

**TATA MOTORS**



**69<sup>TH</sup> ANNUAL REPORT 2013-14**



#### Chairman's Message

To ensure long-term competitiveness of Tata Motors, the company also took several steps under the Horizonext strategy.



#### Major Launches during the Year

Our products represent the Horizonext philosophy with best-in-class offerings.



#### Awards and Accolades

Range Rover Sport won the SUV of the Year award by Top Gear magazine in the UK, EVO in MENA, Car and Drive in China.

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## ANNUAL GENERAL MEETING

#### Date

Thursday, July 31, 2014

#### Time

3.00 p.m.

#### Venue

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



***Horizonext***, rolled out last year as a next-level strategy, helps us anticipate customer requirements and deliver exciting driving experiences. This strategy rests on the pillars of intense product focus, benchmarking to world-class manufacturing practices, enriched customer purchase experience, consistent and outstanding service and a technology-intensive aftermarket support. With this, we strive for the next level in design, driving experiences, fuel economy and connectivity.

Through a broad range of activities, we pursue a singular goal: thrilling our customers and making the Company more efficient and successful. Outstanding operational excellence and efficiency, along with inspired and high performing people, is the strong foundation on which we shall build our roadmap to become one of the key players in the automotive space.

# 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*

(Retires on June 1, 2014)

Mr N N Wadia

*Non Executive, Independent Director*

Dr R A Mashelkar

*Non Executive, Independent Director*

Mr S Bhargava

*Non Executive, Independent Director*

Mr N Munjee

*Non Executive, Independent Director*

Mr V K Jairath

*Non Executive, Independent Director*

Ms Falguni Nayar

*Non Executive, Independent Director*

Dr Ralf Speth

*Non Executive Director*

Mr Karl Slym

*Managing Director*

(Expired on January 26, 2014)

Mr Ravindra Pisharody

*Executive Director (Commercial Vehicles)*

Mr Satish B Borwankar

*Executive Director (Quality)*

## SENIOR MANAGEMENT

Mr Ravindra Pisharody

*Executive Director (Commercial Vehicles)*

Mr Satish Borwankar

*Executive Director (Quality)*

Mr C Ramakrishnan

*President and Chief Financial Officer*

Dr Timothy Levertton

*President and Head, Advanced and Product Engineering*

Mr Ranjit Yadav

*President (Passenger Vehicle Business Unit)*

Mr Prasann Chobe

*Senior Vice President (Head Mfg Operations, CVBU)*

Mr Girish Wagh

*Senior Vice President (Product Planning & Program Management, PVBU)*

Mr R Ramakrishnan

*Senior Vice President (Commercial, CVBU)*

Mr Abhijit Gajendragadkar

*Senior Vice President (Business Planning & Controlling)*

Mr Gajendra Chandell

*Chief Human Resources Officer*

Mr Nagesh Pingel

*Vice President (Internal Audit)*

## COMPANY SECRETARY

Mr H K Sethna

## REGISTERED OFFICE

Bombay House

24, Homi Mody Street

Mumbai 400 001

**Tel:** +91-22-66658282

**Fax:** +91-22-66657799

**Email:** inv\_rel@tatamotors.com

**Website:** www.tatamotors.com

## WORKS

Jamshedpur

Pune

Lucknow

Pantnagar

Sanand

Dharwad

## AUDITORS

Deloitte Haskins & Sells LLP

(Registration No. 117366W/W – 100018)

## SHARE REGISTRARS

TSR Darashaw Private Limited

6-10, Haji Moosa Patrawala Industrial Estate

20, Dr. E. Moses Road, Mahalaxmi,

Mumbai 400 011

**Tel:** +91-22-66568484

**Fax:** +91-22-66568494

**Email:** csg-unit@tsrdarashaw.com

**Website:** www.tsrdarashaw.com

## 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 Bank

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

## CORPORATE IDENTITY NUMBER (CIN)

L28920MH1945PLC004520



# MISSION, VISION AND VALUES

TATA MOTORS



## Mission

To be **passionate** in **anticipating** and providing the **best** vehicles and experiences that **excite** our **customers** globally.

## Vision

**Most admired** by our customers, employees, business partners and shareholders for the **experience** and **value** they enjoy from being with **us**.

## Culture

- Accountability
- Customer & Product Focus
- Excellence
- Speed

## Values

- Inclusion • Integrity
- Accountability
- Customer • Innovation
- Concern for the Environment
- Passion for Excellence
- Agility

# CHAIRMAN'S MESSAGE

## Dear Shareholders,

The global economic situation showed signs of strengthening, with US economy speeding up, but the environment in the Eurozone remained weak with some early signs of improvement. GDP growth in China and India were low as compared to the high growth rates in the past. However, both these economies continue to hold a great promise for leading global growth in future.

The global auto industry recorded a surge in sales with impressive growth, riding on the back of strong demand in the world's top two automobile markets – China and the United States. The automotive industry in the US came back to strength from the poor period of recession, supported by low interest rates and improving consumer sentiment. Sales in China- the world's largest auto market since 2009- also crossed the 20 million cars mark. Pressure on local carmakers built up, as foreign automakers stepped up their investments in China. Europe did show some early signs of recovery, but with high levels of unemployment continuing to prevail in southern Europe, a clear turnaround was not visible. Consumer behavior in that region remains cautious.



## CYRUS P MISTRY

*Chairman*

On the product front, the company showcased several impressive new products at the Auto Expo '14, with a lineup that included Tata Bolt and Tata Zest, due to be launched in the coming months. Both the products have created high levels of excitement among the potential customers.

## INDIAN AUTO INDUSTRY AND TATA MOTORS

India's GDP growth continued to be below 5% and Industrial growth remained in negative territory. Consequently, the Indian auto industry witnessed a decline in both passenger vehicles and in commercial vehicles segment by 4.7% and 22.4% respectively. For most of last year, the economy was hamstrung by rising inflation and high interest rates, leading to relatively low consumer interest in buying new vehicles, and, in many cases, postponement of purchase. In the later part of the year, reduction in excise duty and partial lifting of mining bans did help in recovery of sentiment, but only to a limited extent. High delinquencies in vehicle financing led to tightening of lending norms by financiers, which badly impacted the sales of small commercial vehicles and passenger cars.

Tata Motors domestic business, in this tough environment, lost market share in both commercial vehicles and passenger vehicles business. While the competition in both the segments remained quite aggressive with almost all the players resorting to huge discounting, Tata Motors' approach was cautious and responsible. As integral part of this approach, the Company focused on keeping

To ensure long-term competitiveness of Tata Motors, the company also took several steps under the Horizonext strategy- new products, quality improvement and enhancement of the consumer experience- that will help improve sustainable profitability of the business in long-term. The company has steadily progressed in all these areas and is inculcating a culture which is intolerant to poor quality and absolutely committed to customer delight.

inventory levels low in order to reduce the burden on its channel partners. On the product front, the company showcased several impressive new products at the Auto Expo '14, with a lineup that included Tata Bolt and Tata Zest, due to be launched in the coming months. Both the products have created high levels of excitement among the potential customers. The new Prima LX and Ultra range in commercial vehicles also showcased great promise to be category leaders. They aptly demonstrate Tata Motors' technological capabilities and the company's pursuit to offer world-class products and experience to its customers.

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business in long-term. The company has steadily progressed in all these areas and is inculcating a culture which is intolerant to poor quality and absolutely committed to customer delight.

## JAGUAR LAND ROVER

For luxury cars, it was a record breaking year with most of the manufacturers posting their highest ever sales. The US remains the world's largest market for luxury cars. China is close on its heels, with further growth coming from Asia-Pacific region, Latin America and the Middle East.

Jaguar Land Rover re-affirmed our confidence in the premium car market and rewarded us by harnessing the opportunities created by rising demand for high-performance luxury cars across the world. With its extra-ordinary line-up of new exciting products, JLR posted record sales of 434,311. The resolve, commitment and creativity of passionate designers and engineers in JLR is indeed praise-worthy. Jaguar F-TYPE managed to garner excellent reviews, while the new Range Rover and Range Rover Sport were exceptionally well received.

We will remain committed to make investments in these two iconic brands and plan to deliver a slew of new products during the next 5 years. JLR will continue to expand its manufacturing footprint in growing markets like China and Brazil, thus offering consumers

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in these markets an even greater opportunity to experience the cutting-edge technology and design of Jaguar and Land Rover products.

## LOOKING AHEAD

The global economy is on the path of recovery, with consumer sentiment showing signs of improvement in all the major markets. The auto industry in India too, after one of its worst years, is seeing early signs of recovery and renewed confidence amongst consumers, particularly with a stable government at the centre. We expect a turnaround of the industry by the later part of this financial year with a hope that the Government would also come out with policy interventions that support the growth of auto industry, given its critical importance to development of the economy.



Tata Motors is working on a strong pipeline of new products and technologies keeping in view the changing market, customers' aspirations and regulatory needs. The company is at an inflexion point with its entire product portfolio being revamped with relevant and exciting products for our target customers. Initiatives on cost-erosion and customer experience are being pursued with great rigor to help transform the organization into a more competitive and profitable business in the coming years.

Our employees, suppliers and channel partners remain our major source of strength. We sincerely thank them for their strong resolve and commitment shown to the cause of the company. Even in very difficult situations they have demonstrated utmost patience, understanding and dedication. Finally, I wish to thank you, our shareholders, for reposing faith in Tata Motors and its management, without which the company could not have taken the bold steps and decisions required towards making Tata Motors a respected global automobile company.



Chairman

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# BOARD OF DIRECTORS



## 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 a 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*  
(Retires on June 1, 2014)

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 and he retires on June 1, 2014 in accordance with the Company's Policy for Retirement Age of Directors.

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 Master's 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.