

# TATA MOTORS

68<sup>th</sup> Annual Report 2012-13



# CONTENTS



## CORPORATE OVERVIEW

- 02** Corporate Information
- 03** Mission, Vision and Values
- 04** Chairman's Statement
- 08** Board of Directors
- 12** Delivering Experiences
- 14** Key Performance Indicators
- 16** Products and Brands
- 18** Global Presence
- 20** Milestones
- 22** Driving Accountability
- 24** Focusing on Customers & Products
- 26** Emphasising Excellence
- 28** Delivering with Speed
- 30** Sustainability
- 34** Awards and Achievements

## FINANCIAL HIGHLIGHTS

- 36** Financial Performance
- 40** Summarised Balance Sheet and Statement of Profit and Loss Standalone
- 42** Summarised Balance Sheet and Statement of Profit and Loss Consolidated
- 44** Fund Flow Statement

## STATUTORY REPORTS

- 45** Notice
- 52** Directors' Report
- 66** Management Discussion and Analysis
- 98** Report on Corporate Governance
- 115** Secretarial Audit Report

## FINANCIAL STATEMENTS

### Standalone Financial Statements

- 116** Independent Auditors' Report
- 120** Balance Sheet
- 121** Profit and Loss Statement
- 122** Cash Flow Statement
- 124** Notes to Accounts

### Consolidated Financial Statements

- 160** Independent Auditors' Report
- 162** Balance Sheet
- 163** Profit and Loss Statement
- 164** Cash Flow Statement
- 166** Notes to Accounts

### Subsidiary Companies

- 197** Financial Highlights
- 200** Listed Securities
- 201** Financial Statistics

Attendance Slip &  
Proxy Form



## ANNUAL GENERAL MEETING

**Date:** Wednesday, August 21, 2013 **Time:** 3.00 p.m.

**Venue:** Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020



## ANTICIPATING NEEDS. DELIVERING EXCITEMENT.

At Tata Motors, we believe that our strengths stem from an organisation-wide culture which rests on four pillars – Accountability, Customer & Product Focus, Excellence and Speed (ACES).

Our renewed commitment to these pillars drives us to achieve our mission of anticipating and providing the best vehicles and experiences to excite our customers. Not just in India, but across the world. Our products span segments, customers and geographies. Our strengths in engineering, a deep-rooted understanding of customers and markets help us deliver best-in-class products and superior driving experiences.

Our customers are at the heart of all we do. We are gearing up and igniting our passion to offer products that meet the

mobility needs of our customers. We are engaging with them at our dealerships and adopting processes to ensure that industry-leading practices form a key part of our service proposition.

As we move ahead, we will continue to anticipate the needs of our customers and remain committed to deliver excitement.



## CORPORATE INFORMATION

Mr Ratan N Tata

Chairman Emeritus

### BOARD OF DIRECTORS

Mr Cyrus P Mistry

Non Executive Director and Chairman

Mr Ravi Kant

Non Executive Director and Vice Chairman

Mr Nusli N Wadia

Non Executive, Independent Director

Mr Sam M Palia

Non Executive, Independent Director  
(retired on April 25, 2013)

Dr Raghunath A Mashelkar

Non Executive, Independent Director

Mr Subodh Bhargava

Non Executive, Independent Director

Mr Nasser Munjee

Non Executive, Independent Director

Mr Vinesh K Jairath

Non Executive, Independent Director

Ms Falguni S Nayar

Non Executive, Independent Director  
(appointed on May 29, 2013)

Dr Ralf Speth

Non Executive Director

Mr Karl J Slym

Managing Director

Mr Ravindra Pisharody

Executive Director (Commercial Vehicles)

Mr Satish B Borwankar

Executive Director (Quality)

### EXECUTIVE COMMITTEE

Mr Karl Slym

Managing Director

Mr Ravindra Pisharody

Executive Director and Head,  
Commercial Vehicle Business Unit

Mr Satish B Borwankar

Executive Director and Head, Quality

Mr C Ramakrishnan

President and Chief Financial Officer

Dr Tim Leverton

President and Head,  
Engineering Research Centre

Mr Ranjit Yadav

President and Head,  
Passenger Vehicles Business Unit

Mr Prabir Jha

Sr Vice President and  
Chief Human Resources Officer

Mr Ankush Arora

Sr Vice President, Commercial -  
Passenger Vehicle Business Unit

Mr Venkatram Mamillapalle

Sr Vice President and Head,  
Purchasing & Supply Chain

### REGISTERED OFFICE

Bombay House

24, Homi Mody Street, Mumbai 400 001

Tel: +91-22-6665 8282

Fax: +91-22-6665 7799

Email: [inv\\_rel@tatamotors.com](mailto:inv_rel@tatamotors.com)

Website: [www.tatamotors.com](http://www.tatamotors.com)

### WORKS

Jamshedpur

Pune

Lucknow

Pantnagar

Sanand

Dharwad

### SHARE REGISTRARS

TSR Darashaw Private Limited

6-10, Haji Moosa Patrawala Industrial Estate

20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

Tel: +91-22-6656 8484

Fax: +91-22-6656 8494

Email: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

### AUDITORS

Deloitte Haskins & Sells (Registration No. 117366W)

### BANKERS

Allahabad Bank

Andhra Bank

Bank of America

Bank of Baroda

Bank of India

Bank of Maharashtra

Central Bank of India

Citibank N.A.

Corporation Bank

Deutsche Bank

Federal Bank

HDFC Bank

HSBC

ICICI Bank

IDBI Bank

Indian Bank

ING Vysya Bank

Karur Vysya Bank

Punjab National Bank

Standard Chartered Bank

State Bank of India

State Bank of Mysore

State Bank of Patiala

Union Bank of India

United Bank of India

### COMPANY SECRETARY

Mr H K Sethna

### CORPORATE IDENTITY NUMBER (CIN)

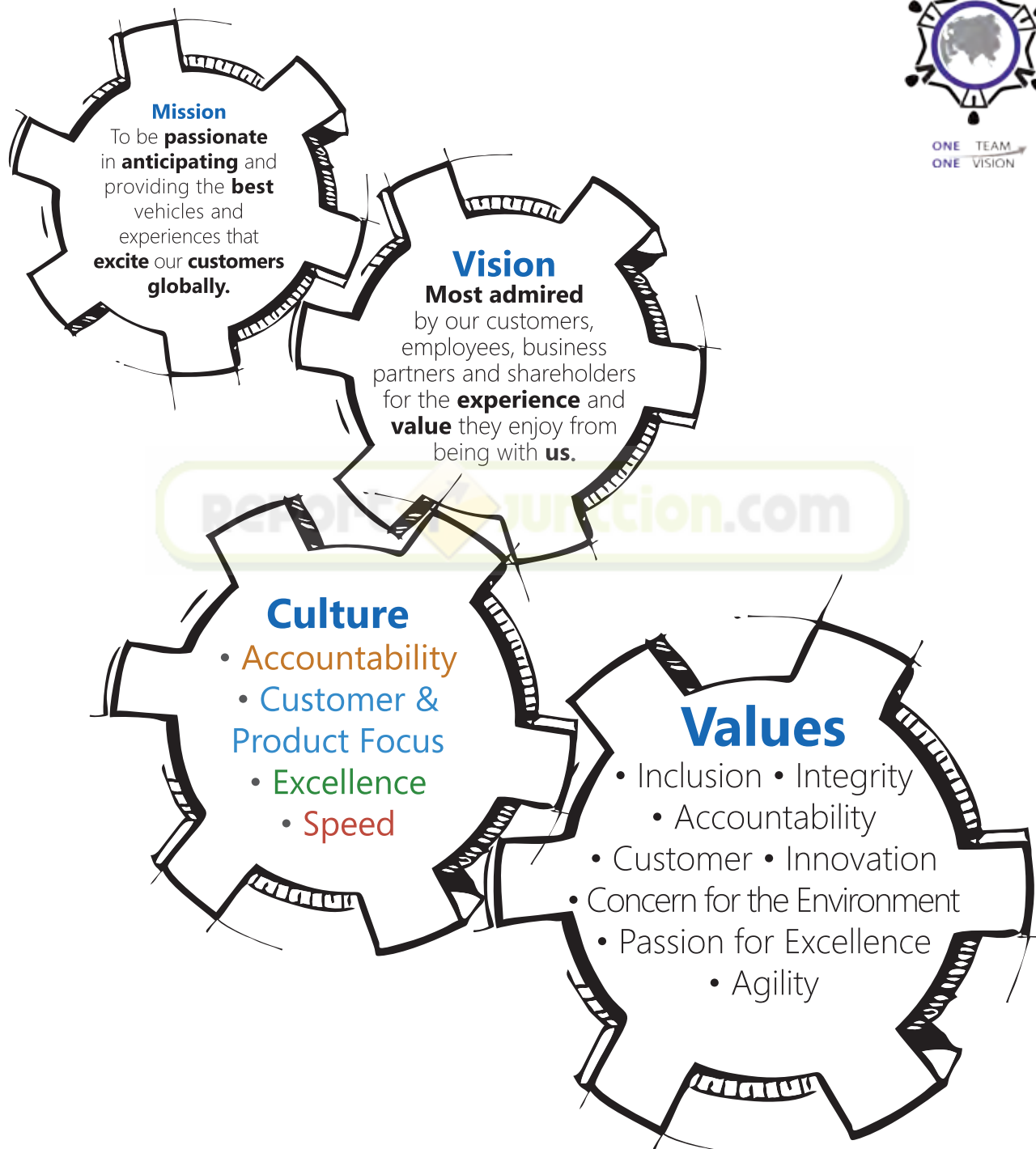
L28920MH1945PLC004520

# MISSION, VISION AND VALUES

TATA MOTORS



ONE TEAM  
ONE VISION



---

## CHAIRMAN'S MESSAGE

---



**CYRUS P MISTRY**  
CHAIRMAN

---

Tata Motors is privileged to have a strong parent brand, a rich commercial vehicle pedigree, international design centres of global standards, and last but not the least, committed employees and a strong dealer and vendor base.

---

Dear Shareholder,

The world continues to be in the midst of a very challenging economic environment. While the global economic meltdown in 2008 had relatively limited impact on India and other emerging markets, we are currently buffeted by headwinds caused by global as well as domestic circumstances. The impact of the slowdown has been felt across the board in India, with all sectors of the economy being affected.



Amongst the few bright spots in the performance of the global automobile industry has been the rebound of the US auto industry. Vehicle sales have once been rising in the US, after the nearly 22 percent collapse in volumes that followed the 2008 economic crash. Auto factories are reportedly running at 95 percent capacity in the US, and several of the large US manufacturers have now become profitable.

Europe, however, continues to see stagnant demand, with a number of auto makers reporting large losses. Demand for new vehicles is at a record low in many nations. With domestic demand having dropped back to levels last seen more than a generation ago, this has left European manufacturers dependent on exports to survive. And in fact, premium vehicle manufacturers have been less affected by the European sales crisis; although their sales within the European Union have declined, they are benefitting from the pickup in demand in markets like China and the US. With German manufacturers outsourcing capacity to Asia, so as to be closer to local markets, in 2012 several of the German premium vehicle manufacturers sold more cars worldwide than ever before. Great Britain was one of the few countries in this region to register an increase in car sales.

In China as well, luxury manufacturers are doing well, thanks to booming demand. China has advanced as the largest vehicle market in the world and will continue to grow, even though the rate of growth might slow. Amidst slower growth in China, Chinese vehicle manufacturers shipped more than one million cars to other markets, with

the majority of Chinese car exports going to emerging markets in Africa, the Middle East and South America. Chinese exports are expected to double in volumes by 2016.

#### INDIAN AUTO INDUSTRY AND TATA MOTORS

The year saw passenger vehicle sales in India grow by a mere 0.9 percent, while overall commercial vehicles sales registered a growth of 1.7 percent. Diesel price hikes resulted in lower demand for diesel vehicles, thereby dampening growth in both the personal and commercial vehicle segments. Small commercial vehicles and pick-ups witnessed continued strong demand, and small SUVs and luxury brands saw significant increase in interest.

The financial year 2013 has been a challenging one for Tata Motors. Nonetheless, despite difficult economic conditions and increasing competition, the Company retained its market leadership in commercial vehicles, on the back of new offerings and introduction of innovative technologies. Its highly successful and reliable Ace and Magic vehicles crossed the sales mark of one million units, achieved in seven years since these products were first introduced in the market. The sales performance of the Company's passenger vehicles, however, was significantly lower as compared to expectation; rapid changes in customer preferences along with the de-regulation of diesel pricing both took their toll.

As we look ahead, we see a year of continuing challenges – but at the same time, full of opportunities. Tata Motors is privileged to have a strong parent brand, a rich

## CHAIRMAN'S MESSAGE

commercial vehicle pedigree, international design centres of global standards, and last but not the least, committed employees and a strong dealer and vendor base. With changes in the organisation structure, the Company is determined to improve its customer understanding to better meet market needs, and deliver products swiftly through optimised operational processes. The Company has launched its ACES programme, with a renewed focus on Accountability, Customer and Product Focus, Excellence and Speed.

Building on its DNA, Tata Motors recently announced HORIZONEXT, based on intense product focus, world-class quality and manufacturing, enriched customer purchase experience and a consistent, robust after-sales service. The Company is working on a slew of new products, with a plan running up to 2020; this includes appropriate focus on alternate fuels, hybrids and electric vehicles. The organisation is resolved to foster a culture of customer

---

Building on its DNA, Tata Motors recently announced HORIZONEXT, based on intense product focus, world-class quality and manufacturing, enriched customer purchase experience and a consistent, robust after-sales service.

---

centricity and innovation, so that the Company's products and services consistently exceed customer expectations.

In the commercial vehicles segment, Tata Motors expects to remain the preferred brand for customers. Given the Company's scale, it is in the best position to efficiently integrate its products and services and deliver the maximum value to its customers at the best prices. The Company continues to anticipate market demand and is well-positioned to address competition with its product portfolio that includes global-standard products and an extensive dealer network.

As an industry, the shape of things to come will be a function of how the economy performs, as well as government policies that will drive the larger picture of how India sees transportation in its metros and rural areas.

### JAGUAR LAND ROVER

Despite tough market conditions, it was a good year for Jaguar Land Rover (JLR), which registered record volumes and revenues on the back of the launches of some of the most exciting and awaited new products. Volumes for the year were nearly 375,000 units with revenues reaching an all-time high of £15.8 billion. JLR is a healthy and vibrant Company, strongly positioned across key global markets for future growth. Technical innovation and engineering excellence have stood JLR in good stead for sustained, profitable growth and the Company plans to launch eight new or refreshed products this year.



JLR has underlined its commitment to expanding its presence in China, a long-term strategic market for the Company. In November 2012, JLR and Chery Automobile Company laid the foundation stone for their joint venture in China, with a new plant to be built at Changshu, in Jiangshu Province.

JLR also continues to explore further opportunities in other growing markets, including Brazil, India and Saudi Arabia. It has developed a number of industry best practices, and is a company we should be proud of.

#### LOOKING AHEAD

The health of the automobile industry has traditionally been an important indicator of the economic strength of a nation. I have no doubt that the industry will play a critical role in the growing prosperity of India.

Tata Motors has all the capabilities and strengths to navigate through the challenges presented by dynamic and evolving customer preferences. The Company has an exciting future, and is well placed to strengthen its position as a respected and viable competitor in the global auto industry. The Company will continue to be a responsible corporate citizen wherever it operates, and is committed to delivering long-term value creation for all its stakeholders.

The Board joins me in expressing our deep appreciation to the employees, the Unions and the management team and all our partners for their support, co-operation and understanding. I would also like to express our appreciation to you, our shareholders, for your support and understanding in good times and in challenging times.

Finally, I would like to thank Mr Ratan Tata for his visionary leadership during his tenure as Chairman of Tata Motors, which has transformed Tata Motors into a complete automobile company with a global footprint.



Chairman

Mumbai, June 24, 2013

## BOARD OF DIRECTORS



Mr Mistry with the Safari Storme



Mr Kant with the Ultra



Mr Wadia with the Range Rover Evoque

### MR CYRUS P MISTRY

*Non Executive Director and Chairman*

Mr Mistry was appointed as a Director of Tata Motors with effect from May 29, 2012, and as Deputy Chairman of the Company with effect from November 7, 2012. Mr Mistry took over as Chairman from Mr Ratan N Tata on his retirement with effect from December 28, 2012. Mr Mistry was earlier Managing Director of the Shapoorji Pallonji group and was also responsible for building the infrastructure development vertical in the Shapoorji Pallonji group.

Mr Mistry is a Graduate of Civil Engineering from the Imperial College London (1990) and has an MSc in Management from the London Business School (1997). He was recently bestowed with the Alumni Achievement Award by the London Business School.

### MR RAVI KANT

*Non Executive Director and Vice Chairman*

Mr Kant has been with the Company since February 1999, joining as Senior Vice President (Commercial Vehicles), and was inducted on the Board as an Executive Director in July 2000 and became the Managing Director in July 2005. Upon retiring from his Executive position on June 1, 2009, Mr Ravi Kant continues to be on the Company's Board of Directors as Vice-Chairman.

Prior to joining the Company, he was with Philips India Limited as Director of Consumers Electronics business and prior to which with LML Ltd. as Senior Executive Director (Marketing) and Titan Watches Limited as Vice President (Sales & Marketing).

Mr Ravi Kant holds a Bachelor of Technology degree in Metallurgical Engineering from the Institute of Technology, Kharagpur and a Masters degree in Science from the University of Aston, Birmingham, UK.

### MR NUSLI N WADIA

*Non Executive, Independent Director*

Educated in the UK, Mr Wadia is the Chairman of The Bombay Dyeing & Manufacturing Company Limited and heads the Wadia Group.

He is also the Chairman/Trustee of various charitable institutions and non-profit organisations.

Mr Wadia has been on the Company's Board since December 1998 as an Independent Director.