

Jaguar Land Rover India Limited
Financial Statements for year ended March 31, 2022
Along with Independent Auditors Report

INDEPENDENT AUDITOR'S REPORT**To the Members of Jaguar Land Rover India Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Jaguar Land Rover India Limited (the “Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes



Jaguar Land Rover India Limited

Independent Auditors' Report – 31 March 2022 (*continued*)

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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Jaguar Land Rover India Limited

Independent Auditors' Report – 31 March 2022 (*continued*)

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 29 to the financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or



Jaguar Land Rover India Limited
Independent Auditors' Report – 31 March 2022 (*continued*)

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The Company has neither declared nor paid any dividend during the year.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

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



Rishabh Kumar
Partner

Membership No. 402877
UDIN: 22402877AJIGOQ4085

Mumbai
20 May 2022

Annexure A to the Independent Auditors' report on the Financial Statements of Jaguar Land Rover India Limited for the year ended 31 March 2022

(Referred to in our report of even date)

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



Annexure A to the Independent Auditors' report on the Financial Statements of Jaguar Land Rover India Limited for the year ended 31 March 2022 (Continued)

or security and therefore the relevant provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have any liability in respect of Service Tax, Duty of Excise, Sales Tax and Value Added Tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable. We draw attention to note 29 to the financial statements which explains the matter regarding payment of provident fund contribution.

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

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

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Annexure A to the Independent Auditors' report on the Financial Statements of Jaguar Land Rover India Limited for the year ended 31 March 2022 (Continued)

Name of the statute	Nature of the dues	Amount (Rs. In Lakhs)	Amount not deposited under dispute (Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	3,774	3,583	2015-16	Jt. Commissioner of State tax (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	2,569	2,439	2016-17	Deputy Commissioner of Sales tax
Central Sales Tax Act, 1956	Central Sales Tax	749	712	2017-18	Jt. Commissioner of State tax (Appeal)
Value Added Tax Act, 2005	Value Added Tax	4	4	2015-16	Jt. Commissioner of State tax (Appeal)
Value Added Tax Act, 2005	Value Added Tax	580	550	2016-17	Deputy Commissioner of Sales tax
Value Added Tax Act, 2005	Value Added Tax	70	66	2017-18	Jt. Commissioner of State tax (Appeal)

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

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Annexure A to the Independent Auditors' report on the Financial Statements of Jaguar Land Rover India Limited for the year ended 31 March 2022 (Continued)

- (c) In our opinion and according to the information and explanations given to us by the management, no term loans have been obtained by the Company till 31 March 2022. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any short term / long term loans or borrowings from any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act). Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 188 of the Act where applicable. The details of the related party transactions have been disclosed in the financial statements as required under Ind AS 24 -Related Party disclosures, specified under the section 133 of the Act, read with relevant rules issued thereunder. The Company does not fall under the definition of the listed company or other class of companies which required to constitute an audit constitute under section 177(4)(iv) of the Act and hence the said section is not applicable to the Company.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.



Annexure A to the Independent Auditors' report on the Financial Statements of Jaguar Land Rover India Limited for the year ended 31 March 2022 (Continued)

- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) & (d) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

For B S R & Co. LLP

Chartered Accountants

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



Rishabh Kumar
Partner

Membership No. 402877

UDIN: 22402877AJIGOQ4085

Mumbai
20 May 2022

Annexure B to the Independent Auditors' report on the financial statements of Jaguar Land Rover India Limited for the period ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Jaguar Land Rover India Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the



Jaguar Land Rover India Limited

**Annexure B to the Independent Auditor's Report – 31 March 2022
(continued)**

design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

Mumbai
20 May 2022

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



Rishabh Kumar
Partner

Membership No. 402877
UDIN: 22402877AJIGOQ4085

Jaguar Land Rover India Limited

Balance Sheet

as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	290	466
Right-of-use assets	3a	12,526	13,451
Financial assets:			
Other financial assets	4a	242	153
Deferred tax assets (net)	9	1,934	-
Non-current tax assets (net)		-	680
Other non-current assets	8a	2,909	2,133
Total non-current assets		17,901	16,883
Current assets			
Inventories	5	15,635	16,112
Financial assets			
(i) Trade receivables	6	5,740	6,322
(ii) Cash and cash equivalents	7	21,027	22,396
(iii) Other financial assets	4b	81	443
Other current assets	8b	3,473	1,582
Total current assets		45,956	46,855
Total assets		63,857	63,738
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	28,025	28,025
Other equity	11	4,362	(9,008)
Total equity		32,387	19,017
Liabilities			
Non-current liabilities			
Financial liabilities:			
Lease liabilities	12a	7,813	9,593
Provisions	14b	970	1,028
Other non-current liabilities	15	107	864
Total non-current liabilities		8,890	11,485
Current liabilities			
Financial liabilities			
Lease liabilities	12b	2,391	2,051
Trade payables	16	-	7
- Due to micro and small enterprises		16,001	26,317
- Due to creditors other than micro and small enterprises		1,047	1,559
Other financial liabilities	13	45	21
Provisions	14a	321	-
Current tax liabilities (net)	17b	2,775	3,281
Other current liabilities	17	22,580	33,236
Total current liabilities		31,470	44,721
Total liabilities		63,857	63,738
Total equity and liabilities			

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

Rishabh Kumar

Partner

Membership No: 402877

Mumbai

20 May 2022

Rohit Suri

Managing Director

DIN - 03394169

Mumbai

20 May 2022

Binita Khory

Company Secretary

Membership No: A24829

Manali

20 May 2022

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

Rajiv Gupta

Director

DIN - 08090363

Mumbai

20 May 2022

Amita Karia

Director and Chief Financial Officer

DIN - 08266802

Mumbai

20 May 2022

Jaguar Land Rover India Limited

Statement of Profit and Loss

for the year ended 31 March 2022

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

	Note	Year ended 31 March 2022	Year ended 31 March 2021
(i) Revenue		136,367	108,974
(ii) Other operating revenue		12,907	8,881
Total revenue from operations	18	149,274	117,855
Other income	19	1,680	439
Total income		150,954	118,294
Expenses			
Purchase of products for sale		114,692	83,180
Changes in inventories of products for sale		477	11,119
Employee benefits expense	20	8,537	5,802
Finance cost	21	1,978	3,035
Depreciation	3&3a	1,893	2,068
Net foreign exchange losses		655	1,137
Other expenses	22	9,055	8,856
Total expenses		137,287	115,197
Profit before tax		13,667	3,097
Tax expense:			
Current tax	23	2,204	-
Deferred tax	23	(1,925)	(19)
		279	(19)
Profit for the year		13,388	3,116
Other comprehensive income			
(i) Items that will not be reclassified to Statement of Profit and Loss			
(a) Remeasurement gain/(loss) on defined benefit plans	25	(27)	53
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss		9	(19)
Total other comprehensive income/(loss) for the year (net of tax)		(18)	34
Total comprehensive profit for the year		13,370	3,150
Earnings per ordinary equity share of Rs. 10 each:			
Basic and diluted (in Rs.)	24	4.78	1.11

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

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



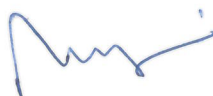
Rishabh Kumar

Partner

Membership No: 402877

Mumbai

20 May 2022



Rohit Suri

Managing Director

DIN - 03394169

Mumbai

20 May 2022


Binita Khory

Company Secretary

Membership No: A24829

Manali

20 May 2022

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



Rajiv Gupta


Director

DIN - 08090363

Mumbai

20 May 2022





Amita Karia

Director and Chief Financial Officer

DIN - 08266802

Mumbai

20 May 2022

Jaguar Land Rover India Limited

Statement of Changes in Equity for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

a) Equity share capital

	Amount
Balance as at 31 March 2020	28,025
Changes in equity share capital during the year	-
Balance as at 31 March 2021	28,025
Changes in equity share capital during the year	-
Balance as at 31 March 2022	28,025

b) Other equity

	Reserves and surplus	Item of other comprehensive income		Total other equity
	Retained earnings	Remeasurements of the defined benefit plans	Foreign currency translation reserve	
Balance as at 31 March 2020	(9,727)	30	(2,461)	(12,158)
Profit for the year	3,116	-	-	3,116
Other comprehensive income for the year (net of tax)	-	34	-	34
Total comprehensive profit for the year	3,116	34	-	3,150
Balance as at 31 March 2021	(6,611)	64	(2,461)	(9,008)
Profit for the year	13,388	-	-	13,388
Other comprehensive loss for the year (net of tax)	-	(18)	-	(18)
Total comprehensive profit for the year	13,388	(18)	-	13,370
Balance as at 31 March 2022	6,777	46	(2,461)	4,362

Nature and purpose of reserves :

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

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

Rishabh Kumar
Partner
Membership No: 402877

Mumbai
20 May 2022

For and on behalf of the Board of Directors of
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DIN - 08266802
Mumbai
20 May 2022

Jaguar Land Rover India Limited

Statement of cash flows

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before tax for the year	13,667	3,097
Adjustments for :		
Finance cost	1,978	3,035
Interest Income on fixed deposit recognised in profit and loss	(6)	(2)
Provision for contingency	(139)	199
Depreciation	1,893	2,068
Inventories provision written back	(61)	(1,180)
Gain on sale of property, plant and equipment (net)	(72)	(4)
Gain on modification of right-of-use assets (net)	-	(20)
Net unrealized foreign exchange loss	(49)	19
	<u>17,211</u>	<u>7,212</u>
Movements in working capital :		
Decrease/(Increase) in trade receivables	580	(5,155)
Decrease in inventories	538	12,299
Decrease in other financial assets	284	3,370
(Increase)/decrease in other assets	(2,667)	769
Decrease in trade payables	(10,274)	(2,115)
(Decrease)/increase in other financial liability	(512)	596
Increase in provisions	78	79
Decrease in contract liability	(1,193)	(4,900)
(Decrease)/increase in other liabilities	(70)	200
Cash generated from operations	<u>3,975</u>	<u>12,355</u>
Income taxes paid	(1,313)	(70)
Net cash generated by operating activities	<u>2,662</u>	<u>12,285</u>
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(105)	(48)
Proceeds from disposal of property, plant and equipment	216	47
Investment in fixed deposit	-	(100)
Net cash used in investing activities	<u>111</u>	<u>(101)</u>
Cash flows from financing activities		
Repayment of lease liabilities	(2,273)	(2,383)
Interest on lease liabilities	(1,358)	(1,572)
Interest on working capital	(510)	(1,463)
Net cash used in financing activities	<u>(4,141)</u>	<u>(5,418)</u>
Net increase in cash and cash equivalents	<u>(1,369)</u>	<u>6,766</u>
Cash and cash equivalents at the beginning of the year	<u>22,396</u>	<u>15,630</u>
Cash and cash equivalents at the end of the year (refer note 7)	<u>21,027</u>	<u>22,396</u>

Note:

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

As per our report of even date attached.

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

Rishabh Kumar
Partner
Membership No: 402877

Mumbai
20 May 2022

For and on behalf of the Board of Directors of
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DIN - 08266802
Mumbai
20 May 2022

Jaguar Land Rover India Limited

Notes to the financial statements

for the year ended 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

1 Corporate overview:

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

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

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

2 Significant Accounting Policies :

2.1.1.a Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. The financial statements were authorised for issue by the Company's Board of Directors on 20 May 2022.

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

2.1.1.b Going concern

The Company's financial statements have been prepared on a going concern basis. (Refer note. 34 for COVID related policies and disclosures).

2.1.2 Current–non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

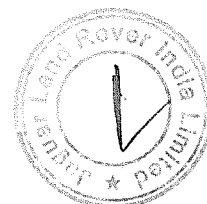
Liabilities

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

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

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

All other liabilities are classified as non-current.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.1.3 Operating cycle

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

2.2 Functional and presentation currency

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

2.3 Use of estimates and judgements

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

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

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

(a) Valuation of deferred tax assets

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

(b) Provisions and contingent liabilities

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

(c) Useful life of Property, plant and equipment

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

(d) Lease

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

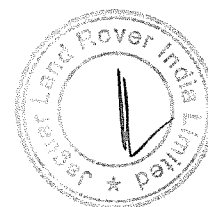
(e) Impairment

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

(f) Measurement of defined benefit obligation

Key actuarial assumptions explained under note 2.9.

Handwritten signature and date stamp.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.4 Revenue recognition

2.4.1 Sale of products

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

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

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

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

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

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

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

2.4.2 Sale of services

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

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

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

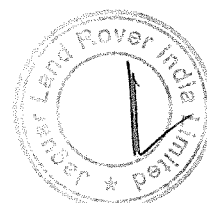
2.4.3 Other income

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

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

2.5 Cost recognition

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.6 Leases

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

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

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

2.6.1 Company as a lessee

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

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

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

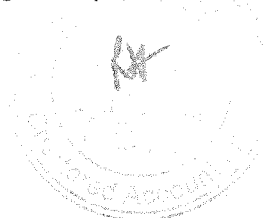
2.6.2 Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

2.7 Foreign currencies

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

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



Jaguar Land Rover India Limited

Notes to the financial statements (*Continued*) for the year ended 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (*Continued*)

2.8 Borrowing costs

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

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

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

2.9 Employee Benefits

2.9.1 Short-term employee benefits

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

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

2.9.2 Defined benefit plan

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

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

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

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

2.9.3 Defined contribution plan

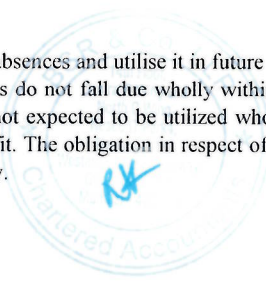
A defined contribution plan is a post employment benefit plan under which an entity pays specified contributions and has no obligation to pay any further amount.

Provident fund

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

2.9.4 Compensated absences

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.10 Income taxes

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

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

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

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

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

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

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

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

2.11 Earnings per share

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

2.12 Property plant and equipment

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

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

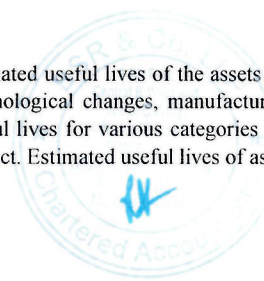
Subsequent expenditure is capitalised only if it is probable that their future economic benefits associated with the expenditure will flow to the Company.

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

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

2.13 Depreciation and amortisation

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.13 Depreciation and amortisation (Continued)

Vehicles - 4 years

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

Other vehicles - 4 years with 5% residual value

Plant and machinery - 7 to 10 years

Furniture and fixtures - 4 to 10 years

Computers - 3 years

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

2.14 Inventories

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

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

2.15 Cash and cash equivalents

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

2.16 Segment

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

2.17 Provisions and contingencies

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

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

2.18 Financial instruments

i) Classification, initial recognition and measurement

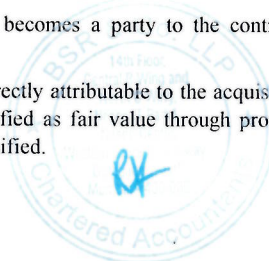
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

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

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.18 Financial instruments (Continued)

i) Classification, initial recognition and measurement (Continued)

The Company does not have any financial assets classified as fair value through profit or loss or fair value through other comprehensive income or financial liabilities classified as fair value through profit or loss.

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

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

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

ii) Determination of fair value:

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

iii) Derecognition of financial assets and financial liabilities:

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

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

iv) Offsetting

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

2.19 Impairment

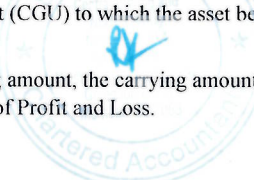
(i) Financial assets

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

(ii) Non-financial assets

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

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

2 Significant Accounting Policies: (Continued)

2.20 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

- i. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.
- ii. Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.
- iii. Ind AS 116 – Annual Improvements to Ind AS (2021) - The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 2023.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

3 Property, plant and equipment

	Plant and machinery	Own assets Furniture and fixture	Motor vehicles	Computers	Total
Gross carrying amount					
Gross carrying amount as at 31 March 2020	374	474	620	310	1,778
Additions	48	-	-	-	48
Disposals	-	-	(115)	-	(115)
Gross carrying amount as at 31 March 2021	422	474	505	310	1,711
Additions	-	-	-	105	105
Disposals	-	(8)	(373)	(88)	(469)
Gross carrying amount as at 31 March 2022	422	466	132	327	1,347

	Plant and machinery	Own assets Furniture and fixture	Motor vehicles	Computers	Total
Accumulated depreciation					
Accumulated depreciation as at 31 March 2020	221	304	313	255	1,093
Depreciation charge for the period	61	40	90	33	224
Disposals	-	-	(72)	-	(72)
Accumulated depreciation as at 31 March 2021	282	344	331	288	1,245
Depreciation charge for the period	61	40	5	31	137
Disposals	-	(8)	(229)	(88)	(325)
Accumulated depreciation as at 31 March 2022	343	376	107	231	1,057

	Plant and machinery	Own assets Furniture and fixture	Motor vehicles	Computers	Total
Net carrying amount					
As at 31 March 2021	140	130	174	22	466
As at 31 March 2022	79	90	25	96	290



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

3a Right-of-use assets

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

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

The weighted average incremental borrowing rate of 10.36% have been applied to lease liabilities recognised in the balance sheet at the date of initial application.

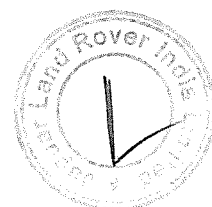
The following amounts are recognised in the Statement of Profit and Loss :	31 March 2022	31 March 2021
Interest expense on lease liabilities	1,358	1,572
Expenses related to short-term leases	491	349
Gains or losses arising from disposal including variable gain	-	(20)
	1,849	1,901
The following amounts are included in the Balance Sheet :		
Current lease liabilities	2,391	2,051
Non-current lease liabilities	7,813	9,593
Total lease liabilities	10,204	11,644

The total cash outflow for leases (including interest on finance lease) is Rs. 3,631 Lakhs and Rs. 3,955 Lakhs for the years ended 31 March 2022 and 2021, respectively.

	Land	Building		Warehouse	Vehicles	Plant and machinery	Computers	Total
		Residential	Commercial					
Gross carrying amount of right-of-use assets								
As at 31 March 2020	1,739	49	1,449	322	167	13,607	76	17,409
Disposals	-	(49)	-	-	(55)	-	-	(104)
As at 31 March 2021	1,739	-	1,449	322	112	13,607	76	17,305
Addition	-	-	831	-	-	-	-	831
As at 31 March 2022	1,739	-	2,280	322	112	13,607	76	18,136

	Land	Building		Warehouse	Vehicles	Plant and machinery	Computers	Total
		Residential	Commercial					
Accumulated depreciation								
As at 31 March 2020	348	25	455	258	65	918	15	2,084
Depreciation charge for the year	348	11	440	64	48	918	15	1,844
Disposals	-	(36)	-	-	(38)	-	-	(74)
As at 31 March 2021	696	-	895	322	75	1,836	30	3,854
Depreciation charge for the year	348	-	463	-	12	918	15	1,756
As at 31 March 2022	1,044	-	1,358	322	87	2,754	45	5,610

	Land	Building		Warehouse	Vehicles	Plant and machinery	Computers	Total
		Residential	Commercial					
Net carrying amount of right-of-use assets								
As at 31 March 2021	1,043	-	554	-	37	11,771	46	13,451
As at 31 March 2022	695	-	922	-	25	10,853	31	12,526



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2022	31 March 2021
4 Other financial assets (unsecured, considered good)		
(a) Non current		
Security deposits	135	51
Restricted deposit	107	102
Total	242	153
Note: Restricted deposit is held in relation to performance guarantee given for vehicles sold.		
(b) Current		
Security deposits	81	443
Total	81	443
5 Inventories		
Inventories (at lower of cost and net realisable value)		
Vehicles	2,924	2,810
Spare parts and accessories	6,370	5,235
Goods-in-transit		
Vehicles	3,727	5,651
Spare parts and accessories	2,614	2,416
Total	15,635	16,112

The cost of inventories recognised as an expense includes credit of Rs. 61 lakhs (Previous year: credit of Rs. 1,180 lakhs) in respect of write-down of inventories to net realisable value.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

31 March 2022 31 March 2021

6 Trade receivables (Unsecured) Considered good

Total

5,740 6,322

5,740 6,322

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

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total	Unbilled (part of not due)
Undisputed Trade receivables – considered good	2,748	2,931	-	-	-	61	5,740	2,471
	2,748	2,931	-	-	-	61	5,740	2,471
Undisputed Trade receivables – considered good	4872	1366	9	-	-	75	6,322	1398
	4,872	1,366	9	-	-	75	6,322	1,398

7 Cash and cash equivalents

31 March 2022 31 March 2021

Balances with banks in current accounts

21,027 22,396

Cash and cash equivalents

21,027 22,396



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2022	31 March 2021
8 Other assets (unsecured, considered good)		
(a) Non-current		
Balances with government authorities (custom duty, VAT, CST)	2,909	2,133
	<u>2,909</u>	<u>2,133</u>
(b) Current		
Advances to employees	20	7
Prepaid expenses	60	41
Balances with government authorities (custom duty, VAT, CST)	122	72
GST receivable	2,353	1,344
Advances paid to :		
Vendors	862	75
Prepaid gratuity	-	16
Other current assets	56	27
	<u>3,473</u>	<u>1,582</u>



Jaguar Land Rover India Limited

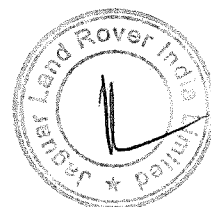
Notes to the financial statements (*Continued*)

as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2022	31 March 2021
9 Deferred tax assets (net)		
Deferred tax liabilities		
Property, plant and equipment and right-of-use assets	635	424
	<u>635</u>	<u>424</u>
Deferred tax assets		
Provision for contingencies	251	300
Provision - employee benefits	78	32
Business loss and unabsorbed depreciation carried forward	-	92
Minimum Alternate Tax credit	2,240	-
	<u>2,569</u>	<u>424</u>
Net deferred tax (Refer note 23 (c))	<u>1,934</u>	<u>-</u>

With effect from 20 September 2019, the Central Government has inserted section 115BAA in the Income tax Act, 1961 vide the Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance") giving an option to domestic companies to opt for a lower corporate tax rate subject to fulfilment of certain conditions as specified in the Ordinance. Basis the evaluation of the said conditions and having regard to the current business projections and the availability of tax losses and MAT credit, the Company has decided to continue to be covered under the old tax regime pursuant to which corporate tax rate for FY 21-22 will continue to be applicable at 34.944% and at 17.472% under MAT (Minimum Alternate Tax), both rates being inclusive of surcharge and cess.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

31 March 2022 31 March 2021

10 Equity share capital

Authorised share capital

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

Issued, subscribed and fully paid up

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

28,025 28,025

10.1 Movement of number of shares and share capital :

	31 March 2022		31 March 2021	
	Number of shares	Amount in lakhs	Number of shares	Amount in lakhs
Equity shares:				
Balance as at the beginning of the year	280,250,000	28,025	280,250,000	28,025
Movement during the year	-	-	-	-
Balance as at the end of the year	<u>280,250,000</u>	<u>28,025</u>	<u>280,250,000</u>	<u>28,025</u>

10.2 Rights attached to equity shares

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

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

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

	31 March 2022		31 March 2021	
	Fully paid ordinary shares	% of holding	Fully paid ordinary shares	% of holding
Jaguar Land Rover Limited, United Kingdom	280,250,000	100%	280,250,000	100%

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2022	31 March 2021
11 Other equity		
Currency translation reserve	(2,461)	(2,461)
Retained earnings	6,777	(6,611)
Other comprehensive income	46	64
	<u>4,362</u>	<u>(9,008)</u>
11.1 Currency translation reserve		
Balance at the beginning and at the end of the year	(2,461)	(2,461)
11.2 Item of other comprehensive income		
Balance at the beginning of the year	64	30
Other comprehensive (income)/loss arising from remeasurement of defined benefit obligation, net of income tax	(18)	34
Balance at the end of the year	<u>46</u>	<u>64</u>
11.3 Retained earnings		
Balance at the beginning of the year	(6,611)	(9,727)
Profit for the year	13,388	3,116
Balance at the end of the year	<u>6,777</u>	<u>(6,611)</u>



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2022

All amounts are in Rs lakhs unless otherwise stated

	31 March 2022	31 March 2021
12 Lease liabilities		
(a) Non-current lease liabilities (unsecured)	7,813	9,593
	<u>7,813</u>	<u>9,593</u>
(b) Current lease liabilities (unsecured)	2,391	2,051
	<u>2,391</u>	<u>2,051</u>
Note: Movement in lease liabilities		
Balance as at the beginning of the year	11,644	14,078
Add: addition during the year	831	-
Add: interest expenses	1,358	1,572
Less: disposal during the year	-	(34)
Less: variable gain on lease discount	-	(17)
Less: payment made during the year	(3,631)	(3,955)
Balance as at the end of the year	<u>10,204</u>	<u>11,644</u>



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2022	31 March 2021
13 Other financial liabilities		
Unsecured (unamortised cost)		
Current		
Security deposit from dealers	-	288
Bonus and other payable to employees	1,047	1,042
Security deposit for premises	-	229
Total	1,047	1,559
14 Provisions		
Gratuity	11	-
Compensated absence	287	193
Provisions for contingencies (refer note below)	717	856
Total	1,015	1,049
(a) Current		
Gratuity (refer note 26)	11	-
Compensated absence	34	21
	45	21
(b) Non-current		
Compensated absence	253	172
Provisions for contingencies (refer note below)	717	856
	970	1,028
Total	1,015	1,049
Note: Movement in provisions for contingencies		
Balance as at the beginning of the year	856	657
Provision made during the year	-	199
Paid during the year	(11)	-
Reversed during the Year	(128)	-
Balance as at the end of the year	717	856

Current year - Provision for contingencies of Rs. Nil.

Previous year - Rs. 199 lakhs represents provision made against Sales tax refund and provision made for claims made by certain dealers towards potential waiver of certain agreed cost recovered by the Company from dealers.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

31 March 2022 31 March 2021

15 Other non-current liabilities

Contract liabilities (refer note 31.3)	107	864
	<u>107</u>	<u>864</u>

Note :

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

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

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

16 Trade payables

Due to micro and small enterprises	-	7
Due to creditors other than micro and small enterprises*	16,001	26,317
	<u>16,001</u>	<u>26,324</u>

* Includes accrual for variable marketing expense and variable retail margin expense Rs. 1,729 lakhs (Previous year - Rs. 4,962 lakhs)

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

Particulars	Unbilled	Not past due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	-	-	-	-	-	-
(ii) Undisputed dues - Others	6,873	6,065	2,728	67	154	114	16,001
	<u>6,873</u>	<u>6,065</u>	<u>2,728</u>	<u>67</u>	<u>154</u>	<u>114</u>	<u>16,001</u>
(i) Undisputed dues - MSME	-	7	-	-	-	-	7
(ii) Undisputed dues - Others	14,459	8,104	3,476	158	10	110	26,317
	<u>14,459</u>	<u>8,111</u>	<u>3,476</u>	<u>158</u>	<u>10</u>	<u>110</u>	<u>26,324</u>

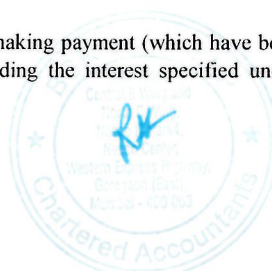
Note:

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

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

(a) Amounts outstanding but not due	-	7
(b) Amounts due but unpaid - Principal	-	-
(c) The amounts of payments made to micro and small suppliers beyond the appointed day during the year	36	28
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	1	-
(e) Amount of interest accrued and unpaid*	-	-

* The amount is below rounding off limit in lakhs



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) as at 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2022	31 March 2021
17 Non-current tax assets		
(a) Non-current tax assets		
Advance tax paid (net of provision)	-	680
	<u>-</u>	<u>680</u>
(b) Current tax liabilities		
Income-tax payable (net of advance tax)	321	-
	<u>321</u>	<u>-</u>
17 Other current liabilities		
Contract liabilities (refer note 31.3)	2,374	2,810
Statutory dues (withholding taxes, PF, PT)	293	324
GST liability	108	147
	<u>2,775</u>	<u>3,281</u>



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2022	Year ended 31 March 2021
18 Revenue from operations		
(a) Sale of products		
- Sale of vehicles	113,614	90,146
- Sale of spare parts and accessories	21,510	17,676
Total sale of products	135,124	107,822
(b) Sale of services (includes composite supply)	1,243	1,152
Total revenue from Operations	136,367	108,974
(c) Other operating revenues (refer note below)	12,907	8,881
Total	149,274	117,855

Note: Other operating revenues pertains to services provided to group companies.

19 Other income

Interest on delayed payments by dealers	9	147
Commission income	485	149
Other non-operating income		
- Liability no longer required written back	372	6
- Others (includes license income, interest income on fixed deposit)	814	137
Total	1,680	439



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2022	Year ended 31 March 2021
20 Employee benefits expense		
Salaries	7,995	5,455
Contribution to provident and other funds	542	347
	<u>8,537</u>	<u>5,802</u>

21 Finance costs		
Interest on lease liabilities	1,358	1,572
Interest on working capital (refer note below)	510	1,463
Interest on current tax	110	-
	<u>1,978</u>	<u>3,035</u>

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

22 Other expenses		
Power and fuel	5	6
Rent	506	375
Repairs to building	17	13
Repairs to others	25	10
Insurance	142	116
Travelling and conveyance	125	43
Printing and stationery	11	14
Legal, professional and consultancy [net of reimbursement of expenses - Rs. 34 Lakhs (Previous year - Rs. 9 Lakhs)]	1,382	1,001
IT and communications [net of reimbursement of expenses - Rs. 80 Lakhs (Previous year - Rs. 82 Lakhs)]	1,173	673
Office running costs [net of reimbursement of expenses - Rs. 73 Lakhs (Previous year - Rs. 44 Lakhs)]	130	3
Warranty expenses	4,069	4,297
Marketing expenses	1,148	1,893
Homologation expenses	127	132
Training [net of reimbursement of expenses - Rs. 253 Lakhs (Previous year - Rs. 233 Lakhs)]	62	48
Auditor's remuneration (refer note below)	41	39
Corporate social responsibility expenses	-	-
Others	92	193
Total	<u>9,055</u>	<u>8,856</u>

Note: Auditor's remuneration :

a) Statutory audit	30	30
b) Taxation matters	5	5
c) Other services	2	-
d) Reimbursement of expenses	4	4
	<u>41</u>	<u>39</u>



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

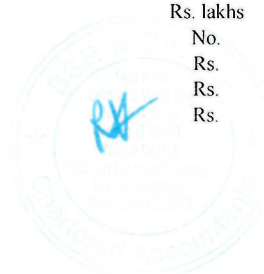
	Year ended 31 March 2022	Year ended 31 March 2021
23 Income taxes		
(a) Income taxes recognised in the Statement of Profit and Loss:		
Current tax		
In respect of the current year	2,204	-
	<u>2,204</u>	<u>-</u>
Deferred tax		
In respect of the current year	(1,925)	(19)
	<u>(1,925)</u>	<u>(19)</u>
Total income tax expense recognised	<u>279</u>	<u>(19)</u>
(b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	13,667	3,097
Income tax expense computed using statutory rate (@ 34.944%)	4,776	1,082
Expenses not deductible for tax purposes	1	1
Recognition of unrecognised tax losses and unabsorbed depreciation	-	(92)
Effect of unrecognised tax losses and unabsorbed depreciation	(3,058)	(979)
MAT credit	(1,442)	-
Others	2	(31)
Income tax expense recognised in the Statement of Profit and Loss	<u>279</u>	<u>(19)</u>
(c) Movement of deferred tax balance:		

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

	Net balance 1 April 2020	Recognised in Statement of Profit and Loss	Recognised in OCI	Net balance 31 March 2021
Deferred tax liability				
Property, plant and equipment and right-of-use assets	241	183	-	424
	<u>241</u>	<u>183</u>	<u>-</u>	<u>424</u>
Deferred tax asset				
Provision for contingencies	222	78	-	300
Provision - employee benefits	19	32	(19)	32
Business loss and unabsorbed depreciation carried forward	-	92	-	92
	<u>241</u>	<u>202</u>	<u>(19)</u>	<u>424</u>
Deferred tax asset (net)	<u>-</u>	<u>19</u>	<u>(19)</u>	<u>-</u>

24 Earnings per share

Profit after tax	Rs. lakhs	13,388	3,116
Weighted average number of equity shares	No.	280,250,000	280,250,000
Nominal value per equity share	Rs.	10	10
Earnings per equity share (Basic)	Rs.	4.78	1.11
Earnings per equity share (Diluted)	Rs.	4.78	1.11



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

25 Employee benefit plan

Defined benefit plan

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

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

Days considered per Month-

Workers - 26 Days

Supervisors and managers - 30 Days

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

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

	31 March 2022	31 March 2021
Discount rate(s)	7.10%	6.90%
Expected rate(s) of salary increase	10%	10%
The mortality rates considered are as per Indian Assured Lives Mortality (2006-08) (Modified) Ultimate Tables.		
Expected rate of return on plan assets	7.10%	6.90%

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

	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	91	71
Net interest (income) / cost	(4)	(2)
Components of defined benefit costs recognised in the Statement of Profit and Loss	87	69
Remeasurement on the net defined benefit liability :		
Actuarial gains arising from changes in financial assumptions	(8)	-
Actuarial (gains)/losses arising from experience adjustments	35	(53)
Components of defined benefit costs recognised in other comprehensive income	27	(53)

The amount included in the balance sheet is as follows:

	31 March 2022	31 March 2021
Present value of funded defined benefit obligation	(486)	(347)
Fair value of plan assets	475	363
Net asset	(11)	16

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

	Year ended 31 March 2022	Year ended 31 March 2021
Opening defined benefit obligations	347	324
Current service cost	91	71
Interest cost	24	21
Remeasurement (gains)/losses :		
Actuarial gains arising from changes in financial assumptions	(8)	-
Actuarial (gains)/losses arising from experience adjustments	36	(40)
Liabilities extinguished as settlements	(4)	(29)
Closing defined benefit obligation	486	347



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

25 Employee benefit plan (Continued)

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

	Year ended 31 March 2022	Year ended 31 March 2021
Opening fair value of plan assets	363	356
Interest income	28	23
Remeasurement gains/(losses) :		
Return on plan assets (excluding amounts included in net interest expense)	1	13
Contribution from the employer	87	-
Assets distributed on settlements	(4)	(29)
Closing fair value of plan assets	475	363
Value of assets by class		
Asset category:		
Cash and cash equivalents	3.9%	8.2%
Debt instruments (quoted)	64.5%	62.7%
Equity instruments (quoted)	7.7%	5.7%
Deposits with insurance companies	23.9%	23.4%
Total	100%	100%

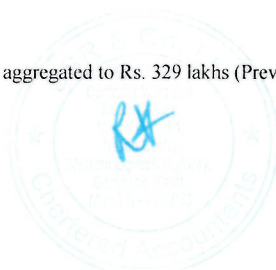
	Year ended 31 March 2022	Year ended 31 March 2021
(a) Assumption sensitivity's		
Discount rate sensitivity		
One percent decrease in discount rate		
Change in defined benefit obligations	43	30
Change in gross service cost	15	10
Change in net interest cost	17	12
One percent increase in discount rate		
Change in defined benefit obligations	(37)	(26)
Change in gross service cost	(12)	(8)
Change in net interest cost	(15)	(11)
Salary decrease/increase sensitivity		
One percent decrease in salary escalation rate		
Change in defined benefit obligations	(35)	(24)
Change in gross service cost	(12)	(8)
Change in net interest cost	(15)	(10)
One percent increase in salary escalation rate		
Change in defined benefit obligations	40	28
Change in gross service cost	14	9
Change in net interest cost	18	12

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

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

- (b) The estimated contribution expected to be paid is Rs. 35 lakhs (Previous year. Rs. 27 lakhs)
- (c) The assumptions of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) **Defined contribution plan - Provident Fund**

The Company's contribution to the defined contribution plan aggregated to Rs. 329 lakhs (Previous year: Rs 225 lakhs) for the year ended 31 March 2022.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

26 Capital management

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

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

	31 March 2022	31 March 2021
Non-current portion of lease obligations	7,813	9,593
Current portion of lease obligations	2,391	2,051
Adjusted net debt	10,204	11,644
Total equity as reported in the balance sheet	32,387	19,017
Less : Currency translation reserve	(2,461)	(2,461)
Equity excluding currency translation reserve	34,848	21,478
Adjusted net debt to adjusted equity ratio	0.29	0.54

26.1 Disclosure on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.20 to the financial statements.

26.2 Categories of financial instruments

	31 March 2022	31 March 2021
Financial assets		
Measured at amortised cost		
(a) Cash and cash equivalents	21,027	22,396
(b) Trade receivables	5,740	6,322
(c) Other non-current financial assets	242	153
(d) Other current financial assets	81	443
Total	27,090	29,314
Financial liabilities		
Measured at amortised cost		
(a) Trade payables	16,001	26,324
(b) Lease liabilities (current and non-current)	10,204	11,644
(c) Other current financial liability	1,047	1,559
Total	27,252	39,527



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

26 Capital management (Continued)

26.3 Foreign currency exchange rate risk

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

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

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

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

Assets	31 March 2022	31 March 2021
Currency - GBP	4,727	3,922

Liabilities	31 March 2022	31 March 2021
Currency - GBP	7,506	10,831
Currency - USD	15	79
Currency - EUR	-	10

As at 31 March 2022 and 31 March 2021 every 10% increase / decrease in exchange rates of the respective foreign currencies compared to functional currency of the company would result in increase / decrease in loss of the Company by approximately Rs. 286 lakhs and Rs. 700 lakhs.

26.4 Credit risk

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

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 6,063 lakhs as of 31 March 2022, Rs. 6,918 lakhs as of 31 March 2021, being the total of the carrying amount of balances with trade receivables and other financial assets.

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

26.5 Liquidity risk

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

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

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

	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total contractual cash flow
31 March 2022						
(a) Trade payables	16,001	16,001	-	-	-	16,001
(b) Lease liabilities (current and non-current)	10,204	3,210	8,413	951	-	12,574
(c) Other current financial liabilities	1,047	1,047	-	-	-	1,047
31 March 2021						
(a) Trade payables	26,324	26,324	-	-	-	26,324
(b) Lease liabilities	11,644	3,369	3,140	8,378	-	14,887
(c) Other current financial liabilities	1,559	1,559	-	-	-	1,559



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

27 Related party transactions

Name of the Company / Key Management Personnel	Nature of relationship
Tata Motors Limited	Ultimate Parent Company
Jaguar Land Rover Limited	Parent Company
Jaguar Land Rover Limited (Dubai branch)	Fellow Subsidiary
Tata Sons Limited	Investor holding significant influence in ultimate parent company
TML Business Service Limited (earlier Concorde Motors (India) Limited)	Fellow Subsidiary
Tata Motors Passenger Vehicle Limited (formerly known as TML Business Analytics Services Limited)	Fellow Subsidiary
Tata Technologies Limited	Fellow Subsidiary
Tata AIG General Insurance Company Limited	Subsidiary of Tata sons
Spark44 Demand Creation Partners Pte Ltd (Mumbai)	Fellow Subsidiary (Associate till 31 August 2017)
Tata Teleservices Limited	Joint Venture (JV) of Tata sons

Key Management Personnel (KMP)

Mr. Rohit Suri	Managing Director
Ms. Amita Karia	Director and Chief Financial Officer
Mr. Rajiv Gupta	Director
Mr. Govind Patil	Director
Ms. Binita Khory	Company Secretary

Transactions with related parties*

		Key Management Personnel	Ultimate Parent Company	Parent Company	Fellow Subsidiaries	Subsidiaries and JV of Tata sons
Services received	Current year	-	-	-	249	241
	Previous year	-	64	-	202	483
Services rendered	Current year	-	1	12,874	-	-
	Previous year	-	-	8,882	-	-
Reimbursement of expenses	Current year	-	-	80	-	-
	Previous year	-	-	235	-	-
Expenses incurred on behalf of the Company	Current year	-	161	701	72	-
	Previous year	-	187	584	-	-
Warranty reimbursement	Current year	-	-	-	-	-
	Previous year	-	-	-	-	-
Purchase of fixed assets - vehicles	Current year	-	-	-	-	-
	Previous year	-	-	-	-	-
Purchase of vehicles	Current year	-	48,020	27,001	20,938	-
	Previous year	-	51,333	23,005	-	-
Purchase of spare parts and accessories	Current year	-	-	15,427	-	-
	Previous year	-	-	11,354	-	-
Re-export of spares	Current year	-	-	456	-	-
	Previous year	-	-	961	-	-
Purchase of custom licenses	Current year	-	-	-	-	-
	Previous year	-	-	-	-	-
Payment of lease liability (including interest)	Current year	-	2,595	-	831	-
	Previous year	-	3,677	-	-	-
Interest on working capital	Current year	-	54	-	456	-
	Previous year	-	1,463	-	-	-
Remuneration paid to KMP (refer note below)						
- Managing Director	Current year	266	-	-	-	-
	Previous year	215	-	-	-	-
- Directors	Current year	240	-	-	-	-
	Previous year	218	-	-	-	-
The following balances were outstanding at the end of the year						
Amount receivable	31 March 2022	-	62	5,508	-	-
	31 March 2021	-	380	6,160	-	-
Amount payable	31 March 2022	-	10	7,508	13,781	2
	31 March 2021	-	18,084	10,889	161	45

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

*Transactions are inclusive of taxes wherever applicable.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

28 Segment reporting

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

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

Information about major customers:

Included in revenue from operations arising from sale of products and sale of services of Rs. 136,367 lakhs (Previous year: Rs. 108,974 lakhs) (refer note 18 (a) and (b)) are revenues of approximately Rs. 34,291 lakhs (Previous year: Rs. 19,656 lakhs) which arose from sales to the Company's largest external customer, exceeding 10% of aforesaid revenue from operations. No other external customer contributed 10% or more to the Company's revenue for FY 2021-22.

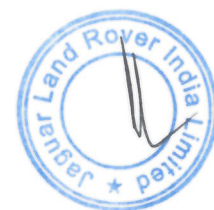
29 Contingent liabilities

	31 March 2022	31 March 2021
Claims against the Company not acknowledged as debts	2,398	2,102
	<u>2,398</u>	<u>2,102</u>

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

- (a) The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims and potential claims as at 31 March 2022 of Rs. 2,398 lakhs (Previous year: Rs. 2,102 lakhs) against the Company which management has not recognised as they are not considered probable. These claims and potential claims pertain to motor accident claims, consumer complaints, replacement of parts of vehicles and/or compensation for deficiency in the services by the Company or its dealers.
- (b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending the directions from the EPFO, the liability for past periods, if any, towards the International employees then employed by the Company and subcontractors engaged by it, is not ascertainable reliably. Consequently, no financial effect has been provided for in the financial statements for such international employees as well as subcontractors, prior to the SC order. The Company has complied with the clarifications of the SC on a prospective basis, from the date of the SC order and paid basic amount of Rs. 42 Lakhs for the period 1 March 2019 till 30 June 2020 and taken provision of Rs. 30 lakhs for Interest and damages as per demand which will be paid subsequently in FY 2022-23. Effective 1 July 2020, the Company has started regularly paying such PF amount.



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

30 Revenue from contracts with customers

30.1 Revenue from operations

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

30.2 Disaggregation of revenue

Considering the nature, amount and timing of revenue and cash flows, the Company determines that its revenue from operations would fall in single category as per the requirements of Ind AS 115. Further, refer Note 29 on Segment reporting, where the Company has disclosed that for the purposes of Ind AS 108, its operations constitute single operating segment.

30.3 Details of contract balances

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

	Year ended 31 March 2022	Year ended 31 March 2021
Contract liabilities	2,481	3,674
Contract liabilities comprises -		
Advance received from customers (current)	1,617	1,567
Deferred revenue arising from service plans (non-current)	107	864
Deferred revenue arising from service plans (current)	757	1,243
Total	2,481	3,674

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

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

Contract liabilities

Contract liabilities at the beginning of the reporting period	3,674	8,574
Revenue recognised that was included in the contract	(1,243)	(1,152)
Other changes	50	(3,748)
Contract liabilities at the end of the reporting period	<u>2,481</u>	<u>3,674</u>

30.4 Performance obligations

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

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

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

30.5 Transaction price

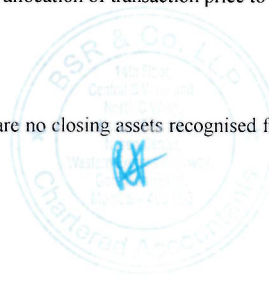
There is no remaining performance obligation for any contract for which revenue has been recognised till period end.

30.6 Significant judgements in the application of this Standard

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

30.7 Cost to obtain contract or fulfil a contract

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

31 Corporate Social Responsibility (CSR)

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

Amount spent during the year on:

Particulars	31 March 2022			31 March 2021		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
(i) Construction/acquisition of any assets	-	-	-	-	-	-
(ii) CSR Programs	-	-	-	-	-	-
(iii) Other expenses allowed under CSR	-	-	-	-	-	-
Total	-	-	-	-	-	-



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

32 Ratios

Particulars	Year ended March 31,		Change	Reason for change
	2022	2021		
Current ratio (number of times) [Current assets (excluding Assets classified as held for sale) / Current liabilities (excluding Liabilities directly associated with Assets Classified as Held For Sale)]	2.04	1.41	44%	Due to reduction in trade payable as compared to previous year, ratio has improved
Debt-equity ratio [Total Debt(i)/ Shareholders' Equity(ii)]	NA	NA	NA	Not applicable
Debt Service Coverage Ratio [(Profit/(loss) before exceptional items and tax+Interest on Borrowings) / (Interest on Borrowings + Repayment of Borrowings)]	NA	NA	NA	Not applicable
Return on Equity ratio [Net profit after tax / Average shareholders' equity]	0.52	0.18	188%	Due to higher revenue and favourable exchange rate, ratio has improved.
Inventory turnover ratio (Number of Times) [Raw material consumed(iv) / average inventory(v)]	7.26	4.35	67%	Due to reduction in Average inventory as compared to previous year, ration has improved.
Trade receivables turnover ratio (Number of Times) [Revenue from operations / Average Trade receivables]	24.75	31.47	-21%	Due to increase in revenue, ratio has decreased.
Trade payables turnover ratio (Number of Times) [Net credit purchases / Average Trade payables]	5.42	3.04	78%	Reduction in average trade payable due to payment to major creditors and reduction in year end accruals.
Net capital turnover ratio [Revenue from operations / Working capital(iii)]	6.39	8.65	-26%	Due to reduction in current liabilities, ratio has decreased.
Net profit ratio [Net profit after tax / Revenue from continuing operations]	8.96%	2.67%	235%	Due to increase in revenue and favourable exchange rate, ratio has improved.
Return on capital employed [Profit before interest and tax / Capital employed(vi)]	0.42	0.16	159%	Due to increase in revenue and favourable exchange rate, ratio has improved.
Return on investment [Net profit after tax / Average investments]	NA	NA	NA	Not applicable

Notes:

(i) Total debts includes non current and current borrowings

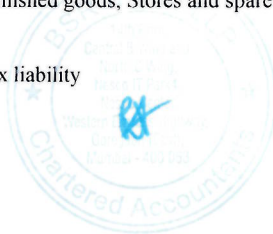
(ii) Equity = Equity share capital + Other equity

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

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

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

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



Jaguar Land Rover India Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

33 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return (30 November 2022). The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

34 Estimation of uncertainties related to global health pandemic from COVID-19:

The World Health Organisation in February 2020 declared COVID 19 as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's offices and warehouses had to be closed down/operate under restrictions in the initial months during the year. More recently, the second wave of the pandemic has impacted India significantly. The Company is monitoring the situation closely taking into account directives from the Government.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements including but not limited to its assessment of liquidity and going concern, the assessment of recoverable values of its property, plant and equipment, right-of-use assets and the net realisable values of other assets. However, given the effect of these lockdowns on the overall economic activity in India and in particular on the automotive industry and the Company's customers, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

35 Other information

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

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

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

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

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

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

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

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

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



Jaguar Land Rover India Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

All amounts are in Rs. lakhs unless otherwise stated

36 Transactions with struck off companies

Jaguar Land Rover India Limited has not entered in to any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the financial year 2021-22.

37 Subsequent events

The Company has evaluated all events and transactions that occurred after 31 March 2022 till the date of issue of these financial statements. During this period, the Company did not have any material recognisable subsequent event.

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

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

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


Rishabh Kumar

Partner

Membership No: 402877

Mumbai

20 May 2022

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


Rohit Suri

Managing Director

DIN - 03394169

Mumbai

20 May 2022


Binita Khory

Company Secretary

Membership No: A24829

Manali

20 May 2022


Rajiv Gupta

Director

DIN - 08090363

Mumbai

20 May 2022


Amita Karia

Director and Chief Financial Officer

DIN - 08266802

Mumbai

20 May 2022

