

Jaguar Land Rover India Limited

Financial Statements together
with Auditors' Report
for the year ended 31 March 2023

Jaguar Land Rover India Limited

Financial statements together with Auditors' Report

for the year 1 April 2022 to 31 March 2023

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B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Jaguar Land Rover India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jaguar Land Rover India Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

Jaguar Land Rover India Limited

Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the

Independent Auditor's Report (Continued)

Jaguar Land Rover India Limited

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A (b) above.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 29 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 34 (x) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the

Independent Auditor's Report (Continued)

Jaguar Land Rover India Limited

Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 34 (ii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

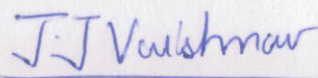
C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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



Jitendra Vaishnav

Partner

Place: Mumbai

Date: 08 May 2023

Membership No.: 123636

ICAI UDIN:23123636BHAJQG9218

Annexure A to the Independent Auditor's Report on the Financial Statements of Jaguar Land Rover India Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies/discrepancy were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the Company as

Annexure A to the Independent Auditor's Report on the Financial Statements of Jaguar Land Rover India Limited for the year ended 31 March 2023 (Continued)

the Company is a national sales Company. Accordingly, clause 3(vi) of the Order is not applicable.

- (i) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax, and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending	Amount not deposited under dispute (Rs. Lakhs)
Income - Tax Act, 1961	Income Tax	343	FY 2014-15	Income Tax Appellate Tribunal, Mumbai	322
Income - Tax Act, 1961	Income Tax	2,748	FY 2015-16	Dispute Resolution Panel	2,198
Income - Tax Act, 1961	Income Tax	200	FY 2017-18	Income Tax Appellate Tribunal, Mumbai	160
Central Sales Tax Act, 1956	Central Sales Tax	1,042	FY 2014-15	Jt. Commissioner of State tax (Appeal)	970
Central Sales Tax	Central Sales Tax	3,774	FY 2015-16	Jt. Commission	3,583

Annexure A to the Independent Auditor's Report on the Financial Statements of Jaguar Land Rover India Limited for the year ended 31 March 2023 (Continued)

Name of the statute	Nature of the dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending	Amount not deposited under dispute (Rs. Lakhs)
Act, 1956				er of State tax (Appeal)	
Central Sales Tax Act, 1956	Central Sales Tax	2,569	FY 2016-17	Deputy Commissioner of Sales tax	2,439
Central Sales Tax Act, 1956	Central Sales Tax	749	FY 2017-18	Jt. Commissioner of State tax (Appeal)	712
Value Added Tax Act, 2005	Value Added Tax	4	FY 2015-16	Jt. Commissioner of State tax (Appeal)	4
Value Added Tax Act, 2005	Value Added Tax	580	FY 2016-17	Deputy Commissioner of Sales tax	550
Value Added Tax Act, 2005	Value Added Tax	70	FY 2017-18	Jt. Commissioner of State Tax (Appeal)	66

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.



Annexure A to the Independent Auditor's Report on the Financial Statements of Jaguar Land Rover India Limited for the year ended 31 March 2023 (Continued)

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company does not fall under the definition of a listed company or other class of companies which are required to constitute an audit committee under section 177(4)(iv) of the Act, hence, section 177 is not applicable to the Company.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by

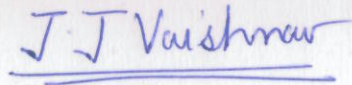
**Annexure A to the Independent Auditor's Report on the Financial Statements
of Jaguar Land Rover India Limited for the year ended 31 March 2023
(Continued)**

- the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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



Jitendra Vaishnav

Partner

Place: Mumbai

Date: 08 May 2023

Membership No.: 123636

ICAI UDIN:23123636BHAJQG9218

Annexure B to the Independent Auditor's Report on the financial statements of Jaguar Land Rover India Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of Jaguar Land Rover India Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Jaguar Land Rover India Limited for the year ended 31 March 2023 (Continued)

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

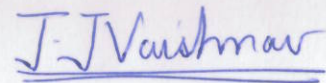
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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



Jitendra Vaishnav

Partner

Place: Mumbai

Date: 08 May 2023

Membership No.: 123636

ICAI UDIN:23123636BHAJQG9218

Jaguar Land Rover India Limited

Balance Sheet

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	200	290
Right-of-use assets	3a	10,910	12,526
Intangible assets	3b	61	-
Financial assets:			
Other financial assets	4a	218	242
Deferred tax assets (net)	9	-	1,934
Non-current tax assets (net)	17(i)	942	-
Other non-current assets	8a	3,561	2,909
Total non-current assets		15,892	17,901
Current assets			
Inventories	5	40,537	15,635
Financial assets			
(i) Trade receivables	6	3,266	5,740
(ii) Cash and cash equivalents	7	41,075	21,027
(iii) Other financial assets	4b	76	81
Other current assets	8b	6,078	3,473
Total current assets		91,032	45,956
Total assets		106,924	63,857
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	28,025	28,025
Other equity	11	31,008	4,362
Total equity		59,033	32,387
Liabilities			
Non-current liabilities			
Financial liabilities:			
Lease liabilities	12a	241	7,813
Provisions	14b	1,656	970
Deferred tax liabilities (net)	9	113	-
Other non-current liabilities	15	-	107
Total non-current liabilities		2,010	8,890
Current liabilities			
Financial liabilities			
Lease liabilities	12b	7,834	2,391
Trade payables	16	-	-
- Due to micro and small enterprises		-	-
- Due to creditors other than micro and small enterprises		33,205	16,001
Other financial liabilities	13	859	1,047
Provisions	14a	265	45
Current tax liabilities (net)	17(ii)	79	321
Other current liabilities	17a	3,639	2,775
Total current liabilities		45,881	22,580
Total liabilities		47,891	31,470
Total equity and liabilities		106,924	63,857

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

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

J. J. Vaishnav

Jitendra Vaishnav

Partner

Membership No: 123636

Mumbai

08 May 2023

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

Rajan Amba

Rajan Amba
Managing Director
DIN - 10121880
Mumbai
08 May 2023

Rajiv Gupta

Rajiv Gupta
Director
DIN - 08090363
Mumbai
08 May 2023

Binita Khory

Binita Khory
Company Secretary
Membership No: A24829
Mumbai
08 May 2023



Anupam Khemka

Anupam Khemka
Director and Chief Financial Officer
DIN - 10076429
Mumbai
08 May 2023

Jaguar Land Rover India Limited

Statement of Profit and Loss

for the year ended 31 March 2023

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

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	18	221,857	149,274
Other income	19	2,093	1,680
Total income		223,950	150,954
Expenses			
Purchase of stock-in-trade		181,760	114,692
Changes in inventories of stock-in-trade		(24,902)	477
Employee benefits expense	20	12,295	8,537
Finance costs	21	1,213	1,978
Depreciation and amortisation expenses	3, 3a & 3b	2,080	1,893
Net foreign exchange losses		2,070	655
Other expenses	22	12,426	9,055
Total expenses		186,942	137,287
Profit before tax		37,008	13,667
Tax expense:			
Current tax	23	9,417	2,204
Adjustment of tax relating to earlier periods		(1,177)	-
Deferred tax	23	2,066	(1,925)
		10,306	279
Profit for the year		26,702	13,388
Other comprehensive income			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement loss on defined benefit plans	25	(75)	(27)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		19	9
Total other comprehensive loss for the year (net of tax)		(56)	(18)
Total comprehensive profit for the year		26,646	13,370
Earnings per ordinary equity share of Rs. 10 each:	24		
Basic and diluted (in Rs.)		9.53	4.78

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

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

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Jitendra Vaishnav

Partner

Membership No: 123636

Mumbai

08 May 2023

Rajiv AL

Rajan Amba

Managing Director

DIN - 10121880

Mumbai

08 May 2023

Binita Khory

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Company Secretary

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08 May 2023

For and on behalf of the Board of Directors of
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Rajiv Gupta

Director

DIN - 08090363

Mumbai

08 May 2023

Anupam Khemka

Anupam Khemka

Director and Chief Financial Officer

DIN - 10076429

Mumbai

08 May 2023

Jaguar Land Rover India Limited

Statement of Changes in Equity

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

a) Equity share capital

	Amount
Balance as at 31 March 2021	28,025
Changes in equity share capital during the year	-
Balance as at 31 March 2022	28,025
Changes in equity share capital during the year	-
Balance as at 31 March 2023	28,025

b) Other equity

	Reserves and surplus	Item of other comprehensive income	Total other equity
	Retained earnings	Remeasurements of the defined benefit plans	Foreign currency translation reserve
Balance as at 31 March 2021	(6,611)	64	(2,461)
Profit for the year	13,388	-	-
Other comprehensive loss for the year (net of tax)	-	(18)	-
Total comprehensive profit for the year	13,388	(18)	-
Balance as at 31 March 2022	6,777	46	(2,461)
Profit for the year	26,702	-	-
Other comprehensive loss for the year (net of tax)	-	(56)	-
Total comprehensive profit for the year	26,702	(56)	-
Balance as at 31 March 2023	33,479	(10)	(2,461)

Nature and purpose of reserves :

- (a) Retained earnings represents the accumulated surplus / (deficit) from the Statement of Profit and Loss.
- (b) Foreign currency translation reserve - till 31 March 2017, the Company's functional currency was Great Britain Pound (GBP) which was the currency of the primary economic environment that influenced its operation and the presentation currency was Indian Rupees (INR). The exchange differences arising from the translation of functional currency to presentation currency was recognised in foreign currency translation reserve within other comprehensive income under other equity.
- (c) Remeasurements of the defined benefit plans comprises of actuarial gains and losses on calculation of defined benefit obligations and differences between the fair value of plan assets, return on plan assets and actual interest income on plan assets. These remeasurements are recognised in other comprehensive income and will not be reclassified to Statement of Profit and Loss.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

J. J. Vaishnav

Jitendra Vaishnav
Partner
Membership No: 123636

Mumbai
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Mumbai
08 May 2023

Jaguar Land Rover India Limited

Statement of cash flows for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Profit before tax for the year	37,008	13,667
Adjustments for:		
Finance cost	1,213	1,978
Interest Income on fixed deposit recognised in profit and loss	(6)	(6)
Provision for contingency	591	(139)
Depreciation and amortisation expenses	2,080	1,893
Inventories provision written back	740	(61)
Gain on sale of property, plant and equipment (net)	(2)	(72)
Net unrealized foreign exchange loss	437	(49)
	42,061	17,211
Movements in working capital:		
Decrease in trade receivables	2,470	580
(Increase)/decrease in inventories	(25,642)	538
Decrease in other financial assets	41	284
Increase in other assets	(3,258)	(2,667)
Increase/(decrease) in trade payables	16,767	(10,274)
Decrease in other financial liability	(188)	(512)
Increase in provisions	240	78
Increase/(decrease) in contract liability	537	(1,193)
Increase/(decrease) in other liabilities	220	(70)
Cash generated from operations	33,248	3,975
Income taxes paid	(9,500)	(1,313)
Net cash generated by operating activities	23,748	2,662
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(20)	(105)
Payments for acquisition of other intangible assets	(67)	-
Proceeds from disposal of property, plant and equipment	4	216
Net cash used in investing activities	(83)	111
Cash flows from financing activities		
Repayment of lease liabilities	(2,480)	(2,273)
Interest on lease liabilities	(1,137)	(1,358)
Interest on working capital	-	(510)
Net cash used in financing activities	(3,617)	(4,141)
Net increase in cash and cash equivalents	20,048	(1,369)
Cash and cash equivalents at the beginning of the year	21,027	22,396
Cash and cash equivalents at the end of the year (refer note 7)	41,075	21,027

Note:

The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 ('AS 3') on Cash Flow Statement prescribed in the Companies (Accounting Standard) Rules, 2006, which continue to apply under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date attached.

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

J. J. Vaishnav

Jitendra Vaishnav
Partner
Membership No: 123636

Mumbai
08 May 2023

For and on behalf of the Board of Directors of
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Binika Khori
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Company Secretary
Membership No: A24829
Mumbai
08 May 2023



Anupam Khemka
Anupam Khemka
Director and Chief Financial Officer
DIN - 10076429
Mumbai
08 May 2023

Jaguar Land Rover India Limited

Notes to the financial statements

for the year ended 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

1 Corporate overview:

Jaguar Land Rover India Limited ("the Company") was incorporated in India on 25 October 2012 in accordance with the provisions of the Companies Act, 1956 and was granted its Certificate of Business Commencement on 14 January 2013. The Company is a wholly owned subsidiary of Jaguar Land Rover Limited, United Kingdom of which Jaguar Land Rover Automotive PLC is the immediate holding company and Tata Motors Limited is the ultimate holding company.

The registered office of the Company is 104B, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Off. Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, India.

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

2 Significant Accounting Policies :

2.1.1.a Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. The financial statements were authorised for issue by the Company's Board of Directors on 08 May 2023.

The financial statements have been prepared on historical cost basis except net defined benefit obligations is valued and presented at fair value of planned asset less the present value of the defined benefit obligation

2.1.1.b Going concern

The Company's financial statements have been prepared on going concern basis. The Company has a net current assets of Rs 45,881 as at 31 March 2023.

2.1.2 Current–non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.1.3 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.2 Functional and presentation currency

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

2.3 Use of estimates and judgements

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

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

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

(a) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2.10.

(b) Provisions and contingent liabilities

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

(c) Useful life of Property, plant and equipment

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed in each financial year and adjusted prospectively, if appropriate. The policy for the same has been explained under note 2.12 and 2.13

(d) Lease

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

(e) Impairment

The Company reviews its carrying value of assets annually, or more frequently when there is a indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. The policy for the same has been explained under note 2.19.

(f) Measurement of defined benefit obligation

Key actuarial assumptions explained under note 2.9.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.4 Revenue recognition

2.4.1 Sale of products (vehicle and spare parts & accessories)

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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

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

In the vast majority of cases, the sale of the relevant good is recognised at the point of dispatch (at release to the carrier responsible for transportation to the customer) in the statement of profit and loss account.

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

In accordance with Ind AS 115 on revenue and schedule III of the Companies act, 2013, GST, GST compensation cess, etc. are not included in revenue from operations.

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

2.4.2 Sale of services

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

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

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

2.4.3 Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Commission income is recognised on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

2.5 Cost recognition

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.6 Leases

The Company adopted Ind AS 116 with effect from 1 April 2019. In accordance with Ind AS 116, at the inception of a contract, the Company assesses whether the contract is or contains a lease. The Company determines that a contract is or contains a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration.

Further, the lease arrangement is determined to be an operating lease or a finance lease at the inception of the lease based on the substance of the arrangement.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

2.6.1 Company as a lessee

At the inception of a contract which is or contains a lease in accordance with Ind AS 116, the Company recognises lease liability at the present value of the future lease payments. The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. For non cancellable period of a lease which is not short term in nature, except for lease of low value items. The future lease payments for such non cancellable period is discounted using the Company's incremental borrowing rate. Lease payments include fixed payments, in substance fixed payments, amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and the right-of-use assets are amortised using the straight-line method over lower of the useful life of the leased asset or the lease term. If the ownership of the leased asset is automatically transferred at the end of the lease term or the exercise of a purchase option is reflected in the lease payments, the right-of-use asset is amortised on a straightline basis over the expected useful life of the leased asset.

The Company also recognises a right-of-use asset which comprises of amount of initial measurement of the lease liability, any initial direct cost incurred by the Company and estimated dilapidation costs. The right-of-use assets are amortised using the straight-line method over lower of the useful life of the leased asset or the lease term. If the ownership of the leased asset is automatically transferred at the end of the lease term or the exercise of a purchase option is reflected in the lease payments, the right-of-use asset is amortised on a straightline basis over the expected useful life of the leased asset. Subsequently, right-of-use assets are measured at their inception value less amortisation and impairment if any.

Payment made towards short term leases (leases for which non-cancellable term is 12 months or lesser) are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

2.7 Foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions or at an average exchange rate for the month in which such transaction occurred if the average exchange rate approximates the actual rate at the date of transactions.

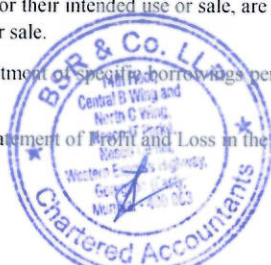
At the end of each reporting period, monetary items denominated in foreign currencies are translated into functional currency at the rates prevailing at that date. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise. Non-monetary items that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of transaction.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of Profit and Loss in the year in which they are incurred.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.9 Employee Benefits

2.9.1 Short-term employee benefits

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

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

2.9.2 Defined benefit plan

The Company provides for gratuity, a defined benefit retirement plan covering all eligible employees. Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before separation). The calculation of defined benefit obligation is performed annually by qualified actuary using the projected unit credit method. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, utilising a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees on an actuarial basis. This liability is externally funded.

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to this retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise.

Remeasurement recorded in other comprehensive income is not reclassified to income statement.

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

2.9.3 Defined contribution plan

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

Provident fund

Eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, is paid to the Regional Provident Fund Commissioner. The Company's payment to the defined contribution plan is reported as an expense during the period in which the employees perform the services.

2.9.4 Compensated absences

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.10 Income taxes

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

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

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

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which they can be used. In case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets and liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

2.11 Earnings per share

Basic earnings per share is computed by dividing net profit for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.12 Property plant and equipment

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

Cost includes purchase price, non refundable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

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

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

All fixed assets including right to use (RTU) assets are physically verified in a phased manner over a period of two years.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.13 Depreciation and amortisation

Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Taking into account these factors, the Company has adopted useful lives for various categories of property plant and equipment, which are different from those prescribed in Schedule II of the Companies Act. Estimated useful lives of assets are as follows:

Vehicles - 4 years

Jaguar Land Rover vehicles - 4 years with 25% residual value

Other vehicles - 4 years with 5% residual value

Plant and machinery - 7 to 10 years

Furniture and fixtures - 4 to 10 years

Computers - 3 years

Software - 4 years

The company will depreciate the Right to use (RTU) assets over the lease agreement period except in case of RTU taken over on finance lease will be depreciated over the useful life of assets as mentioned above.

The residual values, useful lives and methods of depreciation and amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

2.14 Inventories

Inventories are valued at the lower of cost and the net realisable value ('NRV') after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale. Net realisable value is estimated selling price in the ordinary course of business less estimated selling expenses.

The Company uses certain vehicles for its own use like training, marketing and for its employees known as Own use vehicles (OUVs). Such OUVs are accounted for as inventory and stated at lower of cost or NRV.

2.15 Cash and cash equivalents

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

2.16 Segment

The Company is engaged mainly in the business of automobile products consisting of all types of passenger vehicles of Jaguar and Land Rover brands. These are considered to constitute one segment as per Ind-AS 108 - Operating Segments.

2.17 Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.18 Financial instruments

i) Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets other than equity instruments are classified into categories: subsequently measured at amortised cost, fair value through profit and loss and fair value through other comprehensive income. Financial assets that are equity instruments are classified as fair value through profit and loss or fair value through other comprehensive income.

Financial liabilities are classified into financial liabilities at amortised cost or fair value through profit or loss.

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

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

i) Classification, initial recognition and measurement (Continued)

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

Financial liabilities at amortised cost: These are measured at amortized cost using the effective interest method.

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

ii) Determination of fair value:

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments.

iii) Derecognition of financial assets and financial liabilities:

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

iv) Offsetting

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.19 Impairment

(i) Financial assets

The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

2.20 Warranty

The Company is national sale office (NSC) and is solely responsible for arranging the warranty service for the vehicles sole in India. JLR UK (parent company) is the original manufacturer of vehicle is primary obligator for warranty claim in India. JLR UK has assigned the responsibility to the Company for the performance of its warranty obligation in Indian Market, and the company is compensated by JLR UK. The Company recognize the income and expenses for the warranty services provided on completion of performance obligation (repairs services for car). The Income and expenses is recongised on gross basis. Further, liabilities and assets is recognised on gross basis.

2.21 Recent accounting pronouncements

i) **Ind AS 1 – Presentation of Financial Statements** The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

ii) **Ind AS 12 – Income Taxes** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

iii) **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

3 Property, plant and equipment

	Own assets				
	Plant and machinery	Furniture and fixture	Motor vehicles	Computers	Total
Gross carrying amount					
Gross carrying amount as at 31 March 2021	422	474	505	310	1,711
Additions	-	-	-	105	105
Disposals	-	(8)	(373)	(88)	(469)
Gross carrying amount as at 31 March 2022	422	466	132	327	1,347
Additions	10	2	-	8	20
Disposals	-	-	-	(25)	(25)
Gross carrying amount as at 31 March 2023	432	468	132	310	1,342

	Own assets				
	Plant and machinery	Furniture and fixture	Motor vehicles	Computers	Total
Accumulated depreciation					
Accumulated depreciation as at 31 March 2021	282	344	331	288	1,245
Depreciation charge for the year	61	40	5	31	137
Disposals	-	(8)	(229)	(88)	(325)
Accumulated depreciation as at 31 March 2022	343	376	107	231	1,057
Depreciation charge for the year	29	40	-	39	108
Disposals	-	-	-	(23)	(23)
Accumulated depreciation as at 31 March 2023	372	416	107	247	1,142

	Own assets				
	Plant and machinery	Furniture and fixture	Motor vehicles	Computers	Total
Net carrying amount					
As at 31 March 2022	79	90	25	96	290
As at 31 March 2023	60	52	25	63	200



Jaguar Land Rover India Limited

Notes to the financial statements

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

3a Right-of-use assets

The Company adopted Ind AS 116 with effect from 1 April 2019 and applied the standard to its leases using the modified retrospective approach.

Lease contracts have been entered by the Company for conduct of its business in the ordinary course.

The weighted average incremental borrowing rate at 1st April 2022 is 14.95% (previous year 10.36%) have been applied to lease liabilities recognised in the balance sheet on the date of initial application during the year.

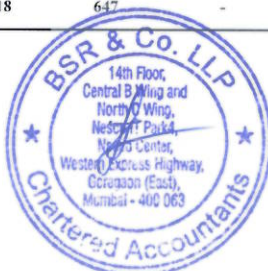
The following amounts are recognised in the Statement of Profit and Loss :	31 March 2023	31 March 2022
Interest expense on lease liabilities (Refer note no. 21)	1,137	1,358
Expenses related to short-term leases	622	491
	1,759	1,849
The following amounts are included in the Balance Sheet :		
Current lease liabilities (Refer note no. 12(b))	7,834	2,391
Non-current lease liabilities (Refer note no. 12(a))	241	7,813
Total lease liabilities	8,075	10,204

The total cash outflow for leases (including interest on finance lease) is Rs. 3,616 Lakhs and Rs. 3,631 Lakhs for the years ended 31 March 2023 and 2022, respectively.

	Land	Building	Warehouse	Vehicles	Plant and machinery	Computers	Total
Commercial							
Gross carrying amount of right-of-use assets							
As at 31 March 2021	1,739	1,449	322	112	13,607	76	17,305
Addition	-	831	-	-	-	-	831
As at 31 March 2022	1,739	2,280	322	112	13,607	76	18,136
Addition	-	350	-	-	-	-	350
As at 31 March 2023	1,739	2,630	322	112	13,607	76	18,486

	Land	Building	Warehouse	Vehicles	Plant and machinery	Computers	Total
Commercial							
Accumulated depreciation							
As at 31 March 2021	696	895	322	75	1,836	30	3,854
Depreciation charge for the year	348	463	-	12	918	15	1,756
As at 31 March 2022	1,044	1,358	322	87	2,754	45	5,610
Depreciation charge for the year	377	625	-	13	934	17	1,966
As at 31 March 2023	1,421	1,983	322	100	3,688	62	7,576

	Land	Building	Warehouse	Vehicles	Plant and machinery	Computers	Total
Commercial							
Net carrying amount of right-of-use assets							
As at 31 March 2022	695	922	-	25	10,853	31	12,526
As at 31 March 2023	318	647	-	12	9,919	14	10,910



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

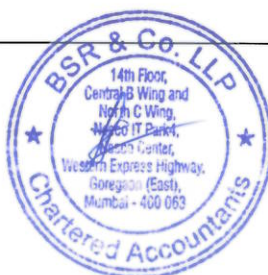
3b Other intangible assets

	Software	Total
Gross carrying amount		
Gross carrying amount as at 31 March 2021	-	-
Additions	-	-
Disposals	-	-
Gross carrying amount as at 31 March 2022	-	-
Additions	67	67
Disposals	-	-
Gross carrying amount as at 31 March 2023	67	67

	Software	Total
Accumulated amortisation		
Accumulated amortisation as at 31 March 2021	-	-
Amortisation expense for the year	-	-
Disposals	-	-
Accumulated amortisation as at 31 March 2022	-	-
Amortisation expense for the year	6	6
Disposals	-	-
Accumulated amortisation as at 31 March 2023	6	6

	Software	Total
Net carrying amount		
As at 31 March 2022	-	-
As at 31 March 2023	61	61

The estimated amortisation for years subsequent to March 31, 2023 is as follows:	
Year ending March 31,	Amortisation expenses
2024	16.65
2025	16.65
2026	16.65
2027	10.65



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2023	31 March 2022
4 Other financial assets (unsecured, considered good)		
(a) Non current		
Security deposits	105	135
Restricted deposit	113	107
Total	218	242
Note:		
Restricted deposit is held in relation to performance guarantee given for vehicles sold.		
(b) Current		
Security deposits	76	81
Total	76	81
5 Inventories		
Inventories (at lower of cost and net realisable value)		
Vehicles	10,081	2,924
Spare parts and accessories	8,449	6,370
Goods-in-transit		
Vehicles	19,903	3,727
Spare parts and accessories	2,104	2,614
Total	40,537	15,635

The cost of inventories recognised as an expense includes debit of Rs. 740 lakhs (Previous year: credit of Rs. 61 lakhs) in respect of write-down of inventories to net realisable value.

The write-down and reversed are included in the change in inventory of finished goods.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2023	31 March 2022
6 Trade receivables		
(Unsecured)		
Considered good	3,266	5,740
Total	3,266	5,740

The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total	Unbilled (part of not due)
As at 31 March, 2023								
Undisputed Trade receivables – considered good	2,363	605	298	-	-	-	3,266	1,705
	<u>2,363</u>	<u>605</u>	<u>298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,266</u>	<u>1,705</u>
As at 31 March, 2022								
Undisputed Trade receivables – considered good	2,748	2,931	-	-	-	61	5,740	2,471
	<u>2,748</u>	<u>2,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61</u>	<u>5,740</u>	<u>2,471</u>

7 Cash and cash equivalents

	31 March 2023	31 March 2022
Balances with banks in current accounts	41,074	21,027
Cash on hand	1	-
Cash and cash equivalents	41,075	21,027



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2023	31 March 2022
8 Other assets		
(unsecured, considered good)		
(a) Non-current		
Balances with government authorities (custom duty, VAT, CST)	3,561	2,909
	<u>3,561</u>	<u>2,909</u>
(b) Current		
Advances to employees	38	20
Prepaid expenses	93	60
Balances with government authorities (custom duty, VAT, CST)	116	122
GST receivable	1,564	2,353
Advances paid to :		
Vendors	4,212	862
Other current assets	55	56
	<u>6,078</u>	<u>3,473</u>



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2023	31 March 2022
9 Deferred tax assets / liabilities (net)		
Deferred tax liabilities		
Property, plant and equipment and right-of-use assets	596	635
	<u>596</u>	<u>635</u>
Deferred tax assets		
Provision for contingencies	330	251
Provision - employee benefits	153	78
Minimum Alternate Tax credit	-	2,240
	<u>483</u>	<u>2,569</u>
Net deferred tax (liabilities) / assets (Refer note 23 (c))	<u>(113)</u>	<u>1,934</u>



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

31 March 2023 31 March 2022

10 Equity share capital

Authorised share capital

500,000,000 (Previous year: 500,000,000) Ordinary shares of Rs. 10 each 50,000 50,000

Issued, subscribed and fully paid up

280,250,000 (Previous year: 280,250,000) Ordinary shares of Rs. 10 each 28,025 28,025

28,025 28,025

10.1 Movement of number of shares and share capital :

	31 March 2023		31 March 2022	
	Number of shares	Amount in lakhs	Number of shares	Amount in lakhs
Equity shares:				
Balance as at the beginning of the year	280,250,000	28,025	280,250,000	28,025
Movement during the year	-	-	-	-
Balance as at the end of the year	280,250,000	28,025	280,250,000	28,025

10.2 Rights attached to equity shares

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

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

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

	31 March 2023		31 March 2022	
	Fully paid ordinary shares	% of holding	Fully paid ordinary shares	% of holding
Jaguar Land Rover Limited, United Kingdom	280,250,000	100%	280,250,000	100%

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

10.4 Disclosure of shareholding of Promoters

Promotor name	31 March 2023		31 March 2022	
	Fully paid ordinary shares	% of holding	Fully paid ordinary shares	% of holding
Jaguar Land Rover Limited, United Kingdom	280,250,000	100%	280,250,000	100%



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2023	31 March 2022
11 Other equity		
Currency translation reserve	(2,461)	(2,461)
Retained earnings	33,479	6,777
Other comprehensive income	(10)	46
	<u>31,008</u>	<u>4,362</u>
11.1 Currency translation reserve		
Balance at the beginning and at the end of the year	(2,461)	(2,461)
11.2 Item of other comprehensive income		
Balance at the beginning of the year	46	64
Other comprehensive (income)/loss arising from remeasurement of defined benefit obligation, net of income tax	(56)	(18)
Balance at the end of the year	<u>(10)</u>	<u>46</u>
11.3 Retained earnings		
Balance at the beginning of the year	6,777	(6,611)
Profit for the year	26,702	13,388
Balance at the end of the year	<u>33,479</u>	<u>6,777</u>



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs lakhs unless otherwise stated

	31 March 2023	31 March 2022
12 Lease liabilities		
(a) Non-current lease liabilities (unsecured)	241	7,813
	<u>241</u>	<u>7,813</u>
(b) Current lease liabilities (unsecured)	7,834	2,391
	<u>7,834</u>	<u>2,391</u>
Note: Movement in lease liabilities		
Balance as at the beginning of the year	10,204	11,644
Add: addition during the year	350	831
Add: interest expenses	1,137	1,358
Less: payment made during the year	(3,616)	(3,631)
Balance as at the end of the year	<u>8,075</u>	<u>10,204</u>



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2023	31 March 2022
13 Other financial liabilities		
Unsecured (unamortised cost)		
Current		
Bonus and other payable to employees	859	1,047
Total	859	1,047
14 Provisions		
Gratuity	221	11
Compensated absence	392	287
Provisions for contingencies (refer note below)	1,308	717
Total	1,921	1,015
(a) Current		
Gratuity (refer note 25)	221	11
Compensated absence	44	34
	265	45
(b) Non-current		
Compensated absence	348	253
Provisions for contingencies (refer note below)	1,308	717
	1,656	970
Total	1,921	1,015
Note: Movement in provisions for contingencies		
Balance as at the beginning of the year	717	856
Provision made during the year	591	-
Paid during the year	-	(11)
Reversed during the Year	-	(128)
Balance as at the end of the year	1,308	717

Current year - Provision for contingencies of Rs. 591 lakhs represents provision made against interest on GST payment on international secondment employment services given by JLR UK to JLR India from 01st July 2023 to 31st Jan 2023.
Previous year - Rs. 199 lakhs represents provision made against Sales tax refund and provision made for claims made by certain dealers towards potential waiver of certain agreed cost recovered by the Company from dealers.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

31 March 2023 31 March 2022

15 Other non-current liabilities

Contract liabilities (refer note 30.3)	-	107
	-	107

Note :

The Jaguar Land Rover Service Plan Programme is a customer offer to cover the standard service repairs for a defined period of time or distance from the date of car's first registration. The plan enables customers to cover their future servicing needs for a defined cost as agreed by Jaguar Land Rover, or discounted servicing costs when their vehicle is serviced during the service plan contract.

Service plans are a standard offering where the customer has the opportunity to decline / opt out at the point of vehicle sale and with no option to sell as an aftersales product.

The service plan will expire at the end of the defined time or distance (whichever comes first).

16 Trade payables

Due to micro and small enterprises	-	-
Due to creditors other than micro and small enterprises*	33,205	16,001
	33,205	16,001

* Includes accrual for variable marketing expense and variable retail margin expense Rs. 3,515 lakhs (Previous year - Rs. 1,729 lakhs)

The ageing of trade payables as of balance sheet date is given below. The age analysis has been considered from the due date.

Particulars	Unbilled	Not past due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2023							
(i) Undisputed dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed dues - Others	6,495	20,700	5,955	11	42	2	33,205
	6,495	20,700	5,955	11	42	2	33,205
As at 31 March, 2022							
(i) Undisputed dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed dues - Others	6,873	6,065	2,728	67	154	114	16,001
	6,873	6,065	2,728	67	154	114	16,001

Note:

Details of dues to Micro, Small and Medium Enterprise as defined under MSMED Act, 2006:

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors. The amount of principal and interest outstanding are given below:

(a) Amounts outstanding but not due	-	-
(b) Amounts due but unpaid - Principal	-	-
(c) The amounts of payments made to micro and small suppliers beyond the appointed day during the year	122	36
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year, but without adding the interest specified under MSMED Act, 2006	2	1
(e) Amount of interest accrued and unpaid	-	-



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2023	31 March 2022
17 Non-current tax assets		
(i) Non-current tax assets		
Advance tax paid (net of provision)	942	-
	<u>942</u>	<u>-</u>
(ii) Current tax liabilities		
Income-tax payable (net of advance tax)	79	321
	<u>79</u>	<u>321</u>
17a Other current liabilities		
Contract liabilities (refer note 30.3)	3,018	2,374
Statutory dues (withholding taxes, PF, PT)	467	293
GST liability	154	108
	<u>3,639</u>	<u>2,775</u>



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2023	Year ended 31 March 2022
18 Revenue from operations		
(a) Sale of products		
- Sale of vehicles (refer note 2 below)	174,153	113,614
- Sale of spare parts and accessories (refer note 3 below)	26,476	21,510
Total sale of products	200,629	135,124
(b) Sale of services (includes composite supply)	757	1,243
Total revenue from Operations	201,386	136,367
(c) Other operating revenues (refer note 1 below)	20,471	12,907
Total	221,857	149,274

Note:

- Other operating revenues pertains to services provided to group companies.
- Sale of vehicles net off incentives (variable marketing expenses / variable dealer margin) of Rs. 12,989 lakhs (PY Rs. 7,669 lakhs)
- Sale of spare parts and accessories net off incentives (Variable marketing expenses) of Rs. 457 lakhs (PY Rs. 244 lakhs)

19 Other income

Interest on delayed payments by dealers	-	9
Commission income	572	485
Other non-operating income		
- Liability no longer required written back	-	372
- Income on purchase of Custom duty script	1,242	129
- Others (includes interest income on fixed deposit, scrap sale etc)	279	685
Total	2,093	1,680



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2023	Year ended 31 March 2022
20 Employee benefits expense		
Salaries	11,476	7,995
Contribution to provident and other funds	819	542
	12,295	8,537

21 Finance costs		
Interest on lease liabilities	1,137	1,358
Interest on working capital (refer note below)	-	510
Interest on current tax	76	110
	1,213	1,978

In the FY 2017-18, the Company entered into an leasing arrangement with Tata Motors Passenger Vehicles Limited ('TMPVL'), the Fellow Group Subsidiary, for acquisition of certain assets of plant and equipment on finance lease as well as for assistance of working capital which would be arranged by TMPVL for the production of vehicles for the Company. Interest cost on such working capital has been charged by TMPVL at the intercorporate lending rate.

22 Other expenses		
Power and fuel	2	5
Rent [including short term lease of Rs. 622 lakhs (Previous year - Rs. 491 lakhs)]	704	506
Repairs to building	4	17
Repairs to others	42	25
Insurance	186	142
Travelling and conveyance [net of reimbursement of expenses - Rs. 4 Lakhs (Previous year - Rs. Nil)]	839	125
Printing and stationery	5	11
Legal, professional and consultancy [net of reimbursement of expenses - Rs. 62 Lakhs (Previous year - Rs. 34 Lakhs)]	1,653	1,382
IT and communications [net of reimbursement of expenses - Rs. 65 Lakhs (Previous year - Rs. 80 Lakhs)]	928	1,173
Office running costs [net of reimbursement of expenses - Rs. 106 Lakhs (Previous year - Rs. 73 Lakhs)]	447	130
Warranty expenses	4,660	4,069
Marketing expenses	1,810	1,148
Homologation expenses	142	127
Training [net of reimbursement of expenses - Rs. 274 Lakhs (Previous year - Rs. 253 Lakhs)]	90	62
Auditor's remuneration (refer note below)	77	41
Corporate social responsibility expenses	72	-
Others	765	92
Total	12,426	9,055

Note: Auditor's remuneration :

a) Statutory audit	58	30
b) Taxation matters	5	5
c) Other services	8	2
d) Reimbursement of expenses	6	4
	77	41



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2023	Year ended 31 March 2022
23 Income taxes		
(a) Income taxes recognised in the Statement of Profit and Loss:		
Current tax		
In respect of the current year	9,417	2,204
Adjustment of tax relating to earlier periods	(1,177)	-
	<u>8,240</u>	<u>2,204</u>
Deferred tax		
In respect of the current year	2,066	(1,925)
	<u>2,066</u>	<u>(1,925)</u>
Total income tax expense recognised	<u>10,306</u>	<u>279</u>
(b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	37,008	13,667
Income tax expense computed using statutory rate @ 25.168% (PY @ 34.944%)	9,314	4,776
Adjustment of tax relating to earlier periods (refer note (d) below)	(1,177)	-
Expenses not deductible for tax purposes	19	1
Effect of unrecognised tax losses and unabsorbed depreciation	-	(3,058)
MAT credit reversal / (recognition)	2,240	(1,442)
Others	(90)	2
Income tax expense recognised in the Statement of Profit and Loss	<u>10,306</u>	<u>279</u>

(c) Movement of deferred tax balance:

	Net balance 1 April 2022	Recognised in Statement of Profit and Loss	Recognised in OCI	Net balance 31 March 2023
Deferred tax liability				
Property, plant and equipment and right-of-use assets	635	(39)	-	596
	<u>635</u>	<u>(39)</u>	<u>-</u>	<u>596</u>
Deferred tax asset				
Provision for contingencies	251	79	-	330
Provision - employee benefits	78	56	19	153
Minimum Alternate Tax credit	2,240	(2,240)	-	-
	<u>2,569</u>	<u>(2,105)</u>	<u>19</u>	<u>483</u>
Deferred tax asset / (liability) (net)	<u>1,934</u>	<u>(2,066)</u>	<u>19</u>	<u>(113)</u>

	Net balance 1 April 2021	Recognised in Statement of Profit and Loss	Recognised in OCI	Net balance 31 March 2022
Deferred tax liability				
Property, plant and equipment and right-of-use assets	424	211	-	635
	<u>424</u>	<u>211</u>	<u>-</u>	<u>635</u>
Deferred tax asset				
Provision for contingencies	300	(49)	-	251
Provision - employee benefits	32	37	9	78
Business loss and unabsorbed depreciation carried forward	92	(92)	-	-
Minimum Alternate Tax credit	-	2,240	-	2,240
	<u>424</u>	<u>2,136</u>	<u>9</u>	<u>2,569</u>
Deferred tax asset (net)	<u>-</u>	<u>1,925</u>	<u>9</u>	<u>1,934</u>

- (d) With effect from 20 September 2019, the Central Government has inserted section 115BAA in the Income tax Act, 1961 vide the Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance") giving an option to domestic companies to opt for a lower corporate tax rate subject to fulfilment of certain conditions as specified in the Ordinance. Basis the evaluation of the said conditions and having regard to the business projections, the Company decided to elect to pay tax under the new tax regime during the filing of returns of income for FY 21-22 in Nov 2022. The impact of this election is write back of Rs. 1,177 lakhs of provision for tax and write off of Rs. 2,240 lakhs of MAT credit of FY 21-22. Pursuant to this, the corporate tax rate for FY 22-23 will be at 25.168% instead of 34.944% and at 17.472% under MAT (Minimum Alternate Tax), both rates being inclusive of surcharge and cess.

24 Earnings per share

Profit after tax	Rs. lakhs	26,702	13,388
Weighted average number of equity shares	No.	280,250,000	280,250,000
Nominal value per equity share	Rs.	10	10
Earnings per equity share (Basic)	Rs.	9.53	4.78
Earnings per equity share (Diluted)	Rs.	9.53	4.78



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

25 Employee benefit plan

Defined benefit plan

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

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

Days considered per Month-

Workers - 26 Days

Supervisors and managers - 30 Days

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

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

	31 March 2023	31 March 2022
Discount rate(s)	7.20%	7.10%
Expected rate(s) of salary increase	10%	10%
The mortality rates considered are as per Indian Assured Lives Mortality (2006-08) (Modified) Ultimate Tables.		
Expected rate of return on plan assets	7.10%	7.10%

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

	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	133	91
Net interest (income) / cost	1	(4)
Components of defined benefit costs recognised in the Statement of Profit and Loss	134	87
Remeasurement on the net defined benefit liability :		
Actuarial gains arising from changes in financial assumptions	(6)	(8)
Actuarial (gains)/losses arising from experience adjustments	81	35
Components of defined benefit costs recognised in other comprehensive income	75	27

The amount included in the balance sheet is as follows:

	31 March 2023	31 March 2022
Present value of funded defined benefit obligation	(698)	(486)
Fair value of plan assets	477	475
Net asset	(221)	(11)

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

	Year ended 31 March 2023	Year ended 31 March 2022
Opening defined benefit obligations	486	347
Current service cost	133	91
Interest cost	33	24
Remeasurement (gains)/losses :		
Actuarial gains arising from changes in financial assumptions	(5)	(8)
Actuarial (gains)/losses arising from experience adjustments	90	36
Liabilities extinguished as settlements	(39)	(4)
Closing defined benefit obligation	698	486



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

25 Employee benefit plan (Continued)

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

	Year ended 31 March 2023	Year ended 31 March 2022
Opening fair value of plan assets	475	363
Interest income	32	28
Remeasurement gains/(losses):		
Return on plan assets (excluding amounts included in net interest expense)	9	1
Contribution from the employer	-	87
Assets distributed on settlements	(39)	(4)
Closing fair value of plan assets	477	475
Value of assets by class		
Asset category:		
Cash and cash equivalents	15.4%	3.9%
Debt instruments (quoted)	62.5%	64.5%
Equity instruments (quoted)	8.2%	7.7%
Deposits with insurance companies	13.9%	23.9%
Total	100%	100%

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Assumption sensitivity's		
Discount rate sensitivity		
	One percent decrease in discount rate	
Change in defined benefit obligations	2	43
Change in gross service cost	4	15
Change in net interest cost	4	17
	One percent increase in discount rate	
Change in defined benefit obligations	(2)	(37)
Change in gross service cost	(3)	(12)
Change in net interest cost	(3)	(15)
Salary decrease/increase sensitivity		
	One percent decrease in salary escalation rate	
Change in defined benefit obligations	(1)	(35)
Change in gross service cost	(3)	(12)
Change in net interest cost	(3)	(15)
	One percent increase in salary escalation rate	
Change in defined benefit obligations	2	40
Change in gross service cost	3	14
Change in net interest cost	4	18

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

- (b) The estimated contribution expected to be paid is Rs. 46 lakhs (Previous year. Rs. 35 lakhs)
- (c) The assumptions of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) **Defined contribution plan - Provident Fund**

The Company's contribution to the defined contribution plan aggregated to Rs. 501 lakhs (Previous year: Rs 329 lakhs) for the year ended 31 March 2023.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

26 Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and other long-term strategic plans. The funding requirements are met through equity and operating cash flows.

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

	31 March 2023	31 March 2022
Non-current portion of lease obligations	241	7,813
Current portion of lease obligations	7,834	2,391
Adjusted net debt	8,075	10,204
Total equity as reported in the balance sheet	59,033	32,387
Less : Currency translation reserve	(2,461)	(2,461)
Equity excluding currency translation reserve	61,494	34,848
Adjusted net debt to adjusted equity ratio	0.13	0.29

26.1 Disclosure on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.18 to the financial statements.

26.2 Categories of financial instruments

	31 March 2023	31 March 2022
Financial assets		
Measured at amortised cost		
(a) Cash and cash equivalents	41,075	21,027
(b) Trade receivables	3,266	5,740
(c) Other non-current financial assets	218	242
(d) Other current financial assets	76	81
Total	44,635	27,090
Financial liabilities		
Measured at amortised cost		
(a) Trade payables	33,205	16,001
(b) Lease liabilities (current and non-current)	8,075	10,204
(c) Other current financial liability	859	1,047
Total	42,139	27,252



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

26 Capital management (Continued)

26.3 Foreign currency exchange rate risk

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

The Company is primarily exposed to fluctuations in GBP against INR which is the functional currency of the Company.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

The following table sets forth information relating to foreign currency exposure:

Assets	31 March 2023	31 March 2022
Currency - GBP	1,996	4,727

Liabilities	31 March 2023	31 March 2022
Currency - GBP	25,639	7,506
Currency - USD	38	15

As at 31 March 2023 and 31 March 2022 every 10% increase / decrease in exchange rates of the respective foreign currencies compared to functional currency of the company would result in increase / decrease in loss of the Company by approximately Rs. 2,368 lakhs and Rs. 286 lakhs.

26.4 Credit risk

Credit risk is the risk of financial loss to the Company arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, other current and non-current financial assets.

Exposure to credit risk

The maximum exposure to credit risk was Rs. 294 lakhs as of 31 March 2023, Rs. 323 lakhs as of 31 March 2022, being the total carrying amount of other financial assets.

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

The maximum exposure to credit risk for trade receivable was Rs. 3,266 lakhs as of 31 March 2023, Rs. 5,740 lakhs as of 31 March 2022 (refer note No. 6), out of which Rs. 2,981 lakhs (PY Rs. 5,000 lakhs) exposure from single largest party (Jaguar Land Rover Limited).

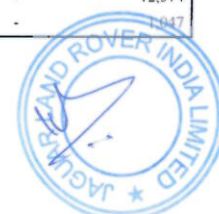
26.5 Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The funding requirements of the Company are met through equity and operating cash flow.

The table below provides details regarding the contractual maturities of financial liabilities :

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total contractual cash flow
31 March 2023						
(a) Trade payables	33,205	33,205	-	-	-	33,205
(b) Lease liabilities (current and non-current)	8,075	8,723	143	139	-	9,005
(c) Other current financial liabilities	859	859	-	-	-	859
31 March 2022						
(a) Trade payables	16,001	16,001	-	-	-	16,001
(b) Lease liabilities	12,574	12,574	8,413	951	-	12,574
(c) Other current financial liabilities	1,047	-	-	-	-	1,047



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

27 Related party transactions

Name of the Company / Key Management Personnel	Nature of relationship
Tata Motors Limited	Ultimate Parent Company
Jaguar Land Rover Limited	Parent Company
Jaguar Land Rover Limited (Dubai branch)	Fellow Subsidiary
TML Business Service Limited (earlier Concorde Motors (India) Limited)	Fellow Subsidiary
Tata Motors Passenger Vehicle Limited (formerly known as TML Business Analytics Services Limited)	Fellow Subsidiary
Tata Technologies Limited	Fellow Subsidiary
Jaguar Land Rover Technology and Business Services India Private Limited (JLRTBSIPL)	Fellow Subsidiary
Spark44 Demand Creation Partners Pte Ltd (Mumbai)	Fellow Subsidiary (Associate till 31 August 2017)

Key Management Personnel (KMP)

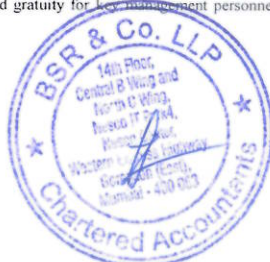
Mr. Rohit Suri	Managing Director (Till 31 March 2023)
Mr. Rajan Amba	Managing Director (From 01 May 2023)
Ms. Amita Karia	Director and Chief Financial Officer (Till 16 Jan 2023)
Mr. Anupam Khemka	Director (from 01 April 2023) and Chief Financial Officer (From 17 Jan 2023)
Mr. Rajiv Gupta	Director
Mr. Govind Patil	Director
Ms. Binita Khory	Company Secretary

Transactions with related parties*

		Key Management Personnel	Ultimate Parent Company	Parent Company	Fellow Subsidiaries
Services received	Current year	-	-	-	281
	Previous year	-	-	-	249
Services rendered	Current year	-	-	20,470	-
	Previous year	-	1	12,874	-
Reimbursement of expenses	Current year	-	-	157	-
	Previous year	-	-	80	-
Expenses incurred on behalf of the Company	Current year	-	37	527	140
	Previous year	-	161	701	72
Purchase of vehicles	Current year	-	-	65,588	72,088
	Previous year	-	48,020	27,001	20,938
Purchase of spare parts and accessories	Current year	-	-	19,234	-
	Previous year	-	-	15,427	-
Re-export of spares	Current year	-	-	22	-
	Previous year	-	-	456	-
Assets sold	Current year	-	-	-	12
	Previous year	-	-	-	-
Payment of lease liability (including interest)	Current year	-	-	-	3,139
	Previous year	-	2,595	-	831
Interest on working capital	Current year	-	-	-	-
	Previous year	-	54	-	456
Remuneration paid to KMP (refer note below)					
- Managing Director	Current year	583	-	-	-
	Previous year	266	-	-	-
- Directors	Current year	260	-	-	-
	Previous year	240	-	-	-
The following balances were outstanding at the end of the year					
Amount receivable	31 March 2023	-	1	2,987	-
	31 March 2022	-	62	5,508	-
Amount payable	31 March 2023	-	6	25,620	7,269
	31 March 2022	-	10	7,508	13,781

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

*Transactions are inclusive of taxes wherever applicable.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

27 Related party transactions (Continued)

Details of significant / material transactions are given below:	Nature of Relationship	2022-23	2021-22
Services received			
TML Business Service Limited	Fellow subsidiaries	143	107
Tata Technologies Ltd.	Fellow subsidiaries	138	142
Expenses incurred on behalf of the Company			
Tata Motors Passenger Vehicles Limited	Fellow subsidiaries	140	72
Purchase of vehicles			
Tata Motors Passenger Vehicles Limited	Fellow subsidiaries	72,088	20,938
Assets sold			
Jaguar Land Rover Technology and Business Services India Private Limited	Fellow subsidiaries	12	-
Payment of lease liability (including interest)			
Tata Motors Passenger Vehicles Limited	Fellow subsidiaries	3,139	831
Interest on working capital			
Tata Motors Passenger Vehicles Limited	Fellow subsidiaries	-	456



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

28 Segment reporting

The Company's principal activity is to act as the National Sales Company (sale of vehicles, spares parts and accessories) in India for Jaguar Land Rover, United Kingdom. This, in the context of Indian Accounting Standard 108 (Ind AS 108) on Segment reporting, is considered to constitute single operating segment.

The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the customers in India and there are no assets which are situated outside India.

Information about major customers:

Included in revenue from operations arising from sale of products and sale of services of Rs. 201,386 lakhs (Previous year: Rs. 136,367 lakhs) (refer note 18 (a) and (b)) are revenues of approximately Rs. 51,921 lakhs (Previous year: Rs. 34,291 lakhs) which arose from sales to the Company's largest external customer, exceeding 10% of aforesaid revenue from operations. No other external customer contributed 10% or more to the Company's revenue for FY 2022-23.

29 Contingent liabilities

	31 March 2023	31 March 2022
Claims against the Company not acknowledged as debts	3,372	2,398
	<u>3,372</u>	<u>2,398</u>

In the normal course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. Such potential losses may be of an uncertain timing and/or amount. Management believes that none of the contingencies described below, either individually or in aggregate, would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

- (a) The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims and potential claims as at 31 March 2023 of Rs. 3,372 lakhs (Previous year: Rs. 2,398 lakhs) against the Company which management has not recognised as they are not considered probable. These claims and potential claims pertain to motor accident claims, consumer complaints, replacement of parts of vehicles and/or compensation for deficiency in the services by the Company or its dealers.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

30 Revenue from contracts with customers

30.1 Revenue from operations

The Company generates revenue primarily from the sale of vehicles, spare parts and accessories and sale of services as per details provided in Note 18 to the financial statements.

30.2 Disaggregation of revenue

Considering the nature, amount and timing of revenue and cash flows, the Company determines that its revenue from operations would fall in single category as per the requirements of Ind AS 115. Further, refer Note 28 on Segment reporting, where the Company has disclosed that for the purposes of Ind AS 108, its operations constitute single operating segment.

30.3 Details of contract balances

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

	Year ended 31 March 2023	Year ended 31 March 2022
Contract liabilities	3,018	2,481
Contract liabilities comprises -		
Advance received from customers (current)	2,911	1,617
Deferred revenue arising from service plans (non-current)	-	107
Deferred revenue arising from service plans (current)	107	757
Total	3,018	2,481

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

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

Contract liabilities

Contract liabilities at the beginning of the reporting period	2,481	3,674
Revenue recognised that was included in the contract	(757)	(1,243)
Other changes	1,294	50
Contract liabilities at the end of the reporting period	3,018	2,481

30.4 Performance obligations

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

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

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

30.5 Transaction price

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

30.6 Significant judgements in the application of this Standard

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

30.7 Cost to obtain contract or fulfil a contract

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

31 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company has identified areas including activities for promoting programs that benefit the communities in and around the Company's work centre and further results in enhancing the quality of life and economic well being of the local populace, express commitment to the social development through responsible business practices and good governance, engage with state and its agencies in pursuing the development agenda for sustainable change for its CSR activities. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The gross amount required to be spent by the Company on CSR activities is Rs. 72 lakhs (previous year - Nil). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 72 lakhs (previous year - Nil).

Amount spent during the year on:

Particulars	31 March 2023			31 March 2022		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
(i) Construction/acquisition of any assets	-	-	-	-	-	-
(ii) CSR Programs	-	-	-	-	-	-
(iii) Other expenses allowed under CSR	72	-	72	-	-	-
Total	72	-	72	-	-	-



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

32 Ratios

Particulars	Year ended March 31,		Change	Reason for change
	2023	2022		
Current ratio (number of times) [Current assets (excluding Assets classified as held for sale) / Current liabilities (excluding Liabilities directly associated with Assets Classified as Held For Sale)]	1.98	2.04	-3%	Due to increase in trade payable as compared to previous year, ratio has decreased
Debt-equity ratio [Total Debt(i)/ Shareholders' Equity(ii)]	NA	NA	NA	Not applicable
Debt Service Coverage Ratio [(Profit/(loss) before exceptional items and tax+Interest on Borrowings) / (Interest on Borrowings + Repayment of Borrowings)]	NA	NA	NA	Not applicable
Return on Equity ratio [Net profit after tax / Average shareholders' equity]	0.58	0.52	12%	Due to higher revenue and favourable mix, ratio has improved.
Inventory turnover ratio (Number of Times) [Raw material consumed(iv) / average inventory(v)]	5.58	7.26	-23%	Due to increase in Average inventory as compared to previous year, ration has improved.
Trade receivables turnover ratio (Number of Times) [Revenue from operations / Average Trade receivables]	49.27	24.75	99%	Due to increase in revenue and decrease in average debtors, ratio has decreased.
Trade payables turnover ratio (Number of Times) [Net credit purchases / Average Trade payables]	7.39	5.42	36%	Increase in average trade payable ratio has increased.
Net capital turnover ratio [Revenue from operations / Working capital(iii)]	4.91	6.39	-23%	Due to increase in revenue and working capital, ratio has decreased.
Net profit ratio [Net profit after tax / Revenue from continuing operations]	12.01%	8.96%	34%	Due to increase in revenue and favourable mix, ratio has improved.
Return on capital employed [Profit before interest and tax / Capital employed(vi)]	0.63	0.42	49%	Due to increase in revenue and favourable mix, ratio has improved.
Return on investment [Net profit after tax / Average investments]	NA	NA	NA	Not applicable

Notes:

(i) Total debts includes non current and current borrowings

(ii) Equity = Equity share capital + Other equity

(iii) Working capital = Current assets (excluding Assets classified as held for sale) - Current liabilities (excluding current maturities of long term debt, interest accrued on borrowings and liabilities directly associated with assets classified as held for sale).

(iv) Raw material consumed includes Cost of materials consumed, Purchases of products for sale and Changes in inventories of finished goods, work-in-progress and products for sale.

(v) Inventory includes Raw materials and components, Work-in-progress, Finished goods, Stores and spare parts, Consumable tools and Goods-in-transit - Raw materials and components.

(vi) Capital employed includes tangible net worth, total debt and deferred tax liability



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

33 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return (30 November 2023). The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

34 Other information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(iv) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

(v) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(vi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(viii) The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensure that adequate provision as required under any lay/accounting standards for material foreseeable losses on such on long term contracts has been made in books of account.

(ix) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause(87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(x) The Company have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2023

All amounts are in Rs. lakhs unless otherwise stated

35 Transactions with struck off companies

Jaguar Land Rover India Limited has not entered in to any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the financial year 2022-23.

36 Transfer of employees and movable assets

Jaguar Land Rover Limited UK has decided to terminate the service contract with the Company for Non NSC related services with effect from April 1, 2023. Pursuant to this, the Company agreed to transfer its workforce and related assets and liabilities to a fellow subsidiary, Jaguar Land Rover Technology and Business Services India Private Limited for a consideration of Rs.16.98 crores. The book value of net assets as at March 31, 2023 is Nil. The said transfer does not constitute a major line of business and hence the same is not considered as discontinued operation.

37 Maintenance / back up of books of accounts

Proper books of account as required by law have been kept except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis as server is hosted by parent company, Jaguar Land Rover Limited in United Kingdom.

38 Subsequent events

The Company has evaluated all events and transactions that occurred after 31 March 2023 till the date of issue of these financial statements. During this period, the Company did not have any material recognisable subsequent event.

- 39 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active considerations by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

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

J. J. Vaishnav

Jitendra Vaishnav

Partner

Membership No: 123636

Mumbai

08 May 2023

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

Rajan
Rajan Amba
Managing Director
DIN - 10121880
Mumbai
08 May 2023

Rajiv
Rajiv Gupta
Director
DIN - 08090363
Mumbai
08 May 2023

Binita
Binita Khory
Company Secretary
Membership No: A24829
Mumbai
08 May 2023

Anupam
Anupam Khemka
Director and Chief Financial Officer
DIN - 10076429
Mumbai
08 May 2023

