

TML HOLDINGS PTE. LTD.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

(Incorporated in Singapore)

(Registration Number: 200802595C)

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

MARCH 31, 2025

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

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DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements for the financial year ended 31 March 2025 (the "financial year").

In the opinion of the directors:

- a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 13 to 59 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended 31 March 2025; and
- b) as at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Kottamasu Venkateswara Rao
Ajit Chandrashekar Prabhu
Namrata Divekar
Om Prakash Bhatt

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and company in which interest is held	Shareholding registered in the name of director	
	At beginning of year	At end of year
Tata Motors Limited ('TML')*		
-Kottamasu Venkateswara Rao	2,344	2,344
-Namrata Divekar	100	100

**Pursuant to the order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") on August 2, 2024, approving and sanctioning the Scheme of Arrangement of Tata Motors Limited and its shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for reduction of share capital through cancellation and extinguishment of the 'A' Ordinary Share Capital of the Company and the consequent issuance of 7 fully paid up Ordinary Shares of face value of INR 2 for every 10 'A' Ordinary Shares of face value of INR 2 as Consideration ("Scheme"), the A Ordinary Shares have been extinguished with effect from September 1, 2024. Hence there is only Ordinary Shares existing now in TML.*

4 **SHARE OPTIONS**

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of options to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

5 **AUDITORS**

The auditors, KPMG LLP have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



.....
Kottamasu Venkateswara Rao



.....
Ajit Chandrashekar Prabhu

Date: 30 June 2025



KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of the Company
TML Holdings Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TML Holdings Pte. Ltd. ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 59.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimation of Warranty Provision <i>(2025: £2,274 million; 2024: £1,880 million)</i> <i>Refer to Note 20</i>	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Subjective estimate</p> <p>The Group provides product warranties on new vehicle sales in respect of repairing manufacturing defects during the contractual warranty period, as well as recall campaigns, customer goodwill and the Group's other obligations under the warranty.</p> <p>The warranty provision calculation utilises historical actual claims data and recent data trends to estimate the nature, frequency and expected cost of claims for each vehicle line by model year. There is an inherent uncertainty that future events may not mirror past experience. The risk of material misstatement has increased due to increasing warranty spend in the year which has diverged from provision levels.</p>	<ul style="list-style-type: none"> • Control operation: Tested controls operated by management over the key information used in the warranty provision calculation. • Benchmarking assumptions: Challenged the key assumptions applied, including repair cost per vehicle and disbursement curve analysis, through analysis of historic data and sensitivity analysis. Performed a retrospective review by comparing approved cost per unit against actual cost per unit within the year.

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Subjective estimate (cont'd)</p> <p>There is an additional risk of fraud in relation to warranties in respect of campaigns as each individual campaign is influenced by distinct factors relevant to its specific context thus complicating costs predictions and increasing the potential for management bias.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that warranty provision has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possible many times that amount.</p>	<ul style="list-style-type: none"> • Methodology choice: Assessed and evaluated the Group's methodology of calculating warranty provision. • Reperformance: With the assistance of our Data and Analytics team, we independently reperfomed the warranty provision calculation following the Group's methodology, and compared it to the amount recognised by the Group. • Our sector experience: Assessed the assumptions applied using our own knowledge of recent campaigns and product recalls in the industry based on independent research; and • Assessing transparency: Considered the adequacy of the Group's disclosures in respect of the sensitivity of the provision to these assumptions.

Capitalisation of product engineering costs <i>(2025: £2,006 million; 2024: £1,544 million)</i> <i>Refer to note 30</i>	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Accounting treatment</p> <p>The Group has historically capitalised a significant portion of its product development costs. A key judgment is involved in determining whether these costs meet the criteria for capitalisation.</p> <p>These include confirming the technical feasibility of developing the asset for use or for sale and ensuring that the costs capitalised are directly attributable. There is a risk that the Group may capitalise costs that do not meet these criteria.</p> <p>In addition, it is noted that there is a risk of fraud around the allocation of directly attributable expenditure to the correct project codes to ensure appropriate costs are being capitalised.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Control operation: Tested controls including in relation to the management assessment as to whether product engineering costs are eligible for capitalization. • Personnel interviews: Corroborated judgements made by the management around the capitalisation of product engineering costs through discussions with project level staff. • Our sector experience: Critically assessed the management judgements regarding product engineering costs identified by the management as being eligible for capitalisation against both the accounting standards and our experience of practical application of these standards in other companies.

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Accounting treatment (cont'd)</p> <p>In previous years, the risk also included an assessment of whether the asset would generate future economic benefits. However, following an update to our risk assessment in the current year, taking into account the management's forecasts and their expectations of improved prospects for the group, we consider the risk in this area to have reduced, and it therefore no longer forms part of the key audit matter.</p>	<ul style="list-style-type: none"> • Tests of details: For a sample of product engineering costs identified by the management as being eligible for capitalisation, agreed that their nature was consistent with the description of the account to which those costs were recorded, and the timing of recognition was appropriate. In addition, we inspected any reallocations from accounts ineligible for capitalisation to accounts that are eligible as capitalised project engineering costs, which we would consider to meet the criteria of a high risk journal, and obtained evidence to assess the appropriateness of the reallocation; and • Assessing transparency: Assessed the adequacy of the Group's disclosures in respect of the key judgements made relating to the nature of the costs capitalised.

Valuation of defined benefit plan obligations <i>(2025: £4,694 million; 2024: £5,104 million)</i> <i>Refer to note 22</i>	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Subjective valuation</p> <p>Small changes in the assumptions applied in the valuation of the liabilities, being the discount rate, inflation rate and mortality/life expectancy used to value the Group's pension obligation (before deducting scheme assets) would have a significant effect on the Group's net pension surplus.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the Group's pension obligation has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Control operation: Tested controls operating over the assumptions applied in the valuation and inspected the Group's annual validation of the assumptions used by its actuarial expert. Tested the Group's controls operating over selection and monitoring of its actuarial expert for competence and objectivity. • Benchmarking assumptions: Challenged, with the support of our own actuarial specialists, the key assumptions applied to the valuation of the liabilities, being the discount rate, inflation rate and mortality/life expectancy.

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
	<ul style="list-style-type: none"> • Assessing actuaries' credentials: Evaluated the competency, capability and objectivity of the Group's external experts who assisted in determining the actuarial assumptions used to determine the defined benefit obligation. • Assessing transparency: Considered the adequacy of the Group's disclosures in respect of the sensitivity of the obligation to these assumptions.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' statement prior to the date of this auditors' report.

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.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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 SSAs 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 SSAs, we exercise professional judgement 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 controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Mark Eberst.

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

30 June 2025

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF FINANCIAL POSITION

As at MARCH 31, 2025

(£ millions)					
	Notes	Group		Company	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	4,719	4,139	58	47
Short-term deposits and other investments		35	115	12	12
Trade receivables		968	1,280	-	-
Other financial assets	6	776	598	19	48
Inventories	7	3,751	3,917	-	-
Other current assets	8	707	661	- *	- *
Current income tax assets		24	3		-
Assets classified as held for sale	34	46	54	-	-
		11,026	10,767	89	107
NON-CURRENT ASSETS					
Other financial assets	6	550	407	26	49
Property, plant and equipment	9	6,020	5,830	-	-
Intangible assets	10	6,704	5,413	-	-
Right-of-use assets	12	586	614	-	-
Investment in equity accounted investees	13	310	328	-	-
Investment in subsidiary corporations	14	-	-	1,887	1,913
Other Investment	15	55	52	-	-
Pension assets	22	313	300	-	-
Other non-current assets	8	192	144	-	-
Deferred tax assets	16	808	1,168	-	-
		15,538	14,256	1,913	1,962
TOTAL ASSETS		26,564	25,023	2,002	2,069
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short term borrowings	17	1,392	1,522	77	238
Accounts payable	18	7,256	7,257	9	17
Other financial liabilities	19	810	903	6	11
Provisions	20	1,194	1,037	-	-
Other current liabilities	21	669	725	-	-
Current income tax liabilities		174	125	-	-
		11,495	11,569	92	266
NON-CURRENT LIABILITIES					
Long-term borrowings	17	3,099	3,718	700	784
Other financial liabilities	19	662	765	-	-
Provisions	20	1,608	1,322	-	-
Other non-current liabilities	21	1,140	957	-	-
Employee benefit obligations	22	24	22	-	-
Deferred tax liabilities	16	101	91	-	-
		6,634	6,875	700	784
TOTAL LIABILITIES		18,129	18,444	792	1,050
EQUITY					
Share capital	23	1,628	1,628	1,628	1,628
Reserves		6,807	4,958	(418)	(609)
Equity attributable to owners of the Company		8,435	6,586	1,210	1,019
Non-controlling interests		-	(7)	-	-
		8,435	6,579	1,210	1,019
TOTAL LIABILITIES AND EQUITY		26,564	25,023	2,002	2,069

* Amount is less than £1 million.

See accompanying notes to financial statements.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2025

	Note	(£ millions)	
		Group	
		Year ended March 31	
		2025	2024
Revenues	25	29,463	29,588
Material and other cost of sales	26	(17,217)	(17,381)
Employee costs	28	(3,500)	(3,149)
Exceptional item	27	(12)	-
Depreciation and amortisation		(1,691)	(2,190)
Other expenses	29	(6,669)	(6,084)
Expenditure capitalised	30	1,794	1,456
Other income (net)	31	368	345
Foreign exchange gain/(loss) and fair value adjustment		93	(118)
Finance income	32	142	171
Finance expense	32	(332)	(526)
Share of (loss)/profit from equity accounted investees		(3)	23
Profit before income tax		2,436	2,135
Income tax credit/(expense)	33	(681)	408
Profit for the year		1,755	2,543
Attributable to:			
Owners of the Company		1,755	2,542
Non-controlling interests		-	1
Items that will not be reclassified subsequently to profit or loss :			
Remeasurement losses of net defined benefit obligation		(11)	(401)
Income tax credit related to items that will not be reclassified		3	100
		(8)	(301)
Items that may be reclassified subsequently to profit or loss :			
Gain on cash flow hedges (net)		347	893
Currency translation differences		(47)	(56)
Income tax charge related to items that may be reclassified		(89)	(84)
		211	753
Other comprehensive income for the year, (net of tax)		203	452
Total comprehensive Profit for the year		1,958	2,995
Total comprehensive Profit attributable to:			
Owners of the Company		1,958	2,994
Non- controlling interests		-	1
		1,958	2,995

See accompanying notes to financial statements.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

Group	Share capital	Reserves							Equity attributable to owners of the Company	Non-controlling interests	(£ millions)
		Capital reserve on currency conversion	Capital reserve	Currency translation reserve	Hedging Reserve	Cost of hedging reserve	Other reserves	Retained Earnings			Total Equity
Balance as at April 01, 2023	1,628	(206)	(165)	(314)	(552)	(80)	28	3,251	3,590	(7)	3,583
Total comprehensive income/(expense) for the year											
Profit for the year	-	-	-	-	-	-	-	2,542	2,542	1	2,543
Other comprehensive income for the year, (net of tax)	-	-	-	(56)	735	74	-	(301)	452	-	452
Total comprehensive income/(expense) for the year	-	-	-	(56)	735	74	-	2,241	2,994	1	2,995
Amounts removed from hedge reserve and recognised in inventory	-	-	-	-	2	1	-	-	3	-	3
Sale of interest in Non-controlling interest	-	-	1	-	-	-	-	(1)	-	(1)	(1)
Income tax related to amounts removed from hedging reserve and recognised in inventory	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Balance as at March 31, 2024	1,628	(206)	(164)	(370)	184	(5)	28	5,491	6,586	(7)	6,579
Total comprehensive income/(expense) for the year											
Profit for the year	-	-	-	-	-	-	-	1,755	1,755	-	1,755
Other comprehensive income for the year, (net of tax)	-	-	-	(47)	256	2	-	(8)	203	-	203
Total comprehensive income/(expense) for the year	-	-	-	(47)	256	2	-	1,747	1,958	-	1,958
Amounts removed from hedge reserve and recognised in inventory	-	-	-	-	28	2	-	-	30	-	30
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	-	-	-	(7)	-	-	-	(7)	-	(7)
Purchase of stake in Non-controlling interest	-	-	-	(2)	-	-	-	(5)	(7)	7	-
Interim dividend paid	-	-	-	-	-	-	-	(125)	(125)	-	(125)
Balance as at March 31, 2025	1,628	(206)	(164)	(419)	461	(1)	28	7,108	8,435	-	8,435

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

Company	Share capital	Reserves					(£ millions)
		Capital reserve on equity currency conversion	Capital reserve	Hedging reserve	Cost of hedging reserve	Accumulated losses	Total Equity
Balance as at April 01, 2023	1,628	(207)	(20)	56	(48)	(343)	1,066
Total comprehensive income/(expense) for the year							
Loss for the year	-	-	-	-	-	(44)	(44)
Other comprehensive income for the year, (net of tax)	-	-	-	(49)	46	-	(3)
Balance as at March 31, 2024	1,628	(207)	(20)	7	(2)	(387)	1,019
Total comprehensive income/(expense) for the year							-
Profit for the year	-	-	-	-	-	319	319
Other comprehensive income for the year, (net of tax)	-	-	-	(4)	1	-	(3)
Interim Dividend Paid	-	-	-	-	-	(125)	(125)
Balance as at March 31, 2025	1,628	(207)	(20)	3	(1)	(193)	1,210

See accompanying notes to financial statements.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

	(£ millions)	
	Group	
	Year ended March 31	
	2025	2024
Cash flow from operating activities		
Profit for the year	1,755	2,543
Adjustments for:		
Depreciation and amortisation	1,691	2,190
Loss on disposal of fixed assets and assets held for sale	17	20
Finance expense	332	526
Finance income	(142)	(171)
Income tax expense/(credit)	681	(408)
Unrealised (gain)/loss on commodities	(46)	59
Foreign exchange on debt, derivatives and balance sheet revaluation	(97)	(57)
Fair value loss/(gain) on equity investment	3	(1)
Share of loss/(profit) of equity accounted investments	3	(23)
Exceptional items	12	-
Fair value adjustments in relation to assets held for sale	(3)	6
Write-down of tangible assets	-	3
Other non-cash adjustment	(1)	1
Cash flows before movements in working capital	4,205	4,688
Trade receivables and other assets	226	(322)
Other financial assets	(93)	(97)
Inventories	147	(501)
Accounts payable, other liabilities and retirement benefit obligations	92	1,398
Other financial liabilities	(54)	47
Provisions	429	121
Cash generated from operations	4,952	5,334
Income tax paid	(314)	(334)
Net cash used in operating activities	4,638	5,000
Cash flows used in investing activities		
Purchase of property, plant and equipment	(1,081)	(874)
Purchase of other investment	(7)	(7)
Proceeds from sale of property, plant and equipment and assets held for sale	77	16
Cash outflow relating to intangible asset expenditure	(1,851)	(1,516)
Investment in short-term deposits and other investments	(22)	(285)
Redemption of short-term deposits and other investments	113	292
Movements in other restricted deposits	3	-
Acquisition of subsidiary (net of cash acquired)	(65)	-
Disposal of subsidiaries (net of cash disposed)	71	9
Proceeds from redemption of investment in subsidiary	-	1
Finance income received	144	164
Dividend received	2	2
Net cash used in investing activities	(2,616)	(2,198)
Cash flows from financing activities		
Finance expense and fees paid	(471)	(547)
Proceeds from issuance of borrowings	859	21
Repayment of borrowings	(1,501)	(1,893)
Payment of lease liabilities	(89)	(78)
Dividend paid	(125)	-
Net cash used in financing activities	(1,327)	(2,497)
Net increase in cash and cash equivalents	695	305
Cash and cash equivalents at beginning of year	4,139	3,922
Cash and cash equivalents reclassified as held-for-sale	(22)	-
Effect of foreign exchange on cash and cash equivalents	(93)	(88)
Cash and cash equivalents at end of the year	4,719	4,139

See accompanying notes to financial statements.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1. General

TML Holdings Pte. Ltd. ("the Company") and its subsidiary corporations are collectively referred to as ("the Group"). The Company(Registration No.200802595C) is incorporated in Singapore with its principal place of business and the registered office at 78 Shenton Way, # 14-02, Singapore 079120. The financial statements are expressed in Pound Sterling (£) and rounded to the nearest million (£ million) unless otherwise stated.

The principal activity of the Company is that of investment holding. The subsidiary corporations held by the Company include JaguarLand Rover Automotive plc since date of incorporation and Tata Daewoo Mobility Co. Ltd. (formerly known as Tata Daewoo Commercial Vehicle Co. Ltd.), Tata Motors (Thailand) Ltd and PT Tata Motors Indonesia which were acquired from its holding Company, Tata Motors Limited during 2014 and 2015.

The principal activities of joint ventures, associates and subsidiary corporations are disclosed in Note 13 and 14 to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended March 31, 2025 were authorised for issue by the Board of Directors on 30 June 2025.

2. Summary of material accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments which are measured at fair value, and are drawn up in accordance with the Singapore Financial Reporting Standards (International) SFRS(I).

Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Going concern

The financial statements have been prepared on a going concern basis, which management considers to be appropriate for the reasons set out below.

Management has assessed the financial position of the Company and the Group as at March 31, 2025, and the projected cash flows of the Company and the Group for the twelve-month period from the date of authorisation of the financial statements (the 'Going Concern Assessment Period').

Assessment for the Company

The Company had a surplus net asset of £ 1,210 million, net working capital of £(3) million as at March 31, 2025 and incurred a profit before taxation of £ 319 million in the financial year ended March 31, 2025. The Company had cash and cash equivalent of £58 million as at March 31, 2025.

The management has taken into consideration the risks and uncertainties facing the Company and assessed that the Company has sufficient cash available from the Group, if necessary, to meet its obligations due within the next 12 months from the date of approval of these financial statements and that it will be able to continue as a going concern in the foreseeable future.

Assessment for significant subsidiary, Jaguar Land Rover ('JLR')

JLR had available liquidity of £6.3 billion at March 31, 2025, including £4.6 billion of cash and the with the remainder undrawn RCF facility. Within the going concern assessment period there is a £1 billion minimum quarter-end liquidity covenant in the JLR's UKEF loans and forward start RCF facility. There is £1.4 billion of maturing debt in the going concern assessment period and no new funding is assumed. JLR moved from an opening net debt position of £0.7 billion to a closing net cash position of £0.3 billion in the year, an improvement of £1.0 billion and the JLR will continue to take action to manage net debt/cash levels in the future.

JLR has assessed its projected cash flows over the going concern assessment period. This base case uses the most recent Board of Directors approved forecasts that include the going concern assessment period and include the forecast impact that the changes made to US tariffs will have on the Group.

JLR has carried out a reverse stress test against the base case to determine the decline in wholesale volume over a 12-month period that would result in a liquidity level that breaches the £1 billion liquidity financial covenant. The reverse stress test models an appropriate assumption in reductions in demand across the Group's product portfolio as the primary risk on wholesale volume is now deemed to be more likely to arise from demand rather than supply given resolution of previously noted supply constraints.

In order to reach a liquidity level that breaches covenants, it would require a sustained decline in wholesale volumes of 43% compared to the base case over a 12-month period. The reverse stress test reflects the variable profit impact of the wholesale volume decline, and assumes all other assumptions are held in line with the base case. It does not reflect other potential upside measures that could be taken in such a reduced volume scenario; nor any new funding.

JLR does not consider this scenario to be plausible given that the stress test volumes are significantly lower than forecasts. The Group has a strong order bank and is confident that it can significantly exceed reverse stress test volumes.

JLR has also considered the impact of severe but plausible downside scenarios, including scenarios that reflect a decrease in variable profit per unit compared with the base case to include additional increases in material and other related production costs. Under all of these scenarios JLR has sufficient headroom.

Management, after making appropriate enquiries and taking into consideration the risks and uncertainties facing JLR, considers that JLR has adequate financial resources to continue in operational existence throughout the Going Concern Assessment Period, meeting its liabilities as they fall due. Accordingly, management continues to adopt the going concern basis in preparing these consolidated financial statements.

Climate Change

In the preparation of these consolidated financial statements, the Group has considered the potential effects of climate change, related regulatory requirements and of the targets set out in the Strategic Report for JLR. Where relevant, these are included within assumptions and estimates used to determine the carrying value of assets and liabilities at March 31, 2025. In particular, the Group has considered the impact on the future cash flows used in the impairment assessment of its cash-generating unit; and on its provisions for the costs of compliance with emission regulations.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

In addition, there are other areas of the consolidated financial statements that may be impacted by climate-related risks. These are not considered to be key areas of judgement or to contain material estimation uncertainty and the impact of climate-related matters is not material on any of these areas as at March 31, 2025. These areas are outlined below:

Recoverability of trade receivables

Climate related matters could impact the Group's customers and subsequently their ability to pay amounts owed to the Group. There have been no material climate related matters during the year that have impacted the recoverability of receivables. The Group continues to monitor recoverability on an ongoing basis and does not deem this to be a material risk or judgement.

Useful lives of assets

Climate related matters could reduce the useful life of assets for example due to physical or legal risks resulting in accelerated depreciation or amortisation recognized each financial year. From a review of the useful lives of assets, there is deemed to be no material impact from climate related matters.

Inventory valuation

The value of inventories could be impacted by climate related matters, resulting in obsolescence or the need to recognise additional provisions. After reviewing inventory valuation as at March 31, 2025, inventory is deemed appropriately valued when taking into consideration climate related matters.

Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Those that are significant to the Group are discussed separately below.

(i) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition: The Group uses judgement to determine when control of its goods, primarily vehicles and parts, pass to the customer. This is assessed with reference to indicators of control, including the risks and rewards of ownership and legal title with reference to the underlying terms of the customer contract. Refer to note 2(c) (Revenue recognition) for further information.

Assessment of cash-generating units: The Group has determined that JLR is one cash-generating unit. This is on the basis that there are no smaller groups of assets that can be identified with certainty that generate specific cash inflows that are independent of the inflows generated by other assets or groups of assets. Refer to note 11.

Capitalisation of product engineering costs: The Group applies judgement in determining at what point in a vehicle program's life cycle the recognition criteria under SFRS(I) 1-38 are satisfied, and in determining the nature of the cost capitalised. Refer note 2(j) for further information.

Deferred tax asset recognition: The extent to which deferred tax assets can be recognised is based on an assessment of the availability of future taxable income against which the deductible temporary differences and tax loss carry-forwards can be utilised. The Group has exercised judgement in determining the jurisdictions in which deferred tax assets have not been fully recognised. This has been done based on forecast profitability and historical results of the companies in which the deferred tax assets arise.

(ii) Estimates and assumptions

The areas where assumptions and estimates are significant to the financial statements are as described below. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year.

Significant estimates

Retirement benefit obligation: The present value of the post-employment benefit obligations depends on a number of factors and assumptions including discount rate, inflation and mortality assumptions. Key assumptions and sensitivities for post-employment benefit obligations are disclosed in note 22.

Product warranties : The Group provides product warranties on all new vehicle sales in respect of manufacturing defects. These warranties are not separate performance obligations but are accounted for under IAS 37, which requires recognising a provision for warranty repairs.

The estimation process involves assessing historical warranty claim data, considering the nature and frequency of claims, and projecting future warranty costs. This provision is inherently uncertain and requires significant management estimation.

Given the complexity and uncertainty involved in estimating future costs, the warranty provision is a significant estimate that can materially affect these financial statements. We continuously review and adjust our estimates to reflect new information and trends, ensuring that our financial reporting remains accurate and reliable.

Other estimates

Impairment of intangible and tangible fixed assets: The Group has intangible assets with indefinite lives and therefore tests annually whether intangible and tangible fixed assets have suffered any impairment. Key assumptions and sensitivities for impairment are disclosed in note 11.

New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following amendments and interpretations have been adopted by the Group in the year ending 31 March 2025

- Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants
- Amendments to SFRS(I) 1-7 and SFRS(I) 7 Statement of Cash Flow: Supplier Finance Arrangements
- Amendments to SFRS(I) 16 Leases: Lease Liability in a Sale and Leaseback

The adoption of the above amendments and interpretations has not had a significant impact on the consolidated financial statements.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(b) Basis of consolidation

Subsidiary corporations

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over the investee, is exposed or has rights to variable return from its involvement with the investee, and has the ability to use its power to affect its returns. In assessing control, potential voting rights that currently are exercisable are taken into account, as well as other contractual arrangements that may influence control. All subsidiaries of the Group given in note 14 are included in the consolidated financial statements.

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

Joint ventures and associates (equity-accounted investments)

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

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

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

Dividends received are recognized when the right to receive payment is established.

Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(c) Revenue recognition

Revenue from ordinary activities, including sales of vehicles, parts and accessories and services, is recognised when the control of the goods or services is transferred to the customer. Revenue is measured based on the contract price, net of variable consideration and any amounts collected on behalf of third parties. Revenue is measured based on the contract price, which is the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties, and net of settlement discounts, bonuses, rebates and sales incentives. The Group's primary clients from the sale of vehicles, parts and accessories are retailers, fleet and corporate clients, and other third-party distributors. The Group recognises revenue when it transfers control of a good or service to a customer, thus evidencing the satisfaction of the associated performance obligation under that contract.

The Group recognises revenue on the sale of vehicles, parts and accessories at the point of wholesale. The sale of the relevant good is generally recognised at the point of dispatch or the point of delivery to the customer, depending on individual contractual arrangements.

When agreed with clients on a case-by-case basis, revenue may be recognised on a bill-and-hold basis, where goods are sold to the customer but are retained in the Group's possession on behalf and at the request (usually due to the lack of available space at their own premises) of the client ahead of being physically transferred to them at a future time. The goods are identifiable as separately belonging to the customer, ready for physical transfer to the customer, and the Group does not have the ability to use the goods or direct them elsewhere.

The Group sells a small number of vehicles under sale and leaseback arrangements that qualifies as a sale under SFRS(I) 15. As they are part of the Group's ordinary activity, the revenue and associated cost of sales are presented gross.

The consideration arising from vehicle wholesales is usually settled immediately (within two working days). The consideration arising from sales of parts and accessories usually falls due for payment within 30 days.

The costs associated with providing sales incentives (variable marketing expense) are considered to be variable components of consideration, thus reducing the amount of revenue recognised by the Group.

Under SFRS(I) 15, the Group ensures that variable consideration is recognised to the extent of the amount to which it expects to be entitled. To meet this principle, the Group constrains its estimate of variable consideration to include amounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved.

The Group estimates the expected sales incentive by market and considers uncertainties including competitor pricing, ageing of dealer stock and local market conditions. The constraint on variable consideration is estimated with reference to historical accuracy, current market conditions and a prospective assessment considering relevant geopolitical factors, including global stock positions for both the Group and its third-party dealer network reflecting the pipeline of vehicle inventory for sale to end clients.

Variable consideration received for contracts with multiple performance obligations is allocated to all such obligations only when applicable. For example, with the sale of a vehicle, the cost of the incentive provided is allocated entirely to the vehicle as its purpose is to incentivise the sale of the vehicle rather than support any additional obligations.

Revenue from services relates to scheduled maintenance contracts, vehicle connected service features and extended warranties. The Group typically receives payment relating to services at the same time as the proceeds from the vehicle sale, at which point the amount is recognised as a contract liability. This is measured at the stand-alone selling price of the service; which for scheduled maintenance contracts is estimated using a cost-plus approach. The stand-alone selling price for vehicle connected service features and extended warranties is the observable price of the service when the Group sells the service separately to customers.

Revenue for vehicle connected service features and extended warranties is recognised on a straight-line basis over the period to which the service relates, which generally ranges from 12 to 60 months. Revenue for scheduled maintenance contracts is recognised over the life of the plan based on the expected performance of the services from the point of a vehicle being retailed to an end customer and aligned to the expected profile of costs to fulfil those services based on historical information.

When a contract includes an option or obligation for the Group to repurchase the product sold (including repurchasing a product originally sold as part of an amended product), revenue is not recognised until the product is sold by the Group with no repurchase obligation or option attached. Such instances are common in the Group's arrangements with third-party fleet clients or in contract manufacturing arrangements that the Group is party to. The related inventory continues to be recognised on the Group's consolidated balance sheet.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Vehicle sales do not typically include allowances for returns or refunds, except where there is legislative requirement. Regarding other goods, where rights of return may be prevalent, the Group estimates the level of returns based on the historical data for specific products, adjusted as necessary to estimate returns for new products. Revenue is not recognised for expected returns - instead the Group recognises a refund liability and asset where required.

(d) Cost recognition

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

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

Material and other cost of sales as reported in the statement of profit or loss is presented net of the impact of realised foreign exchange relating to derivatives hedging cost exposures.

(e) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are held for product warranty, legal and product liabilities, residual risks, environment liabilities, other employee benefit obligations and restructuring as detailed in note 20 to the consolidated financial statements.

(f) Foreign currency transactions and translation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Pound Sterling (£), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the statement of profit or loss as foreign exchange gain/(loss). For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Pound Sterling at the exchange rate prevailing at the end of the reporting period, and the income and expenses at the average rate of exchange for the respective months. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

(g) Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the statement of profit or loss, except when related to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity), or where related to the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination. Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised tax losses, depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forwards and unused tax credits could be utilised. The future profitability is based on the business plan for each respective entity within the Group. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that the Group will be required to settle that tax. Measurement is dependent on management's expectations of the outcome of decisions by tax authorities in the various tax jurisdictions in which the Group operates. This is assessed on a case-by-case basis using in-house experts, professional firms and previous experience. Where no provision is required the exposure is disclosed as a contingent liability in note 37 unless the likelihood of an outflow of economic benefits is remote.

Judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

(h) Inventories

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

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

(i) Property, plant and equipment

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

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

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Estimated useful life (years)
Buildings	10 to 40
Plant and equipments and leased assets	3 to 30
Vehicles	3 to 10
Computers	3 to 10
Furniture and fixtures	3 to 20

The depreciation for property, plant and equipment with finite useful lives is reviewed at least each year end. Changes in expected useful lives are treated as change in accounting estimates.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Freehold land is measured at cost and is not depreciated. Residual values are reassessed on an annual basis.

Depreciation is not recorded on assets under construction until construction and installation are complete and the asset is ready for its intended use. Assets under construction includes capital advances. Depreciation is not recorded on heritage assets as the Group considers their residual value to approximate their cost.

An item of property, plant and equipment is derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition is included in profit or loss.

An annual review of the carrying value of heritage assets is performed as the assets are held at cost and not depreciated. Anywrite-down in the carrying value of heritage assets is recognised immediately in the consolidated statement of profit and loss.

(j) Intangible assets

Acquired intangible assets

Intangible assets purchased, including those acquired in business combination, are measured at cost or fair value as of the date of acquisition where applicable less accumulated amortisation and accumulated impairment, if any.

Intangible assets with indefinite lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

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

Particulars	Estimated amortisation period (years)
Product development costs	2 to 12
Patents and technological know-how	2 to 12
Customer related - retailer network	20
Software	2 to 8
Intellectual property rights and other intangible	3 to indefinite
Goodwill	Indefinite

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

Customer related intangible acquired in a business combination consists of dealer network. Intellectual property rights and other intangibles mainly consist of brand names, which are considered to have indefinite lives due to the longevity of the brands.

Internally generated intangible assets

The Group undertakes significant levels of research and development activity. Product engineering costs incurred on new vehicle platforms, engines, transmission and new products are recognised as intangible assets - when feasibility has been established, the Group has committed technical, financial and other resources to complete the development and it is probable that the asset will generate future economic benefits.

Periodic reviews are undertaken and judgement is applied in determining at what point in a programme's life cycle the recognition criteria under SFRS(I) 38 are satisfied. During the year, £215 million (2024: £30 million) of development expenditure was capitalised for programmes that started capitalisation in the year. If a later capitalisation point had been used then this would have had the impact of reducing the amounts capitalised as product engineering costs.

The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

The Group applies judgement in determining which central and product development overhead costs are directly attributable and therefore meet the criteria for capitalisation. If these central and product development overheads were not classified as directly attributable, the total value capitalised would have been £359 million lower in the year ended 31 March 2025 (2024: £270 million).

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is not recorded on product engineering in progress until development is complete. Research costs are charged to the consolidated income statement in the year in which they are incurred.

(k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - o The Group has the right to operate the asset; or
 - o The Group designed the asset in a way that predetermines how and for what purposes it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is allocated, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the useful life of the leased asset and the expected lease term. If 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 straight-line basis over the expected useful life of the leased asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as a discount rate. The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group associates the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of a purchase option and lease payments in relation to lease extension option if the Company is reasonably certain to exercise purchase or extension options and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise termination option.

The Group leases a number of buildings, plant and equipment, IT hardware and software assets, certain of which have a renewal and/or purchase options in the normal course of the business. Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operation. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Group reassesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control.

The Group's leases mature between 2025 and 2051.

There are no leases with residual value guarantees.

(l) Impairment of property plant and equipment and intangible assets

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

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

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

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

An asset (or cash-generating unit) impaired in prior years is reviewed at each balance sheet date to determine whether there is any indication of a reversal of impairment loss recognised in prior years.

An annual review of the carrying value for heritage assets is performed as the assets are held at cost and not depreciated and any write-down in the carrying value is recognised immediately in the statement of profit or loss.

(m) Impairment of equity accounted investments: joint ventures and associates

The requirements of *SFRS(I) 1-28 Investments in Associates and Joint Ventures* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture or an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with *SFRS(I) 1-36 Impairment of Assets* as a single asset by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with *SFRS(I) 1-36* to the extent that the recoverable amount of the investment subsequently increases.

(n) Government grants and incentives

Government grants are recognised when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received. Government grants are recognised as income either on a systematic basis when the Group recognises, as expenses, the related costs that the grants are intended to compensate or, immediately, if the costs have already been incurred.

Government grants related to income are presented as an offset against the related expenditure except in cases where there are no ongoing performance obligations to the Group, in which case the government grant is recognised as other income in the period in which the Group becomes entitled to the grant.

Government grants related to assets are presented as gross as separate liabilities and unwound over the useful economic lives of the assets as other income.

Cash flows arising from grants related to income and assets are presented within cash flows from operating activities in the consolidated cash flow statement.

The term and treatment of each grant is assessed on a case by case basis.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(o) Employee benefits

(i) Pension schemes

Jaguar Land Rover operate several defined benefit pension ('DB') plans; these include two large and one smaller defined benefit plan in the UK. The UK DB plans are administered by a separate trustee, the assets of the plans are generally held in separate funds selected and overseen by the trustee. These plans were contracted out of the state second pension ('S2P') scheme until 5 April 2016. The plans provide benefits for members including a monthly pension after retirement based on salary and service as set out in the rules of each plan.

Contributions to the plans by the Group take into consideration the results of actuarial valuations.

The UK defined benefit plan were closed to the new joiners in April 2010. The Group also operate a number of small benefit arrangements worldwide (the liabilities for these amount to around 0.6% of the Group total).

For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial updates being carried out at the end of each reporting period.

Defined benefit costs are split into four categories:

- Current service cost, past service cost and gains and losses on curtailments and settlements;
- Net interest cost
- Administrative expenses; and
- Remeasurement.

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

Past service cost, including curtailment gains and losses, is generally recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability, adjusted for expected cash flows during the period. From the year ended March 31, 2020, at the point a past service cost is incurred re-measurement of the Income statement cost is considered and will be re-calculated if there is a material change.

The Group presents these defined benefit costs within 'employee cost' in the statement of profit or loss.

Separate defined contribution plans are available to all other employees of Jaguar Land Rover. Costs in respect of those schemes are charged to the statement of profit or loss as incurred.

(ii) Post-retirement Medicare scheme

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

Actuarial gains and losses

Actuarial gains and losses relating to retirement benefit plans are recognised in other comprehensive income in the year in which they arise.

Measurement date

The measurement date of all retirement plans is March 31.

(iii) Severance indemnity

Tata Daewoo Commercial Vehicle Company Limited ('TDCV'), a subsidiary corporation incorporated in Korea has an obligation towards severance indemnity, a defined benefit retirement plan, covering eligible employees. The plan provides for a lump sum payment to all employees with more than one year of employment equivalent to 30 days' salary payable for each completed year of service. Liability for severance indemnity is accounted based on an annual actuarial valuation.

(p) Financial instruments

(i) Recognition and derecognition

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 instruments are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial instrument is derecognised, the cumulative gain or loss in equity (if any) is transferred to the consolidated statement of profit or loss unless it was an equity instrument electively held at fair value through other comprehensive income. In this case, any cumulative gain or loss in equity is transferred to retained earnings.

Financial assets are written-off when there is no reasonable expectation of recovery. The Group reviews the facts and circumstances around each asset before making a determination. Financial assets that are written-off could still be subject to enforcement activities.

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

(ii) Initial measurement

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

Subsequently, financial instruments are measured according to the category in which they are classified.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(iii) Classification and measurement – financial assets

Classification of financial assets is based on the business model in which the instruments are held as well as the characteristics of their contractual cash flows. The business model is based on management's intentions and past pattern of transactions. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets are classified into three categories:

Financial assets at amortised cost are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest and which are held with the intention of collecting those contractual cash flows. Subsequently, these are measured at amortised cost using the effective interest method less impairment losses, if any. These include cash and cash equivalents, contract assets, finance receivables and other financial assets.

Financial assets at fair value through other comprehensive income are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest and which are held with the intention of collecting those contractual cash flows as well as to sell the financial asset. Subsequently, these are measured at fair value, with unrealised gains or losses being recognised in other comprehensive income apart from any expected credit losses or foreign exchange gains or losses, which are recognised in statement of profit or loss. This category can also include financial assets that are equity instruments which have been irrevocably designated at initial recognition as fair value through other comprehensive income. For these assets, there is no expected credit loss recognised in profit or loss.

Financial assets at fair value through profit or loss are financial assets with contractual cash flows that do not consist solely of payments of principal and interest. This category includes derivatives, embedded derivatives separated from the host contract, or investments in certain convertible loan notes. Subsequently, these are measured at fair value, with unrealised gains or losses being recognised in profit or loss, with the exception of derivative instruments designated in a hedging relationship, for which hedge accounting is applied

(iv) Classification and measurement – financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost unless they meet the specific criteria to be recognised at fair value through profit or loss. Other financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss includes derivatives, embedded derivatives separated from the host contract as well as financial liabilities held for trading. Subsequent to initial recognition, these are measured at fair value with gains or losses being recognised in statement of profit or loss. Embedded derivatives relating to prepayment options on senior notes are not considered as closely related and are separately accounted unless the exercise price of these options is approximately equal on each exercise date to either the amortised cost of the senior notes or the present value of the lost interest for the remaining term of the senior notes.

Impairment

The Group recognises a loss allowance in profit or loss for expected credit losses on financial assets held at amortised cost or at fair value through other comprehensive income. Expected credit losses are forward looking and are measured in a way that is unbiased and represents a probability weighted amount, takes into account the time value of money (values are discounted back using the applicable effective interest rate) and uses reasonable and supportable information.

Lifetime expected credit losses are calculated for assets that were deemed credit impaired at initial recognition or have subsequently become credit impaired as well as those where credit risk has increased significantly since initial recognition.

The Group adopts the simplified approach permitted in SFRS(I) 9 to apply lifetime expected credit losses to trade receivables and contract assets where credit risk is deemed low at the reporting date or to have not increased significantly, credit losses for the next 12 months are calculated.

Credit risk has increased significantly when the probability of default has increased significantly. Such increases are relative and assessment may include external ratings (where available) or other information such as past due payments. Historic data and forward looking information are both considered. Objective evidence for a significant increase in credit risk may include where payment is overdue by 90 or more days as well as other information about significant financial difficulties of the borrower.

Equity instruments

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

Investments in equity instruments are measured at fair value; however, where a quoted market price in an active market is not available, equity instruments are measured at cost (investments in equity instruments that are not held for trading). The Group has not elected to account for these investment at fair value through other comprehensive income.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of a financial instrument on initial recognition is normally the transaction price.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Subsequent to initial recognition, the Group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Hedge accounting

The Group uses foreign currency forward contracts, foreign currency options and borrowings denominated in foreign currency to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates these foreign currency forward contracts, foreign currency options and borrowing denominated in foreign currency in a cash flow hedging relationship by applying hedge accounting principles under SFRS(I) 9.

The Group uses cross-currency interest rate swaps to convert some of its foreign currency denominated fixed-rate borrowings to GBP floating rate borrowings. Hedge accounting is applied using both fair value and cash flow hedging relationships. The designated risks are foreign currency and interest rate risks.

The Group uses non-deliverable commodity forward contracts to hedge risks associated with commodity price fluctuations for highly probable forecast transactions. The Group designates these contracts in cash flow hedging relationships.

Derivative contracts are stated at fair value on the statement of financial position at each reporting date.

At inception of the hedge relationship, the Group documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of hedged item.

The Group documents its risk management objective and strategy for undertaking its hedging transactions. The Group designates only the intrinsic value of foreign exchange

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

options in the hedging relationship. The Group designates amounts excluding foreign currency basis spread in the hedging relationship for both foreign exchange forward contracts and cross-currency interest rate swaps. The Group designates only the pure price component of commodities in commodity forward contracts. Changes in the fair value of the derivative contracts that are designated and effective as hedges of future cash flows are recognised in the cash flow hedge reserve within other comprehensive income (net of tax), and any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Changes in both the time value of foreign exchange options and foreign currency basis spread of foreign exchange forwards and cross-currency interest rate swaps are recognised in other comprehensive income (net of tax) in the cost of hedging reserve to the extent that they relate to the hedged item (the 'aligned' value).

Changes in the fair value of contracts that are designated in a fair value hedge are taken to the consolidated statement of profit and loss. They offset the change in fair value, attributable to the hedged risks, of the borrowings designated as the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. Amounts accumulated in equity are reclassified to the consolidated statement of profit and loss in the periods in which the forecast transactions affect profit or loss or as an adjustment to a non-financial item (e.g. inventory) when that item is recognised on the statement of financial position. These deferred amounts are ultimately recognised in statement of profit or loss as the hedged item affects profit or loss (for example through cost of goods sold).

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss in equity, including deferred costs of hedging, is immediately transferred and recognised in the consolidated statement of profit and loss.

(q) Cash and cash equivalents

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

(r) Litigation

Various legal proceedings, claims and governmental investigations are pending against the Group on a wide range of topics, including vehicle safety, defective components, systems or general design defects, emissions and fuel economy, competition, alleged violations of law, labour, dealer, supplier and other contractual relationships, intellectual property rights, product warranties and environmental matters. These proceedings seek recoveries including for damage to property, breach of emissions regulations, misrepresentation, breach of collateral warranty and/or statutory guarantee, personal injuries or wrongful death and in some cases include a claim for exemplary or punitive damages. Adverse decisions in one or more of these proceedings could require the Group to pay substantial damages, or undertake service actions, recall campaigns or other costly actions.

Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Moreover, the cases and claims against the Group are often derived from complex legal issues that are subject to differing degrees of uncertainty. A provision is established in connection with pending or threatened litigation if it is probable there would be an outflow of funds and when the amount can be reasonably estimated. Since these provisions represent estimates, the resolution of some of these matters could require the Group to make payments in excess of the amounts accrued or may require the Group to make payments in an amount or range of amounts that could not be reasonably estimated.

The Group monitors the status of pending legal proceedings and consults with experts on legal and tax matters on a regular basis. As such, the provisions for the Group's legal proceedings and litigation may vary as a result of future developments in pending matters.

(s) Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered primarily through sale rather than through continuing use, if the assets are available for immediate sale in their present condition and if the sale is highly probable. Immediately before classification as held for sale, the assets are measured in accordance with the Group's accounting policies. Once classified as held for sale, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Any write-downs on initial classification or subsequent remeasurement are recognised in the consolidated income statement. Gains are not recognised in excess of any cumulative impairment losses.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

3. Holding company and related party transactions :

The Company is a wholly-owned subsidiary of Tata Motors Limited incorporated in India, which is also the Company's ultimate holding company. Related parties in these financial statements refer to members of the holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in the financial statements. The intercompany balances are unsecured, interest-free and repayable on demand, unless stated otherwise.

Significant transactions in related companies during the year:

	March 31, 2025				March 31, 2024			
	With joint ventures of the group	With associates of the Group and their subsidiaries	With Tata Sons Limited and its subsidiaries and joint ventures	With immediate or ultimate parent and its subsidiaries, joint ventures and associates	With joint ventures of the group	With associates of the Group and their subsidiaries	With Tata Sons Limited and its subsidiaries and joint ventures	With immediate or ultimate parent and its subsidiaries, joint ventures and associates
Sale of products	186	-	-	162	219	-	8	82
Purchase of products	73	170	-	310	54	154	-	151
Services received	-	-	410	178	-	-	315	152
Services rendered	70	-	-	3	90	-	34	3
Sale of Property, plant and equipment	28	-	-	-	-	-	-	-
Proceed on disposal of subsidiaries	-	-	-	77	-	-	-	-
Deferred contingent consideration receivable	-	-	-	7	-	-	-	-
Finance given	-	-	-	-	-	-	20	-
Finance given, taken back	-	-	-	-	-	-	20	-
Dividends Received	2	-	-	-	2	-	-	-
Dividend paid	-	-	-	125	-	-	-	-
Trade and other receivables	50	-	-	96	32	-	1	100
Accounts payable	6	78	94	72	7	5	49	87

Compensation of key management personnel

	March 31, 2025	March 31, 2024
Short-term benefits	19	24
Other long-term employee benefits	1	-
	20	24

4. Cash and cash equivalents:

Cash and cash equivalents consist of the following :

	Group		Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Cash and cash equivalents	4,719	4,139	58	47

5. Allowances for trade and other receivables

Changes in allowances for trade and other receivables as follows:

	Group	
	Year ended	
	March 31, 2025	March 31, 2024
At beginning of the year	8	6
Provision made during the year	1	5
Unused amount reversed	(2)	(1)
Written off during the year	-	(2)
At end of the year	7	8

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6. Other financial assets

Other financial assets consist of the following :

	Group		Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Derivative financial instruments	356	262	2	23
Warranty reimbursement and other receivables	256	127	-	-
Restricted bank deposits	26	34	17	24
Accrued Income	29	53	-	-
Others	109	122	-	1
Total other current financial assets	776	598	19	48
Restricted bank deposits	12	9	-	-
Derivative financial instruments	361	262	26	40
Warranty reimbursement and other receivables	70	58	-	-
Others	107	78	-	9
Total other non-current financial assets	550	407	26	49

Accrued income is included within "Contract assets" - see note 25.

Other financial assets pledged as collateral against borrowings are disclosed in note 17.

7. Inventories

Inventories consist of the following :

	Group	
	March 31, 2025	March 31, 2024
Raw materials and consumables	223	197
Work-in-progress	500	550
Finished goods	3,023	3,169
Inventory basis adjustment	5	1
Total	3,751	3,917

Inventories of finished goods include £458 million (2024: £429 million), relating to vehicles sold to rental car companies, fleet customers and others with guaranteed repurchase arrangements.

Cost of inventories (including cost of purchased products and the costs of conversion) recognised as an expense during the year amounted to £19,780 million (2024: £19,620 million) including material and other cost of sales, employee costs, depreciation and production overheads recognised within other expenses.

During the year ended March 31, 2025, the Group recorded an inventory write-down expense of £23 million (2024: £115 million). The write-down is included in "Material and other cost of sales".

8. Other assets

Other assets consist of the following :

	Group		Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Recoverable VAT	156	159	-	- *
Prepaid expenses	296	307	-	- *
Research and development expenditure credit	231	178	-	-
Others	24	17	-	-
Total other current assets	707	661	-	- *
Prepaid expenses	173	131	-	-
Research and development expenditure credit	3	1	-	-
Others	16	12	-	-
Total other non-current assets	192	144	-	-

*Amount is less than £1 million.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

9. Property, plant and equipment

	Group							(£ millions)
	Land and buildings	Plant and equipment	Vehicles	Computers	Furniture and fixtures	Heritage Assets	Under Construction	Total
Cost as at March 31, 2024	2,775	10,747	14	211	140	12	871	14,770
Additions	-	-	-	4	3	-	1,053	1,060
Transfers	209	297	-	1	1	-	(508)	-
Disposals	(12)	(677)	-	(6)	(5)	-	-	(700)
Acquisition of subsidiary	1	28	-	-	-	-	5	34
Disposal of subsidiary	(3)	(29)	-	-	-	-	(9)	(41)
Transfer from right-of-use assets*	-	2	-	-	-	-	-	2
Currency translation differences	(24)	(30)	-	(1)	(1)	-	-	(56)
Assets classified as held for sale	(8)	-	-	-	(1)	-	-	(9)
Cost as at March 31, 2025	2,938	10,338	14	209	137	12	1,412	15,060
Accumulated depreciation and impairment as at March 31, 2024	865	7,819	14	141	97	4	-	8,940
Depreciation charge for the year	129	665	-	15	8	-	-	817
Disposals	(9)	(658)	-	(6)	(5)	-	-	(678)
Disposal of subsidiary	-	(4)	-	-	-	-	-	(4)
Currency translation differences	(7)	(24)	-	(1)	(3)	-	-	(35)
Accumulated depreciation and impairment as at March 31, 2025	978	7,798	14	149	97	4	-	9,040
Net carrying amount as at March 31, 2025	1,960	2,540	-	60	40	8	1,412	6,020
Cost as at March 31, 2023 restated	2,753	11,552	16	222	149	38	391	15,121
Additions	-	-	-	6	4	1	994	1,005
Transfer	101	413	-	-	-	-	(514)	-
Disposals	(7)	(1,179)	(2)	(15)	(13)	(27)	-	(1,243)
Impairment/ assets write down	(3)	-	-	-	-	-	-	(3)
Currency translation differences	(18)	(25)	-	-	-	-	-	(43)
Assets classified as held for sale	(51)	(14)	-	(2)	-	-	-	(67)
Cost as at March 31, 2024	2,775	10,747	14	211	140	12	871	14,770
Accumulated depreciation and impairment as at March 31, 2023 restated	765	8,117	14	141	101	31	-	9,169
Depreciation charge for the year	126	883	-	17	9	-	-	1,035
Disposals	(7)	(1,159)	-	(14)	(13)	(27)	-	(1,220)
Currency translation differences	(7)	(9)	-	-	-	-	-	(16)
Assets classified as held for sale	(12)	(13)	-	(3)	-	-	-	(28)
Accumulated depreciation and impairment as at March 31, 2024	865	7,819	14	141	97	4	-	8,940
Net carrying amount as at March 31, 2024	1,910	2,928	-	70	43	8	871	5,830

*During the year ended 31 March 2025, amounts with a net book value of £2 million (2024: £nil) were reclassified from right-of-use assets to property, plant and equipment at the cessation of the respective leases. The assets reclassified related to leases with purchase options for which the Group had been depreciating the assets over their expected economic lives.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

10. Intangible Assets

								(£ millions)
Group	Goodwill	Software	Patents and technolog-ical know how	Customer related - dealer network	Intellectual property rights and other intangibles	Capitalised product development	Product development in progress	Total
Cost as at March 31, 2024	-	774	147	61	650	9,086	2,185	12,903
Other additions / adjustments	-	61	-	-	-	-	2,004	2,065
Transfers	-	-	-	-	-	92	(92)	-
Disposals	-	(76)	(147)	-	(22)	(2,676)	-	(2,921)
Acquisition of subsidiary	40	-	-	-	11	-	-	51
Disposal of subsidiary	(40)	-	-	-	(11)	-	-	(51)
Currency translation differences	-	(1)	-	-	-	(1)	-	(2)
Cost as at March 31, 2025	-	758	-	61	628	6,501	4,097	12,045
Accumulated amortisation as at March 31, 2024	-	580	147	53	176	6,534	-	7,490
Amortisation charge for the year	-	58	-	2	2	708	-	770
Disposals/Adjustments	-	(73)	(147)	-	(22)	(2,676)	-	(2,918)
Disposal of subsidiary	-	-	-	-	(1)	-	-	(1)
Currency translation differences	-	(1)	-	-	-	1	-	-
Accumulated amortisation as at March 31, 2025	-	564	-	55	155	4,567	-	5,341
Net carrying amount as at March 31, 2025	-	194	-	6	473	1,934	4,097	6,704
Cost as at March 31, 2023 restated	-	950	147	61	650	9,159	795	11,762
Other additions / adjustments	-	66	-	-	-	-	1,539	1,605
Transfers	-	-	-	-	-	149	(149)	-
Disposals/Adjustments	-	(241)	-	-	-	(222)	-	(463)
Currency translation differences	-	(1)	-	-	-	-	-	(1)
Cost as at March 31, 2024	-	774	147	61	650	9,086	2,185	12,903
Accumulated amortisation/ impairment as at March 31, 2023 restated	-	744	147	48	173	5,777	-	6,889
Amortisation charge for the year	-	70	-	5	2	978	-	1,055
Disposals/Adjustments	-	(233)	-	-	1	(221)	-	(453)
Currency translation differences	-	(1)	-	-	-	-	-	(1)
Accumulated amortisation as at March 31, 2024	-	580	147	53	176	6,534	-	7,490
Net carrying amount as at March 31, 2024	-	194	-	8	474	2,552	2,185	5,413

Included within Intellectual property rights and other intangibles at March 31, 2025 are intangible assets with a carrying value of £471 million (2024: £471 million) that have indefinite useful lives.

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

11. Impairment Testing of Jaguar Land Rover Business

In response to the annual requirement of SFRS(I) 36, management have performed an annual impairment assessment as at January 31, 2025, using the value in use ("VIU") approach to determine the recoverable value of the cash-generating unit ("CGU"). A subsequent assessment has been performed to the year end date which has determined that there have been no events or changes in circumstances which would have changed the outcome of the assessment performed as at January 31.

The management is of the view that the operations of the JLR Group, excluding equity accounted investments, represent a single CGU. This is because the degree of integrated development and manufacturing activities is such that no one group of assets has been determined to generate cash inflows that are independent of any other.

The impairment assessment determined that the CGU recoverable value exceeded the carrying amount by £5.7 billion (2024: £6.5 billion) and therefore no impairment was identified. The decrease in headroom has largely been driven by an increase to the value of the CGU offset by improved performance projections forecast for future periods following cycle plan actions and other strategic changes. It was further determined that this decrease did not require the reversal of the previously recorded impairment loss.

JLR has considered it appropriate to undertake the impairment assessment with reference to the Group business plan which was based on the Group approved Cycle Plan that was in effect as at the assessment date. The business plan includes a five-year cash flow forecast and contains growth rates that are primarily a function of the Group's Cycle Plan assumptions, historical performance and management's expectation of future market developments through to 2029/30.

In estimating the future cash flows management have given due consideration to the inherent uncertainty of forecast information and have adjusted some of the assumptions in the business plan to take into account possible variations in the amount or timing of the cashflows. In doing so, management has incorporated execution risks associated with our 'Reimagine' strategy and the transition to electrified powertrain into the VIU, as well as other risks that may impact future cashflows.

Climate risk

JLR recognises that the potential impact of climate risk to areas such as supply chain, operations, and material and compliance costs may result in variations to the timing and amounts of future cash flows. As such climate risk is incorporated into the development of our forecast cash flows in the VIU by reference to our climate change risk assessment. These risks are principally reflected by the risk adjustments related to the variable profit and volumes which would be most affected by climate change events, for example, scarcity of certain commodities driving up costs and therefore adversely impacting variable profit.

Key assumptions

The assessment of impairment is based on forecasts of future cashflows which are inherently uncertain and are developed using informed assumptions such as historical trends and market information. The directors consider the key assumptions that impact the value in use are those to which:

- (i) the recoverable amount is most sensitive;
- (ii) involve a significant amount of judgement and estimation; and
- (iii) drive significant changes to the recoverable amount when flexed under reasonably possible outcomes.

The approach and key assumptions used to determine the JLR Group's CGU VIU were as follows:

-Variable profit per unit and volumes – The approach to determining the forecast variable profit per unit and volumes is based on consideration of historical performance, the order bank, profit optimisation efforts and Group Cycle Plan assumptions, along with the impact of risks on future cashflows discussed above. A small change in either assumption may have a significant impact to future cashflows and for this reason, as well as the impact of risks associated with supply and inflationary pressures on variable profit and volumes, the directors consider variable profit per unit and volumes to be key assumptions. Further, the variable profit per unit and volumes included in the business plan are largely driven by an updated portfolio, which includes estimates and judgements related to the transition to electrified powertrain, including the introduction of new Jaguar.

-Terminal value capital expenditure – The 5-year cash flows timing and amount are based on the latest Cycle Plan. The terminal value is based on the best estimate of a maintenance level of capital expenditure which has been derived from depreciation and amortisation expectations and funding requirements in responses to longer-term industry trends and risks informed by those listed above, which are anticipated in the VIU calculation. Due to the judgement and estimation involved in the calculation of terminal value capital expenditure, as well as the sensitivity of the recoverable amount to any change in the value, the directors consider this to be a key assumption.

-Discount rate – The approach to determining the discount rate is based on the Capital Asset Pricing Model and a market participant after tax cost of debt. These inputs are based on a typical build up approach, calculated using country specific premiums without size premium and with an unlevered equity Beta with reference to industry peers. The discount rate is regarded as a key assumption as it is the rate which drives the discounted cashflows used to determine the VIU of the CGU primarily due to the level of judgement and estimation involved and the sensitivity of the recoverable amount to small changes in the percentage.

'The VIU assessment is sensitive to certain assumptions, such as Sales, General & Administration ("SG&A") costs, where the cash flows are based on consideration of historical performance adjusted for future plans and expected cost savings. These are not considered to be key assumptions because they have less estimation uncertainty than those set out above. Similarly, certain assumptions which involve greater judgement and estimation, such as growth rate of 1.8 per cent (2024: 1.7 per cent), but for which even relatively significant changes have a limited impact on the assessment are not regarded as key assumptions.

Management have outlined the key assumptions to which the VIU assessment is sensitive later in this disclosure.

The value of key assumptions used to calculate the recoverable amount are as follows presented as a % of Gross Vehicle Revenues ("GVR") to demonstrate the relative value to the assessment where noted:

	As at January 31	
	2025	2024
Forecast period (Yr1-5) variable profit* (%GVR)	27.6%	27.2%
Pre-tax discount rate	11.2%	11.8%
Terminal value variable profit* (%GVR)	25.5%	24.3%
Terminal value capital expenditure (%GVR)	8.0%	8.7%

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*Based on forecast variable profit per unit and volumes

Sensitivity to reasonably possible changes to key assumptions

Given the inherent uncertainty about the timing and amount of any change in key assumptions, as well as the significant portion of the recoverable amount related to the VIU terminal value, management consider a net impact on terminal period cash flows to be the best means of indicating the sensitivity of key assumptions.

Management considers the variable profit and volumes assumptions to be interdependent as movement in one assumption will impact the other, impacting the overall variable profit. For example, the profit optimisation efforts discussed above will likely result in higher average variable profit per unit with lower volumes whereas a focus on volumes would likely see a reduction in the average variable profit per unit. Consequently, the terminal value variable profit sensitivity below incorporates sensitivity in volumes via the impact on variable profit.

The table below shows the amount by which the value assigned to the key assumptions must change for the recoverable amount of the CGU to be equal to its carrying amount. Management considers it reasonably possible that these individual assumptions could vary, which could have a material impact on the value in use calculation, but do not consider it to be reasonably possible that the individual assumptions could change by the quantum outlined below such that the carrying value of the CGU would materially change. Management have also performed analysis which considers the impact of reasonably possible variances on these assumptions in aggregate and that analysis did not result in a material change to the carrying value of the CGU.

	As at January 31	
	2025	2024
	%change	%change
Forecast period (Yr1-5) variable profit	(20.4%)	(22.2%)
Pre-tax discount rate	46.6%	66.0%
Terminal value variable profit	(11.3%)	(12.5%)
Terminal value capital expenditures	38.4%	37.7%

In each of the four scenarios above, the sensitivity has been performed in isolation with all other assumptions remaining constant.

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12. Leases

The Group leases a number of buildings, plant and equipment, IT hardware and software assets, certain of which have a renewal and/or purchase options in the normal course of the business. Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operation. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Group reassesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control. The Group's leases mature between 2024 and 2051. Some of the leases are short-term and/or low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases. There are no leases with residual value guarantees or leases not yet commenced to which the Group is committed.

Lease as a Lessee

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

	(£ millions)						
	Land & buildings	Plant & equipments	Vehicles	Computers	Furniture & Fixtures	Others	Total
Cost as at March 31, 2024	807	93	11	22	16	2	951
Other additions / adjustments	20	30	11	8	-	-	69
Disposals	(41)	(8)	(3)	(2)	(10)	-	(64)
Transfers to property, plant and equipment*	-	(6)	-	-	-	-	(6)
Acquisition of subsidiary	24	1	-	-	-	-	25
Disposal of subsidiary	(24)	(1)	-	-	-	-	(25)
Currency translation differences	(2)	(1)	-	-	-	-	(3)
Others	16	-	-	-	-	-	16
Cost as at March 31, 2025	800	108	19	28	6	2	963
Accumulated amortisation as at March 31, 2024	270	44	6	9	7	1	337
Depreciation charge for the year	73	17	5	7	1	1	104
Disposals / adjustments	(35)	(8)	(3)	(2)	(7)	-	(55)
Transfers to property, plant and equipment*	-	(4)	-	-	-	-	(4)
Disposal of subsidiary	(4)	-	-	-	-	-	(4)
Currency translation differences	(1)	-	-	-	-	-	(1)
Accumulated amortisation as at March 31, 2025	303	49	8	14	1	2	377
Net carrying amount as at March 31, 2025	497	59	11	14	5	-	586
Cost as at March 31, 2023	792	94	9	17	17	3	932
Other additions / adjustments	34	27	3	10	-	1	75
Disposal	(21)	(28)	(1)	(5)	-	(2)	(57)
Currency translation differences	(1)	-	-	-	(1)	-	(2)
Others	3	-	-	-	-	-	3
Cost as at March 31, 2024	807	93	11	22	16	2	951
Accumulated amortisation as at March 31, 2023	213	57	4	9	5	2	290
Depreciation charge for the year	75	14	3	5	2	1	100
Disposals / adjustments	(18)	(27)	(1)	(5)	-	(2)	(53)
Accumulated amortisation as at March 31, 2024	270	44	6	9	7	1	337
Net carrying amount as at March 31, 2024	537	49	5	13	9	1	614

*During the year ended 31 March 2025, amounts with a net book value of £2 million (2024: £nil) were reclassified from right-of-use assets to property, plant and equipment at the cessation of the respective leases. The assets reclassified related to leases with purchase options for which the Group had been depreciating the assets over their expected economic lives.

Lease liabilities

The maturity analysis of the contractual undiscounted cash flows are as follows:

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
Less than one year	129	125
Between one and five years	350	358
More than five years	596	655
Total undiscounted lease liabilities	1,075	1,138

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The following amounts are included in the statement of financial position within "Other financial liabilities":

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
Current lease liabilities	79	73
Non-current lease liabilities	596	627
Total lease liabilities	675	700

The following amounts are recognised in the statement of profit or loss:

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
Interest expense on lease liabilities	55	57
Expenses related to short-term leases	16	15
Expenses related to low-value assets, excluding short-term leases of low-value assets	14	13

The following amounts are recognised in the consolidated cash flow statement:

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
Cash payments for the principal portion of lease liabilities (within 'payments of lease obligations')	89	78
Cash payment for interest expense related to lease liabilities (within 'finance expenses and fees paid')	55	57

Group as lessor

The majority of the leases where the Group is a lessor are in relation to vehicles and property. The Group classifies these as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, are as follows:

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
Less than one year	5	8
Between one and five years	9	6
More than five years	16	8
Total undiscounted lease payments to be received	30	22

13. Investment in equity accounted investees

(A) Associates

The Group has the following investments in equity accounted investees held by JLR as at March 31, 2025:

Name of investment	Proportion of voting rights March 31, 2025	Principal place of business and country of incorporation	Principal activity
Jaguar Cars Finance Limited	49.90%	England and Wales	Non-trading
Synaptiv Limited	33.30%	England and Wales	Business and domestic software development

The Group has no material associates as at March 31, 2025. The aggregate summarised financial information in respect of Group's immaterial associates that are accounted for using the equity method is set out below:

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
Carrying amount of the Group's interests in associates	-	-
	Year ended	
	March 31, 2025	March 31, 2024
Group's share of profit and total comprehensive income in associates	-	-

(B) Joint ventures

Details of the Group's material joint venture as at March 31, 2025 is as follows:

Individually material joint ventures

Name of investment	Proportion of voting rights March 31, 2025	Principal place of business and country of incorporation	Principal activity
Chery Jaguar Land Rover Automotive Company Ltd.	50.00%	China	Manufacture and assembly of vehicles

Chery Jaguar Land Rover Automotive Company Ltd. is a limited liability company, whose legal form confirms separation between the parties to the joint arrangement. There is no contractual arrangement or any other facts or circumstances that indicate that the parties to the joint control of the arrangement have rights to the assets or obligations for the liabilities relating to the arrangement. Accordingly, Chery Jaguar Land Rover Automotive Company Ltd. is classified as a joint venture. Chery Jaguar Land Rover Automotive Company Ltd is not publicly listed.

The joint venture is accounted for using the equity method and is a private company and there are no quoted market prices available for its shares.

The following table sets out the summarised financial information of the JLR's individually material equity accounted investees, Chery Jaguar Land Rover Automotive Co. Limited after adjusting for material differences in accounting policies:

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(£ millions)		
	As at	
	March 31, 2025	March 31, 2024
Cash and cash equivalents	290	276
Current financial liabilities (excluding trade and other payables and provisions)	(224)	(202)
Non-current financial liabilities (excluding trade and other payables and provisions)	(24)	-
Current assets	532	476
Current liabilities	(660)	(856)
Non-current assets	772	1,032
Non-current liabilities	(24)	(4)
Net assets of material joint venture	620	648

(£ millions)		
	March 31, 2025	
	March 31, 2025	March 31, 2024
Revenue	1,105	1,511
(Loss)/profit for the year	(14)	28
Total comprehensive income/(expense)	(14)	28
The above total comprehensive income/(expense) includes the following:		
Depreciation and amortisation	(192)	(172)
Finance income	6	8
Finance expense	(6)	(8)
Income tax credit/(expense)	9	(9)

A reconciliation of the summarised financial information to the carrying amount of the Group's material joint venture recognised in the consolidated balance sheet is given below:

(£ millions)		
	March 31, 2025	
	March 31, 2025	March 31, 2024
Net assets of material joint venture	620	648
Share of net assets of material joint venture	310	324
Other consolidation adjustments	(5)	(4)
Carrying amount of the Group's material joint venture	305	320

Carrying amount of the Group's material joint venture

As at March 31, 2025, an adjustment of £5 million (2024: £4 million) has been made to derecognise profit that has not yet been realised on goods sold by one of the subsidiary JLR to Chery Jaguar Land Rover Automotive Company Ltd.

During the year ended March 31, 2025, the Group received a dividend from Chery Jaguar Land Rover Automotive Company Ltd. of £nil (2024: £nil).

Details of the Group's immaterial joint venture as at March 31, 2025 is as follows:

Name of investment	Proportion of voting rights March 31, 2025	Principal place of business and country of incorporation	Principal activity
Jaguar Land Rover Switzerland Ltd	30%	Switzerland	Vehicles sales and distribution
Inchcape JLR Europe Ltd	30%	England and Wales	Vehicles distribution
Billia JLR Import AB	30%	Sweden	Vehicles sales and distribution

The summarised financial information in respect of the Group's immaterial joint venture accounted for using the equity method is set out below:

(£ millions)		
	As at	
	March 31, 2025	March 31, 2024
Carrying amount of the Group's interests in immaterial joint ventures	5	8
	Year ended	
	March 31, 2025	March 31, 2024
Group's share of profit and total comprehensive income in immaterial joint ventures	4	9

During the year ended March 31, 2025, the Group received dividends from its immaterial joint ventures of £2 million (2024: £2 million).

(C) Summary of amounts recognised in the consolidated financial statements

(£ millions)		
	March 31, 2025	
	March 31, 2025	March 31, 2024
Carrying amount of material joint venture	305	320
Carrying amount of immaterial joint venture	5	8
Carrying amount of the Group's interests in equity accounted investees	310	328
Share of profit/(loss) of material joint venture	(7)	14
Share of profit of immaterial joint venture	4	9
Share of profit of equity accounted investees	(3)	23
Currency translation differences – material joint venture	(12)	(23)
Share of other comprehensive expenses of equity accounted investees	(12)	(23)

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14. Investment in Subsidiary corporations

	(£ millions)	
	Company	
	March 31, 2025	March 31, 2024
Unquoted equity shares at cost	2,060	2,052
Less: Provision for impairment	(173)	(139)
Unquoted equity shares at cost (net of impairment)*	1,887	1,913

* During the year ended March 31, 2025, the Company has evaluated its investments in equity instrument of Tata Daewoo Mobility Company Limited (formerly known as Tata Daewoo Commercial Vehicle Company Limited) for indicators of impairment and accordingly considered provision for impairment of £ 26 millions.

The following detailed the subsidiaries held by the Company:

Name of the Company	Principal activities/Principal place of business and country of incorporation	Proportion of ownership and voting power held (%)	
		March 31, 2025	March 31, 2024
Jaguar Land Rover Automotive Plc	Design, development, manufacture and marketing of high-performance luxury saloons, specialist sports cars and four-wheel-drive off-road vehicles /United Kingdom	100	100
Tata Daewoo Mobility Company Limited (formerly known as Tata Daewoo Commercial Vehicle Company Limited)	Manufacturing & selling of commercial vehicle/Republic of Korea	100	100
Tata Motors (Thailand) Ltd (under liquidation w.e.f December 27, 2024)	Manufacturing & assembling of vehicle/Thailand	100	97.21
PT Tata Motors Indonesia	Manufacturing & assembling of commercial vehicle/Indonesia	100	100

Details of the indirect subsidiaries are as follows:

Name of the Company	Principal place of business and country of incorporation	Shareholding March 31, 2025
Subsidiaries of Jaguar Land Rover Automotive Plc:		
Jaguar Land Rover Holdings Limited	England and Wales	100%
Jaguar Land Rover Limited	England and Wales	100%
Jaguar Land Rover North America, LLC.	USA	100%
Jaguar Land Rover Deutschland GmbH	Germany	100%
Jaguar Land Rover Belux N.V.	Belgium	100%
Jaguar Land Rover Austria GmbH	Austria	100%
Jaguar Land Rover Italia SpA	Italy	100%
Jaguar Land Rover Australia Pty Ltd	Australia	100%
Jaguar Land Rover Espana SL	Spain	100%
Jaguar Land Rover Nederland BV	Holland	100%
Jaguar Land Rover Portugal -Veículos e Pecas, Lda.	Portugal	100%
Jaguar Land Rover (China) Investment Co. Ltd	China	100%
Shanghai Jaguar Land Rover Automotive Service Co. Ltd	China	100%
Jaguar Land Rover Japan Limited	Japan	100%
Jaguar Land Rover Korea Co. Limited	Korea	100%
Jaguar Land Rover Canada ULC	Canada	100%
Jaguar Land Rover France SAS	France	100%
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA	Brazil	100%
Jaguar Land Rover (South Africa) Holdings Limited	England and Wales	100%
Jaguar Land Rover (South Africa) (Pty) Limited	South Africa	100%
Jaguar Land Rover India Limited	India	100%
Daimler Transport Vehicles Limited (dormant)	England and Wales	100%
S S Cars Limited (dormant)	England and Wales	100%
The Lanchester Motor Company Limited (dormant)	England and Wales	100%
The Daimler Motor Company Limited (dormant)	England and Wales	100%
Jaguar Land Rover Pension Trustees Limited (dormant)	England and Wales	100%
JLR Nominee Company Limited (dormant)	England and Wales	100%
Jaguar Cars Limited (dormant)	England and Wales	100%
Land Rover Exports Limited (dormant)	England and Wales	100%
Land Rover Ireland Limited (non-trading)	Ireland	100%
Jaguar Cars South Africa (Pty) Ltd (dormant)	South Africa	100%
Jaguar Land Rover Slovakia s.r.o.	Slovakia	100%
Jaguar Land Rover Singapore Pte. Ltd	Singapore	100%
Jaguar Racing Limited	England and Wales	100%
In-Car Ventures Limited	England and Wales	100%
InMotion Ventures Limited	England and Wales	100%
InMotion Ventures 2 Limited	England and Wales	100%
InMotion Ventures 3 Limited	England and Wales	100%
Jaguar Land Rover México, S.A.P.I. de C.V.	Mexico	100%
Jaguar Land Rover Servicios México, S.A. de C.V.	Mexico	100%
Jaguar Land Rover Taiwan Company LTD	Taiwan	100%

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Name of the Company	Principal place of business and country of incorporation	Shareholding March 31, 2025
Jaguar Land Rover Ireland (Services) Limited	Ireland	100%
Jaguar Land Rover Classic USA LLC (dormant)	USA	100%
Jaguar Land Rover Classic Deutschland GmbH	Germany	100%
Jaguar Land Rover Hungary KFT	Hungary	100%
Jaguar Land Rover (Ningbo) Trading Co., Ltd.	China	100%
Bowler Motors Limited	England and Wales	100%
JLR Insurance Company Limited	Guernsey	100%
Effective holding % of the Company directly and through its subsidiaries.		
Subsidiary of PT Tata Motors Indonesia:		
PT Tata Motors Distribusi Indonesia	Indonesia	100%
Subsidiary of Tata Daewoo Commercial Vehicle Co Ltd:		
Tata Daewoo Mobility Sales Company Limited (formerly known as Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited)	South Korea	100%

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

15. Other non-current investments

The Group's other investments comprise equity investments of 10 per cent or less of the ordinary share capital of the investee companies and are designated as fair value through profit and loss financial instruments.

	(£ millions)	
	March 31, 2025	March 31, 2024
Other investments	55	52
	55	52

During the year ended March 31, 2025, the Group invested £7 million (2024: £7 million) in other investments. A fair value loss of £2 million (2024: gain of £1 million) was recognised during the year .

The Group has no additional rights or influence over any of these equity investments other than the voting rights attached to the ordinary share capital, and during the year ended March 31, 2025 no dividends were received (2024: no dividends).

Disclosure of the valuation techniques applied in calculating the fair value of these other non-equity accounted investments is included in note 2.

16. Deferred tax assets and liabilities

Following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and prior periods.

March 31, 2025	(£ millions)					
	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Reclassified from other equity reserves	Foreign exchange difference	Closing balance
Deferred tax assets						
Property, plant and equipment	854	(87)	-	-	1	768
Expenses deductible in future periods	235	64	-	-	(12)	287
Unrealised profit in inventory	189	(24)	-	-	-	165
Tax loss	895	36	-	-	(1)	930
Others	243	86	-	-	(2)	327
Total deferred tax assets	2,416	75	-	-	(14)	2,477
Deferred tax liabilities						
Intangible assets	1,168	322	-	-	-	1,490
Overseas unremitted earnings	78	6	-	-	-	84
Derivative financial instruments	26	5	88	7	-	126
Compensated absence and retirement benefits	67	5	(2)	-	-	70
Total deferred tax liabilities	1,339	338	86	7	-	1,770
Presented as deferred tax assets*	1,168					808
Presented as deferred tax liabilities*	(91)					(101)

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

At March 31, 2025, deferred tax assets of £808 million (2024: £1,168 million) have been recognised in relation to deductible temporary differences, including unused tax losses, on the basis that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised.

At March 31, 2025, the Group had unused tax losses of £15 million (2024: £86 million) for which no deferred tax asset has been recognized on the basis of forecast profitability of the companies in which the deferred tax assets arise. As explained above, deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profits. When assessing the probable future taxable profits, the Group considers whether the relevant Group entity has sufficient taxable temporary differences which will result in taxable amounts against which the unused tax losses can be utilised.

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Following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and prior periods.

(€ millions)						
March 31, 2024	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Reclassified from other equity reserves	Foreign exchange difference	Closing balance
Deferred tax assets						
Property, plant and equipment	799	54	-	-	1	854
Expenses deductible in future periods	206	40	-	-	(11)	235
Derivative financial instruments	37	(37)	-	-	-	-
Unrealised profit in inventory	118	71	-	-	-	189
Tax loss	238	658	-	-	(1)	895
Others	211	33	-	-	(1)	243
Total deferred tax assets	1,609	819	-	-	(12)	2,416
Deferred tax liabilities						
Property, plant and equipment	47	(47)	-	-	-	-
Intangible assets	1,040	128	-	-	-	1,168
Overseas unremitted earnings	119	(41)	-	-	-	78
Derivative financial instruments	-	(59)	84	1	-	26
Compensated absence and retirement benefits	158	10	(100)	-	(1)	67
Total deferred tax liabilities	1,364	(9)	(16)	1	(1)	1,339
Presented as deferred tax assets*	373					1,168
Presented as deferred tax liabilities*	(128)					(91)

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

17. Borrowings

Borrowings consist of the following:

	Group		Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
EURO MTF Listed debts	2,539	3,110	-	-
USD SGX-ST Listed debts	328	573	328	573
Loans from banks	1,587	690	449	449
Others unsecured	37	867	-	-
Total borrowings	4,491	5,240	777	1,022
Less: Short-term borrowings	(1,392)	(1,522)	(77)	(238)
Borrowings due for settlement after 12 months	3,099	3,718	700	784

EURO MTF bonds are listed on the Luxembourg Stock Exchange multilateral trading facility ('EURO MTF') market and USD SGX and GBP SGX are listed on the Singapore Stock Exchange.

Details of the tranches of the EURO MTF listed bonds outstanding as at March 31, 2025 are as follows

Issued in	Currency	Initial principal amount (In millions) *	Outstanding principal amount (In millions) *	Interest rate	Redeemable on
October 2017	USD	500	500	4.500%	2027
September 2018	EUR	500	500	4.500%	2026
November 2019	EUR	500	298	6.875%	2026
October 2020	USD	700	700	7.750%	2025
December 2020	USD	650	553	5.875%	2028
July 2021	USD	500	409	5.500%	2029
July 2021	EUR	500	500	4.500%	2028

* Amounts reported in above table are in respective currency.

During the year ended March 31, 2025 the Group repaid its €500 million Senior Notes due 2024 at a coupon of 5.875 per cent per annum - issued November 2019.

Details of the tranches of the bonds repaid in the year ended March 31, 2024 are as follows:

- €650 million Senior Notes due 2024 at a coupon of 2.200 per cent per annum – issued January 2017.
- £79 million (\$97 million) of its \$650 million Senior Notes due 2028 for a purchase price of £72 million.
- £74 million (\$91 million) of its \$500 million Senior Notes due 2029 for a purchase price of £64 million.
- £175 million (€202 million) of its €500 million Senior Notes due 2026 for a purchase price of £178 million.

The resulting gain of £14 million was recognised in the consolidated statement of profit or loss in the year ended 31 March 2024.

Syndicated Loan

During the year ended 31 March 2025, the Group repaid the \$798 million syndicated loan that matured in January 2025 and entered a new \$500 million term loan facility, maturing in January 2029. This facility was subsequently increased by \$150 million through an accordion feature in March 2025.

UK Export Finance Facility ('UKEF')

The Group repaid £73 million (2024: £125 million) of the remaining balance of the £625 million five-year amortising loan facility from UK Export Finance that ended in October 2024.

In March 2022, the Group entered and drew down in full an additional £625 million five-year amortising loan facility from UK Export Finance, ending December 2026. During the year ended 31 March 2025, the Group repaid £125 million (2024: £125 million) of this loan. As at 31 March 2025, the remaining balance on the facility is £219 million (2024: £344 million).

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These loans include a covenant requiring the Group to maintain a minimum quarter-end liquidity of £1 billion.

China Borrowings

During the year ended 31 March 2025, the Group entered into two 12 month RMB 1.5 billion working capital loans totalling RMB 3 billion. The facilities have a maturity date of December 2025.

During the year ended March 31 2021, the Group entered into a 3-year RMB 5 billion syndicated revolving loan facility subject to an annual confirmatory review. This facility was cancelled during the year ended March 31 2023 and replaced with a new 3-year RMB 5 billion syndicated revolving loan facility subject to an annual confirmatory review. During the year ended March 31, 2025, a partial repayment of RMB 2 billion (£225 million) was made in October 2023 and the remaining RMB 3 billion (£328 million) was repaid in March 2024.

SGX-ST listed debts

Details of the tranches of the bonds listed on SGX-ST outstanding at March 31, 2025 are as follows:

Issued in	Currency	Initial principal amount (In millions) *	Outstanding principal amount (In millions) *	Interest rate	Redeemable on
June 2021	USD	425	425	5.50%	2026

* Amounts reported in above table are in respective currency.

The notes are secured over the restricted cash (Note 6) and this has been set aside and at all times should be at least equal to the amount of interest due on all notes payable at that time on the next succeeding interest payment date.

Loan from banks

	Group		Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Less than one year, unsecured	348	26	-	-
Later than one year and not later than five years, unsecured	1,239	664	449	449
	1,587	690	449	449

(£ millions)

The borrowings are secured over the restricted cash (Note 6) and this has been set aside and at all times should be at least equal to the amount of interest due on the borrowings at that time on the next succeeding interest payment date.

Factored receivables facility

The Group has a factored receivables facility to \$900 million, ending 31 August 2027. Under the terms of the facility, the Group de-recognises factored receivables in accordance with SFRS(I) 9 as there are no recourse arrangements. Included within bank loans at March 31, 2025 is £nil (2024: £nil) in relation to receivables that were repurchased during the year.

Undrawn facilities

As at 31 March 2025, the Group has a fully undrawn revolving credit facility of £1,038 million, with a maturity date of October 2029 and a fully undrawn revolving credit facility of £622 million, with a maturity of October 2027, totalling £1,660 million (2024: £1,520 million). This includes a covenant requiring the Group to maintain a minimum quarter-end liquidity of £1 billion.

Collateral pledged against borrowings

Other financial assets with a carrying of £8 million (2024: £27 million) are pledged as collateral/security against the borrowings.

18. Accounts Payables

	Group		Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Trade payables	4,761	4,946	-	-
Liabilities to employees	328	335	-	-
Liabilities for expenses	349	374	9	17
Liabilities related to revenue reductions	1,379	1,188	-	-
Liabilities for capital expenditure	425	400	-	-
Acceptances	14	14	-	-
	7,256	7,257	9	17

(£ millions)

19. Other financial liabilities

	Group		Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Liability towards vehicles sold under repurchase arrangements	499	455	-	-
Interest accrued but not due	80	102	6	11
Lease obligations	79	73	-	-
Derivative financial instruments	152	265	-	-
Others	-	8	-	-
Total other current financial liabilities	810	903	6	11
Lease obligations	596	627	-	-
Derivative financial instruments	65	136	-	-
Retention money, security deposits and others	1	2	-	-
Total other non-current financial liabilities	662	765	-	-

(£ millions)

*Amount is less than £1 million.

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Included in the Liability for vehicles sold under a repurchase arrangement balance is £341 million (2024: £282 million) related to vehicles for the management car scheme. Participants in the scheme make payments through deductions from salary.

20. Provisions

Provisions consists of the following :

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024*
Current		
Product warranty	865	731
Emissions compliance	138	41
Third party claims and obligations	154	197
Other provisions	37	68
Total current provision	1,194	1,037
Non-current		
Product warranty	1,409	1,149
Emissions compliance	147	118
Other provisions	52	55
Total non-current provision	1,608	1,322

*The comparatives as at 31 March 2024 have been re-presented to align with presentation changes made during the year ended 31 March 2025. Amounts previously disclosed as 'Restructuring' have been presented in 'Third party claims and obligations' and 'Other provisions' as applicable. This has not resulted in any change to the reported 'Total current provisions' or 'Total non-current provisions'.

Movement in the provisions are as follows:

	For the year ended March 31, 2025				
	Product warranty	Emissions compliance	Third party claims and obligations	Other provisions	Total
Balance at the beginning	1,880	159	197	123	2,359
Provision made during the year	1,402	243	360	53	2,058
Provision used during the year	(1,077)	(56)	(269)	(25)	(1,427)
Unused amounts reversed in the year	(14)	(61)	(136)	(22)	(233)
Impact of unwind of discounting	85	-	-	-	85
Liabilities directly associated with assets classified as held for sale	-	-	-	(36)	(36)
Acquisition of subsidiary	-	-	-	5	5
Disposal of subsidiary	-	-	-	(7)	(7)
Impact of foreign exchange translation	(2)	-	2	(2)	(2)
Balance at the end	2,274	285	154	89	2,802

Product warranty provision

The Group provides product warranties on all new vehicle sales in respect of manufacturing defects, which become apparent in the stipulated policy period dependent on the market in which the vehicle purchase occurred. The estimated liability for product warranty is recognised when products are sold or when new warranty programmes are initiated.

Provisions are recognised for the costs of repairing manufacturing defects, recall campaigns, customer goodwill (representing the Group's constructive obligation to its customers when managing those warranty claims) and the Group's other obligations under the warranty.

Assumptions are made on the type and extent of future warranty claims based on experience of the frequency and extent of vehicle faults and defects historically. The estimates also include assumptions on the amounts of potential repair costs per vehicle and the effects of possible time or mileage limits and are regularly adjusted to reflect new information. The timing of outflows will vary as and when a warranty claim will arise.

The Group's calculation methodology uses historical data corrected for experience as information becomes available as well as individual campaign assumptions (such as scope, uptake rates and repair costs). This can lead to changes in the carrying value of provisions as assumptions are updated over the life of each warranty; to reflect where actual experience differs to past experience, for example due to higher inflation or timing of claims impacting disbursement curve analysis.

The Group notes that changes in the automotive environment regarding the increasing impact of battery electric vehicles presents its own significant challenges, particularly due to the lack of maturity and historical data available at this time to help inform estimates for future warranty claims, as well as any associated recoveries from suppliers due to such claims. The Group offers warranties of up to eight years on batteries in electric vehicles. The related provisions are made with the Group's best estimate at this time to settle such obligations in the future, but will be required to be continually refined as sufficient, real-world data becomes available.

The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation.

Estimates of the future costs of warranty actions are subject to numerous uncertainties, including the enactment of new laws and regulations, the number of vehicles affected by a service or recall action and the nature or final cost of the corrective action. Due to the uncertainty and potential volatility of the inputs to these assumptions, it is reasonably possible that the actual cost expenditure over an extended period of time could be materially different to the estimate in a range of amounts that cannot be reasonably estimated. The Group continues to monitor developments in global macroeconomic conditions, including the global tariff environment, and adjusts provisions if required.

The Group also has back-to-back contractual arrangements with its suppliers in the event that a vehicle fault is proven to be a supplier's fault. Estimates are made of the expected reimbursement claims based upon historical levels of recoveries by supplier, adjusted for inflation and applied to the population of vehicles under warranty at the balance sheet date. Supplier reimbursement claims are presented as separate assets within "Other financial assets" in note 6. Supplier recoveries are recognised only when the Group considers there to be virtual certainty over the reimbursement, which also requires historical evidence to support.

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Emissions compliance

The Group maintains a provision for sales non-compliant with legal emissions requirements for certain jurisdictions. The best estimate of the expenditure required to settle the non-compliance at the balance sheet date is determined by considering the ways in which the Group can mitigate non-compliance with the emissions requirements. These include purchasing emission credits at the estimated market rate based on latest market information, or paying the legislated fine amount where a market indicative credit price cannot be estimated; and, subject to the terms of the relevant legislation, generating credits by producing and selling compliant vehicles in the future. Legislation is regularly monitored for changes to the emissions requirements across the various jurisdictions relevant to the Group and where changes or new legislation is virtually certain to be enacted, these are used as basis in determining the best estimate for the provision measurement. The measurement of the provision at the balance sheet date does not include the impact of credits forecast to be generated in the future via the production and sale of compliant vehicles.

The timing of outflows will vary and is not known with certainty. The actual cash outflow may differ to the estimate.

Third party claims and obligations

A provision is maintained in respect of legal and constructive obligations to third parties. This includes claims and obligations related to supplier claims, motor accident claims, consumer complaints, retailer terminations, employment cases and personal injury claims. The decrease in the year is driven predominantly by a reduction in supplier claims, including continued settlement of existing claims as well as lower levels of new claims.

The provision recognised is based on previous experience, which is considered as a reasonable assumption to estimate the final settlement, if any, at the time of the claim. The timing and amount of outflows will vary with decreasing uncertainty from the point at which each claim is received to when it is subsequently settled.

Other provisions

Other provisions predominantly include the environmental liability and residual risk provisions. The timing of outflows will vary and is not known with certainty.

21. Other liabilities

Other liabilities consist of the following :

	Group	
	March 31, 2025	March 31, 2024
Liability for advances received	93	116
Statutory dues	163	204
Ongoing service obligation	368	324
Deferred grant income	42	70
Others	3	11
Total other current liabilities	669	725
Ongoing service obligation	635	605
Deferred grant income	498	348
Others	7	4
Total other non-current liabilities	1,140	957

22. Employee benefit obligations

Employee benefit assets comprise of the following:

	Group	
	March 31, 2025	March 31, 2024
Defined benefit schemes under:		
Jaguar Land Rover Automotive Plc (UK Defined benefit scheme)	291	278
Severance indemnity plan	(2)	-
	289	278

UK defined benefit scheme

The Group operates several defined benefit pension schemes for qualifying employees of certain subsidiaries. The UK defined benefit schemes are administered by a trustee with assets held in trusts that are legally separate from the Group. The trustee of the pension schemes is required by law to act in the interest of the members and of all relevant stakeholders in the schemes, and is responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of trustee must be composed of representatives of the Group and scheme participants in accordance with each schemes' regulations.

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

Through its defined benefit pension schemes, the Group is exposed to a number of risks, the most significant of which are detailed below.

Asset volatility

The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if schemes' assets underperform against these corporate bonds, this will create or increase a deficit. The defined benefit schemes hold a significant proportion of equity-type assets, which are expected to outperform corporate bonds in the long-term although introduce volatility and risk in the short-term.

The UK schemes hold a substantial level of index-linked gilts and other inflation and interest rate hedging instruments in order to reduce the volatility of assets compared to the liability value, although these will lead to asset value volatility.

As the schemes mature, the Group intends to reduce the level of investment risk by investing more in assets for which expected income is a better match for the expected benefit obligations.

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

The Trustees and the Group are engaged in ongoing discussions to control the impact of climate risk on the schemes funding. The current diversified asset profile of the UK plans should reduce exposure to climate risks.

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Changes in bond yields

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

Inflation risk

Some of the Group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the schemes against high inflation). As noted above, the schemes hold a significant proportion of assets in index-linked gilts, together with other inflation hedging instruments and also assets that are more closely correlated with inflation. However, an increase in inflation may still create a deficit or increase an existing deficit to some degree.

Life expectancy

The majority of the schemes' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the schemes' liabilities. This is particularly significant in the UK defined benefit schemes, where inflationary increases result in higher sensitivity to changes in life expectancy. Regular updated to the model underlying the mortality assumption incorporate new mortality data. The long-term impact of COVID-19 on future mortality trends remains the uncertain and consequently no further adjustment has been made to the mortality assumptions in this regard.

Current global political and economic conditions have exacerbated the financial risks faced by the schemes leading to higher levels of liquidity being held.

The following tables set out the disclosures pertaining to the retirement benefit amounts recognised in the consolidated financial statements for the schemes under Jaguar Land Rover Automotive plc:

Change in present value of defined benefit obligation

(£ millions)		
	As at	
	March 31, 2025	March 31, 2024
Defined benefit obligation at beginning of year	5,104	5,089
Current service cost	66	63
Interest expense	253	237
Actuarial (gain)/loss arising from:		
-Changes in demographic assumptions	(49)	(22)
-Changes in financial assumptions	(501)	(147)
-Experience adjustments	42	85
Exchange differences on foreign schemes	(1)	-
Member contributions	1	1
Benefits paid	(221)	(202)
Defined benefit obligation at end of year	4,694	5,104

Change in fair value of scheme assets

(£ millions)		
	As at	
	March 31, 2025	March 31, 2024
Fair value of schemes' assets at beginning of year	5,382	5,726
Interest income	270	270
Remeasurement loss on the return of schemes' assets, excluding amounts included in interest income	(515)	(489)
Administrative expenses	(9)	(10)
Employer contributions	77	86
Member contributions	1	1
Benefits paid	(221)	(202)
Fair value of schemes' assets at end of year	4,985	5,382

The actual return on the schemes' assets for the year ended March 31, 2025 was £(245) million (March 31, 2024: £(219) million).

Amounts recognised in the consolidated statement of profit or loss consist of:

(£ millions)		
	As at	
	March 31, 2025	March 31, 2024
Current service cost	66	63
Administrative expenses	9	10
Net interest cost (including onerous obligations)	(17)	(33)
Components of defined benefit cost/(income) recognised in the consolidated statement of profit or loss	58	40

Amounts recognised in other comprehensive income mainly consist of:

(£ millions)		
	As at	
	March 31, 2025	March 31, 2024
Actuarial gains/(losses) arising from:		
-Changes in demographic assumptions	49	22
-Changes in financial assumptions	501	147
-Experience adjustments	(42)	(85)
-Remeasurement loss on the return of schemes' assets, excluding amounts included in interest income	(515)	(489)
Remeasurement loss on defined benefit obligation	(7)	(405)

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Amounts recognised in the statement of financial position mainly consist of:

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
Present value of defined benefit obligations	(4,694)	(5,104)
Fair value of schemes' assets	4,985	5,382
Net retirement assets	291	278
Presented as non-current asset	313	300
Presented as non-current liability	(22)	(22)

The most recent valuations of the defined benefit schemes for accounting purposes were carried out at March 31, 2025 by a qualified independent actuary. For the UK schemes this is based on membership data as at April 01, 2024 for each of the UK schemes. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method. The asset valuations are taken from the asset custodian for each scheme together with the balance of the trustee bank accounts.

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

	As at	
	March 31, 2025	March 31, 2024
Discount rate	5.8%	5.1%
Expected rate of increase in benefit revaluation of covered employees	1.9%	2.0%
RPI Inflation rate	2.9%	3.0%
CPI Inflation rate (capped 5% p.a.)	2.5%	2.5%
CPI Inflation rate (capped 2.5% p.a.)	1.8%	1.8%

From June 30, 2024 JLR has adopted an updated methodology to derive the discount rate for pension accounting purposes. The updated method continues to derive a yield curve from UK AA rated corporate bonds, however the range of eligible bonds used has been broadened. The impact on the discount rate relative to the prior approach varies depending on financial conditions from a few basis points to c.20-30 basis points but may be larger. As at March 31, 2025 the discount rate was c.20 basis points lower than it would be under the previous approach. This results in an increase in the SFRS(I)-19 liability of £110 million (c.2%) as compared to the prior approach. Similarly, the projected P&L charge for FY26 is higher than it would have been previously by c.£8 million. The ongoing impact will vary.

- For the valuation at March 31, 2025, the mortality assumptions used are the Self-Administered Pension Schemes ('SAPS') base table, in particular S3 tables ("Light" table for members of the Jaguar Executive Pension Plan).
- For the Jaguar Pension Plan, scaling factors of 97 per cent to 115 per cent have been used for male members and scaling factors of 102 per cent to 116 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 103 per cent to 112 per cent have been used for male members and scaling factors of 100 per cent to 115 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 92 per cent to 99 per cent have been used for male members and scaling factors of 92 per cent to 98 per cent have been used for female members.
- For the valuation at March 31, 2024, the mortality assumptions used were the SAPS mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).
- For the Jaguar Pension Plan, scaling factors of 95 per cent to 111 per cent have been used for male members and scaling factors of 99 per cent to 113 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 101 per cent to 109 per cent have been used for male members and scaling factors of 97 per cent to 111 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 87 per cent to 93 per cent have been used for male members and scaling factors of 86 per cent to 92 per cent have been used for female members.

For the 2025 year end calculations there is an allowance for future improvements in line with the CMI (2023) with a long-term improvements of 1.25 per cent per annum and a smoothing parameter of 7.0 (2024: CMI (2022) projections with 1.25 per cent per annum improvements and a smoothing parameter of 7.0).

The assumed life expectations on retirement at age 65 are:

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
	(Years)	
Retiring today:		
Males	21.0	21.0
Females	23.4	23.5
Retiring in 20 years:		
Males	22.4	22.5
Females	25.3	25.4

All past service costs and credits are recognised in 'exceptional items' in the consolidated statement of profit or loss.

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

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

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase/decrease by 0.25%	Decrease/increase by £145 million	Decrease/increase by £2 million
Inflation rate	Increase/decrease by 0.25%	Increase/decrease by £83 million	Increase/decrease by £1 million
Mortality	Increase/decrease in life expectancy by 1 year	Increase/decrease by £135 million	Increase/decrease by £1 million

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

	March 31, 2025				March 31, 2024				(£ millions)
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%	
Equity instruments									
Information technology	-	52	52	1%	-	80	80	1%	
Energy	-	8	8	-	-	11	11	-	
Manufacturing	-	44	44	1%	-	60	60	1%	
Financials	-	60	60	1%	-	26	26	-	
Other	-	139	139	3%	-	109	109	2%	
	-	303	303	6%	-	286	286	4%	
Debt instruments									
Government	2,157	(862)	1,295	26%	2,054	(559)	1,495	28%	
Corporate bonds - (investment grade)	834	146	980	20%	913	147	1,060	20%	
Corporate bonds - (Non investment grade)	-	542	542	11%	-	520	520	10%	
	2,991	(174)	2,817	57%	2,967	108	3,075	58%	
Property funds									
UK	-	322	322	6%	-	336	336	6%	
Other	-	221	221	4%	-	264	264	5%	
	-	543	543	10%	-	600	600	11%	
Cash and cash equivalents	346	-	346	7%	403	-	403	7%	
Other									
Private markets	-	825	825	17%	-	866	866	17%	
Alternatives	-	154	154	3%	-	151	151	3%	
	-	979	979	20%	-	1,017	1,017	20%	
Derivatives									
Foreign exchange contracts	-	-	-	-	-	(6)	(6)	-	
Interest rate and inflation swaps	-	(3)	(3)	-	-	7	7	-	
	-	(3)	(3)	-	-	1	1	-	
Total	3,337	1,648	4,985	100%	3,370	2,012	5,382	100%	

As at March 31, 2025, the schemes held Gilt Repos. The net value of these transactions is included in the value of government bonds. The gross value of the funding obligation for the Repo transactions is £965 million (2024: £698 million).

JLR assigns an accounting level (1,2 or 3) to asset holdings in order to reflect the level of judgement involved in the valuation of an asset. In assigning the level JLR balances consistency between asset holdings, consistency from year to year and manager / other assessments. JLR designates level 1 to direct holdings of liquid assets where an active market exists. Level 1 assets are reported as quoted, level 2 and 3 unquoted. Repo obligations are noted separately.

Custodian accounts where underlying assets are regularly traded or where comparable assets have traded values are designated level 2, such as equity instruments, derivatives (including net value of swaps) some debt instruments (such as corporate and Government bonds), and some other investments (such as private markets and alternatives). Assets which are not designated as level 1 or 2 are designated as level 3, such as property funds and the remaining debt instruments and other investments.

Certain assets using unobservable inputs have been measured using the most recent valuations, adjusted for cash and currency movements between the last valuation date and March 31, 2025. Movements in listed equity and other market valuations may be significant over the period therefore the valuation of these assets may also vary significantly. The value of the assets in the JLR UK Plans included above is £1.2 billion (2024: £1.7 billion).

Jaguar Land Rover contributes towards the UK defined benefit schemes. Statutory funding valuations are carried out every three years, the latest valuation as at March 31, 2024 was completed on January 10, 2025. The valuations resulted in revised schedules of contributions effective from January 10, 2025. At the effective date of the valuations each scheme was in surplus, therefore, there are no further deficit recovery contributions currently payable. The ongoing Group contribution rate for the defined benefit accrual during the year ended March 31, 2025 was 10 per cent. The ongoing rate will vary to reflect prevailing financial conditions over time.

JLR has taken legal advice considering the documentation of the UK schemes and the regulatory environment. This confirmed the recoverability of any surplus in the scheme via reduced future contributions or settlement and JLR has based its accounting judgement on this advice.

The average duration of the benefit obligations at March 31, 2025 is 12.8 years (2024: 14.2 years). Higher net discount rates have the effect of reducing the duration of the liabilities and vice versa.

The net defined benefit cost for the next financial year is expected to be £43 million. The Group expects to pay £36 million to its defined benefit schemes, in total, for the next financial year (excluding member contributions through salary sacrifice).

Defined Contribution Plan

The Group's contribution to defined contribution schemes for the year ended March 31, 2025 was £143 million (2024: £126 million).

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23. Share Capital

	(£ millions)	
	Group and Company	
	March 31, 2025	March 31, 2024
2,511,659,418 (2024: 2,511,659,418) ordinary shares issued	1,628	1,628
Total Share capital	1,628	1,628

Ordinary share of the Company has no par value, carry one vote per share and carry a right to dividends when declared by the Company.

24. Capital Reserve

The capital reserve arose out of restructuring exercises carried out in 2010, 2014, 2015 and 2016.

During 2014 and 2015, the Company underwent a restructuring exercise. The effects of the merger of Tata Daewoo Commercial Vehicle Co. Ltd, Tata Motors (Thailand) Ltd, Tata Motors (SA) (Proprietary) Ltd and PT Tata Motors Indonesia resulted in a restatement of the reserves in previous years.

Capital reserve on currency conversion

During the year ended March 31, 2018, the Company had undergone conversion of currency of share capital from United States Dollar to Pound Sterling. The conversion was approved in the extra ordinary general meeting of the Company. The spot rate prevailing on the date of the EGM was used to convert the share capital. This had resulted in £206 million recognised as capital reserve on currency conversion with an increase of reciprocal amount in share capital.

Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

Cost of Hedging Reserve

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the hedging reserve.

25. Revenue

Revenues are summarized as follows:

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Revenue recognised for sales of vehicles, parts and accessories	27,866	28,249
Revenue recognised for services transferred	438	349
Revenue - other*	967	1,044
Total revenue from contracts with customers	29,271	29,642
Less: Realised revenue hedges	192	(54)
Total revenue	29,463	29,588

*Relates primarily to materials acquired and controlled by the Group which are sold to suppliers. The revenue is recognised at a point in time when control of the goods is transferred.

Revenue disaggregation

The following table presents the Group's revenue, disaggregated by primary geographical market, timing of revenue recognition and major product categories. All revenue is generated from the Group's single automotive operating segment.

Year ended 31 March 2025	(£ millions)					
	UK	US	China	Rest of Europe	Rest of World	Total
Revenue recognised for sales of vehicles, parts and accessories	3,795	8,432	4,839	4,771	6,029	27,866
Revenue recognised for services transferred	145	138	52	31	72	438
Revenue - other	871	24	62	-	10	967
Total revenue from contracts with customers	4,811	8,594	4,953	4,802	6,111	29,271
Realised revenue hedges	-	(45)	159	-	78	192
Total revenue	4,811	8,549	5,112	4,802	6,189	29,463

Year ended 31 March 2024	(£ millions)					
	UK	US	China	Rest of Europe	Rest of World	Total
Revenue recognised for sales of vehicles, parts and accessories	3,991	6,579	5,277	5,380	7,021	28,248
Revenue recognised for services transferred	137	102	24	16	70	349
Revenue - other	938	5	94	-	8	1,045
Total revenue from contracts with customers	5,066	6,686	5,395	5,396	7,099	29,642
Realised revenue hedges	-	(156)	82	-	20	(54)
Total revenue	5,066	6,530	5,477	5,396	7,119	29,588

Contract Assets	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Accrued Income	29	53
Total contract assets	29	53

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Contract Liabilities	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Ongoing service obligations	1,005	929
Liabilities for advances received	91	116
Total contract liabilities	1,096	1,045

Revenue that is expected to be recognised within five years related to performance obligations that are unsatisfied (or partially unsatisfied) amounted to £1,094 million at March 31, 2025 (2024: £1,045 million).

Ongoing service obligations' mainly relate to long-term service and maintenance contracts, extended warranties, and telematics services. 'Liabilities for advances received' primarily relate to consideration received in advance from customers for products not yet wholesaled at which point the revenue will be recognised. 'Ongoing service obligations' and 'Liabilities for advances received' are both presented within 'Other liabilities' in the consolidated statement of financial position.

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about remaining performance obligations that have an original expected duration of one year or less. This is because revenue resulting from those sales will be recognised in a short-term period. The services included with the vehicle sale are to be recognised as revenues in subsequent years, but represent an insignificant portion of expected revenues in comparison.

The movement in contract liabilities relates solely to revenue recognised from balances held at the beginning of the year of £540 million (2024: £417 million) and increases due to cash received for performance obligations unsatisfied at the year-end of £586 million (2024: £601 million).

Revenue recognised in the year from performance obligations satisfied in the previous year is £19 million (2024: £5 million).

26. Material and other cost of sales

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Raw material and consumable used	15,516	16,402
Realised purchase hedges	26	-
Realised commodity hedges	(5)	-
	15,537	16,402
Change in inventories of finished goods and work-in-progress	188	(541)
Purchase of products for sale	1,492	1,520
	17,217	17,381

27. Exceptional items

Exceptional items are disclosed separately in the consolidated statement of profit and loss to support the reader's understanding of the performance of the Group.

The Group considers qualitative and quantitative factors to determine whether a transaction or event is exceptional, including the expected size, nature and frequency of the transaction or event, and any precedent for similar items in previous years.

Items that are considered exceptional may include the following:

- Costs associated with significant restructuring events
- Impairments or reversals of impairments arising from an impairment assessment of the JLR's cash-generating unit
- Defined benefit past service costs or credits arising from scheme amendments; and
- Costs associated with provisions and related reversals arising from a significant one-off event not in the normal course of business.

The exceptional items were recognised during the year ended March 31, 2025 comprise :

- £10 million update to the exceptional item recognised during the years ended March 31, 2022 and 2021 in relation to the impact of the Group's Reimagine strategy;
- £(20) million in relation to separation payments made to employees;
- £(7) million in relation to acquisition and disposal of non-core subsidiaries, net of transaction costs; and
- £4 million update to the exceptional item recognised during the year ended March 31, 2022 in relation to customer liabilities arising from sanctions imposed against Russia.
- £3 million in relation to reversal of restructuring costs.

No exceptional items were recognised during the year ended March 31, 2024.

There are tax charges of £5 million and tax credits of £3 million arising from exceptional items.

The tables below set out the exceptional items recorded during the year ended March 31, 2025

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Restructuring costs - employees and third party obligations	3	-
Acquisition and disposal of non-core subsidiaries, net of transaction costs	7	-
Other	2	-
	12	-

28. Employee cost

Employee cost consists of the following :

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Salaries, wages and welfare expenses	3,299	2,984
Contribution to provident fund and other funds	201	165
Total	3,500	3,149

Director's emoluments

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Directors' emoluments	4	4
Total	4	4

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Long-term incentive plan

During the year ended 31 March 2025, the Group introduced a cash-settled Long-Term Incentive Plan ('LTIP') for certain employees. The LTIP is based on the value of phantom shares, which mirror the value of Tata Motors Limited's share price, but does not confer any ownership or voting rights. As the LTIP is cash-settled and based on phantom shares, it is non-dilutive to existing shareholders. The LTIP vests over a three-year period, effective from June 2024. The scheme will provide a cash payment to certain employees based on the Group's performance against long-term business metrics related to performance and strategic priorities and the share price of Tata Motors Limited over a period of three years. This new LTIP has been accounted for under SFRS(I) 2 Share-based payments. The expense is recognised as an employee cost in the consolidated income statement over the three-year vesting period. The liability is remeasured at each reporting date and on settlement, with changes in fair value recognised in the income statement.

Number of shares outstanding during the period:

	Group	
	March 31, 2025	March 31, 2024
Outstanding at the beginning of the year	-	-
Granted in the year	30,92,216	-
Forfeited in the year	(53,972)	-
Total	30,38,244	-

No phantom shares were exercisable at 31 March 2025.

The fair value of the phantom shares granted under the LTIP is deemed to be materially equivalent to the market value of Tata Motors Limited's share price at the current year end. At 31 March 2025, the fair value of the phantom shares was £6.11.

During the year ended 31 March 2025, £5 million (2024 : £nil) was recorded as an expense in "Employee costs" in relation to the LTIP.

The fair value of the balance sheet liability in respect of the LTIP at 31 March 2025 was £5 million (2024: £nil).

29. Other Expenses

Other expenses consist of the following:

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Stores, spare parts and tools consumed	137	133
Freight cost	720	725
Product warranty	1,278	1,043
Works operation and other expenses	3,437	3,221
Power and fuel	142	134
Rent rates and other taxes	59	49
Publicity	896	779
Total	6,669	6,084

30. Engineering costs capitalized

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Total engineering costs incurred	2,664	2,337
Engineering costs expensed	(870)	(881)
Engineering costs capitalised	1,794	1,456
Interest capitalised in engineering costs capitalised	212	88
Total capitalised in property, plant and equipment and intangible assets	2,006	1,544

Engineering costs consists of engineering costs capitalised of £1,794 million (2024: £1,456 million) comprises £816 million (2024: £634 million) included in "Employee costs" and £978 million (2024: £822 million) included in "Other expenses" in the consolidated statement of profit or loss.

31. Other Income

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Grant income	225	226
Commissions	32	23
Other	111	96
Total other income	368	345

During the year ended March 31, 2025, £302 million (2024: £231 million) was recognised by a UK subsidiary as a Research and Development Expenditure Credit ('RDEC') incentive on qualifying expenditure. During the year ended March 31, 2025, £181 million (2024: £140 million) of the RDEC – the proportion relating to capitalised product development expenditure and other intangible assets – has been offset against the cost of the respective assets. The remaining £121 million (2024: £91 million) of the RDEC has been recognised as 'Other income'.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

32. Finance income and expense

Finance income and expense consist of the following:

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Finance income	142	171
Finance expense		
Interest expense on lease liabilities	(55)	(57)
Total interest expense on financial liabilities other than lease liabilities measured at amortised cost	(378)	(457)
Interest expense on derivatives designated as a fair value hedge of financial liabilities	(28)	(27)
Unwind of discount on provisions	(85)	(77)
Less: Interest capitalised	214	92
Total finance expense	(332)	(526)

The capitalisation rate used to calculate borrowing costs eligible for capitalisation was 6.8% (2024: 6.4%).

33. Income tax expense

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Current year	405	417
Adjustments for prior years	13	3
Current tax expense	418	420
Origination and reversal of temporary differences	310	190
Adjustments for prior years	(23)	9
Deferred tax asset recognition	(24)	(1,029)
Rate changes	-	2
Deferred tax (credit)/expense	263	(828)
Total income tax (credit)/expense	681	(408)
Recognised in the statement of comprehensive income:		
Deferred tax credit on actuarial gains on retirement benefits	(3)	(100)
Deferred tax (credit)/expense on change in fair value of cash flow hedges	89	84
	86	(16)

The total charge for the financial year can be reconciled to the accounting profit as follows:

	(£ millions)	
	Group	
	March 31, 2025	March 31, 2024
Profit before income tax	2,436	2,135
Income tax credit at tax rates applicable to individual entities	631	554
Non-deductible expenses	47	30
(Over)/Under provided in prior years	(7)	12
Overseas unremitted earnings	29	30
Tax on share of profit of equity accounted investments	1	(6)
Unrecognised or written-down deferred tax assets	4	-
Deferred tax asset recognition	(24)	(1,029)
Changes in tax rates	-	1
Others	-	-
Income tax (credit)/expense	681	(408)

The net underlying statutory tax rate represents the blended average of the tax rates suffered on profits and losses earned in our various countries of operation. The comparative position reflects the fact that statutory tax rates applicable in profitable non-UK subsidiaries are higher than the UK tax rate applied to UK losses.

Deferred tax asset recognition relates to recognition of previously unrecognised deferred tax assets.

For the year ended March 31, 2025, the "Under provided in prior years" credit of £7 million (2024: charge of £12 million) arises as a result of the finalisation of prior year tax submissions with global tax authorities and the ongoing assessment of prior period tax risks.

34. Assets held for sale

	(£ millions)	
	March 31, 2025	March 31, 2024
Land and buildings	1	30
Other assets held for sale	45	24
Total Assets	46	54

Work to implement a disposal plan for each class of asset has already begun and is expected to be completed within twelve months of the balance sheet date. During the year ended March 31, 2025, write-downs of £nil (2024: £6 million) have been recognised in respect of assets held for sale where the carrying value of assets exceeded fair value less costs to sell.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

35. Reconciliation of movements of liabilities to cash flows arising from financing activities

For the year ended	(£ millions)			
	Borrowings	Lease obligations	Accrued Interest	Total
Balance as at March 31, 2023	7,264	715	112	8,091
Proceeds from issue of financing	21	-	-	21
Repayment of financing	(1,893)	(78)	-	(1,971)
Interest paid	-	(57)	(490)	(547)
Total changes from financing cash flows	(1,872)	(135)	(490)	(2,497)
Foreign exchange	(151)	(8)	-	(159)
Issue of new finance leases	-	71	-	71.00
Fee amortisation	9	-	-	9
Interest accrued	-	57	480	537
Reclassification of long-term debt fees	5	-	-	5
Bond revaluation in hedge reserve	(14)	-	-	(14)
Fair value adjustment on loans	(1)	-	-	(1.00)
Total liability related other changes	(1)	128	480	607
				-
Balance as at March 31, 2024	5,240	700	102	6,042
Proceeds from issue of financing	859	-	-	859
Repayment of financing	(1,501)	(89)	-	(1,590)
Interest paid	-	(55)	(329)	(384)
Total changes from financing cash flows	(642)	(144)	(329)	(1,115)
Foreign exchange	(138)	(6)	-	(144)
Issue of new leases	-	69	-	69
Fee amortisation	10	-	-	10
Interest accrued	-	55	307	362
Long-term borrowings revaluation in hedge reserve	19	-	-	19
Lease terminations	-	(17)	-	(17)
Lease modifications	-	14	-	14
Acquisition of subsidiary (net of cash acquired)	2	25	-	27
Disposal of subsidiary	-	(21)	-	(21)
Total liability related other changes	31	125	307	463
Balance as at March 31, 2025	4,491	675	80	5,246

36. Dividends

During the year ended March 31, 2025, the Company proposed and paid an ordinary interim dividend of £125 million to its parent company Tata Motors Limited.

37. Commitments and Contingencies

In the normal course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides a disclosure in the consolidated financial statements but does not record a liability unless the loss becomes probable. Such potential losses may be of an uncertain timing and/or amount.

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

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
Third party claims and obligations	209	336
Taxes and duties	64	60
Commitments:		
- Plant and equipment	878	655
- Intangible assets	18	20
Pledged as collateral/security against the borrowings and commitments		
- Other financial assets	8	27

Contingencies

Contingencies related to legal and constructive obligations to third parties. There are claims and obligations against the Group which management has not recognised, as settlement is not considered probable. These claims and obligations relate primarily to the following:

- third party claims and obligations (primarily supplier claims)
- taxes and duties

The decrease in the period is driven mainly by supplier claims related to ongoing negotiations and lower levels of new claims.

Commitments

The Group has entered into various contracts with vendors and contractors for the acquisition of plants and equipment and intangible assets.

Joint venture

Stipulated within the joint venture agreement with Chery Jaguar Land Rover Automotive Ltd., and subsequently amended by a change to the Articles of Association of Chery Jaguar Land Rover Automotive Ltd. is a commitment for the Group to contribute a total of CNY 5,000 million in capital. Of this amount, CNY 3,475 million has been contributed till March 31, 2025. The outstanding commitment of CNY 1,525 million translates to £162 million at the March 31, 2025 exchange rate.

The Group's share of capital commitment of its joint venture at March 31, 2025 is £5 million (March 31, 2024: £2 million) and contingent liabilities of its joint ventures March 31, 2025 is £7 million (March 31, 2024: £6 million).

TML HOLDINGS PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

38. Financial Instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the items within the statements of financial position that contain financial instruments.

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

(A) Financial assets and liabilities

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2025 under SFRS(I) 9:

(€ millions)						
Group	Amortised Cost	Fair Value Through Profit and Loss			Total carrying value	Total fair value
		Financial Assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship		
Financial assets						
Cash and cash equivalents	4,719	-	-	-	4,719	4,719
Short-term deposits	35	-	-	-	35	35
Trade receivables	968	-	-	-	968	968
Investments	-	55	-	-	55	55
Other financial assets - current	420	-	7	349	776	776
Other financial assets - non-current	189	-	6	355	550	550
Total financial assets	6,331	55	13	704	7,103	7,103
Financial liabilities						
Accounts payable	7,256	-	-	-	7,256	7,256
Short-term borrowings*	1,392	-	-	-	1,392	1,509
Long-term borrowings**	3,099	-	-	-	3,099	3,115
Other financial liabilities - current	658	-	47	105	810	810
Other financial liabilities - non-current	597	-	21	44	662	722
Total financial liabilities	13,002	-	68	149	13,219	13,412

* Included in short-term borrowings is £418 million that is designated as the hedged item in a fair value hedge relationship. Included within this figure is £(114) million of fair value adjustments as a result of the hedge relationship. Included in the short-term borrowings is £540 million that is designated as a hedging instrument in a cash flow hedge relationship.

** Included in the long-term borrowings is £(15) million of fair value adjustments which relate to hedge relationships that have been discontinued. Included in the long-term borrowings is £1,128 million that is designated as a hedging instrument in a cash flow hedge relationship.

(£ millions)					
Company	Amortised Cost	FVTPL		Total carrying value	Total fair value
		Derivatives other than in hedging relationship	Derivatives in hedging relationship		
Financial assets					
Cash and cash equivalents	58	-	-	58	58
Short term deposits	12	-	-	12	12
Other financial assets - current	17	-	2	19	19
Other financial assets - non-current	-	5	21	26	26
Total financial assets	87	5	23	115	115
Financial liabilities					
Accounts payable	9	-	-	9	9
Short-term borrowings	77	-	-	77	77
Long-term borrowings	700	-	-	700	700
Other financial liabilities	6	-	-	6	6
Total financial liabilities	792	-	-	792	792

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities, other than those with carrying amounts that are reasonable approximations of fair values as at March 31, 2024 under SFRS(I) 9:

(£ millions)						
Group	Amortised Cost	Fair Value Through Profit and Loss			Total carrying value	Total fair value
		Financial Assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship		
Financial assets						
Cash and cash equivalents	4,139	-	-	-	4,139	4,139
Short-term deposits	115	-	-	-	115	115
Trade receivables	1,280	-	-	-	1,280	1,280
Investments	-	52	-	-	52	52
Other financial assets - current	336	-	52	210	598	598
Other financial assets - non-current	145	-	8	254	407	407
Total financial assets	6,015	52	60	464	6,591	6,591
Financial liabilities						
Accounts payable	7,257	-	-	-	7,257	7,257
Short-term borrowings	1,522	-	-	-	1,522	1,522
Long-term borrowings*	3,718	-	-	-	3,718	3,844
Other financial liabilities - current	638	-	74	191	903	903
Other financial liabilities - non-current	629	-	49	87	765	837
Total financial liabilities	13,764	-	123	278	14,165	14,368

* Included in the long-term borrowings shown in other financial liabilities is £428 million that is designated as the hedged item in a fair value hedge relationship. Included within this figure is £(133) million of fair value adjustments as a result of the hedge relationship.

		FVTPL			(£ millions)
Company	Amortised Cost	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	47	-	-	47	47
Short term deposits	12	-	-	12	12
Other financial assets - current	25	-	23	48	48
Other financial assets - non-current	9	5	35	49	49
Total financial assets	93	5	58	156	156
Financial liabilities					
Other payables	17	-	-	17	17
Short-term borrowings	238	-	-	238	238
Long-term borrowings	784	-	-	784	778
Other financial liabilities	11	-	-	11	11
Total financial liabilities	1,050	-	-	1,050	1,044

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derivative financial assets and financial liabilities are subject to master netting arrangements whereby in the case of insolvency, derivative financial assets and financial liabilities can be settled on a net basis.

The following table discloses the amounts that have been offset in arriving at the presentation on the statement of financial position and the amounts that are available for offset only under certain conditions as at March 31, 2025:

Group	Gross amount recognised	Gross amount of recognised set off in the statement of financial position	Net amount presented in the statement of financial position	Financial instruments	Net amount after offsetting
Financial assets					
Derivative financial assets	717	-	717	(213)	504
Cash and cash equivalents	4,854	(135)	4,719	-	4,719
	5,571	(135)	5,436	(213)	5,223
Financial liabilities					
Derivative financial liabilities	217	-	217	(213)	4
Short-term borrowings	1,527	(135)	1,392	-	1,392
	1,744	(135)	1,609	(213)	1,396

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The following table discloses the amounts that have been offset in arriving at the presentation on the statement of financial position and the amounts that are available for offset only under certain conditions as at March 31, 2024:

Group	Gross amount recognised	Gross amount of recognised set off in the statement of financial position	Net amount presented in the statement of financial position	Financial instruments	(£ millions)
					Net amount after offsetting
Financial assets					
Derivative financial assets	524	-	524	(349)	175
Cash and cash equivalents	4,434	(295)	4,139	-	4,139
	4,958	(295)	4,663	(349)	4,314
Financial liabilities					
Derivative financial liabilities	401	-	401	(349)	52
Short-term borrowings	1,817	(295)	1,522	-	1,522
	2,218	(295)	1,923	(349)	1,574

Measurement of fair values

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

Fair value hierarchy

The following tables show the levels in the fair value hierarchy for financial assets and liabilities where the carrying value is not a reasonable approximation of fair value:

Group	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	-	-	55	55
(b) Derivative assets	-	717	-	717
Total	-	717	55	772
Financial liabilities measured at fair value				
Derivative liabilities	-	217	-	217
Total	-	217	-	217
Financial liabilities not measured at fair value				
Borrowings	3,067	1,557	-	4,624
Total	3,067	1,557	-	4,624

Company	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative assets	-	28	-	28
Total	-	28	-	28
Financial liabilities not measured at fair value				
Borrowings	325	452	-	777
Total	325	452	-	777

Group	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	-	-	52	52
(b) Derivative assets	-	524	-	524
Total	-	524	52	576
Financial liabilities measured at fair value				
Derivative liabilities	-	401	-	401
Total	-	401	-	401
Financial liabilities not measured at fair value				
Borrowings	3,802	1,569	-	5,371
Total	3,802	1,569	-	5,371

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Company	As at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative assets	-	63	-	63
Total	-	63	-	63
Financial liabilities not measured at fair value				
Borrowings	561	455	-	1,016
Total	561	455	-	1,016

Reconciliation of level 3 fair values

The following table gives a reconciliation of the movements in level 3 financial assets held at fair value:

	2025	2024
Balance at the beginning of the year	52	43
Originated / purchased during the period	7	7
Fair value changes recognized in consolidated statement of profit and loss	(3)	1
Foreign currency translation	(1)	1
Balance at the end of the year	55	52

Recent transaction values

The pricing of recent investment transactions is the main input of valuations performed by the Group. The Group's policy is to use observable market data where possible for its valuations and, in the absence of portfolio company earnings or revenue to compare, or of relevant comparable businesses' data, recent transaction prices represent the most reliable observable inputs.

Alternative valuation methodologies

Alternative valuation methodologies are used by the Group for reasons specific to individual assets. At March 31, 2025 the alternative technique used was net asset value, representing 100 percent of alternatively valued assets.

There has been no change in the valuation techniques adopted in either current or prior financial years as presented. There were no transfers between fair value levels in the year ended March 31, 2025 and 2024.

The derivative financial instruments that are measured subsequent to initial recognition at fair value are classified as Level 2 fair value measurements, as defined by SFRS(I) 13, being those derived from inputs other than quoted prices that are observable. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. Fair values of forward derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves from Reuters. Commodity swap contracts are similarly fair valued by discounting expected future contractual cash flows. Option contracts on foreign currency are entered into on a zero cost collar basis and fair value estimates are calculated from standard Black-Scholes options pricing methodology, using prevailing market interest rates and volatilities. The estimate of fair values for cross currency swaps is calculated using discounted estimated future cash flows. Estimates of the future floating-rate cash flows are based on quoted swap rates, future prices and risk free rates ("SONIA").

Additionally, a credit valuation adjustment/debit value adjustment is taken on derivative financial assets and liabilities and is calculated by discounting the fair value gain or loss on the financial derivative using credit default swap ("CDS") prices quoted for the counterparty or Jaguar Land Rover respectively. CDS prices are obtained from Reuters.

The long-term borrowings are held at amortised cost. The fair value of the listed debt for disclosure purposes is determined using Level 1 valuation techniques, based on the closing price as at March 31, 2025 on the Luxembourg Stock Exchange multilateral trading facility ('EURO MTF') market and Singapore Stock Exchange ('USD SGX-ST') listed, for unsecured listed bonds. For bank loans, level 2 valuation techniques are used.

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

Other investments that are not equity accounted for are recognised at fair value. Where there is an active quoted market, the fair value is determined using Level 1 valuation techniques, based on the closing price at year end. Where there is no active quoted market, the fair values have been determined using Level 3 valuation techniques and the closing valuation as at March 31, 2025 is £ 55 million (March 31, 2024: £ 52 million).

Of the financial assets held at March 31, 2025 and classified as Level 3, 100 percent (March 31, 2024: 99 percent) were valued using recent transaction values and NIL percent (March 31, 2024: 1 percent) were valued using an alternative technique.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realised in a sales transaction as of the respective dates. The estimated fair value amounts as at March 31, 2025 and 2024 have been measured as at the respective dates. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

(B) Financial risk management

In the course of its business, the Group is exposed to foreign currency exchange rate, commodity price, interest rate, liquidity and credit risk. The Group has a risk management framework in place which monitors all of these risks as discussed below. The framework is approved by the Board.

Foreign currency exchange rate risk

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

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

Foreign exchange risk on future transactions is mitigated through the use of derivative contracts. The Group is also exposed to fluctuations in exchange rates which impact the valuation of foreign currency denominated assets and liabilities and also foreign currency denominated balances on the Group's statement of financial position at each reporting period end. In addition to the derivatives designated in hedging relationships as detailed in (C), the Group enters into foreign currency contracts as economic hedges of recognised foreign currency debt.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The following table sets forth information relating to foreign currency exposure as at March 31, 2025 for the Group:

Group	(£ millions)				
	US Dollar	Chinese Yuan	Euro	Others*	Total
Financial assets	1,934	594	1,381	368	4,277
Financial liabilities	(3,984)	(731)	(3,783)	(426)	(8,924)
Net exposure (liabilities)/assets	(2,050)	(137)	(2,402)	(58)	(4,647)

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the respective entity would result in increase/decrease in the Group's profit before income tax by approximately £428 million for financial assets and decrease/increase in the Group's profit before income tax by approximately £892 million for financial liabilities for the year period ended March 31, 2025.

The following table sets forth information relating to foreign currency exposure as at March 31, 2024 for the Group:

Group	(£ millions)				
	US Dollar	Chinese Yuan	Euro	Others*	Total
Financial assets	2,350	352	1,810	400	4,912
Financial liabilities	(3,996)	(662)	(4,294)	(384)	(9,336)
Net exposure (liabilities)/assets	(1,646)	(310)	(2,484)	16	(4,424)

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the respective entity would result in increase/decrease in the Group's profit before income tax by approximately £491 million for financial assets and decrease/increase in the Group's profit before income tax by approximately £934 million for financial liabilities for the year period ended March 31, 2024.

* Others include Singapore dollar, Canadian Dollar, Swiss Franc, Australian Dollar, South African Rand, Thai Baht, Korean Won, Japanese Yen etc.

The following table sets forth information relating to foreign currency exposure as at March 31, 2025 for the Company:

	(£ millions)			
	US Dollar	Pound	Others*	Total
Financial assets	50	57	1	108
Financial liabilities	(411)	(376)	(9)	(796)
Net exposure liability	(361)	(319)	(8)	(688)

* Others include Singapore dollar and Thai Bhat.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Group's loss before income tax by approximately £11 million for financial assets and increase/decrease in the Group's loss before income tax by approximately £80 million for financial liabilities for the year period ended March 31, 2025.

The following table sets forth information relating to foreign currency exposure as at March 31, 2024 for the Company:

	(£ millions)			
	US Dollar	Pound	Others*	Total
Financial assets	129	13	2	144
Financial liabilities	(664)	(376)	(16)	(1,056)
Net exposure liability	(535)	(363)	(14)	(912)

* Others include Singapore dollar.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Group's loss before income tax by approximately £14 million for financial assets and increase/decrease in the Group's loss before income tax by approximately £106 million for financial liabilities for the year period ended March 31, 2024.

Commodity price risk

The Group is exposed to commodity price risk arising from the purchase of certain raw materials such as aluminium, copper, platinum and palladium. This risk is mitigated through the use of derivative contracts and fixed price contracts with suppliers. On January 01, 2025, the Group applied hedge accounting to the existing trade book of Aluminium and Copper derivative contracts. Hedge accounting is also applied to new Aluminium and Copper contracts from the same date. The remaining derivative contracts are not hedge accounted and are measured at fair value through profit or loss.

The total fair value gain on non-hedge accounted commodities of £ 8 million (2024: loss of £ (136) million) has been recognised in "foreign exchange gain/(loss) and fair value adjustments in the consolidated statement of profit or loss.

A 10 per cent appreciation/depreciation in all commodity prices underlying such commodity contracts within the Group's derivative portfolio that are sensitive to changes in commodity prices would have resulted in the approximate additional (loss)/gain shown in the table below:

	2025	2024
10% appreciation/depreciation in all commodity prices		
In other comprehensive income	70	-
In the statement of profit or loss	22	91

Interest rate risk

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

In addition to issuing long-term fixed-rate bonds, the Group has other facilities in place which are primarily used to finance working capital that are subject to variable interest rates. When undertaking a new debt issuance, the Board will consider the fixed/floating interest rate mix of the Group, the outlook for future interest rates and the appetite for certainty of funding costs.

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The Group uses cross currency interest rate swaps to convert some of its issued debt from foreign denominated fixed rate debt to GBP floating rate debt. The derivative instruments and the foreign currency fixed rate debt may be designated in hedging relationship.

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

As at March 31, 2025, the Group's short-term borrowings of £202 million (2024: £831 million) and long term borrowings of £970 million (2024: £668 million) were subject to a variable interest rate. An increase/decrease of 100 basis points in interest rates at the reporting date would result in an impact of £12 million (2024: £15 million) in statement of profit or loss.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and undrawn borrowing facilities to meet the Group's operating requirements with an appropriate level of headroom.

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

Group

					(£ millions)
As at March 31, 2025	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	More than 5 years
Financial liabilities					
Borrowings and interest thereon	4,571	5,186	1,722	3,354	110
Lease obligations	675	1,075	129	350	596
Other financial liabilities	500	500	500	-	-
Accounts payable	7,256	7,256	7,256	-	-
Derivative financial instruments	217	139	157	(18)	-
Total contractual maturities	13,219	14,156	9,764	3,686	706

Group

					(£ millions)
As at March 31, 2024	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	More than 5 years
Financial liabilities					
Borrowings and interest thereon	5,342	6,168	1,813	3,911	444
Finance lease obligations	700	1,138	125	358	655
Other financial liabilities	465	528	511	17	-
Accounts payable	7,257	7,257	7,257	-	-
Derivative financial instruments	401	410	234	176	-
Total contractual maturities	14,165	15,501	9,940	4,462	1,099

Company

					(£ millions)
As at March 31, 2025	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	More than 5 years
Financial liabilities					
Borrowings and interest thereon	783	830	104	726	-
Accounts payable	9	9	9	-	-
Total contractual maturities	792	839	113	726	-

Company

					(£ millions)
As at March 31, 2024	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	More than 5 years
Financial liabilities					
Borrowings and interest thereon	1,033	1,076	266	810	-
Accounts payable	17	17	17	-	-
Total contractual maturities	1,050	1,093	283	810	-

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligation. The majority of the Group's credit risk pertains to the risk of financial loss arising from counterparty default on cash investments.

The carrying amount of financial assets represents the maximum credit exposure. None of the financial instruments of the Group result in material concentrations of credit risks.

All Group cash is invested according to strict credit criteria and actively monitored by treasury in conjunction with the current market valuation of derivative contracts. One of the subsidiary board has implemented an investment policy that places limits on the maximum cash investment that can be made with any single counterparty depending on their published external credit rating.

To a lesser extent the Group has an exposure to counterparties on trade receivables and other financial assets. The Group seeks to mitigate credit risk on sales to third parties through the use of payment at the point of delivery, credit limits, credit insurance and letters of credit from banks that meet internal rating criteria.

Financial assets

None of the Group's cash and cash equivalents, including time deposits with banks, are past due or impaired. Regarding other financial assets that are neither past due nor impaired, there were no indications as at March 31, 2025 or March 31, 2024 that defaults in payment obligations will occur.

The Group has reviewed trade receivables not yet due and not impaired and no material issues have been identified. Trade receivables past due and impaired are set out below:

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Trade receivables ageing profile:

	(£ millions)		
	March 31, 2025		
	Gross	Impairment	Net
Not yet due	916	(5)	911
Overdue < 3 months	50	-	50
Overdue >3<6 months	1	-	1
Overdue > 6 months	7	(1)	6
Total	974	(6)	968

	(£ millions)		
	March 31, 2024		
	Gross	Impairment	Net
Not yet due	1,203	(4)	1,199
Overdue < 3 months	75	-	75
Overdue >3<6 months	1	-	1
Overdue > 6 months	9	(4)	5
Total	1,288	(8)	1,280

Off-balance sheet financial arrangements

At March 31, 2025, Jaguar Land Rover Limited (a fellow subsidiary of the Company) had sold £562 million (2024: £588 million) equivalent of trade receivables under its debt factoring facility. The facility was renewed at its existing value of \$900 million during the year ended March 31, 2025

(C) Derivatives and hedge accounting

The Group's operations give rise to revenue, raw material purchases and borrowings in currencies other than the Group's presentation currency of GBP. The Group forecasts these transactions over the medium term and enters into derivative contracts to mitigate the resulting foreign currency exchange risk, interest rate risk and commodity price risk. The Group's risk management strategy allows for hedge accounting when the derivatives meet the hedge accounting criteria as set out in SFRS(I) 9 as well as the Group's risk management objectives.

Non-deliverable forward contracts relating to commodity trades may be designated as hedging instruments in cash flow hedge relationships against forecast commodity purchases to mitigate commodity price risk associated with those transactions. Foreign currency forward contracts, foreign currency options & foreign currency denominated borrowings may be designated as hedging instrument in a cash flow hedge relationship against forecast foreign currency transactions to mitigate foreign currency exchange risk associated with those transactions.

In addition, the Group uses cross-currency interest rate swaps to hedge its foreign currency exchange risk associated with recognised borrowings. These instruments may be designated in both cash flow and fair value hedging relationships, or may be economic hedges of debt. The Group also manages foreign exchange risk on recognised borrowings using FX swaps. The Group utilises FX spot & FX swap contracts to manage operational requirements.

During the year ended 31 March 2025; the Group designated additional US Dollar bonds with a principal amount of \$1.0 billion in a cash flow hedge relationship against forecast US Dollar revenue between the periods 2028 to 2029.

The (loss)/gain on the derivatives that are not designated in hedging relationships, whose fair value movements are recognised in 'Foreign exchange (loss)/gain and fair value adjustments in the consolidated income statement, is as follows:

	Year ended	
	March 31, 2025	March 31, 2024
Commodity derivative contracts	(8)	(136)
Foreign currency derivative contracts	(47)	(138)
Interest rate derivative contracts	4	4
Total (loss)/gain	(51)	(270)

In all cases the Group uses a hedge ratio of 1:1. The critical terms of the derivative contracts are aligned with those of the hedged item. The Group allows a maximum hedging term of 5 years for forecast transactions. The Groups risk management policy allows for decreasing levels of hedging as the forecasting horizon increases.

A 10 per cent depreciation/appreciation in Sterling against the foreign currency underlying the contracts within the Group's derivative portfolio that are sensitive to changes in foreign exchange rates (including the impact to the fair value adjustment of foreign currency borrowings designated as the hedged item in a fair value hedge relationship, excluding UD Dollar bonds designated in a cash flow hedging relationship) would have resulted in the approximate additional (loss)/gain shown in the following table:

	As at	
	March 31, 2025	March 31, 2024
10% depreciation in Sterling against the foreign currency:		
In other comprehensive income	(1,744)	(1,473)
In the statement of profit or loss	326	390
10% appreciation in Sterling against the foreign currency:		
In other comprehensive income	1,433	1,245
In the statement of profit or loss	(266)	(319)

The following table sets out the change in the Group's exposure to interest rate risk as a result of cross-currency interest rate swaps:

Outstanding contracts	Foreign currency receivables average interest rate		Reporting currency payable average interest rate	
	2025 %	2024 %	2025 %	2024 %
< 1 year	4.5		SONIA+5.971	
Between 1-5 years		4.5		SONIA+5.587

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Cash flow hedges

The Group uses foreign currency options, foreign currency forwards contracts and recognised foreign currency borrowings as the hedging instrument in cash flow hedge relationships of hedged sales and purchases. The time value of options and the foreign currency basis spread of foreign exchange forward contracts are excluded from the hedge relationship and are recognised in other comprehensive income as a cost of hedging to the extent they relate to the hedged item (the aligned value). The Group also uses non-deliverable forward commodity contracts as hedging instruments in cash flow hedge relationships of some hedged commodity purchases. Additionally the Group uses cross-currency interest rate swaps as the hedging instrument of the foreign exchange risk of recognised foreign currency borrowings.

Changes in the fair value of foreign currency contracts and non-deliverable forward commodity contracts, to the extent determined to be an effective cash flow hedge, are recognised in the consolidated statement of comprehensive income, and the ineffective portion of the fair value change is recognised in the statement of profit or loss. The main sources of ineffectiveness are timing differences in the payment of the hedging instrument and hedged item and application differences in relation to discounting of the hedged item in comparison to the hedging instrument.

It is anticipated that the hedged sales will take place over the next 1 - 5 years, at which time the amount deferred in equity will be reclassified to revenue in statement of profit and loss.

It is anticipated that the hedged purchases will take place over the next 1 - 5 years at which time the amount deferred in equity will be included in the carrying amount of the raw materials. On sale of the finished product the amount previously deferred in equity and subsequently deferred in inventory will be reclassified to material and other cost of sales in statement of profit or loss.

The foreign currency borrowings designated as the hedged item mature in January 2026, at which time the amount deferred in equity will be reclassified to the consolidated statement of profit and loss.

The table below sets out the timing profile of the hedge accounted derivatives:

Outstanding contracts	Average strike rate		Nominal amounts		Carrying value assets / (liabilities)	
	March-25	March-24	March-25	March-24	March-25	March-24
Cash flow hedges of FX risk on forecast transactions						
Derivative instruments						
Sell - USD						
<1 year	0.7807	0.7699	3,018	3,862	26	(95)
Between 1-5 years	0.7814	0.7777	6,326	4,731	33	(45)
Sell - Chinese Yuan						
<1 year	0.1161	0.1150	2,420	2,815	167	116
Between 1-5 years	0.1155	0.1164	5,461	4,583	133	122
Buy - Euro						
<1 year	1.0955	0.9274	2,705	2,907	(19)	(14)
Between 1-5 years	1.0822	0.9453	895	1,149	(1)	(6)
Other currencies						
<1 year	-	-	970	956	101	45
Between 1-5 years	-	-	2,034	1,660	126	60
			23,829	22,663	566	183
Debt instruments						
Sell - USD						
<1 year	0.8920	-	624	-	(540)	-
Between 1-5 years	0.8845	0.8889	1,188	1,067	(1,128)	(952)
			1,812	1,067	(1,668)	(952)
Total cash flow hedges of foreign exchange risk on forecast transactions						
			25,641	23,730	(1,102)	(769)
Hedges of foreign exchange risk on recognised debt						
Cross currency interest rate swaps						
USD						
< 1 year	1.3000	-	100	-	2	-
Between 1-5 years	1.3000	1.3000	425	825	21	58
EUR						
< 1 year	0.8912	-	446	-	(43)	-
Between 1-5 years	-	0.8912	-	446	-	(55)
			971	1,271	(20)	3
Cash flow hedges of commodity price risk on forecast transactions						
Commodities						
< 1 year	-	-	536	-	9	-
Between 1-5 years	-	-	469	-	-	-
Total cash flow hedges of commodity price risk on forecast transactions						
			1,005	-	9	-

The line items in the statement of financial position that include the above derivative instruments are 'Other financial assets' and 'Other financial liabilities'.

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The following table sets out the effect of the Group's cash flow hedges on the financial position of the Group:

	(£ millions)	
	March 31, 2025	March 31, 2024
Fair value gain/(loss) of foreign currency derivative contracts recognised in hedging reserves	545	844
Fair value gain/(loss) of foreign currency borrowings recognised in hedging reserves	(22)	-
Fair value gain/(loss) of derivatives hedging foreign currency borrowings recognised in hedging reserves	4	(3)
Fair value gain of commodity swap derivative contracts recognised in hedging reserves	17	-
Gain/(loss) recognised in other comprehensive income in the year	544	841
Gain/(loss) reclassified from cash flow hedging reserve and recognised in 'Revenue' in the income statement	192	(54)
Gain reclassified from cash flow hedging reserve and recognised in 'Material and other cost of sales' in the income statement	5	-
Gain/(loss) reclassified from cash flow hedging reserve and recognised in 'Exchange (loss)/gain and fair value adjustments' in the income statement on account of forecast transactions no longer expected to occur	-	3
Gain/(loss) reclassified to profit and loss in the year	197	(51)
Net change in the hedged item used for assessing hedge effectiveness	383	801
Ineffectiveness recognised in the income statement in 'Exchange (loss)/gain and fair value adjustments'	(5)	-
(Loss)/gain on derivatives not hedge accounted, recognised in 'Foreign exchange gain/(loss) and fair value adjustments' in the statement of profit or loss	(55)	(138)

The Group uses cross currency interest rate swaps as the hedging instrument in a fair value hedge of foreign exchange and interest rate risks of foreign currency denominated debt. The derivatives convert USD and EUR fixed rate to GBP floating rate debt.

The fair value of the cross-currency interest rate swaps and cross-currency swaps, included in 'Derivatives and other financial instruments in a hedging relationship' in (A) are as follows:

	(£ millions)	
	March 31, 2025	March 31, 2024
Other financial assets - current	2	23
Other financial assets - non-current	25	40
Total financial assets	27	63
Other financial liabilities - current	43	55
Total financial liabilities	43	55

The following amounts have been recognised in relation to fair value hedges in the consolidated income statement:

	(£ millions)	
	March 31, 2025	March 31, 2024
Net gain in the hedged item used for assessing hedge effectiveness, taken to the consolidated income statement in 'Foreign exchange gain/(loss) and fair value adjustments'	12	19
Fair value changes in the derivative instruments used in assessing hedge effectiveness, taken to the consolidated income statement in 'Foreign exchange gain/(loss) and fair value adjustments'	7	(3)
Ineffectiveness recognised in the statement of profit or loss in 'Foreign exchange (loss)/gain and fair value adjustments.'	19	16

39. Capital management

The Group's objectives when managing capital are to ensure the going concern operation of all subsidiary companies within the Group and to maintain an efficient capital structure to support ongoing and future operations of the Group and to meet shareholder expectations.

The Group issues debt, primarily in the form of bonds and raises syndicated loans to meet anticipated funding requirements and maintain sufficient liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required.

The following table summarises the capital of the Group:

	(£ millions)	
	As at	
	March 31, 2025	March 31, 2024
Short-term borrowings	1,392	1,522
Long-term borrowings	3,099	3,718
Lease obligation	675	700
Total debts	5,166	5,940
Equity	8,435	6,579
Total capital	13,601	12,519

40. Segmental reporting

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

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

The geographic spread of sales and non-current assets (comprising Property, plant and equipment, Intangible assets and Right-of-use assets) is as disclosed below:

	(£ millions)					
	UK	US	China	Rest of Europe	Rest of World	Total
March 31, 2025						
Revenue	4,811	8,549	5,112	4,802	6,189	29,463
Non-current assets	12,138	47	99	740	286	13,310
March 31, 2024						
Revenue	5,066	6,530	5,477	5,396	7,119	29,588
Non-current assets restated	10,582	49	105	826	295	11,857

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41. Other Notes

On June 20, 2024, JLR completed the acquisition of a non-core subsidiary for cash payment of £72 million, resulting in goodwill of £40 million.

On March 28, 2025, JLR completed the disposal of a controlling stake in the same subsidiary for cash receipt of £77 million to an affiliate of Tata Motors Limited, the ultimate parent company. The gain on disposal net of transaction costs has been presented as exceptional item.

42. Subsequent events

1. In May 2025, the Company proposed and paid an ordinary interim dividend of £410 million to its parent company Tata Motors Limited.
2. Sale of subsidiary

At its meeting held on June 6, 2025, the Board of Directors approved, subject to requisite regulatory and other approvals, the sale of the Company's equity interests in its subsidiaries, Tata Daewoo Mobility Company Limited ("TDM") and PT Tata Motors Indonesia ("PT Indonesia"), along with their respective subsidiaries, to TML CV Holdings Pte. Ltd. Following the regulatory approvals, the Company intends to execute a Share Sale Agreement ("SSA") with TML CV Holdings Pte. Ltd. ("Purchaser") for the divestment of:

- a) TDM Group for a total consideration of KRW 415,033 million (equivalent to approximately GBP 223 million).
- b) PT Indonesia Group for a total consideration of IDR 26,662 million (equivalent to approximately GBP 1 million).