

TATA MOTORS



70TH ANNUAL REPORT 2014-15

WHAT'S INSIDE

CORPORATE OVERVIEW

| | |
|----|--|
| 02 | Corporate Information |
| 03 | Mission, Vision and Values |
| 04 | Chairman's Message |
| 08 | Board of Directors |
| 12 | Tata Motors at a Glance |
| 14 | Major Launches during the Year |
| 16 | Presence across Markets |
| 18 | The NEXT Level in Design |
| 20 | FUELNEXT: Evolution in Cleaner, Greener and Efficient Transportation |
| 22 | The NEXT Level in Connectivity |
| 24 | The NEXT Level Of Vehicle Performance |
| 26 | Corporate Social Responsibility at Tata Motors |
| 30 | Awards and Accolades |
| 32 | Financial Performance |
| 36 | Summarised Balance Sheet and Statement of Profit and Loss (Consolidated) |
| 38 | Summarised Balance Sheet and Statement of Profit and Loss (Standalone) |
| 40 | Funds Flow-Last Five Years |
| 41 | Financial Statistics |

STATUTORY REPORTS

| | |
|-----|--|
| 44 | Notice |
| 51 | Directors' Report |
| 92 | Management Discussion & Analysis |
| 142 | Corporate Governance |
| 164 | Listed Securities issued by Subsidiary Companies during FY 2014-15 |

FINANCIAL STATEMENTS

Standalone Financial Statements

| | |
|------|------------------------------|
| F.1 | Independent Auditors' Report |
| F.6 | Balance Sheet |
| F.7 | Statement of Profit and Loss |
| F.8 | Cash Flow Statement |
| F.10 | Notes to Accounts |

Consolidated Financial Statements

| | |
|------|------------------------------|
| F.47 | Independent Auditors' Report |
| F.52 | Balance Sheet |
| F.53 | Statement of Profit and Loss |
| F.54 | Cash Flow Statement |
| F.56 | Notes to Accounts |

Subsidiary Companies

| | |
|------|----------------------|
| F.91 | Financial Highlights |
|------|----------------------|



Chairman's Message

As leaders in the commercial vehicles industry, Tata Motors is developing a strong pipeline of products and solutions, keeping in mind changing customer preferences and regulations. In Passenger cars also, the Company will continue to excite the market with new innovative products that will seize the imagination of our customers.



Major Launches during the Year

The first stylish and compact sedan, launched under HORIZONEXT product engineering philosophy, Tata Zest was adjudged the Best Designed Car of the Year at CII Design Excellence Awards 2014.



Awards and Accolades

Jaguar - Number 1 Brand in the UK JD Power survey for the 3rd year in row.

inside

ANNUAL GENERAL MEETING

| | |
|---------------------------|-------------|
| Date | Time |
| Thursday, August 13, 2015 | 3.00 p.m. |

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

HORIZONEXT



OUR CUSTOMER CENTRIC APPROACH

2015 marked the second year of **HORIZONEXT**. In our second year, we at Tata Motors have progressed in key areas of-engineering, manufacturing, world-class purchase and service support, for an overall superior customer experience.

The customer centricity has resulted in providing best vehicles experience, through the adoption of a next-generation approach in the products we offer, our manufacturing quality, including our sales and service touch points. With technology at the fore front, we launched and demonstrated a series of offerings from our passenger & commercial vehicle units, through distinct **HORIZONEXT** pillars.

From the passenger vehicles division, Tata Motors showcased and launched products from its **DESIGNEXT, CONNECTNEXT AND DRIVENEXT** pillars, similarly demonstrating products and solutions under **DESIGNEXT, FUELNEXT & PERFORMANCENEXT**, from the commercial vehicles unit.

During the year, we also completed 60 years of manufacturing excellence, at our first manufacturing plant in Jamshedpur.



CORPORATE INFORMATION

Mr Ratan N Tata*Chairman Emeritus***BOARD OF DIRECTORS**

Mr Cyrus P Mistry

Non Executive Director and Chairman

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 Ravindra Pisharody

Executive Director (Commercial Vehicles)

Mr Satish B Borwankar

*Executive Director (Quality)***CORPORATE STEERING COMMITTEE**

Mr Cyrus P Mistry

Non Executive Director and Chairman

Mr Ravindra Pisharody*

Executive Director (Commercial Vehicles)

Mr Satish Borwankar*

Executive Director (Quality)

Mr C Ramakrishnan*

President and Chief Financial Officer

Mr Mayank Pareek*

President (Passenger Vehicle Business Unit)

Dr Timothy Levertton*

President and Head, Advanced and Product Engineering

Mr Gajendra Chandel*

Chief Human Resources Officer

(* Part of senior management)

OTHER SENIOR MANAGEMENT

Mr Prasann Chobe

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

Mr Girish Wagh

*Sr Vice President**(PPPM, PVBU)*

Mr Abhijit Gajendragadkar

*Sr Vice President**(Business planning and Controlling)*

Mr Bharat Kumar Parekh

(Head P&SC)

Mr R Ramakrishnan

Sr Vice President (Commercial, CVBU)

Mr Nagesh Pinge

*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 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 NA

Corporation Bank

Deutsche Bank

Federal Bank

HDFC Bank

Hongkong and Shanghai

Banking Corporation

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

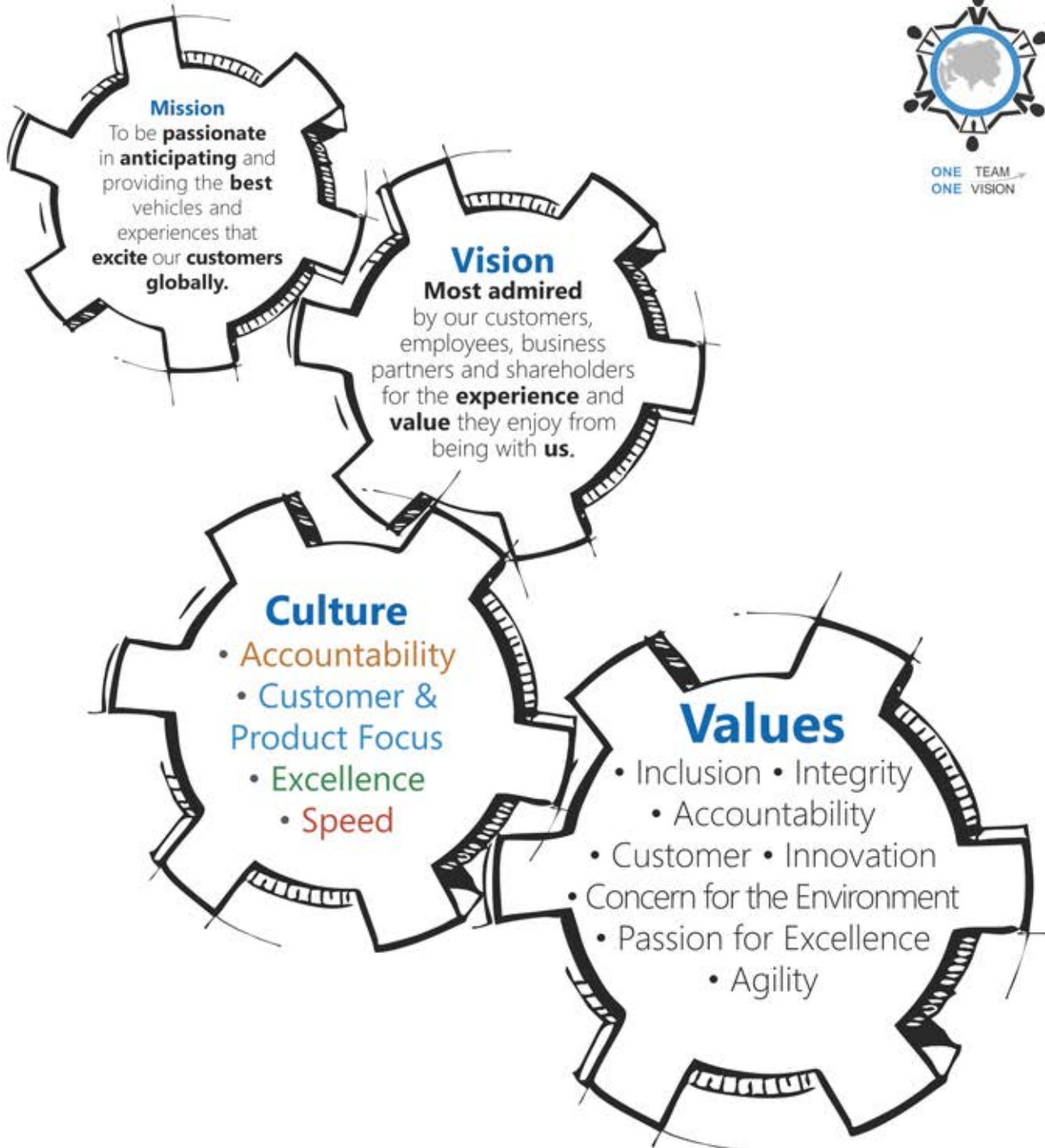
United Bank of India

*Merged with Kotak Mahindra bank w.e.f. April 1, 2015

CORPORATE IDENTITY NUMBER (CIN)

L28920MH1945PLC004520

MISSION, VISION AND VALUES



CHAIRMAN'S MESSAGE

Dear Shareholders,

Despite some setbacks, uneven global recovery continued in 2014. This was largely due to weaker-than-expected global activity in the first half of 2014. The changes are to a large extent a result of greater volatility and uncertainty, presenting a higher risk for the global economy in 2015. The rapid decline in oil prices and quick adjustments in exchange rates—the appreciation of the US dollar and weakening of most other currencies, notably the euro—have had a major impact on global trade flows. Europe remains tense as issues around the Greek economy gather greater scrutiny. In addition to this is the increased geopolitical uncertainty related to Russia-Ukraine and the Middle-East and some signs of economic slowdown in China. These are some of the key macro-concerns that have significant impact on our industry.

THE GLOBAL AUTOMOTIVE MARKET

Despite these geo-political uncertainties, the global automotive industry enjoyed a period of stronger growth and profitability, with annual sales recovering to pre-financial meltdown levels in some key markets like, NAFTA, UK, etc.

Although the economic conditions and pace of recovery differed slightly among North American countries, consumer confidence, credit availability and pent-up demand have played a key role in a more sustained revival of auto demand in this region. However, Europe was weaker as the region is emerging from a sales slump that has lasted over six years. Sales in Russia and South America plunged. Asia-Pacific market posted strong growth mainly driven by China.



While FY 14-15 has been a challenging year for Tata Motors, it witnessed reasonable growth in certain key segments – Medium and Heavy commercial vehicles, and Compact Sedans. Tata Motors launched the new Zest that was well received in the market, followed with the launch of Bolt, towards the close of the fiscal. The Company further expanded its ULTRA range of light commercial vehicles and a new range of PRIMA LX trucks, both of which have demonstrated technological capabilities of the Company.



INDIAN ECONOMY AND AUTOMOTIVE INDUSTRY

India's GDP grew at a better pace, mainly towards the second half of the fiscal, at 7.3% in 2014-15. The basic parameters of the Indian economy signaled movement in the right direction. A reasonably better performance of the manufacturing sector, reduction in interest rates by RBI by 75 basis points, declining inflation aided by favorable global commodity prices like oil, all provided encouragement for an overall more positive economic outlook.

In 2014-15, the Indian automotive industry registered a growth of over 2.5 percent over last year, with overall automobile exports growing by 5.2 percent. Growth in domestic passenger vehicles was stronger at 5.5 percent with improving consumer sentiment on account of lower fuel price and interest rates. However, Commercial vehicles contracted by 8.4 percent, mainly on account of significant decline in small commercial vehicles. Heavy trucks sales showed early signs of revival with increasing economic activities in the 2nd half of the year.

In terms of policy shifts in the automotive space, the Indian market directionally moved towards safer and greener transportation. Implementation of the Bus Body code and greater safety norms, such as making anti-lock braking system (ABS) mandatory, are all welcome moves. Likewise, implementation of a carefully thought out set of inclusive and progressive emission standards will definitely have a positive impact enabling reduction of harmful emissions.

OUR PERFORMANCE

While FY 14-15 has been a challenging year for Tata Motors, it witnessed reasonable growth in certain key segments – Medium and Heavy commercial vehicles, and Compact Sedans. Tata Motors launched the new Zest that was well received in the market, followed with the launch of Bolt, towards the close of the fiscal. The Company further expanded its ULTRA range of light commercial vehicles and a new range of PRIMA LX trucks, both of which have demonstrated technological capabilities of the Company. Tata Motors also continued its unrelenting journey



For Jaguar Land Rover, this was the fifth successive year of solid growth and robust financial results. This is a reflection of strong product mix supported by the on-going success of the Range Rover, Range Rover Sport and the Jaguar F-TYPE. During the year, JLR revealed three Jaguars – the all-new XE, F-PACE and the new Jaguar XF, followed by the retail sales of the all-new Land Rover Discovery Sport.

towards enhancing customer experience and achieving world-class quality through focused initiatives. Consequently, the Passenger cars business improved its ranking and scores in independent customer satisfaction and quality surveys. While these efforts helped in improving our competitiveness in the market, we still suffered market share loss in both the businesses in India with intensifying competition and entry of new players.

For Jaguar Land Rover, this was the fifth successive year of solid growth and robust financial results. This is a reflection of strong product mix supported by the on-going success of the Range Rover, Range Rover Sport and the Jaguar F-TYPE. During the year, JLR revealed three Jaguars – the all-new XE, F-PACE and the new Jaguar XF, followed by the retail sales of the all-new Land Rover Discovery Sport. Jaguar Land Rover business posted impressive growth in UK, US, China, Europe and Asia Pacific. JLR also started its first overseas production in a joint venture facility with Chery Automobile Company Limited in China. This is a state-of-the-art facility with an annual capacity of 130,000 units. JLR also demonstrated its commitment to UK's manufacturing industry by opening its first in-house Engine Manufacturing Centre in Wolverhampton for producing "Ingenium" engine family.

LOOKING AHEAD

The global economy going forward is expected to witness strong growth in certain key economies, but pace of growth is likely to remain uncertain in regions like Europe, Russia, LATAM, etc.

In India, falling inflation, lower interest rates and lowering energy prices will continue to drive greater consumer confidence. The Government's focus on infrastructure investment, ease of doing business and "Make in India" initiative are efforts in the right

direction for boosting investment in the country. Operationalising this vision into reality will be key to future growth of the economy and the Indian automotive industry as well.

Tata Motors' strategy hinges on leveraging the long-term growth opportunity in Indian Automobile industry. India is forecast to witness multi-fold increase in motorisation as the working population and GDP per capita increases in the next ten years. The Company is therefore, consistently and strongly investing in products and technologies that would make it future ready and would also fuel international growth. As leaders in the Commercial vehicles industry, Tata Motors is developing a strong pipeline of products and solutions, keeping in mind changing customer preferences and regulations. In Passenger cars also, the Company will continue to excite the market with new innovative products that will seize the imagination of our customers. Customer-centricity and excellence in quality, which are two important pillars for securing sustained growth and success in future, will continue to get special emphasis in the Company. Actions on these two pillars, as well as on cost management, will be taken up with a sense of urgency.



Jaguar Land Rover business posted impressive growth in UK, US, China, Europe and Asia Pacific. JLR also started its first overseas production in a joint venture facility with Chery Automobile Company Limited in China. This is a state-of-the-art facility with an annual capacity of 130,000 units. JLR also demonstrated its commitment to UK's manufacturing industry by opening its first in-house Engine Manufacturing Centre in Wolverhampton for producing "Ingenium" engine family.

For Jaguar Land Rover, 2015-16 is expected to be another important year for its long-term growth plans. It plans to ramp up production at its new manufacturing facility in China. The new Ingenium engines manufactured in Wolverhampton, as it ramps up, will power string of new models like Jaguar XE, Discovery Sport, etc. This will help in further building sales momentum for both the brands. With continued investments in new products, the pipeline for the business remains strong for sustained growth in future. With all these actions in place, Jaguar Land Rover is well-positioned, strategically and financially, for sustainable growth in the future.

Going forward, I wish all employees, our dealers and our partners from across the world all the very best, as we continue to work together, to deliver great products and services to our customers, and thereby also strengthen the Tata Motors brand. I take great pride in their effort, and I am as excited as they are, about our future. With a passionate Tata Motors and Jaguar Land Rover team, a robust product plan and immense future possibilities, I look forward to a successful year ahead.

Thank you all for your continued support, which I greatly appreciate and cherish.



Chairman



The Company is consistently and strongly investing in products and technologies that would make it future ready and would also fuel international growth. As leaders in the commercial vehicles industry, Tata Motors is developing a strong pipeline of products and solutions, keeping in mind changing customer preferences and regulations. In Passenger cars also, the Company will continue to excite the market with new innovative products that will seize the imagination of our customers.

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 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 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.

**DR RAGHUNATH A MASHELKAR***Non-Executive, Independent Director*

Dr Mashelkar is an eminent chemical engineering scientist retired from the post of Director General from the CSIR and is the President of Indian National Science Academy (INSA), National Innovation Foundation, Institution of Chemical Engineers, UK and Global Research Alliance. The President of India honored Dr Mashelkar with the Padmashri (1991), the Padmabhushan (2000) and the Padma Vibhushan (2014). Dr Mashelkar holds a PhD in Chemical Engineering from the Bombay University.

He was appointed as an Independent Director of the Company w.e.f. August 28, 2007.



the