Rover business going forward. Senior management from Land Rover Ireland Limited's parent company, Land Rover Group Limited, therefore, decided that the business would be managed by a third party importer. Land Rover Ireland Limited ceased to actively trade in September 2009. During 2013, the company was in the process of unwinding all activities and settling all remaining liabilities and recovering all remaining assets.

As a result of the event noted above, the financial statements have been prepared on a basis other than that of a going concern. The company's assets have been written down to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company, except to the extent that such costs were committed at the balance sheet date.

BOOKS OF ACCOUNT

To ensure that proper books and accounting records are kept in accordance with Section 202 of the Companies Act, 1990, the directors have engaged appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. A copy of the books of account is located at 39/40 Upper Mount Street, Dublin 2.

AUDITOR

The auditor, Deloitte & Touche, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 160(2) of the Companies Act, 1963.

Signed on behalf of the Board:

Director

Director

Date:

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND ROVER IRELAND LIMITED

We have audited the financial statements of Land Rover Ireland Limited for the ended 30 September 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors'.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements for the year ended 30 September 2013 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the company as at 30 September 2013 and of the loss for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

Emphasis of matter – Financial statements prepared on a basis other than that of a going concern.

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Matters on which we are required to report by the Companies Acts, 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 30 September 2013 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

For and on behalf of Deloitte & Touche

Chartered Accountants and Statutory Audit Firm

Dublin

[Date]

The significant accounting policies adopted by the company in the preparation of the financial statements are as follows:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 -2013. Accounting standards generally accepted in Ireland in preparing financial statements which give a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

As explained in note 1, the company has ceased to actively trade since September 2009. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent to that such costs were committed at the balance sheet date.

BASIS OF ACCOUNTING

The financial statements have been prepared on a basis other than that of a going concern.

TAXATION

Corporation tax is calculated on taxable profits for the period at current rates.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

RETIREMENT BENEFITS

Defined benefit pension scheme assets are measured at fair value. Defined pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. The excess of scheme assets over scheme liabilities is presented on the balance sheet as an asset net of related deferred tax. The defined benefit pension charge to operating profit comprises the current service cost. The excess of the expected return on scheme assets over the interest cost on the scheme liabilities is presented in the profit and loss account as other finance income. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the period in which they occur.

LAND ROVER IRELAND LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	<i>Notes</i>	2013 Rupees'000	2012 Rupees'000
TURNOVER - discontinued operations		-	-
Cost of sales		-	-
GROSS LOSS		-	-
Administrative expenses		(7,210)	(2,310)
Other operating income		2,997	-
OPERATING LOSS - discontinued operations		(4,213)	(938)
Interest receivable		191	1,083
Other finance expense – pension scheme	9	(2,371)	(20,280)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(6,393)	(20,136)
Taxation	3	249	1,949
LOSS FOR THE YEAR	7	(6,144)	(18,187)

The financial statements were approved by the Board of Directors on and signed on its behalf by:

Director

Director

LAND ROVER IRELAND LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	<i>Notes</i>	2013 Rupees'000	2012 Rupees'000
LOSS FOR THE FINANCIAL YEAR		(6,144)	(18,187)
Actuarial gain/(loss) in respect of pension scheme	9	10,246	(37,890)
Deferred tax on actuarial gain/(loss) of pension scheme	7	(1,281)	4,691
TOTAL RECOGNISED GAINS/(LOSSES) RELATING TO THE YEAR	8	2,820	(51,386)

LAND ROVER IRELAND LIMITED

**BALANCE SHEET
AS AT 30 SEPTEMBER 2013**

	<i>Notes</i>	2013 Rupees'000	2012 Rupees'000
CURRENT ASSETS			
Debtors	4	182,770	160,150
Cash at bank and in hand		3,901	2,382
		186,671	162,531
CREDITORS: (Amounts falling due within one year)			
	5	(1,416)	(1,154)
NET CURRENT ASSETS		185,255	161,376
TOTAL ASSETS LESS CURRENT LIABILITIES – EXCLUDING PENSION ASSET		185,255	161,376
PENSION ASSET	9	20,895	11,908
NET ASSETS		206,150	173,284
CAPITAL AND RESERVES			
Share capital	6	-	-
Profit and loss account	7	206,149	173,284
SHAREHOLDERS' FUNDS	8	206,149	173,284

The financial statements were approved by the Board of Directors on and signed on its behalf by:

Director

Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. BASIS OF PREPARATION

The sales volume achievable in Ireland had reduced to such a level that the existing national sales company business model which Land Rover Ireland Limited operated under was no longer deemed viable for the Land Rover business going forward. Senior management from Land Rover Ireland Limited's parent company, Land Rover Group Limited, therefore, decided that the business would be managed by a third party importer.

Land Rover Ireland Limited ceased to actively trade in September 2009. The company is presently in the process of unwinding all activities and settling all remaining liabilities and recovering all remaining assets with the assistance of Land Rover which is another company within the group. This includes financial and operational assistance in handling any on-going legal matters.

The financial statements have been prepared on a basis other than that of a going concern, which includes where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 Rupees'000	2012 Rupees'000
Loss on ordinary activities before taxation is stated after charging:		
Auditor's remuneration	677	577
Directors' remuneration and emoluments	-	-
	<u> </u>	<u> </u>

No remuneration or emoluments were payable to the directors of the company during the current year or previous financial year. There were no other employees of the company in either the current or previous financial year.

3. TAXATION

	2013 Rupees'000	2012 Rupees'000
Current tax charge for the year	85	289
Adjustment in respect of prior years	0	289
	<u> </u>	<u> </u>
Current tax charge for the year	85	577
Deferred tax on pension scheme	(339)	(2,526)
	<u>(254)</u>	<u>(1,949)</u>
	<u> </u>	<u> </u>

The differences between the current tax charge for the year and the current tax charge that would result from applying the standard rate of Irish corporation tax to the loss on ordinary activities are explained overleaf:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2013

3. TAXATION (CONTINUED)

	2013 Rupees'000	2012 Rupees'000
Loss on ordinary activities before tax	(6,393)	(20,136)
Loss on ordinary activities multiplied by the Irish Corporation tax for the period of 12.5% (2012: 12.5%)	(762)	(2,526)
Effects of:		
Disallowable expenses	677	2,670
Tax rate differential on passive income	-	144
Adjustment in respect of prior years	-	289
Current tax charge for the year	(85)	577

4. DEBTORS: (Amounts falling due within one year)

	2013 Rupees'000	2012 Rupees'000
Amounts due from group undertakings	182,508	155,386
VAT	-	4,763
Corporation tax	249	-
	182,757	160,149

Amounts due from group undertakings in 2013 include an interest bearing unsecured loan of INR 182,508,141 which is receivable within one year.

5. CREDITORS: (Amounts falling due within one year)

	2013 Rupees'000	2012 Rupees'000
Accruals and deferred Income	1,440	1,155
	1,440	1,155

6. SHARE CAPITAL

	2013 Rupees'000	2012 Rupees'000
Authorised:		
100,000 ordinary shares of €1 each	8,468	7,217
Issued:		
2 ordinary shares of €1 each	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2013

7. PROFIT AND LOSS ACCOUNT	2013	2012
	Rupees'000	Rupees'000
Opening balance	203,329	224,671
Loss for the year	(6,144)	(18,187)
Actuarial gains/(losses)	10,246	(37,890)
Deferred tax attributable to actuarial gains/(losses)	(1,281)	4,691
Closing balance	<u>206,149</u>	<u>173,284</u>
8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2013	2012
	Rupees'000	Rupees'000
Opening shareholders' funds	203,329	224,671
Total recognised gains/(losses) for the year	2,820	(51,386)
Closing shareholders' funds	<u>206,149</u>	<u>173,284</u>

9. RETIREMENT BENEFITS

The company previously operated two defined benefit pension schemes for employees subject to certain eligibility criteria. The Land Rover Ireland Limited Pension Fund is closed to new entrants and provides benefits for a small number of deferred pensioners. Each defined benefit scheme is independently funded and the assets are vested by independent trustees for the benefit of members and their dependants.

The most recent valuations for funding purposes were carried out by a qualified independent actuary in respect of the Land Rover Ireland Limited Pension Scheme and Land Rover Ireland Pension Fund as at 1 November 2011 and are available for inspection by the scheme members, beneficiaries and authorised trade unions. The group has been paying contributions in line with the recommendations in the actuarial valuations.

The valuation used for Financial Reporting Standard No. 17 (FRS 17) has been based on a full assessment of the liabilities of the plans as at 30 September 2013. The present values of the defined benefit obligation, the related current service cost and any past service costs were measured using the projected unit credit method.

The principal assumptions used by the independent qualified actuary to calculate the liabilities under FRS 17 are set out below:

	2013	2012
Discount rate	4.0%	3.7%
Inflation rate	2.0%	2.0%
Increase to pensions in payment	3.0%	3.0%
Pensionable salary increases	n/a	n/a
Increase to statutory pensions in deferment	2.0%	2.0%

The group employs a building block approach in determining the rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return of each asset class over the actual asset allocation for the plan at the balance sheet date.

The company does not expect to contribute into the defined benefit pension plans in the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2013

9. RETIREMENT BENEFITS (CONTINUED)

As part of the winding up of the company, the directors are currently considering the appropriate future of the defined benefit schemes.

Mortality assumptions

The key demographic assumptions used to calculate the retirement benefit liabilities under FRS 17 at the beginning and end of the period are as follows:

	2013 Years	2012 Years
Pre-retirement	none	none
Post-retirement align left		
Male	21.7	21.6
Female	23.4	23.3

Amounts recognised on the Balance Sheet:

	2013 Rupees'000	Restated* 2012 Rupees'000
Present value of the fund obligations	(117,619)	(109,124)
Fair value of plan assets	141,499	122,765
	<u>23,880</u>	<u>13,641</u>
Related deferred tax liability at 12.5% (2012: 12.5%)	(2,985)	(1,733)
Net pension asset	<u>20,895</u>	<u>11,908</u>

* In the 2012 Land Rover Ireland Financial Statements translated into Indian Rupees, the above values were incorrectly disclosed in Euros. This is an error in translation only. The 2012 values have been restated in Indian Rupees.

Analysis of charge to Profit and Loss Account:

	2013 Rupees'000	2012 Rupees'000
Current service cost (including risk premiums)	(847)	(722)
Interest cost	(4,657)	(3,464)
Expected return on assets	3,133	3,176
Past service cost	-	(19,270)
Charge recognised in profit and loss account	<u>(2,371)</u>	<u>(20,280)</u>

Analysis of amounts recognised in statement of recognised gains and Losses ("STRGL"):

	2013 Rupees'000	2012 Rupees'000
Total actuarial gains/(losses)	<u>10,246</u>	<u>(37,890)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2013

9. RETIREMENT BENEFITS (CONTINUED)**Changes in the present value of the pension plan liabilities:**

	2013 Rupees'000	2012 Rupees'000
Opening present value of liabilities	128,035	73,255
Current service cost (including risk premiums)	847	722
Interest cost	4,657	3,464
Actuarial (losses)/gains on liabilities	(10,331)	37,962
Benefits paid	(5,589)	(25,549)
Past service cost	-	19,269
Closing present value of liabilities	117,619	109,124

Changes in fair value of pension plan assets:

	2013 Rupees'000	2012 Rupees'000
Opening fair value of assets	144,039	145,066
Expected return on assets	3,133	3,176
Actuarial (losses)/gains on assets	(85)	72
Benefits paid out	(5,588)	(25,549)
Closing fair value of assets	141,499	122,765

The major categories of plan assets as a percentage of total plan assets were as follows:

	2013	2012
With profit deferred annuity asset	100%	100%

The expected long term rate of return on assets is as follows:

	2013	2012
With profit deferred annuity asset	2.05%	2.2%

History of asset values, present values of liabilities, surplus/deficit and experience gains/losses in the plan:

	2013 Rupees'000	2012 Rupees'000	2011 Rupees'000	2010 Rupees'000	2009 Rupees'000
Present value of liabilities	(117,619)	(109,124)	(73,255)	(102,195)	(157,479)
Fair value of assets*	141,499	122,764	145,065	143,045	234,270
Surplus in plan	23,880	13,641	71,811	40,849	76,719

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2013

9. RETIREMENT BENEFITS (CONTINUED)

History of experience gains and losses

	2013	2012	2011	2010	2009
	Rupees'000	Rupees'000	Rupees'000	Rupees'000	Rupees'000
Actuarial gains/(losses) on assets	(85)	72	(1,155)	(4,980)	-
Actuarial gains /(losses) on liabilities	10,331	(37,962)	33,055	(31,900)	(361)
Changes in assumptions underlying the present value of scheme liabilities	-	-	-	-	6,856
Total amount recognised in statement of total recognised gains and losses	10,246	(37,890)	31,900	(36,880)	6,495

10. ULTIMATE PARENT UNDERTAKING

As of the 30 September 2012, the company was a wholly owned subsidiary of Land Rover, which is incorporated in the UK. On 1 January 2013, Land Rover transferred ownership of Land Rover Ireland Limited's shares to Jaguar Land Rover Limited, which is incorporated in the UK

The ultimate parent undertaking and controlling party is Tata Motors Limited, a company incorporated in Mumbai, India which is the parent undertaking of the largest group to consolidate the financial statements of Land Rover Group Limited.

Copies of the annual report of Tata Motors Limited can be obtained from Tata Motors Limited, Bombay House, Homi Mody Street, Mumbai 400 001, India.

11. RELATED PARTY TRANSACTIONS

The disclosures required under Financial Reporting Standard 8 "Related Party Disclosures" ("FRS 8") are included in the relevant notes to the financial statements where required. Transactions with Tata Motors Limited, India, and wholly-owned subsidiaries, are not detailed in these financial statements in accordance with FRS 8. The company has taken advantage of the exemption from the obligation to prepare and deliver group financial statements. The exemption is available where a company is more than 90% owned by another company whose financial statements are publicly available.

12. CONTINGENT LIABILITIES

The company has certain legal matters which are currently under investigation. No provision has been made for these matters as presently it is not probable that there will be an economic outflow.

13. CASH FLOW STATEMENT

In accordance with exemption in financial reporting standard, a cash flow statement has not been prepared for the company on the grounds of company size.

14. CONVERSION INTO INDIAN RUPEES

The financial information is expressed in the local currency of the relevant company (Euros) only in the Audited accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of EUR 1 = Rs 84.679 and Rs 72.172 for the years ended 30 September 2013 and 2012 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Land Rover Parts Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

Registered in England and Wales
Registered Number: 6867279

Land Rover Parts Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

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Land Rover Parts Limited Annual Report and Financial Statements for the year ended
31 March 2014

Directors and Advisors

Directors

K.D.M. Gregor
M.D. Wright

Secretary

S. L. Pearson

Assistant Secretaries

R. M. A. Bielby

Registered Office

Abbey Road
Whitley
Coventry
CV3 4LF

Land Rover Parts Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

The directors submit the annual report and financial statements for the year ended 31 March 2014 for Land Rover Parts Limited.

Review of business

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the period. It is anticipated that the company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

Directors

The directors of the company who held office during the period and subsequently are :

K.D.M. Gregor
M.D. Wright

The directors have no notifiable interests in the share capital of the company or any other group company.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Land Rover Parts Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

Auditors

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.

By order of the board

S Pearson
Company Secretary

Land Rover Parts Limited Annual Report and Financial Statements for the year ended 31 March 2014

Balance sheet as at 31 March 2014

	Notes	2014 INR	2013 INR
Amounts owed by Parent Company		<u>100</u>	<u>82</u>
Capital and reserves			
Called up share capital	3	100	82
Profit and loss account	4	-	-
Total shareholders' funds		<u>100</u>	<u>82</u>

- a) For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.
- b) Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 4 and 5 were approved by the Board of Directors on July 2014 and were signed on its behalf by:

K. D. M. Gregor
Director

Land Rover Parts Limited Annual Report and Financial Statements for the year ended 31 March 2014

Notes to the financial statements for the year ended 31 March 2014

1 Profit and loss account

The company did not trade during the period and has made neither a profit nor loss, therefore no profit and loss account is attached.

2 Directors' emoluments

There are no employees other than the directors and they received no remuneration for their services to the company during the year ended 31 March 2014 (31 March 2013: nil).

3 Called up share capital

	2014 INR	2013 INR
Authorised ordinary shares of £1 each	<u>3,486,898,800</u>	<u>2,885,408,050</u>
	<u>100</u>	<u>82</u>
Allotted, called-up and fully paid ordinary share of £1 each		

4 Profit and loss account

	2014 INR	2013 INR
Opening balance	-	4,750,948
Dividend of nil (2013: 4,750,948) per ordinary share of £1	-	(4,750,948)
Closing balance	<u>-</u>	<u>-</u>

5 Immediate and ultimate parent undertaking and controlling party

The immediate parent undertaking as at 31 March 2014 was Jaguar Land Rover Limited by virtue of its 100% holding in the ordinary share capital of the company.

The ultimate parent undertaking and controlling party is Tata Motors Limited, a company incorporated in Mumbai, India, which is the parent undertaking of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is headed by Jaguar Land Rover Automotive PLC. Copies of the annual report of Tata Motors Limited can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody street, Mumbai - 400001, India.

6 Conversion to Indian Rupee

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Land Rover Parts Limited Annual Report and Financial Statements for the year ended
31 March 2014

The Daimler Motor Company Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

Registered in England and Wales
Registered Number: 112569

The Daimler Motor Company Limited

Annual Report and Financial Statements

for the year ended 31 March 2014

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The Daimler Motor Company Limited Annual Report and Financial Statements for
the year ended 31 March 2014

Directors and Advisors

Directors

K.D.M. Gregor
K.J. Benjamin

Company Secretary

S.L. Pearson

Assistant Secretaries

R.M.A. Bielby

Registered Office

Abbey Road
Whitley, Coventry
CV3 4LF

The Daimler Motor Company Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

The directors submit the annual report and financial statements for the year ended 31 March 2014 for The Daimler Motor Company Limited.

Review of business

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the period and preceeding financial period. It is anticipated that the company will remain dormant for the foreseeable future. Key

Directors

The directors of the company who held office during the period and subsequently are :

K.D.M.Gregor
K. J. Benjamin

The directors have no notifiable interests in the share capital of the company or any other group company.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Daimler Motor Company Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

Auditors

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.

By order of the board

S Pearson
Company Secretary

The Daimler Motor Company Limited Annual Report and Financial Statements for the year ended 31 March 2014

Balance sheet as at 31 March 2014

	Notes	2014 INR'000s	2013 INR'000s
Amounts owed by Parent Company		<u>149,439</u>	<u>123,660</u>
Capital and reserves			
Called up share capital	3	149,439	123,660
Profit and loss account		0	0
Total shareholders' funds		<u>149,439</u>	<u>123,660</u>

- a) For the period ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.
- b) Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 4 and 5 were approved by the Board of Directors on July 2014 and were signed on its behalf by:

K. D. M. Gregor
Director

The Daimler Motor Company Limited Annual Report and Financial Statements for the year ended 31 March 2014

Notes to the financial statements for the year ended 31 March 2014

1 Profit and loss account

The company did not trade during the period and has made neither a profit nor loss, therefore no profit and loss account is attached.

2 Directors' emoluments

There are no employees other than the directors and they received no remuneration for their services to the company during the year ended 31 March 2014 (31 March 2013: nil).

3 Called up share capital

	2014 INR'000s	2013 INR'000s
Authorised (ordinary shares of £1 each)	<u>154,420</u>	<u>127,782</u>
Allotted, called-up and fully paid	<u>149,439</u>	<u>123,660</u>

4 Immediate and ultimate parent undertaking and controlling party

The immediate parent undertaking as at 31 March 2014 was Jaguar Land Rover Limited by virtue of its 100% holding in the ordinary share capital of the company.

The ultimate parent undertaking and controlling party is Tata Motors Limited, a company incorporated in Mumbai, India, which is the parent undertaking of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is headed by Jaguar Land Rover Automotive PLC. Copies of the annual report of Tata Motors Limited can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody street, Mumbai - 400001, India.

5 Conversion to Indian Rupees

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

Daimler Transport Vehicles Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

Registered in England and Wales
Registered Number: 322903

Daimler Transport Vehicles Limited

Annual Report and Financial Statements

for the year ended 31 March 2014

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Daimler Transport Vehicles Limited Annual Report and Financial Statements for the
year ended 31 March 2014

Directors and Advisors

Directors

K.D.M.Gregor
K. J. Benjamin

Secretary

S. L. Pearson

Assistant Secretaries

R. M. A. Bielby

Registered Office

Abbey Road
Whitley
Coventry
CV3 4LF

Daimler Transport Vehicles Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

The directors submit the annual report and financial statements for the year ended 31 March 2014 for Daimler Transport Vehicles Limited.

Review of business

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the period and preceding financial period. It is anticipated that the company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

Directors

The directors of the company who held office during the period and subsequently are :

K.D.M.Gregor
K. J. Benjamin

The directors have no notifiable interests in the share capital of the company or any other group company.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Daimler Transport Vehicles Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

Auditors

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.

By order of the board

S Pearson
Company Secretary

Daimler Transport Vehicles Limited Annual Report and Financial Statements for the year ended 31 March 2014

Balance sheet as at 31 March 201

	Notes	2014 INR'000s	2013 INR'000s
Amounts owed by Parent Company		<u>10</u>	<u>8</u>
Capital and reserves			
Called up share capital	3	10	8
Profit and loss account		0	0
Total shareholders' funds		<u>10</u>	<u>8</u>

- For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.
- Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 4 and 5 were approved by the Board of Directors on July 2014 and were signed on its behalf by:

K. D. M. Gregor
Director

Daimler Transport Vehicles Limited Annual Report and Financial Statements for the year ended 31 March 2014

Notes to the financial statements for the year ended 31 March 2014

1 Profit and loss account

The company did not trade during the period and has made neither a profit nor loss, therefore no profit and loss account is attached.

2 Directors' emoluments

There are no employees other than the directors and they received no remuneration for their services to the company during the year ended 31 March 2014 (31 March 2013: nil).

3 Called up share capital

	2014 INR'000s	2013 INR'000s
Authorised, allotted, called-up and fully paid Ordinary shares of £1 each	10	8

4 Immediate and ultimate parent undertaking and controlling party

The immediate parent undertaking as at 31 March 2014 was Jaguar Land Rover Limited by virtue of its 100% holding in the ordinary share capital of the company.

The ultimate parent undertaking and controlling party is Tata Motors Limited, a company incorporated in Mumbai, India, which is the parent undertaking of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is headed by Jaguar Land Rover Automotive PLC. Copies of the annual report of Tata Motors Limited can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody street, Mumbai - 400001, India.

5 Conversion to Indian Rupee

The financial information is expressed in the local currency of the relevant company (sterling) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate GBP Pound Sterling 1 = Rs 99.62568 for current year balance and GBP Pound Sterling 1 = Rs 82.44023 for all previous years balances . These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.

S. S. Cars Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

Registered in England and Wales
Registered Number: 333482

S. S. Cars Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

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S.S. Cars Limited Annual Report and Financial Statements for the year ended 31
March 2014

Directors and Advisors

Directors

K.D.M. Gregor

K. J. Benjamin

Company Secretary

S. L. Pearson

Assistant Secretaries

R. M. A. Bielby

Registered Office

Abbey Road
Whitley, Coventry
CV3 4LF

S.S. Cars Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

The directors submit the annual report and financial statements for the year ended 31 March 2014 for S.S. Cars Limited.

Review of business

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the period and preceeding financial period. It is anticipated that the company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

Directors

The directors of the company during the period and subsequently are :

K.D.M. Gregor
K. J. Benjamin

The directors have no notifiable interests in the share capital of the company or any other group company.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

S.S. Cars Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

Auditors

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.

By order of the board

S Pearson
Company Secretary

S.S. Cars Limited Annual Report and Financial Statements for the year ended 31 March 2014

Balance sheet as at 31 March 2014

	Notes	2014 INR'000s	2013 INR'000s
Amounts owed by Parent Company		<u>10</u>	<u>8</u>
Capital and reserves			
Called-up share capital	3	10	8
Profit and loss account		0	0
Total shareholders' funds		<u>10</u>	<u>8</u>

- a) For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.
- b) Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 4 and 5 were approved by the Board of Directors on July 2014 and were signed on its behalf by:

K. D. M. Gregor
Director

S.S. Cars Limited Annual Report and Financial Statements for the year ended 31 March 2014

Notes to the financial statements for the year ended 31 March 2014

1 Profit and loss account

The company did not trade during the period and has made neither a profit nor loss, therefore no profit and loss account is attached.

2 Directors' emoluments

There are no employees other than the directors and they received no remuneration for their services to the company during the year ended 31 March 2014 (31 March 2013: nil).

3 Called up share capital

	2014 INR'000s	2013 INR'000s
Authorised, allotted, called-up and fully paid Ordinary shares of £1 each	10	8

4 Immediate and ultimate parent undertaking and controlling party.

The immediate parent undertaking as at 31 March 2014 was Jaguar Land Rover Limited by virtue of its 100% holding in the ordinary share capital of the company.

The ultimate parent undertaking and controlling party is Tata Motors Limited, a company incorporated in Mumbai, India, which is the parent undertaking of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is headed by Jaguar Land Rover Automotive PLC. Copies of the annual report of Tata Motors Limited can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody street, Mumbai - 400001, India.

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The Lanchester Motor Company Limited
Annual Report and Financial Statements
for the year ended 31 March 2014

Registered in England and Wales
Registered Number: 551579

The Lanchester Motor Company Limited

Annual Report and Financial Statements

for the year ended 31 March 2014

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The Lanchester Motor Company Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors

K.D.M. Gregor
K.J. Benjamin

Secretary

S.L. Pearson

Assistant Secretaries

R.M.A. Bielby

Registered Office

Abbey Road
Whitley, Coventry
CV3 4LF

The Lanchester Motor Company Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

The directors submit the annual report and financial statements for the year ended 31 March 2014 for The Lanchester Motor Company Limited.

Review of business

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the period and preceeding financial period. It is anticipated that the company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

Directors

The directors of the company during the period and subsequently are :

K.D.M.Gregor
K. J. Benjamin

The directors have no notifiable interests in the share capital of the company or any other group company.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Lanchester Motor Company Limited Annual Report and Financial Statements for the year ended 31 March 2014

Directors' report for the year ended 31 March 2014

Auditors

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.

By order of the board :

S Pearson
Company Secretary

The Lanchester Motor Company Limited Annual Report and Financial Statements for the year ended 31 March 2014

Balance sheet as at 31 March 2014

	Notes	2014 INR'000s	2013 INR'000s
Amounts owed by Parent Company		<u>10</u>	<u>8</u>
Capital and reserves			
Called-up share capital	3	10	8
Profit and loss account		0	0
Total shareholders' funds		<u>10</u>	<u>8</u>

- a) For the year ended 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.
- b) Members have not required the company obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 4 and 5 were approved by the Board of Directors on July 2014 and were signed on its behalf by:

K.D.M.Gregor
Director

The Lanchester Motor Company Limited Annual Report and Financial Statements for the year ended 31 March 2014

Notes to the financial statements for the year ended 31 March 2014

1 Profit and Loss Account

The company did not trade during the period and has made neither a profit nor loss, therefore no profit and loss account is attached.

2 Directors' Emoluments

There are no employees other than the directors and they received no remuneration for their services to the company during the year ended 31 March 2014 (31 March 2013: nil)

3 Called-up Share Capital

	2014 INR'000s	2013 INR'000s
Authorised (ordinary shares of £1 each)	<u>498</u>	<u>412</u>
Allotted, called-up and fully paid	<u>10</u>	<u>8</u>

4 Immediate and Ultimate parent undertaking and controlling party

The immediate parent undertaking as at 31 March 2014 was Jaguar Land Rover Limited by virtue of its 100% holding in the ordinary share capital of the company.

The ultimate parent undertaking and controlling party is Tata Motors Limited, a company incorporated in Mumbai, India, which is the parent undertaking of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is headed by Jaguar Land Rover Automotive PLC. Copies of the annual report of Tata Motors Limited can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody street, Mumbai - 400001, India.

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TATA HISPANO MOTORS CARROCERRIES MAGHREB, S.A.

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**APPENDIX 7 - COMPONENT AUDITOR CLEARANCE: AUDIT OF THE
COMPONENT'S FINANCIAL INFORMATION CLEARANCE MEMORANDUM
FOR THE YEAR ENDED MARCH 31, 2014**

Component name	TATA HISPANO MOTORS CARROSSERIES MAGHREB S.A.

From: Deloitte Morocco

Date: April 28, 2014

**Subject: Component Audit of TATA HISPANO MOTORS CARROSSERIES
MAGHREB S.A. for the Year Ended March 31, 2014**

Reporting Package as of and for the year ended March 31, 2014.

1. We have audited the trial balance of the component. The trial balance shows a net **loss** of **KMAD 30,188**, total assets of **KMAD 153,594**, and total equity of **KMAD 63,344**. The Trial balance, dated on March 31st 2014, was sent to you, signed, for identification purposes only.

Management's Responsibility for the Reporting Package

2. Management is responsible for the preparation of the reporting package in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS) as adopted in the EU and the disclosure and presentation requirements of the Group as contained in the reporting package. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the reporting package that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The reporting package has been prepared to enable TATA Hispano Motors Carrocera, S.A.U. to prepare its consolidated financial statements.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the reporting package based on our audit. We conducted our audit in accordance with the Group interoffice instructions issued by you and in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the reporting package is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the reporting package. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the reporting package, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of the reporting package in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall reporting package presentation. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

4. We have complied with the requirements of the Code of Ethics for Professional Accountants issued by the International Federation of Accountants (IFAC), including the independence requirements, national ethical requirements applicable to the audit of the Group's financial statements, and the quality control policies and procedures as defined in your Group referral instructions. In particular, and with respect to Tata Consultancy Services Limited and the other components in the Group, we are independent within the meaning of Deloitte ethical requirements for the year ended March 31, 2014.
5. In our opinion, the reporting package of the Entity has been prepared, in all material respects, in accordance with the recognition and measurement criteria of International Financial Reporting Standards and the disclosure and presentation requirements of the Group as contained in the reporting package, except for:

5.1 IFRS Restatements

No restatement relating to IFRS has been performed by the Company as at March 31, 2014.

According to local management, restatements are performed at Group level.

5.2 Bad debt provisions

Our analysis showed the following ageing trade receivables dating back to 6 months amounting to MMAD 12.7 at year end (out of which MMAD 1.9 paid in April 2014):

- Volvo Maroc : 7.6 MMAD ;
- Scania : 4.2 MMAD ;
- Karama : 0.8 MMAD

According to management, these invoices are outstanding pending end customer payments, no risk of recoverability reported.

5.3 Inventories

Our valuation test revealed some vehicles for a total amount of MMAD 1.3 produced by the Company 2 years ago and not yet delivered to the clients. It concerns:

- 2 LP613 vehicles amounting to MMAD 0.5 (2 years age);
- 1 LPO 1924 vehicle estimated at MMAD 0.8 (1 year age).

Local management confirms that some new orders have been received from clients about these vehicles and they will be delivered at the latest next year.

5.4 Intercompany reconciliation

We did not receive the intercompany reconciliations with parent company (Tata Zaragoza) as at March 31, 2014 detailed as follows:

	<i>Kmad</i>
Trade Receivables	2 248
Other Receivables	
Total Receivables	2 248
Trade Payables	28 985
Other Payables	876
Total Payables	29 861

5.5 Other receivables

VAT credit amount to MMAD 9.5 as at March, 31st 2014. Output VAT amounts to MMAD 6.9 (including MMAD 2.4 VAT related to bad debt). Input VAT accounts amount to MMAD 5.

According to VAT credit clearing forecast provided by local management, this credit will be cleared during FY 2014/2015, with cash receipts corresponding to receivables.

5.6 Confirmation letters

We have sent confirmation letters to Company's lawyers, insurance, suppliers and banks, requesting confirmations as at March 31, 2014. No reply has been received as of today. It has to be noted that our audit procedures on bank accounts balances didn't reveal any significant issue.

6. Restriction on Use and Distribution

This reporting package has been prepared for purposes of providing information to TATA Hispano Motors Carrocera, S.A.U. to enable it to prepare the consolidated financial statements of the group. As a result, the reporting package is not a complete set of financial statements of **TATA HISPANO MOTORS CARROSSERIES MAGHREB S.A.** in accordance with International Financial Reporting Standards and is not intended to present fairly, in all material respects,

the financial position of **TATA HISPANO MOTORS CARROSSERIES MAGHREB S.A.** as of 31st March 2014 and of its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards. The financial information may, therefore, not be suitable for another purpose.

April 28, 2014

Deloitte Audit - Casablanca - Morocco

Asmâa Resmouki

Partner

DRAFT

Management Analysis and Discussion

Business Overview

The public transport business in Morocco saw an impressive growth in 2013 as compared to last year. At the same time, the inter-city coach business saw a huge decline and was at its lowest in the last 5 years. With the opening up of licenses in smaller cities, the demand for city transportation vehicles has gone up. This business is expected to keep its momentum in the coming years. Government has also put thrust in the tourism sector and the demand for inter city coaches is expected to rise the coming years. One of the reasons for low coach business is the tightening of credit by banks. This is also expected to improve in the coming years. Infrastructure work is also going on to connect smaller cities through highways which will help in augmenting the bus and coach business in general.

Competition

The company is the leading bus body builder in the public transportation segment. It is facing tough competition from a couple of local Body Builders in this segment mainly on the pricing front. This has led, introspecting the possibility of making a durable and quality product at a competitive pricing. Some initiatives of procurement from Asia have helped and still lot of work needs to be done in this area. In the next year, Tata Chassis is also being launched which will help the company to provide complete solution to its customers.

In the coach segment, it is working to penetrate the market by making customized product at competitive pricing. The competition is very strong in this segment which we acknowledge but at the same time thrive to capture around 20% of the market in the coming year.

Financial Performance

The revenue from operations decreased to 59.64 Million Dirhams (424.42 Million INR) from 63.81 Million Dirhams (389.86 Million INR) during FY 2012-13. However, the volumes grew from 113 in FY 2012-13 to 157 in FY 2013-14. This was possible because Tata Hispano expanded its product portfolio and ventured into Mini Bus segment. This resulted in better volumes but the revenue still declined from previous Year's level.

Increase in employee cost is mainly on account of increase in volumes. The employee cost rose to 22.11 Million Dirhams (157.33 Million INR) from 13.31 Million Dirhams (81.3 Million INR) in FY 2012-13. In percentage terms, employee cost stood at 37% of revenue as against 21% during 2012-13. This was mainly on 2 counts: Employee cost increased with increase in volumes and the revenue decreased as compared to last year.

Cost of Materials Consumed increased to 73% from 70% of revenue. The increase is mainly on account of lot of re-work performed on vehicles. As Tata Hispano ventured into another segment of Mini buses, it required some process improvements and resulted in excess consumption of consumables like, SIKa, GAZ etc.

Other Expenses include all works operation, IT expense, employee transportation cost, sales and marketing costs and other administrative costs. These expenses have increased to 6.7 Million (47.69 Million INR) from 4.85 Million dirhams (29. 61 Million INR) in 2012-13. The increase is mainly on account of IT expenses which include SAP support charges to TTL India and IT support charges to TML India.

Profit before Exceptional Item, Depreciation, Interest and Tax (PBDIT) was at -24.59 Million dirhams (174.99 Million INR) in FY 2013-14 compared to -3.7 Million dirhams (22.87 Million INR) in FY 2012-13. Lower revenue, higher manpower and other expenses and depreciation on raw Material resulted in lower operating profit.

Finance Cost / (Income) have reduced to (0.012) Million dirhams (0.083 Million INR) compared to 3.19 Million dirhams (19.49 Million INR) in FY 2012-13 mainly on account of conversion of participatory loans from parent company into equity and reversal of provisions of exchange loss.

Depreciation and amortization has decreased to 3.37 Million dirhams (23.94 Million INR)against 3.92 Million dirhams (23.95 Million INR).

Profit before Taxes at -30 Million dirhams (202.68 Million INR) was on account of lower revenue, high materials cost, high employee and other expenses. Necessary provision was also provided for Inventory mis-match and obsolete items. This resulted in higher loss as compared to 15 Million dirhams (61.94 Million INR) loss reported in FY 2012-13.

Tax Expense is provided at 0.5% of revenue as Tata Hispano has reported loss. This is the minimum rate applicable as per local laws.

Profit after Tax decreased to -30.2 Million dirhams (214.81 Million INR) from -15.3 Million dirhams (63.89 Million INR) for reasons explained above.

Physical Verification of inventory was carried out in April 2014 for raw material as on 31st March 2014. Inventory shortages amounting to 8.8 Million Dirhams were observed and the same was provided in the books of account as on March 31, 2014.

The main reasons for this shortage arose due to incorrect BOM and materials being used in re-work not being accounted.

To ensure non-recurrence, the management has taken adequate measures to periodically review and correct the BOM and physically verify the inventory on a quarterly basis with reconciliation between physical inventory and book inventory. Any discrepancy is captured immediately to enable timely corrective accounting action.

Additionally, the Company identified inventory of raw material of 4.5 Million Dirhams as obsolete due to age of inventory and or change in design of bus bodies over the years.

Balance Sheet

Shareholder's funds were at 63.34 Million Dirhams (450.76 Million INR) and -68.47 Million dirhams (-418.34 Million INR) as at March 31, 2014 and 2013, respectively. During May 2013, share capital was increased from 40 Million dirhams (244.4 Million INR) to 202 Million dirhams (1437.43 Million INR) by way of conversion of participatory loans and payables from parent company into equity.

Borrowings from parent company were converted into equity during FY 2013-14 amounting to 112 Million dirhams (797 Million INR).

Trade Payables were 86.3 Million dirhams (614.02 Million INR) as at 31st march 2014 as compared to 105 Million dirhams (640 Million INR) as at 31st March 2013. 50 Million Dirhams (356 Million INR) of trade payables to parent company were converted into equity in May 2013.

Provisions were 3.4 Million dirhams (24.75 Million INR) as at 31st march 2014 and as at 31st March 2013. These include warranty and penalty provisions.

Fixed Assets: The tangible assets (net of depreciation and including capital work in progress) increased from 45.8 Million Dirhams (279 Million INR) as at March 31, 2013 to 46.1 Million Dirhams (328.27 Million INR). The intangible assets (net of amortization) increased from 2 Million Dirhams (12.17 Million INR) as at March 31, 2013 to 2.7 Million Dirhams (19.12 Million INR).

Inventories stood at 35 Million Dirhams (251.14 Million INR) as compared to 28 Million Dirhams (173.27 Million INR) as at March 31, 2013. There was an increase in finished goods inventory by 7 Million Dirhams (49.81 Million INR) because of delay in finalization of paint scheme by the customer. Depreciation on raw material inventory amounting to 11.8 Million Dirhams (84 Million INR) was provided in FY 2013-14 for mismatch and obsolescence.

Trade Receivables (net of allowance for doubtful debts) were 49 Million Dirhams (350.78 Million INR) as at March 31, 2014, as compared to 53 Million Dirhams (324 Million INR) as at March 31, 2013. Though the receivables have gone down as compared to last year, these are at 10 months' sales which are very high by any standards. The overdues beyond 180 days are at 9 Million Dirhams (64 Million INR) as at 31st March 2014 and are monitored and the Company has taken steps to recover these dues.

Cash and Bank Balances were at .08 Million Dirhams (0.56 Million INR) as at March 31, 2014, as compared to 10.8 Million Dirhams (66.06 Million INR) as at March 31, 2013. The decrease was due to utilization of funds for business purposes.

Balance Sheet

ASSETS	INR 3/31/2014	MAD 3/31/2014	INR 3/31/2013	MAD 3/31/2013	SHAREHOLDER'S EQUITY AND LIABILITIES	INR 3/31/2014	MAD 3/31/2014	INR 3/31/2013	MAD 3/31/2013
NON CURRENT ASSETS	347,386	48,818	291,151	47,651	SHAREHOLDER'S EQUITY (Note 3)	450,757	63,344	(418,341)	(68,468)
Intangible assets (Note 8)	19,119	2,687	12,170	1,992	Capital				
Development					Share capital	1,437,432	202,000	244,400	40,000
Concession					Capital surplus				
Patents					Reserves				
Purchased goodwill					Legal and bylaws reserves	2,959	416	2,541	416
Computer Software					Other reserves				
Other intangible assets					Parent company shares				
Property, plant and equipment (Note 7)					Prior year results				
Land and buildings	275,252	38,681	238,235	38,991	Retained earnings	(774,819)	(108,884)	(571,780)	(93,581)
Other fixtures, tools and furniture	53,015	7,450	40,717	6,664	Prior years' losses				
Advances and property, plant and equipment	0	0	28	5	Other shareholders investments				
In the course of construction					Profit (Loss) for the year	(214,815)	(30,188)	(93,502)	(15,303)
Property investment					Interim Dividend				
Land					Other equity instruments				
Buildings					CHANGE OF VALUE ADJUSTMENTS-				
Investments on group, multigroup and associated companies					Financial assets available for sale				
Equity instruments					Coverage operations				
Loans					Other				
Representative values of debt					GRANTS-				
Derivatives					Grants related to assets				
Other financial assets					NON CURRENT LIABILITIES (Note 4)			692,215	113,292
Long-term financial assets					Long term provisions				
Equity instruments					Pension commitments and similar obligations				
Loans					Environmental liabilities				
Representative values of debt					Restructuring				
Derivatives					Other	0		1,030	169
Other financial assets					Long term liabilities				
Deferred tax asset					Securities and debentures				
CURRENT ASSETS	742,141	104,292	643,760	105,362	Bank borrowings				
Noncurrent assets and disposable groups of items held for sale	251,144	35,293	173,269	28,358	Long term financial leaseings				
Inventories- (Note 9)					Derivatives				
Merchandise	162,001	22,766	141,985	23,238	Other financial liabilities	0		691,185	113,124
Raw materials and other supplies	29,492	4,145	23,171	3,792	Deudas con empresas del grupo y asociadas a largo plazo				
Work in progress and semi-finished goods	58,953	8,285	8,113	1,328	Deferred taxes liabilities				
Finished goods	697	98	0		Accrual accounts				
Advances to suppliers					CURRENT LIABILITIES (Note 6)	638,770	89,765	661,036	108,189
Accounts receivable- (Note 10)	490,442	68,921	404,429	66,191	Liabilities related with noncurrent assets and disposable groups of items held for sale				
Trade receivables for sales and services	350,778	49,294	323,958	53,021	Short term provisions (Note 5)	24,745	3,477	20,983	3,434
Receivable from Group companies and associates	16,004	2,249	0		Short term liabilities				
Other Debtors	6,140	863	738	121	Securities and debentures				
Employees	1,383	194	706	116	Bank borrowings				
Current tax asset	113,908	16,007	77,758	12,726	Short term financial leaseings				
Receivable from public authorities	2,228	313	1,269	208	Derivatives	55,722	7,830	3,874	634
Shareholders for disbursements not demanded					Other financial liabilities				
Short- term Investments on group, multigroup and associated companies					Short- term liabilities on group, multigroup and associated companies				
Equity instruments					Notes payable				
Loans					Notes payable	11,632	1,635		
Representative values of debt					Payable to Group companies and associated	207,043	29,095	45,989	7,527
Derivatives					Other trades payable	262,797	36,930	523,743	85,719
Other financial assets					Employees	20,025	2,814	1,173	192
Short term financial assets					Current taxes payable	52,148	7,328	62,317	10,199
Equity instruments					Other taxes payable	4,659	655	2,959	484
Loans					Accrual accounts				
Representative values of debt									
Derivatives									
Other financial assets									
Accrual accounts									
Cash	555	78	66,062	10,812					
Cash	555	78	64	11					
Cash equivalent	0	0	65,998	10,802					
TOTAL ASSETS	1,089,527	153,109	934,910	153,013	TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	1,089,527	153,109	934,910	153,013

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

(In '000)	Note	INR 3/31/2014	MAD 3/31/2014	INR 3/31/2013	MAD 3/31/2013
CONTINUOUS OPERATIONS					
Revenue	11	424,422	59,643	389,863	63,807
Sales		424,422	59,643	389,863	63,807
Other operating income					
Increase in finished goods and work in progress inventories		51,944	7,300	(242)	(40)
Capitalized expenses of in-house work of fixed assets					
Procurements	12	361,642	50,821	273,273	44,726
Cost of merchandise sold					
Cost of raw materials and other consumables used		357,159	50,191	271,211	44,388
Other external expenses		4,484	630	2,063	338
Depreciation of raw materials and other consumables					
Other operating revenues		1,225	172	4	1
Non-core and other current operating revenues		1,225	172	4	1
Subsidies					
Personnel expenses	13	157,331	22,109	81,300	13,306
Wages, salaries and similar expenses		154,356	21,691	79,644	13,035
Employee welfare expenses		2,975	418	1,656	271
Provisions					
Other operating expenses		147,278	20,697	53,548	13,125
External services					
Taxes other than income tax	16	13,666	1,921	25,239	4,131
Losses, depreciation and change in operating provisions	14	85,913	12,073	28,309	4,633
Other operating expenses	15	47,699	6,703	29,611	4,846
Depreciation and amortisation charge		23,942	3,365	23,951	3,920
Asset-related grants transferred to profit					
Overprovision					
Depreciation and net gain or losses on fixed assets					
Depreciation and losses					
Results on sales				()	()
ORDINARY ACTIVITIES RESULT		(212,601)	(29,876)	(42,449)	(11,794)
Financial income	17	3,012	423	4,902	802
From equity investments					
-Group companies					
-Non Group companies					
From other marketable securities and loans					
-Group companies		2,424	341	4,540	743
-Non Group companies		588	83	362	59
Financial expenses	17	3,094	435	24,393	3,992
On debts to group companies				22,075	3,613
On debts to third parties and similar expenses		483	68	237	39
On provisions update		2,611	367	2,081	341
Change in financial assets' value					
Portfolio					
Results on financial assets held for sale					
Exchange differences					
Depreciations and gains or losses on financial assets					
Depreciations and losses					
Resultados por enajenaciones y otros					
FINANCIAL RESULT		(83)	(12)	(19,491)	(3,190)
RESULT BEFORE TAXES		(212,683)	(29,888)	(61,940)	(14,984)
Corporate income tax	18	2,131	299	1,951	319
CONTINUOUS OPERATIONS RESULT		(214,815)	(30,188)	(63,891)	(15,303)
DISCONTINUED OPERATIONS					
Discontinued operations result					
PROFIT/ LOSS FOR THE YEAR		(214,814.66)	(30,187.56)	(63,890.84)	(15,303.04)

Cash Flow Statement

(in '000)		3/31/2014	3/31/2014	3/31/2013	3/31/2013
		INR	MAD	INR	MAD
CASH FLOWS FROM OPERATING ACTIVITIES (I)		(45,337)	(6,371)	(5,402)	(884)
Profit/Loss for the year before tax		(212,683)	(29,888)	(91,550)	(14,984)
Adjustments for:		24,024	3,376	43,442	7,110
- Depreciation and amortisation charge		23,942	3,365	23,951	3,920
- Impairment losses					
- Changes in provisions					
- Recognition of grants in profit or loss					
- Gains/Losses on derecognition and disposal of non-current assets					
- Gains/Losses on derecognition and disposal of financial instruments					
- Finance income		(3,012)	(423)	(4,902)	(802)
- Finance costs		3,094	435	24,393	3,992
- Exchange differences					
- Changes in fair value of financial instruments					
- Other income and expenses					
Changes in working capital		143,322	20,141	(42,707)	(6,990)
- Inventories		49,347	6,935	(11,301)	(1,850)
- Trade and other receivables		19,425	2,730	100,148	16,391
- Other current assets					
- Trade and other payables		74,550	10,476	(131,554)	(21,531)
- Other current liabilities					
- Other non-current assets and liabilities					
Other cash flows from operating activities					
- Interest paid					
- Dividends received					
- Interest received					
- Income tax recovered (paid)					
- Other amounts received (paid)					
CASH FLOWS FROM INVESTING ACTIVITIES (II)		(31,049)	(4,363)	(19,961)	(3,267)
Payments due to investment		(31,049)	(4,363)	(19,961)	(3,267)
- Group companies and associates					
- Intangible assets					
- Property, plant and equipment		(31,049)	(4,363)	(19,961)	(3,267)
- Investment property					
- Other financial assets					
- Non-current assets classified as held for sale					
- Other assets					
Proceeds from disposal					
- Group companies and associates					
- Intangible assets					
- Property, plant and equipment					
- Investment property					
- Other financial assets					
- Non-current assets classified as held for sale					
- Other assets					
CASH FLOWS FROM FINANCING ACTIVITIES (III)					
Proceeds and payments relating to equity instruments					
- Proceeds from issue of equity instruments					
- Redemption of equity instruments					
- Purchase of treasury shares					
- Disposal of treasury shares					
- Grants, donations or gifts and legacies received					
Proceeds and payments relating to financial liability instruments					
- Proceeds from issue of debt instruments and other marketable securities					
- Proceeds from issue of bank borrowings					
- Proceeds from issue of borrowings from Group companies and associates					
- Proceeds from issue of other borrowings					
- Redemption of debt instruments and other marketable securities					
- Repayment of bank borrowings					
- Repayment of borrowings from Group companies and associates					
- Repayment of other borrowings					
Dividends and returns on other equity instruments paid					
- Dividends					
- Returns on other equity instruments					
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)					
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		(76,387)	(10,734)	(25,363)	(4,151)
Cash and cash equivalents at beginning of year		76,939	10,812	91,427	14,964
Cash and cash equivalents at end of year		555	78	66,062	10,812

Notes to the financial statements
for the period ended 31st march 2014

1. Company activities

TATA Hispano Motors Carrocerries Maghreb, S.A. operates in the field of bus bodies in Morocco having its works and registered office at Rue Al Adrissa, Zone Industriel, Berrechid.

The company's parent company is TATA Hispano Motors Carrocera, SA, a company established in Spain under the Capital Company Law. The purpose of the company in accordance with its Statutes is the manufacture and sale of bus bodies, both for the domestic market and overseas. Its registered office is located on Ctra. de Castellón, Km 230.5, Camino del Canal s / n, La Cartuja Baja (Zaragoza).

Changes in the ownership interests

On May 16, 2013 TATA Hispano Maghreb, SA carried out a capital increase amounting to 162,000,000 dirhams fully underwritten by TATA Hispano Motors Carrocera, SAU paid by the compensation of credit from commercial sources, liquid and enforceable in accordance with the requirements of Moroccan law.

2. Significant accounting policies

2.1 Basis of presentation

These financial statements have been prepared in accordance with the financial reporting regulatory framework applicable to the Company, which is set to:

- a) Code of Commerce and the remaining business laws of Kingdom of Morocco.
- b) Standards for the preparation of Financial Statements approved by Royal Decree LOI No 9-88 B.O. du 31/12/1992 and its sectorial adaptations.
- c) The rest of the Moroccan accounting regulations that applies to these statements.

2.2. Fair presentation

The accompanying financial statements are presented in accordance with the financial reporting regulatory framework that is applicable and in particular the principles and criteria contained in it, and accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for the corresponding year. These financial statements, which are prepared by the Company, will be submitted for the approval of the Shareholders, and it is considered that they will be approved without any changes. The financial statements for the year ended March 31, 2013, were approved by the Shareholders on September 27, 2013.

2.3. Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements and Profit and Loss statement for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Group's Perspectives: Going concern principle

The company has incurred losses in the last few years that have resulted in a working capital deficiency. The minimum threshold limit to pass the test of going concern is 25% equity of share capital as per Moroccan code of commerce. In May 2013, the parent company had increased its share holding by 162.000.000 dirhams by converting participatory loans and payables into equity. With this increase in share capital, the equity is at 31% which clears the test of going concern principle.

The budget and the operative plans in a short/medium-term consolidate an improvement in the expected revenue of the company; this is principally based on the strong initiatives and commercial performance undertaken by the company for the launching of new products (MINI-HABIT, NAYA and INTEA) and the consolidation of current products (Habit and Divo), and actions to streamline its cost structure and improving its production processes to increase competitiveness and positioning the company in the sector in which it operates.

Company is working to have a strong research and development team responsible for launching new products; in order to comply with business plan and strategic objectives. This strong business commitment to adapt to the needs and potential demand for a wider range of customers, has begun to bear fruit in the year ended in March 2014 allowing an increase in volume over the previous year and strengthening the position of the Group between those customers and their increased presence in the areas of bus and commuter buses.

As a result of the foregoing, the Company prepared the accompanying financial statements in accordance with the going concern principle of accounting.

2.4 Revenue recognition

The Company recognizes revenues on the sale of products, net of discounts and sales incentives, when the products are delivered to the dealer/customer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the dealer / customer.

Sales include income from services and export. Sale of products is presented net of indirect taxes. Revenues are recognized when collectability of the resulting receivables is reasonably assured.

2.5 Depreciation and amortization

Depreciation is provided on Straight Line Method (SLM), at the rates and in the manner prescribed in code general du normalisation comptable.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and asset is ready for its intended use.

2.6 Fixed Asset

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortization and accumulated impairment, if any. Cost includes purchase price, labour cost and directly attributable overhead expenditure for self constructed assets incurred up to the date the asset is ready for its intended use.

2.7 Product warranty expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically up to 3 to 4 years.

2.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a moving weighted average basis. Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

2.9 Employee Benefits

Provident fund

The eligible employees of the Company are entitled to receive benefits in respect of 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. The contributions as specified under the law are made to the provident fund.

Compensated absences

The Company provides for the 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.

2.10 Income Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the code of tax.

2.11 Liabilities and contingent liabilities

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.

2.12 Conversion of Financial Statements

The financial statements are expressed in Moroccan A Dirhams (mention full form) in the Audited Accounts. However solely for the convenience of the readers and to meet the conditions of Section 212 of the Companies Act, 1956 they have been translated into Indian Rupees (Rs.) at the rate of MAD 1=Rs.7.116 and Rs.6.11 on March 31, 2014 and 2013 respectively. In case of any MAD amounts appearing in the audited financial statements prior to the above mentioned dates, the translation rate of March 31, 2014 has been applied. These translations should not be construed as a representation that any or all the amounts could be converted in Indian Rupees at this or any other rate.

3. Equity

(in '000)	Share Capital		Reserves		Prior Years' Profit / (Loss)		Profit / Loss for the year		TOTAL	
	INR	MAD	INR	MAD	INR	MAD	INR	MAD	INR	MAD
ADJUSTED BALANCE AT BEGINNING OF 31 MARCH 2013	284,640	40,000	2,959	416	(774,819)	(108,884)			(487,220)	(68,468)
Total recognised income and expense							(214,815)	(30,188)		
Transactions with owners										
- Capital increases										
- Capital reductions										
- Conversion of financial liabilities into equity										
- Dividends paid										
- Treasury share transactions (net)										
- Business combinations										
- Other transactions										
Other changes in equity	1,152,792	162,000								
31 MARCH 2014 ENDING BALANCE	1,437,432	202,000	2,959	416	(774,819)	(108,884)	(214,815)	(30,188)	450,757	63,344

No of Shares held by each Shareholder (nominal value 1000 dirhams)

Name of Shareholder	No. of Shares March 2014	No. of Shares March 2013
Tata Hispano Motors Carrocerra SA, Spain	201996	39996
Mr R Pisharody	1	1
Mr R T Wasan	1	1
Mr Abhijit Gajendragadkar	1	1
Mr Raja Rao	1	1
Total	202000	40000

Information regarding issue of shares

The company has issued 162000 ordinary shares to Tata Hispano Spain in May 2013 by conversion of participatory loans and payables.

4. Long Term Liabilities

The company had availed participatory Loans from its parent company which have been converted into equity in the FY 2013-14. There are no loans pending as at 31st March 2014.

5. Provisions

PROVISIONS										In '000	
	INR	MAD	INR	MAD	INR	MAD	INR	MAD	INR	MAD	
NON-CURRENT	Balance at 31 MARCH 2013		Additions		Retirements		Transfers		Balance at 31 MARCH 2014		
Employee provisions		0							0	0	
Tax provision		0							0	0	
Risk provisions		0							0	0	
Other provisions	24,438	3,434	308	43	0	0	0	0	24,745	3,477	
Total non-current provisions	24,438	3,434	308	43	0	0	0	0	24,745	3,477	
CURRENT	Balance at 31 MARCH 2013		Additions		Retirements		Transfers		Balance at 31 MARCH 2014		
Employee provisions	0								0		
Tax provision	0								0		
Risk provisions	0								0		
Other provisions	0								0		
Total current provisions	0	0	0	0	0	0	0	0	0	0	
TOTAL PROVISIONS	24,438	3,434	308	43	0	0	0	0	24,745	3,477	

6. Current Liabilities other than provisions

Current Liabilities other than provisions						
	INR	MAD	INR	MAD	INR	MAD
(in '000)	Current		Non-current		Total	
Trade accounts payable	481,472	67,661		0	481,472	67,661
Advances	0	0		0	0	0
Payables for the purchase of				0	0	0
Payables for the purchase of land				0	0	0
Deposits and guarantees received				0	0	0
Accrued derivated interest	55,722	7,830		0	55,722	7,830
Other payables	76,831	10,797		0	76,831	10,797
Total	614,025	86,288	0	0	614,025	86,288

7. Tangible Assets

MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT								
	INR	MAD	INR	MAD	INR	MAD	INR	MAD
(in '000)	Balance at 31 MARCH 2013		Additions		Retirements		Balance at 31 MARCH 2014	
PROPERTIES FOR OWN USE								
Own use Land	119,225	16,754	0	0		0	119,225	16,754
Revaluation own use land	0	0	0	0		0	0	0
Own Use Buildings	165,878	23,311	6,253	879	0	0	172,131	24,189
Buildings' Accumulated Depreciation	(7,643)	(1,074)	(8,461)	(1,189)	0	0	(16,104)	(2,263)
Total Buildings Own Use	158,236	22,237	(2,208)	(310)	0	0	156,027	21,926
Fixtures Own Use	0	0					0	0
Fixtures' Accumulated Depreciation	0	0					0	0
Total Fixtures Own Use	0	0	0	0	0	0	0	0
Cost	285,103	40,065	6,253	879	0	0	291,356	0
Accumulated depreciation	(7,643)	(1,074)	(8,461)	(1,189)	0	0	(16,104)	0
Total Owner-occupied property	277,460	38,991	(2,208)	(310)	0	0	275,252	38,681
Structures Plant and machinery								
Cost	0	0					0	0
Accumulated depreciation	0	0					0	0
Total structures plant and machinery	0	0	0	0	0	0	0	0
Other installations, tools and furniture								
Cost	152,987	21,499	12,127	1,704	0	0	165,114	23,203
Accumulated depreciation	(104,333)	(14,662)	(7,766)	(1,091)	0	0	(112,099)	(15,753)
Total installations, tools and furniture	48,653	6,837	4,361	613	0	0	53,015	7,450
Data processing equipment								
Cost	0	0					0	0
Accumulated depreciation	0	0					0	0
Total data processing equipment	0	0	0	0	0	0	0	0
Transport equipment								
Cost	0	0					0	0
Accumulated depreciation	0	0					0	0
Total transport equipment	0	0	0	0	0	0	0	0
OTHER PP&E								
Cost	0	0					0	0
Accumulated depreciation	0	0					0	0
Total other property, plant and equipment	0	0	0	0	0	0	0	0
OTHER ASSETS:								
Cost	0	0					0	0
Accumulated depreciation	0	0					0	0
Total other assets	0	0	0	0	0	0	0	0
Cost	438,090	61,564	18,380	2,583	0	0	456,470	64,147
Accumulated depreciation	(111,976)	(15,736)	(16,227)	(2,280)	0	0	(128,204)	(18,016)
Provisions	0						0	
TOTAL PROPERTY AND EQUIPMENT	326,113	45,828	2,153	303	0	0	328,267	46,131

8. Intangible Assets

MOVEMENTS IN INTANGIBLE ASSETS							In '000	
	INR	MAD	INR	MAD	INR	MAD	INR	MAD
In '000	Balance at 31 MARCH 2013		Additions		Retirements		Balance at 31 MARCH 2014	
RESECH AND DEVELOPMENTS:								
Cost							0	
Accumulated depreciation							0	
Total R+D	0	0	0		0	0	0	
Concessions, patents and licenses:								
Cost	68,486	9,624	12,660	1,779			81,146	11,403
Accumulated depreciation	-54,312	-7,632	-7,715	-1,084			-62,026	-8,716
Total concessions, patents and licenses	14,174	1,992	4,945	695	0	0	19,119	2,687
Rights under finance leases:								
Cost							0	
Accumulated depreciation							0	
Total richts under finance leases	0		0		0	0	0	
SOFTWARE:								
Cost							0	
Accumulated depreciation							0	
Total Software	0		0		0	0	0	
TOTAL Cost	68,486	9,624	12,660	1,779	0	0	81,146	11,403
TOTAL Accumulated Depreciation	-54,312	-7,632	-7,715	-1,084	0	0	-62,026	-8,716
Advances								
Provisions								
INTANGILE ASSETS	14,174	1,992	4,945	695	0	0	19,119	2,687

9. Inventories

INVENTORIES				
(in '000)				
Concept	March-14	March-14	March-13	March-13
	INR	MAD	INR	MAD
GOODS	58,953	8,285	8,113	1,328
RAW MATERIAL	162,001	22,766	141,985	23,238
ENERGY MATERIALS	0	0	0	0
FUEL	0	0	0	0
ADDING SETS	0	0	0	0
COMBUSTIBLES	0	0	0	0
STORES	0	0	0	0
OTHER MATERIALS	0	0	0	0
PACKAGING MATERIAL	0	0	0	0
OTHER PACKAGING MATERIAL	0	0	0	0
OFFICE MATERIAL	0	0	0	0
SEMI-FINISHED GOODS	29,492	4,145	23,171	3,792
ENERGETIC SEMI-FINISHED GOODS	0	0	0	0
NON ENERGETIC SEMIFINISHED	0	0	0	0
ENERGETIC FINISHED GOODS	0	0	0	0
NON ENERGETIC FINISHED GOODS	0	0	0	0
DERIVATIVE PRODUCTS	0	0	0	0
ADVANCES TO SUPPLIERS	697	98	0	0

Raw material Inventory has been written down by 11.8 Million Dirhams in FY 2013-14. In addition, it was written down by 1.5 Million Dirhams in FY 2012-13

10. Current Assets

(in '000)	INR	MAD	INR	MAD
	Mar-14		Mar-13	
Accounts receivable	490,442	68,921	404,429	66,191
Trade receivables for sales and services	350,778	49,294	323,958	53,021
Receivable from Group companies and associates	16,004	2,249	0	-
Other Debtors	6,140	863	738	121
Employees	1,383	194	706	116
Current tax asset	113,908	16,007	77,758	12,726
Receivable from public authorities	2,228	313	1,269	208

11. Revenue

(in '000)				
ACTIVITY	INR	MAD	INR	MAD
Sales-	Mar-14		Mar-13	
Finished products	411,134	57,776	380,053	62,202
Goods				
Other sales				
Returns and rappels				
Services	13,288	1,867	9,810	1,606
total	424,422	59,643	389,863	63,807
GEOGRAPHIC MARKETS	INR	MAD	INR	MAD
Europe	2,500	351.3	0	0
America		0	0	
Asia and Africa	0	0	389,863	63,807
Total	2,500	351	389,863	63,807
KIND OF PRODUCT	INR	MAD	INR	MAD
Buses and coaches	411,134	57,776	380,053	62,202
Service and after sales	13,288	1,867	9,810	1,606
TOTAL	424,422	59,643	389,863	63,807

12. Purchases

(in '000)				
Concept	INR	MAD	INR	MAD
PROCUREMENTS-				
Purchases	415,108	58,334	271,560	44,445
Raw materials consumption				
otros aprovisionamientos-				
Purchases	415,108	58,334	271,560	44,445
Inventories variation	- 81,083	- 11,394	1,716	281
		-	-	-
External services	-	-	29,611	4,846
	334,025	46,940	325,453	53,266
GEOGRAPHIC MARKETS	INR	MAD	INR	MAD
National	227,293	31,941	116,967	19,144
Other member countries			-	
Importations	187,814	26,393	154,593	25,302
	415,108	58,334	271,560	44,445

13. Personnel Expenses

	INR	MAD	INR	MAD
(In '000)	Mar-14		Mar-13	
Personnel expenses				
Wages, salaries and Bonus	154,356	21,691	79,644	13,035
Employee welfare expenses	2,975	418	1,656	271
Total	157,331	22,109	81,300	13,306

14. Provisions

	INR	MAD	INR	MAD
(in '000)	Mar-14		Mar-13	
Total	85,197	12,073	12,312	4,622
Provision Warranty	814	114	2,967	486
Customs Duty Prior period		101		107
Provision Customer				2,500
Depreciation Raw Material	84,383	11,858	9,345	1,530

15. Other Expenses

	INR	MAD	INR	MAD
	Mar-14		Mar-13	
Category				(In '000)
Bank Charges	834.37	117.25	529.10	86.60
Fees	4,578.84	643.46	4,607.81	754.14
Insurance	539.85	75.86	321.98	52.70
IT Expense	11,483.29	1,613.73	-	-
Office Expense	141.25	19.85	354.75	58.06
Other Expenses	-	-	251.60	41.18
Rent	3,011.86	423.25	1,559.90	255.30
Repairs and Maintenance	3,052.66	428.99	3,574.45	585.02
Security Expense	2,934.50	412.38	1,736.13	284.15
Telecommunications	1,757.44	246.97	1,483.65	242.82
Transport	17,568.12	2,468.82	14,343.90	2,347.61
Travel Expense	1,796.36	252.44	847.84	138.76
Grand Total	47,698.54	6,703.00	29,611.12	4,846.34

16. Taxes other than Income tax

	INR	MAD	INR	MAD
(in '000)	Mar-14		Mar-13	
Total	13,663	1,920	25,239	4,131
Other Taxes	255	36	435	71
Douane	6,601	928	16,530	2,705
Property Tax	3,761	528	4,691	768
Homologation Charges	2,334	328	0	-
Tax Anterieurs	713	100	3,584	587

17. Finance Charges

In '000				
Concept	Mar-14		Mar-13	
	INR	MAD	INR	MAD
Capitalised financial expenses				
Other interest and similar income	3,012	423	4,902	802
Dividends				
Profit from financial assets sold				
Income from derivative financial instruments				
Share of profit (loss) of companies accounted for by the equity method				
Total finance revenue	3,012	423	4,902	802
Interest and similar charges	3,094	435	24,393	3,992
Expense on derivative financial instruments				
Change in financial allowances				
Total financial cost	3,094	435	24,393	3,992
Net finance cost	83	12	19,491	3,190

18. Income Tax

			(In '000)	
	INR	MAD	INR	MAD
	Mar-14		Mar-13	
Corporate income tax	2,131	299	1,951	319
Variation due to deferred and prepaid taxes	-	-	-	-
Total	2,131	299	1,951	319

**TATA HISPANO MOTORS
CARROCERA, SAU**

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Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

TATA HISPANO MOTORS CARROCERA, S.A.U.

BALANCE SHEET AT 31 MARCH 2014

ASSETS	Euro 31-03-2014	INR 31-03-2014	Euro 31-03-2013	INR 31-03-2013	EQUITY AND LIABILITY	Euro 31-03-2014	INR 31-03-2014	Euro 31-03-2013	INR 31-03-2013
NON-CURRENT ASSETS:					EQUITY:				
Intangible assets-	13,279	10,62,281	97,28,806	77,83,04,480	OWNERS' EQUITY-				
Research and development expenditure			89,90,250	71,92,20,000	Share capital	5,38,092	4,30,47,360	5,38,092	4,30,47,360
Patents	13,279	10,62,281	13,278	10,62,240	Retained losses	(7,09,90,447)	(5,67,92,35,732)	(5,66,09,905)	(4,52,87,92,400)
Computer software			7,25,278	5,80,22,240	Other reserves	79,187	63,34,960	79,187	63,34,960
Property, plant and equipment	12,68,139	10,14,51,115	15,98,011	12,78,40,880	Profit for the period	(1,16,87,096)	(93,49,67,658)	(1,43,80,544)	(1,15,04,43,520)
Non-current investments in Group companies and associates	80,00,037	64,00,02,973	1,33,96,338	1,07,17,07,040	GRANTS, DONATIONS OR GIFTS AND LEGACIES RECEIVED-				
Equity instruments	80,00,000	63,99,99,997	29,56,301	23,65,04,080	Grants, donations or gifts and legacies received	7,07,549	5,66,03,883	7,07,549	5,66,03,920
Loans to companies	37	2,976	1,04,40,037	83,52,02,960	Total equity	(8,13,52,715)	(6,50,82,17,187)	(6,96,65,621)	(5,57,32,49,680)
Non-current financial assets-	1,78,067	1,42,45,355	1,75,067	1,40,05,360					
Other financial assets	1,78,067	1,42,45,355	1,75,067	1,40,05,360					
Deferred tax assets	3,03,236	2,42,58,876	3,03,236	2,42,58,880	NON-CURRENT LIABILITIES:				
Total non-current assets	97,62,758	78,10,20,600	2,52,01,458	2,01,61,16,640	Long-term provisions-	3,12,356	2,49,88,443	3,41,893	2,73,51,440
					Long-term employee obligations	2,96,674	2,37,33,920	2,96,674	2,37,33,920
					Other provisions	15,682	12,54,523	45,219	36,17,520
					Non-current payables	71,27,813	57,02,25,054	71,27,818	57,02,25,440
					Non-current payables to Group companies and associates	7,83,00,000	6,26,40,00,000	6,33,00,000	5,06,40,00,000
					Deferred tax liabilities	3,03,236	2,42,58,872	3,03,236	2,42,58,880
					Total non-current liabilities	8,60,43,405	6,88,34,72,370	7,10,72,947	5,68,58,35,760
					CURRENT LIABILITIES:				
					Short-term provisions	-	-	3,60,131	2,88,10,480
					Current payables-			2,69,63,353	2,15,70,68,240
					Bank borrowings	-	-	2,69,61,092	2,15,68,87,360
					Other financial liabilities	-	-	2,261	1,80,880
					Current payables to Group companies and associates	58,35,121	46,68,09,677	45,54,094	36,43,27,520
					Trade and other payables-	79,42,354	63,53,88,308	1,29,82,801	1,03,86,24,080
					Payable to suppliers	23,31,054	18,64,84,322	59,38,380	47,50,70,400
					Payable to suppliers - Group companies and associates	50,89,108	40,71,28,631	46,75,627	37,40,50,160
					Other accounts payable	4,42,261	3,53,80,877	8,74,519	6,99,61,520
					Remuneration payable	-	-	5,19,751	4,15,80,080
					Other accounts payable to public authorities	79,931	63,94,478	8,73,685	6,98,94,800
					Customer advances	-	-	1,00,839	80,67,120
					Total current liabilities	1,37,77,475	1,10,21,97,985	4,48,60,379	3,58,88,30,320
					TOTAL EQUITY AND LIABILITIES	1,84,68,165	1,47,74,53,167	4,62,67,705	3,70,14,16,400
CURRENT ASSETS:									
Inventories	25,53,747	20,42,99,780	52,21,697	41,77,35,760					
Trade and other receivables-	37,52,076	30,01,66,084	1,10,27,619	88,22,09,520					
Trade receivables for sales and services	4,02,983	3,22,38,669	46,89,690	37,51,75,200					
Receivable from Group companies and associates	32,54,216	26,03,37,306	63,00,009	50,40,00,720					
Other accounts receivable from public authorities	94,876	75,90,110	37,920	30,33,600					
Current financial assets in Group companies and associates	-	-	6,82,781	5,46,22,480					
Current financial assets	14,38,696	11,50,95,648	11,21,582	8,97,26,560					
Current prepayments and accrued income	16,845	13,47,586	16,845	13,47,600					
Cash and cash equivalents	9,44,043	7,55,23,469	29,95,723	23,96,57,840					
Total current assets	87,05,407	69,64,32,567	2,10,66,247	1,68,52,99,760					
TOTAL ASSETS	1,84,68,165	1,47,74,53,167	4,62,67,705	3,70,14,16,400					

The functional currency of the Company is Euro and accordingly the financials are presented in Euro. However, for the purpose of conversion to Indian Rupees average rate of 1 Euro = 80 INR has been used for this statement

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

TATA HISPANO MOTORS CARROCERA, S.A.U.

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Euro 1/4/13 to 31/3/14	INR 1/4/13 to 31/3/14	Euro 1/4/12 to 31/3/13	INR 1/4/12 to 31/3/13
CONTINUING OPERATIONS:				
Revenue	73,92,600	59,14,08,039	2,14,12,071	1,71,29,65,680
Changes in inventories of finished goods and work in progress	20,07,900	16,06,31,964	(17,05,139)	(13,64,11,120)
In-house work on non-current assets			67,781	54,22,480
Procurements-	(79,39,652)	(63,51,72,179)	(1,53,63,653)	(1,22,90,92,240)
Cost of goods held for resale used			(24,32,858)	(19,46,28,640)
Cost of raw materials and other consumables used	(78,45,080)	(62,76,06,403)	(1,31,12,280)	(1,04,89,82,400)
Work performed by other companies	(94,572)	(75,65,776)	(91,669)	(73,33,520)
Impairment of goods held for resale, raw materials and other supplies			2,73,154	2,18,52,320
Other operating income	20,433	16,34,614	61,824	49,45,920
Staff costs-	(1,79,59,933)	(1,43,67,94,669)	(90,90,887)	(72,72,70,960)
Wages, salaries and similar expenses	(1,57,36,652)	(1,25,89,32,190)	(67,59,133)	(54,07,30,640)
Employee benefit costs	(22,23,281)	(17,78,62,479)	(23,31,754)	(18,65,40,320)
Other operating expenses	(19,51,409)	(15,61,12,710)	(39,98,982)	(31,99,18,560)
Outside services	(18,76,658)	(15,01,32,642)	(37,99,635)	(30,39,70,800)
Other current operating expenses	(18,588)	(14,87,057)	(22,762)	(18,20,960)
Losses on, impairment of and change in allowances for trade receivables	-		(1,19,828)	(95,86,240)
Taxes other than income tax	(56,163)	(44,93,011)	(56,757)	(45,40,560)
Depreciation	(48,66,359)	(38,93,08,750)	(36,08,915)	(28,87,13,200)
Allocation to profit or loss of grants related to non-financial non-current assets and other grants			4,37,501	3,50,00,080
Impairment and gains or losses on disposals of non-current assets			1,55,188	1,24,15,040
Other gains or losses	1,34,73,274	1,07,78,61,956	(1,13,107)	(90,48,560)
LOSS FROM OPERATIONS	(98,23,147)	(78,58,51,734)	(1,17,46,318)	(93,97,05,440)
Finance income-	2,14,186	1,71,34,885	3,80,577	3,04,46,160
Tradable securities and other financial instruments	2,14,186	1,71,34,885	3,80,577	3,04,46,160
- Group companies and associates	2,14,010	1,71,20,828	3,65,400	2,92,32,000
- Third parties	176	14,057	15,177	12,14,160
Finance costs-	(20,78,135)	(16,62,50,809)	(28,83,097)	(23,06,47,760)
On debts to Group companies and associates	(12,81,459)	(10,25,16,757)	(15,56,204)	(12,44,96,320)
On debts to third parties	(7,96,676)	(6,37,34,052)	(13,26,893)	(10,61,51,440)
Exchange differences			(456)	(36,480)
FINANCIAL LOSS	(18,63,949)	(14,91,15,924)	(25,02,976)	(20,02,38,080)
LOSS BEFORE TAX	(1,16,87,096)	(93,49,67,658)	(1,42,49,294)	(1,13,99,43,520)
Income tax expense			(1,31,250)	(1,05,00,000)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(1,16,87,096)	(93,49,67,658)	(1,43,80,544)	(1,15,04,43,520)
LOSS FOR THE PERIOD	(1,16,87,096)	(93,49,67,658)	(1,43,80,544)	(1,15,04,43,520)

The functional currency of the Company is Euro and accordingly the financials are presented in Euro. However, for the purpose of conversion to Indian Rupees average rate of 1 Euro = 80 INR has been used for this statement

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 20). In the event of a discrepancy, the Spanish-language version prevails.

TATA HISPANO MOTORS CARROCERA, S.A.U.

Notes to the Financial Statements for the year ended 31 March 2014

1. Company activities

TATA Hispano Motors Carrocera, S.A.U. is a company incorporated in Spain in accordance with the Spanish Companies Law. The Company's object, per its bylaws, is the manufacture and sale of bus body work for both the Spanish and foreign markets. Its registered office is at Ctra. de Castellón, Km. 230,5, Camino del Canal s/n, La Cartuja Baja (Zaragoza).

As per date 16 March 2005, the company Investalia S.L and Tata Motors Ltd. signed an agreement that provided for a purchase option for the latter up to 79% of the shares of Hispano Carrocera, S.A. The implantation conditions were in accordance with the contract which expired in March 2010.

On October 2009 Tata Motors Ltd. exercised the call option and turned into the sole stockholder of the company. Since that moment, the company takes part of Tata Group, the parent of which is TATA Motors Ltd., with registered office in India in Bombay House 24, Homi Mody Street, Mumbai-400 001. This is the company which formulates consolidated financial statements.

As per date 3th February 2010 the Company changed its denomination for TATA Hispano Motors Carrocera S.A.U.

These financial statements refer only to specific TATA Hispano Motors Carrocera, S.A.U. and do not intend to present the consolidated financial statements of the Company and its subsidiaries.

2. Basis of presentation of the financial statements

2.1. Regulatory financial reporting framework applicable to the company

These financial statements have been made by the Sole Administrator in accordance with the financial reporting regulatory framework applicable to the Society, which is set to:

- a) Code of Commerce and the remaining business law.
- b) General Accounting Plan approved by Royal Decree 1514/2007 and its sectorial adaptations.
- c) Mandatory standards approved by the Institute of Accounting and Auditing in development of the General Accounting Plan and its complementary regulations.
- d) The rest of the Spanish accounting regulations that applies to these statements.

2.2. Fair presentation

The accompanying financial statements have been obtained from the Company's accounting records and presented in accordance with the financial reporting regulatory framework that is applicable and in particular

with the principles and criteria contained in it, so that they present net worth, financial position, results of the Company and cash flows for the period ended March 31, 2013. These annual accounts have been prepared by the directors of the Company and are subject to approval by the sole shareholder, expected to be approved without modification. On the other hand, the annual accounts for the year ended March 31, 2013 were approved by the sole shareholder on 28 September 2013.

2.3. Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. In addition, the directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards which have a significant effect on them. All obligatory accounting principles were applied.

2.4. Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements, estimates were made by the Company's directors in order to measure certainty of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on intangible assets and fixed assets in light of the signs of deterioration revealed by the Company's recurring losses.
- The fair value of inventories (see Notes 4.5 and 10).
- The useful life of property, plant and equipment and intangible assets (see Note 4.1 and 4.2).
- The calculation of certain provisions (see Note 12).

Although these estimates were made on the basis of the best information available at 31 March 2013, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

Going concern principle

The company has incurred losses in recent years, which have resulted in a negative working equity of EURO 83,859 thousand (INR 6,708,720 thousands) on 31 March 2014, the company's equity is less than half of the social capital's figure. Consequently, the company would be immersed in a situation of mandatory dissolution pursuant to Article 363 of the Spanish Companies Law (see Note 11), even taking into account the equity loans described below. On September 23, 2013 the members of the Board of Management approved the winding down of the manufacturing activity which took place on September of that same year. This closing doesn't mean the Company's liquidation, due to the Company perform the activity of spare parts selling as well as warranty services. The Company also uses its investee's, TATA Hispano Maghreb, S.A., business in Morocco. As consequence of the assemblage of business cessation activities, an Employment Regulatory Action is approved by the Company for practically all of the Company's personnel (see Note 15.4). The Sole Shareholder manifests by the formulation of the accompanying financial statements that in the next months, the necessary measures for reestablishing the patrimonial balance and for resolving the dissolution cause will be taken. This last issue will be resolved by the granting of enough participative loans to balance the Company's equity. In this context, TATA Motors, Ltd. manifest by the formulation of the accompanying financial statements, its intention of continuing to give the necessary economic and financial support in order to assure the continuity of the Company's business operations and its ability to realize its assets and settle its liabilities for the amounts and with the classification reflected in the accompanying financial statements. In addition, the Sole Shareholder has manifested that he has no intention in selling nor liquidating the firm in the upcoming 24 months. In this sense, economic and financial support from its Sole Shareholder is implemented through the following measures:

- The Company will use all necessary measures to recover assets classified under "Long term assets held for sale" into the current asset of the balance sheet attached, which include the investment in TATA Hispano Maghreb, SA, inventory and fixed asset. TATA Motors, Ltd. is committed to restore any losses, that could be

realized in the process of sale the fixed assets and stocks mentioned above. If it is not possible the sale in the next twelve months, Tata Motors, Ltd. will acquire these assets by applying a reasonable margin over the recorded amount balances. In addition, TATA Motors, Ltd. is committed to guarantee the recoverability of the accounts receivables with TATA Hispano Maghreb S.A. amounted to 2.658 thousand euros (INR 2 12,640 thousands) at the end of March 31, 2014 (see Note 16.2).

- In the Board of Directors of TATA Motors Ltd. held on November 8, 2013, it was approved the purchase of the totally of the share in TATA Hispano Maghreb SA by the Sole Shareholder, according to an independent expert valuation of the Morocco investment, amounting to EURO 8 million (INR 640 million). That amount is the same as the Company has registered the Morocco investments into the financial statements at end March 31, 2014. Even though, at the date of preparation of these financial statements the mentioned sale isn't formalized yet, the amount of the investments is guaranteed by the agreement, which took place in the Board of Directors held On November 8, 2013. As a result of the foregoing, the Company prepared the accompanying financial statements in accordance with the going concern principle of accounting.

2.5. Comparative information and matters arising from the transition to the new accounting rules

The information contained herein relating to the year ended March 31, 2014 is presented as comparative information for the year ended March 31, 2014.

2.6. Grouping of items

Certain items in the Balance Sheet, Income Statement, Statement of Changes in Equity and Statement of Cash Flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

2.7. Changes in accounting policies

For the year ended 31st March 2014 reporting period there were no significant changes in accounting policies respect to those applied for the year ended 31st March 2013.

2.8. Correction of errors

In preparing the current financial statements, the Company has not detected any significant error that has led to the restatement of the amounts included in the annual accounts for the year ended March 31, 2013.

3. Application of profit

The application of the losses for the year ended on March 31, 2014 proposed by the directors of the Company and which is subject to approval by the sole shareholder is to allocate them to "Negative results from previous years", for its compensation in future periods.

4. Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for the fiscal year ended 31 March 2014, in accordance with the ones established by the General Accounting Plan, are as follows:

4.1. Intangible assets

As a general rule, intangible assets are recognised initially at acquisition price or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

1. Research and development expenditure:

The Company recognises research expenditure as an expense in the year in which it is incurred. However, it is capitalised if the following conditions are met:

- It is specifically itemised by project and the related costs can be clearly identified.
- There are sound reasons to foresee the technical success and economic and commercial profitability of the related project.

Development expenditure is capitalised, if it meets the conditions established for the capitalisation of research expenditure.

Assets thus generated are amortised on a straight-line basis over their years of useful life (over a maximum period of five years) from the date on which the project is completed.

If there are doubts as to the technical success or economic profitability of the related project, the amounts capitalised are recognised directly in profit or loss.

2. Patents:

The Company recognises under "Patents" the expenses incurred during the registration of the Divo trademark developed by the Company for use in a portion of its commercial transactions.

Based on an analysis of all the relevant factors, the Company's management considers that there is no foreseeable limit to the period over which this trademark is expected to generate net cash flows, as a result, the trademark was classified as an intangible asset with an indefinite useful life. Therefore, it is not amortised, but it is tested for impairment using the methodology described below. This indefinite useful life assessment is reviewed at each reporting date and is consistent with the Company's related business plans.

3. Computer software:

The Company recognises under "Computer Software" the costs incurred in the acquisition and development of computer programs, including website development costs. Computer software maintenance costs are recognised with a charge to the income statement for the year in which they are incurred. Computer software is amortised on a straight-line basis over five years.

Impairment of intangible and tangible assets

At the end of each year (in the case of goodwill or intangible assets with indefinite useful lives) or whenever there are indicators of impairment (for other assets), the Company estimates by means of the so-called "impairment test" the possible existence of impairment losses that reduce the recoverable value of such assets to an amount less than that of their value in the books.

The recoverable amount is determined as the higher of fair value less cost to sell and value in use. In order to estimate the value in use, it is computed the present value of future cash flows of the analysed asset (or cash generating unit to which it belongs, if applicable) using a discount rate that reflects both the time value of money as the specific risk associated with the asset. When the estimated recoverable amount of an asset is less than its book value, the difference is recorded with a charge to "Impairments and gains or losses on disposals of non-current assets" in the income statement. The impairment losses recognized of an asset are reversed with a credit to the heading when the estimates improve its recoverable amount, increasing the value of the asset to the extent of its book value if no impairment had been made, except the case of goodwill, whose impairment is not reversible.

4.2. **Tangible assets**

Property, plant and equipment are initially recognised at acquisition price or production cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised, as indicated in Note 4.1.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

In-house work on non-current assets is measured at accumulated cost, external costs plus in-house costs, determined on the basis of in-house materials consumption, direct labour and general manufacturing costs calculated using absorption rates similar to those used for the measurement of inventories.

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Years of Estimated Useful Life
Building	33
Plant	10
Machinery	10
Tools	5
Furniture	10
Computer hardware	5
Transport equipment	6.25

4.3. **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the ownership of the leased asset. All other leases are classified as operating leases.

Operating lease expenses are recognised in income on an accrual basis.

Any collection or payment, which may be made when arranging an operating lease, will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

4.4. **Financial instruments**

4.4.1 Financial assets

Classification

The financial assets held by the Company are classified in the following categories:

1. Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

2. Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other venturers.

Financial assets are initially recognised at the fair value of the compensation given, plus any directly attributable transaction costs. Subsequently, these assets are valued at amortized cost.

Investments in Group companies, associates and jointly controlled entities are measured at net cost less, when applicable, accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

From January 1, 2010, in the case of investments in the equity of companies of the group that provide control over the subsidiary, the fees paid to legal advisors or other professionals involved in the acquisition of the investment are taken directly to the income account.

At least at each reporting date the Company tests financial assets that are not measured at fair value. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement.

In particular, the Company classifies valuation adjustments relating to trade and other receivables as doubtful debts and recognises the related impairment loss based on a case-by-case analysis of the related debt. Amounts are classified as doubtful debts when the insolvency of the debtor is evident or when after certain deadlines have passed and the related collection management procedures have been performed, a positive result is not obtained.

4.4.2 Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance cannot be classified as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the compensation received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost. In particular, the difference between the amount awarded by government agency loans at interest rates below the market and its current value at the time of the grant is recorded as a grant to implement the registration and assessment standards described in Note 4.12.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.5. *Inventories*

Raw materials and supplies are measured at the lower of acquisition price or production cost and net realisable value. Trade discounts, rebates, other similar items and interests included in the face value of the related payables are deducted in determining the costs of purchase.

Work in progress is measured at cost and includes the value of the materials used and the costs incurred up to the current stage of production of the vehicle. Finished goods are measured using essentially the same criteria.

Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The cost of inventories is assigned by using the weighted average cost formula.

The Company recognises the appropriate write-downs as an expense in the income statement when the net realisable value of the inventories is lower than acquisition or production cost.

4.6. Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transactions.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are converted to Euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

4.7. Income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carry forwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and non-recognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carry forwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

4.8. Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the compensation received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company neither continues to manage the goods nor retains effective control over them.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

4.9. Provisions and contingencies

When preparing the financial statements the Company's directors make a distinction between:

1. Provisions: credit balances that cover current obligations arising from past events, which will probably be cancelled giving rise to an outflow of funds, but where the amount and/or timing of the cancellation is not known.
2. Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The financial statements include all the provisions with respect to which it is estimated that the probability of having to meet the obligation is greater than otherwise. Unless they are considered remote, contingent liabilities are not recognized in the annual accounts but reported in the notes of the memory. In particular, the financial statements include the provision which is made for meeting the costs of post-sale securities in the short and long term that the Company has committed to its customers, as well as the provision to meet certain obligations with employees on wages and for which it is estimated that the probability of having to meet the obligation is greater than otherwise.

Provisions are measured at the present value of best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences and registering the adjustments made to update these provisions as an expense as it is being accrued.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

4.10. Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

4.11. Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company's business activities do not have a significant environmental impact other than that indicated in Note 17.

4.12. Grants, donations or gifts and legacies received

The Company accounts for grants, donations or gifts and legacies received as follows:

1. Non-refundable grants, donations or gifts and legacies related to assets: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss.
2. Refundable grants: while they are refundable, they are recognised as a liability.
3. Grants related to income: grants related to income are credited to income when granted, unless their purpose is to finance losses from operations in future years, in which case they are allocated to income in those years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

On the other hand, grants, donations and bequests from members or owners are not considered revenue, being recorded directly in equity, regardless of the type of grant in question, as long as they are not refundable.

4.13. Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

4.14. Long term assets and disposal groups held for sale

When the firm decides to sell a non-current asset or a disposal group, these are classified as held for sale. It is estimated for the aforementioned sale to take place within the next twelve months.

The value of the assets or disposal groups is obtained by taking the smaller of the book value and the fair value deducting the necessary costs for the sale.

The non-current assets held for sale are not amortized, but on the date of each balance sheet valuation corrections are made so that the book value does not exceed the fair value less the cost of sales.

All the revenues and expenses generated by all the non-current assets and disposal groups of held for sale elements that do not comply with the requirements for being qualified as discontinuous operations, will be recognized in the Profit and Loss Statement under a heading that will appropriately reflect its nature

4.15. Discontinuous operations

A discontinuous operation is a component of an entity that either has been disposed of, or is classified as held for sale, among several conditions, represents a separate major line of business or geographical area of operations.

In order to classify an asset as non-current held for sale, the following conditions must be met by the closing year:

The assets are available for sale in its current conditions.

There is a high probability of sale.

The firm's management has developed a sale plan for these assets.

The sale of the assets is expected to be in the short-term.

For this type of operations, the Company includes the earnings after tax from discontinuous operations as well as the earnings after tax calculated using its fair value less the cost of sale or using its disposal of elements in the item "Post tax profit for the period of discontinuous operations" within the Profit and Loss Statement.

Additionally, when operations are classified as discontinuous, the firm presents in the previously mentioned item the figure from the preceding exercise, corresponding to the discontinuous activities on the date of the closing of the Company

4.16. Current and non-current assets

Current assets are considered those related to the normal operating cycle that is generally considered a year, also those maturing assets, whose sale or performance is expected to occur in the short period since the close of the year, assets held for trading, with the exception of financial derivatives whose settlement period exceeds a year and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current.

Similarly, current liabilities are those related to the normal operating cycle, financial liabilities held for trading, with the exception of financial derivatives whose settlement period exceeds a year and in general all the obligations whose expiration or termination will occur in the short term. If not, they are classified as non-current.

5. Intangible assets

The changes in "Intangible Assets" in the balance sheet for the years ended 31 March 2014 and 2013 are as follows:

	Balance at 31/03/2013	Euros		
		Additions or Charge	Disposals	Balance at 31/03/2014
Research and development expenditure:				
Cost	22,643,147	47,900	(12,179,955)	10,511,092
Accumulated amortisation	(13,652,897)	(2,478,873)	6,891,194	(9,240,576)
Impairment losses		(1,270,516)		(1,270,516)
	8,990,250	(3,701,489)	(5,288,761)	8,990,250
Patents:				
Cost	13,278	-		13,278
Impairment losses				
	13,278			13,278
Computer software:				
Cost	1,807,000			1,807,000
Accumulated amortisation	(1,081,722)	(188,491)		(1,270,213)
Impairment losses		(536,787)		(536,787)
	725,278	(725,278)		-
Total:				
Cost	24,463,425	47,900	(12,179,955)	12,331,370
Accumulated amortisation	(14,734,619)	(2,667,364)	6,891,194	(10,510,789)
Impairment losses		(1,820,581)		(1,820,581)
Total, Net	9,728,806	(4,440,045)	(5,288,761)	13,278

	Balance at 31/03/2013	INR		
		Additions or Charge	Disposals	Balance at 31/03/2014
Research and development expenditure:				
Cost	1,811,451,760	3,832,000	(974,396,400)	840,887,360
Accumulated amortisation	(1,092,231,760)	(198,309,840)	551,295,520	(739,246,080)
Impairment losses	-	(101,641,280)	-	(101,641,280)
	719,220,000	(296,119,120)	(423,100,880)	719,220,000
Patents:				
Cost	1,062,240	-	-	1,062,240
Impairment losses				
	1,062,240	-	-	1,062,240
Computer software:				
Cost	144,560,000	-	-	144,560,000
Accumulated amortisation	(86,537,760)	(15,079,280)	-	(101,617,040)
Impairment losses	-	(42,942,960)	-	(42,942,960)
	58,022,240	(58,022,240)	-	-
Total:				
Cost	1,957,074,000	3,832,000	(974,396,400)	986,509,600
Accumulated amortisation	(1,178,769,520)	(213,389,120)	551,295,520	(840,863,120)
Impairment losses	-	(145,646,480)	-	(145,646,480)
Total, Net	778,304,480	(355,203,600)	(423,100,880)	1,062,240

During the financial year ended on March 31, 2014, the firm has sold part of the Research and Development technology net worth 5,289 thousand euros (INR 423,120 thousands) to a Group Company (See Note 16), registering a benefit for the aforementioned sale of 23,111 thousand euros (INR 1,848,880 thousands) under "Impairment losses and gains/losses on disposal of fixed assets" in the aforementioned Income Statement Capitalizations under the concept of "Computer Software", correspond to the costs of acquiring a new computer application for the development of their business.

On March 31, 2014 the company has estimated a recoverable amount of these assets, it being less than their book value and thus registering a loss of 1,820,581 euros (INR 145,646,480 thousands) under "Impairment losses and gains/losses on disposal of fixed assets" in the aforementioned Income Statement

At the year ended 31 March 2014 and 31 March 2013 the Group had fully amortised intangible assets still in use, the detail being as follows (gross carrying value in Euros):

	Euro		INR	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
R&D projects		7,588,808	-	607,104,640
Computer software	885,016	846,100	70,801,280	67,688,000
Total	885,016	8,434,908	70,801,280	674,792,640

At the year ended on March 31, 2014, the Company did not have any firm commitments to purchase items of fixed assets.

The Company received in the years ended March 31, 2010 and March 31, 2011 various grants and loans with 0 interest rate for a net amount of EUR 984,696 (INR 78,775,680) and EUR 10,566,343 (INR 845,307,440) respectively, which were associated primarily to the implementation of various research and development projects as indicated in Note 11. Some of the expenses incurred in these projects were activated by considering the directors of the Company that they met the requirements for it.

6. Tangible assets

The changes in "Tangible assets" in the balance sheet for the years ended 31 March 2014 and 2013 are as follows:

	Euros			INR		
	Balance at 31/03/2013	Additions or Charges	Balance at 31/03/2014	Balance at 31/03/2013	Additions or Charges	Balance at 31/03/2014
Building:						
Cost	84,073	-	84,073	6,725,840	-	6,725,840
Accumulated depreciation	(5,758)	(2,523)	(8,281)	(460,640)	(201,840)	(662,480)
	78,315	(2,523)	75,792	6,265,200	(201,840)	6,063,360

Plant:						
Cost	1,841,894	-	1,841,894	147,351,520	-	147,351,520
Accumulated depreciation	(1,770,196)	(9,533)	(1,779,729)	(141,615,680)	(762,640)	(142,378,320)
	71,698	(9,533)	62,165	5,735,840	(762,640)	4,973,200
Machinery:						
Cost	3,219,532		3,219,532	257,562,560		257,562,560
Accumulated depreciation	(2,733,633)	(79,869)	(2,813,502)	(218,690,640)	(6,389,520)	(225,080,160)
	485,899	(79,869)	406,030	38,871,920	(6,389,520)	32,482,400
Tools:						
Cost	4,071,497	59,643	4,131,140	325,719,760	59,643	330,491,200
Accumulated depreciation	(3,572,611)	(204,328))	(3,776,939)	(285,808,880)	(204,328))	(302,155,120)
	498,886	(172,816)	354,201	39,910,880	(13,825,280)	28,336,080
Other facilities and furniture:						
Cost	1,309,563		1,309,563	104,765,040	-	104,765,040
Accumulated depreciation	(1,004,706)	(41,124)	(1,045,830)	(80,376,480)	(3,289,920)	(83,666,400)
	304,857	(41,124))	263,733	24,388,560	(41,124))	21,098,640
Computer hardware:						
Cost	1,032,758	2,478	1,035,236	82,620,640	198,240	82,818,880
Accumulated depreciation	(936,994)	(43,375)	(980,369)	(74,959,520)	(3,470,000)	(78,429,520)
	95,764	(40,897)	54,867	7,661,120	(3,271,760)	4,389,360
Transport equipment:						
Cost	184,630	-	184,630	14,770,400	-	14,770,400
Accumulated depreciation	(173,732)	(10,898)	(184,630)	(13,898,560)	(871,840)	(14,770,400)
	10,898	(10,898)	-	871,840	(871,840)	-
Other items of property, plant and equipment:						
Cost	56,230	(302)	55,928	4,498,400	(24,160)	4,474,240

Accumulated depreciation	(4,536)	(42)	(4,578)	(362,880)	(3,360)	(366,240)
	51,694	(344)	51,350	4,135,520	(27,520)	4,108,000
Total:						
Cost	11,800,177	61,819	11,861,996	944,014,160	4,945,520	948,959,680
Accumulated depreciation	(10,202,166)	(391,692)	(10,593,858)	(816,173,280)	(31,335,360)	(847,508,640)
	1,598,011	(329,873)	1,268,138	127,840,880	(26,389,840)	101,451,040

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At the period ended 31 March 2014 the property, plant and equipment were fully insured against these risks.

7. Leases

Operating lease

At the reporting ended 31 March 2014 and 2013 the Company had contracted with lessors for the following minimum lease payments, based on the leases currently in force, without taking into account the charging of common expenses, future increases in the CPI or future contractual lease payment revisions (in Euros):

Operating Leases Minimum Lease Payments	Euro		INR	
	Nominal Value		Nominal Value	
	31/03/14	31/03/13	31/03/14	31/03/13
Within one year	17,465	1,117,894	1,397,200	89,431,520
Between one and five years		4,227,289		338,183,120
Total	17,465	5,345,183	1,397,200	427,614,640

The lease payments recognised as an expense for the years ended 31 March 2014 and 2013 amounted to EUR 722 (INR 57,760) and EUR 1,179 (INR 94,320) thousands, respectively.

As the leaseholder, the most significant operating leases held by the Company for the years ended 31 March 2014 and 2013 reporting date were as follows:

1. - Lease of the land and industrial buildings in which the Company carries on its business, dated 28 March 2008. The essential terms and conditions are the following:

- The initial term of the agreement is five years, automatically renewable for another five-year period unless TATA Hispano Motors Carrocera, S.A.U. expressly terminates the agreement. The lessor may terminate the agreement on the grounds that are typical of this type of agreement including, inter alia, the lessor's breach of its obligations. The agreement is signed with a company linked to Tata Motors Group.

- The costs of maintenance and repairs, taxes, electricity, water, etc. are to be paid by TATA Hispano Motors Carrocera, S.A.U. The insurance to cover the structure shall be for the account of the lessor.
- The lease payment is EUR 80,000 per month, which is the market value of this type of facility. The lease payment shall be revised in accordance with the annual increase in the CPI. Therefore, at the year ended 31 March 2013 reporting date the lease payment is EUR 86,871 per month.

2. - Certain full-service leases for computers and transport equipment. The payments, terms and residual value established in these agreements do not qualify under accounting legislation as finance leases and, therefore, they are classified as operating leases. In this regard, the Company does not intend to exercise any purchase options on any of the assets forming the subject matter of the aforementioned agreements. During the year ended on 31 March 2014, the company has cancelled 5 out of 7 leases with due date in 2015.

No significant agreements have been signed along the year ended 31 March 2014.

8. Financial assets (non-current and current)

8.1. Non-current and current financial assets

The detail of "Non-Current Financial Assets" and "Current Financial Assets", excluding investments in the equity of group companies, jointly controlled entities and associates, at the reporting ended on 31 March 2014 and 2013 is as follows (in Euros):

	Non-Current Financial Instruments		Current Financial Instruments	
	Loans, Derivatives and Other		Loans, Derivatives and Other	
	31/03/14	31/03/13	31/03/14	31/03/13
Loans and other receivables-				
Financial investments	178,067	175,067	622,144	1,121,582
- Extended Warrants	178,067	175,067		32,402
- Bank deposits	-	-	622,144	1,089,180
Trade receivables for sales and services	-	-		4,689,690
Total	178,067	175,067	622,144	5,811,272
	INR	INR	INR	INR
Loans and other receivables-				
Financial investments	14,245,360	14,005,360	49,771,520	89,726,560
- Extended Warrants	14,245,360	14,005,360		2,592,160
- Bank deposits	-	-	49,771,520	87,134,400
Trade receivables for sales and services	-	-		375,175,200
Total	14,245,360	14,005,360	49,771,520	464,901,760

The amount registered as "Extended warrants" correspond mainly to deposits related to the lease agreement of the land and industrial buildings in which the Company carries on its business.

The item "Bank deposits" includes several deposits due on the short term, to meet certain business operations, a confirming line formalized by the Company and the fulfillment of the obligations under various operating leases described in Note 7, respectively.

The heading "Trade receivables for sales and services" on 31 March 2014 and 2013 of the enclosed Balance Sheet appears net of impairments.

The average interest rate on the different deposits does not differ from that established for these operations in the market.

Impairments

During the year ended March 31, 2014 the Company recorded the following corrections to impairment in their short-term financial instruments, arising from credit risk in the amount of 120 thousand euros. The movement during the year ended March 31, 2014 is as follows:

	Accumulated Impairments at the beginning of the year	Impairments recognized during the year	Accumulated Impairments at the end of the year
Trade receivables	1,611,404	294,508	1,905,912
INR	128,912,320	23,560,640	152,472,960

In the year ended March 31, 2013 the Company registered impairment of EUR 119,828 (INR 9,586,240).

8.2. Group companies, jointly controlled entities and associates

The most significant information in relation to Group companies, jointly controlled entities and associates at the reporting ended 31 March 2013 and 2012 are as follows:

Denomination	Euros		INR	
	TATA Hispano Maghreb, S.A.(*)		TATA Hispano Maghreb, S.A.(*)	
	Casablanca		Casablanca	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Percentage of ownership:				
Direct	99,9%	99,9%	99,9%	99,9%
Indirect	-	-	-	-
Share capital	18,252,548	3,525	1,460,203,840	282,022
Other equity items	(9,962,691)	(8,485,143)	(797,015,280)	(678,811,440)

Loss for the period	(2,769,968)	(1,253,651)	(221,597,440)	(100,292,080)
Carrying amount:			-	-
Cost	18,571,552	3,844,280	1,485,724,160	307,542,400
Pending disbursements	-	-	-	-
Impairment loss recognized in the period	-	-	-	-
Accumulated impairment losses	(10,571,552)	(887,979)	(845,724,160)	(71,038,320)
Dividends received in the period	-	-	-	-

(*) Data obtained of the audited annual accounts at 31 March 2014.

The object of Tata Hispano Maghreb, S.A, which is unlisted, is the manufacture and sale of bus body work, for both the Spanish and overseas market.

During the year ended on 31 March 2014, the Company has capitalized participative loans worth EUR 14,727,272, (INR 1,178,181,760) increasing the equity in TATA Hispano Maghreb, S.A by EUR 18,571,552 (INR 1,485,724,160)

As indicated in Note 2.4, the business plan of TATA Hispano Maghreb, S.A. provides further strong growth in both turnover and results, based on investments in its new production plant, the synergies generated by the group membership TATA Motors, Ltd. as well as established business strategy. Based on the analysis of the business plan the Company's directors consider that it is not necessary to register any additional impairment.

9. Information on the nature and level of risk of financial instruments

The Company's financial risk management is centralised in its Financial Department, which considers that, due to the nature of its activities and transactions, it is not exposed to unusual risks in terms of price, credit, liquidity or cash flows and, accordingly, does not consider it necessary to establish special policies to hedge these risks.

The main financial risks that could affect the Company are as follows:

a) Credit risk:

In general, the Company holds its cash and cash equivalents at banks with high credit rating. Additionally, it should be noted that there is no significant concentration of credit risk with third parties.

b) Liquidity risk:

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its balance sheet, together with the credit and financing facilities detailed in Note 13. Additionally, considerations on the principle of going concern, described in Note 2.4, must be taken into account.

c) Market risk:

Both the Company's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows. However, its financial instruments are linked to certain indexes in

Western markets and, therefore, the Company considers that the impact of interest rates on its financial statements is slight.

Since the Company only operates in Euros, no foreign currency risk exists.

Based on the foregoing, the Company has not considered necessary to hire financial instruments (interest rate hedges and hedges) to mitigate the risks described above.

10. Inventories

The breakdown of the Company's inventories at the years ended 31 March 2013 and 2012 is as follows (in euros):

At the year ended 31 March 2014

	EURO			INR		
	Cost	Write-Downs	Total	Cost	Write-Downs	Total
Goods held for resale	571,573	-	571,573	45,725,840	-	45,725,840
Raw materials	1,829,123	(250,689)	1,578,434	146,329,840	(20,055,120)	126,274,720
Finished goods	153,051	-	153,051	12,244,080	-	12,244,080
Advance to Suppliers	250,689	-	250,689	20,055,120	-	20,055,120
	2,804,436	(250,689)	2,553,747	224,354,880	(20,055,120)	204,299,760

The write-downs were the result of the obsolescence of body work models to which certain raw materials had been allocated.

Impairments

The changes resulting from the impairment losses recorded in this caption during 2014 and 2013 have been the following:

At the year ended 31 March 2014

	Euros		
	Accumulated Impairments at 31/03/2013	Endowements	Accumulated Impairments at 31/03/2014
Impairment	250,689	(-)	250,689
INR	20,055,120		20,055,120

At the years ended 31 March 2014 and 2013 reporting date there were no limitations on the availability of the inventories or any circumstances, such as litigation or attachment proceedings, affecting their substantive nature.

11. Equity and owners' equity

At the reporting ended 31 March 2014 and 2013, the Company's share capital amounted to EURO 538,092 (INR 43,047,360) and was represented by 134,523 fully subscribed and paid shares of EURO 4 par value each, all of the same class.

At the reporting ended 31 March 2014, the Sole Shareholder of the company is TATA Motors, Ltd.

The Company's shares are not listed.

Legal reserve

Under the Spanish Companies Law, 10% of net profit of each year must be transferred to the legal reserve until the balance of this reserve reaches at least the 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

On 28 August 2006, EURO 799,388 of the legal reserve was used to offset retained losses and, therefore, at 31 March 2013 and 2012, no amount of the legal reserve remained available for use.

Grants

The information on the grants received by the Company, which form part of the equity, and on the amounts taken to income in this connection is as follows:

At the year ended 31 March 2014

	Field	Euros			INR		
		Balance at 31-03-2014	Amount taken to Income	Balance at 31-03-2013	Balance at 31-03-2014	Amount taken to Income	Balance at 31-03-2013
Department of Industry: Awarded in 2008	State	9,919	-	9,919	793,520	-	793,520
Department of Industry: Competitiveness Plan 2009	State	683,252	-	683,252	54,660,160	-	54,660,160
Competitiveness Plan 2010	State	258,115	-	258,115	20,649,200	-	20,649,200
Aragon Autonomous Community: Awarded in 2010	Autonomous	40,810	-	40,810	3,264,800	-	3,264,800
Awarded in 2011	Community	18,689	-	18,689	1,495,120	-	1,495,120
Total		1,010,785	-	1,010,785	80,862,800	-	80,862,800
Tax Impact		(303,236)	-	(303,236)	(24,258,880)	-	(24,258,880)

Net Grants	707,549	-	707,549	56,603,920	-	56,603,920

In April 2009 and March 2010 the Company received from the Industry General Direction a notification of grant aid to the implementation of actions and projects under the Plan of Competitiveness in the automotive sector. The aid granted in April 2009, equivalent to 65% of the total eligible budget, was a non-refundable grant amounted to EURO 984,696 (INR 78,775,680) and a loan 0% interest rate, the nominal amount of EURO 6,506,219 (INR 520,497,520), five years free of repayment and maturity date in May 2024. The aid granted in March 2010, equivalent to 61% of the total eligible budget consisted of a loan 0% interest rate, the nominal amount of EURO 4,060,124, (INR 324,809,920) five years free of repayment and maturity date in June 2025. The grant, along with the difference between present value and stated value of loans (EURO 2,904 INR 232,320 and EURO 1,812 INR 144,960 thousand) explained the increases in the grants in the year ended March 31, 2010. The present value of loans at 31 March 2014 (EURO 4,493 INR 359,440 and EURO 2,634 INR 210,720 thousand) is recorded under the heading of Non-Current Payables Bank Borrowings (see Note13.1).

For its part, the repayment schedule for both loans, in nominal terms, expressed in euros, is as follows:

Repayment years	Otros pasivos financieros	
	Plan Competitividad 2009	Plan Competitividad 2010
2015	650,622	-
2016	650,622	406,012
2017	650,622	406,012
2018	650,622	406,012
2019	650,622	406,012
2020	650,622	406,012
2021	650,622	406,012
2022	650,622	406,012
2023	650,622	406,012
2024	650,621	406,012
2025	-	406,016
Total	6,506,219	4,060,124

Grants have been received to finance the necessary investment and leading performance of the Company mainly aimed to the development of the most competitive automotive market segments in the future as hybrid and electric vehicles that incorporate the latest technology to respond to major environmental challenges of energy efficiency and reducing CO₂ emissions. Also, the activities funded will include the optimization and improvement of production processes and reorientation of its existing products into higher value-added vehicles, more sustainable and safer.

At the year ended March 31, 2014 and 2013 the Company had met all requirements for the conditions of the grants.

Financial position

In accordance with Article 363 of the Companies Act Capital, the Company will be in the event of dissolution when losses have reduced the equity to an amount less than half the capital, unless it is increased or it is reduced to a sufficient extent, and if not seek a insolvency declaration.

Under Article 36 of the Commercial Code, for purposes of distribution of benefits, the mandatory reduction of social capital and the compulsory liquidation because of losses, net worth shall be considered the amount that qualifies as such in the annual accounts, plus the amount of share capital not required, as well as in the nominal amount of share

premium or ownership of share capital that is accounted as liabilities. Furthermore, the changes in value adjustments arising on hedges of cash flows pending application to the profit and loss account shall not be considered equity.

Likewise, and although only in exceptional cases and, while under paragraph 1 of the only additional provision of Royal Decree-Law 10/2008 of 12 December on the financial measures taken to improve the liquidity of small and medium enterprises, and other complementary economic measures whose effect was extended by Royal Decree Law 5/2010 of March 31 for the sole purpose of determining losses for cases of capital reduction and dissolution under Articles 363 and 327 of the Companies Act Capital, respectively, do not count the impairment losses recognized in the financial statements arising out of property, investment property and stocks.

Thus, computable net worth for purposes of those provisions of the Companies Act of capital is broken down as follows:

	Euros	INR
Equity of the Financial Statements from the Company at 31/03/2014	(82,649,282)	(6,611,942,560)
Participating Loans	78,300,000	6,264,000,000
Net Equity of the Company at 31 March, 2014 for the computation of the provisions of Article 363 of the Companies Act. Capital	(4,349,282)	(347,942,560)

At March 31, 2014, the Company has received various equity loans from its sole shareholder amounting to EURO 78.3 million (see Note 13.1). In accordance with current legislation equity loans are a liability for the company, but will be considered as book equity for the purpose of capital reduction and liquidation of companies under Article 363 of the Companies Act capital. Also, the sole shareholder said that necessary measures will be taken in May to restore the balance sheet and solve the cause of dissolution by granting new equity loans.

12. Provisions and contingencies

The detail of the provisions in the balance sheet at the ended 31 March 2014 reporting and the ended 31 March 2013 reporting, as well as the main changes therein in the period, is as follows (in Euros):

At the year ended 31 March 2014

	Euro			INR		
Long-Term Provisions	Balance at 31/03/2013	Amounts Used	Balance at 31/03/2014	Balance at 31/03/2013	Amounts Used	Balance at 31/03/2014
Long-term Employee Obligations	296,674	(296,674)	-	23,733,920	(23,733,920)	-
Warranties and other	45,219	(29,537)	15,682	3,617,520	(2,362,960)	1,254,560
Total long-term provisions	341,893	(326,211)	15,682	27,351,440	(26,096,880)	1,254,560

Short-Term Provisions	Balance at 31/03/2013	Additions	Amounts Used	Balance at 31/03/2014
Short-term Employee Obligations	201,723	-	(201,723)	-
Warranties and other	158,408	529,813	(218,803)	469,418
Total short-term provisions	360,131	529,813	(420,526)	469,418
	INR	INR	INR	INR
Short-term Employee Obligations	16,137,840	-	(16,137,840)	-
Warranties and other	12,672,640	42,385,040	(17,504,240)	37,553,440
Total short-term provisions	28,810,480	42,385,040	(33,642,080)	37,553,440

The provisions for warranties cover the possible costs that the Company could incur in compliance with legislation on warranties and other agreements reached with its customers in relation to sales made in this period and in prior years.

13.1. *Current financial liabilities*

The detail of "Current Payables" at 31 March 2014 and 31 March 2013 is as follows (in Euros):

At the year ended 31 March 2014

Classes Categories	Current Financial Instruments			
	Bank Borrowings	Interest payable (related parties)	Payable to suppliers and other accounts payables	Total
Accounts payable	-	5,835,121	7,942,354	13,777,475
Total	-	5,835,121	7,942,354	13,777,475
INR		466,809,680	635,388,320	1,102,198,000

13.2. *Information on payment deferrals to suppliers. Third additional provision. "Duty of information" of Law 15/2010 of 5 July*

The following is the information required by the Third Additional Provision of Law 15/2010 of 5 July:

	Payments made in the year-end date

	Euro	INR	%
Made within the legal deadline	6,075,943	486,075,440	72
Rest	2,310,710	184,856,800	18
Total payments for the year	8,386,653	670,932,240	100
Weighted average time for payments made after the deadline (days)	99		
Weighted average time exceeded (days)	24		

In addition, the Company's reports that at March 31, 2014, there was an amount of 115 thousand euros (INR 9,200 thousands) of outstanding balance of payment to suppliers which accumulated a deferral higher than the legal deadline in payments (3,265 thousand euros INR 261,200 thousands at 31 March 2013).

The data presented in the table above for payments to suppliers refer to those which by their nature are commercial creditors for debts with suppliers of goods and services, so it includes data related to the items "Payable to suppliers", "Payable to suppliers, group companies and associates" and "Other payables" in current liabilities on the balance sheet.

The weighted average time exceeded of payments has been calculated as the ratio formed in the numerator by the sum of the products from each vendor payments made during the year with a deferral greater than the respective statutory period of payment and the number of days of delay exceeding the respective term, and formed in the denominator by the total amount of payments made in the exercise with a delay greater than the statutory period for payment.

The statutory maximum term of payment applicable under Law 3/2004 of December 29, laying down measures to combat late payment in commercial transactions, is 75 days. (85 days in 2011)

14. Income and expenses

14.1 Revenue

The breakdown, by business line and geographical market, of the Company's revenue for the periods ended 31 March 2014 and 2013 is as follows (in Euros):

Line of Business	Euro		INR	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Buses	7,158,596	21,010,592	572,687,680	1,680,847,360
Spare parts	91,673	377,343	7,333,840	30,187,440
Services	-	2,172	-	173,760
Other	16,038	21,964	1,283,040	1,757,120
Total	7,266,307	21,412,071	581,304,560	1,712,965,680

Geographical Market	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Spain	6,829,833	18,711,111	546,386,640	1,496,888,880
EU	361,380	240,213	28,910,400	19,217,040
Export	75,094	2,460,747	6,007,520	196,859,760
Total	7,266,307	21,412,071	581,304,560	1,712,965,680

14.2 *Procurements*

The detail of “Cost of Goods Held for Resale Used” and “Cost of Raw Materials and Other Consumables Used” for the years ended 31 March 2014 and 2013 is as follows (in Euros):

	Euro		INR	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Cost of goods held for resale used:				
Purchases	233,088	1,909,097	18,647,040	152,727,760
Changes in inventories	1,806	523,761	144,480	41,900,880
	234,894	2,432,858	18,791,520	194,628,640
Cost of raw materials and other consumables used:				
Purchases	2,348,737	11,955,726	187,898,960	956,458,080
Changes in inventories	710,541	1,156,554	56,843,280	92,524,320
	3,059,278	13,112,280	244,742,240	1,048,982,400
Total	3,294,172	15,545,138	3,294,172	15,545,138

14.3 *Detail of purchases by origin*

The detail, by origin, of the purchases made by the Company in the years ended 31 March 2013 and 2012 is as follows (in Euros):

Geographic market	Euros		INR	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Spain	1,682,506	9,833,816	134,600,480	786,705,280
EU	341,690	1,288,663	27,335,200	103,093,040
Import	557,629	2,742,344	44,610,320	219,387,520
Total	2,581,825	13,864,823	206,546,000	1,109,185,840

14.4 Employee benefit costs

The detail of "Employee Benefit Costs" for the years ended 31 March 2014 and 2013 is as follows:

	Euros		INR	
	31/03/2013	31/03/2013	31/03/2013	31/03/2013
Wages, salaries and similar expenses:	16,002,116	6,759,133	1,280,169,280	540,730,640
Wages and expenses	4,611,094	6,635,235	368,887,520	530,818,800
Compensations	11,391,022	123,898	911,281,760	9,911,840
Social costs:	2,221,835	2,331,754	177,746,800	2,331,754
Employer social security costs	2,180,728	2,260,664	174,458,240	180,853,120
Other employee benefit costs	41,107	71,090	3,288,560	5,687,200
Total	18,223,951	9,090,887	1,457,916,080	727,270,960

As a result of the decision about winding down the manufacturing activity of buses (see Note 2.4), on October 31, 2013 an Agreement was reached and approved, which agreed upon the collective dismissal up to a maximum of 280 employment contracts, according to the following calendar:

- 267 employment contracts are terminated between November 6, 2013 and November 20, 2013.
- 13 employment contracts are terminated by June 30, 2014.

The compensation for the termination of the aforementioned contracts is registered within the item "Indemnities" of the attached table. At the end of 2014, 579 million euros are provisioned in relation to the employment contracts that will terminate up to June 30, 2014, under the item "Personnel" in the balance sheet.

15. Information on the environment

The Group does not have any assets that could generate negative environmental effects.

The expenses incurred at the year ended 31 March 2014 in protecting and improving the environment amounted to 18 thousand of euros (INR 1,440 thousand) (80 thousand of euros at the year ended 31 March 2013 INR 640 thousand). These expenses were incurred mainly in the management of water and hazardous waste. In view of the business activities carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

16. Other disclosures

16.1. Employees

The average number of employees at the Company in the years ended 31 March 2014 and 2013, by category, was as follows:

Professional Category	31/03/2014	31/03/2013

Management, department heads and supervisors	38	58
Other line personnel	24	36
Clerical staff	1	2
Manual workers	135	203
Total	198	299

Also, the headcount at 31 March 2014 and 2013, by category and gender, was as follows:

Professional Category	31/03/2014		31/03/2013	
	Men	Women	Men	Women
Management, department heads and supervisors	3		57	1
Other line personnel	6	1	23	13
Clerical staff			1	1
Manual workers	5		202	1
Total	14	1	283	16

All the members of the Board of Directors are men.

16.2. Fees paid to auditors

In the period ended 31 March 2014 and 2013, the fees for financial audit services provided by the Company's auditors, Deloitte, S.L., or by a firm of the same group or related to the auditors, amounted to EURO 25,000 (INR 2 million). On the other hand, fees related to the verification of the consolidated financial statements for the year ended December 31, 2014 and 2013 and other recurring services amount to 25,000 euros (INR 2 million).

16.3. Off-balance sheet agreements

The Company has signed several guarantees by amount of 669 thousand of euros (INR 53,520 thousand) to ensure the capacity to face payments to Third Parties derived from its core business. As of the date of preparation of the accompanying financial statements there are no additional agreements that are not reflected in the balance sheet and on which information has not been disclosed in another note.

19. Events after the reporting period

From 31 March 2014 to the date of preparation of these financial statements, there has been no relevant fact worth mentioning which may affect them significantly.

20. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

The functional currency of the Company is Euro and accordingly the financials are presented in Euro. However, for the purpose of conversion to Indian Rupees average rate of 1 Euro = 80 INR has been used for this statement

26th June 2014

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