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ANNUAL GENERAL MEETING

DATE

Tuesday, July 30, 2019

TIME

3.00 p.m.

VENUE

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

Tata Motors' Business

Tata Motors' have progressed in key areas of engineering, manufacturing, world- class sales and service support, for an overall superior customer experience.

Jaguar Land Rover's Business

The strengths of Jaguar Land Rover include iconic globally positioned brands, a strong product portfolio of award winning luxury and high performance cars and premium all-terrain vehicles, a global distribution network, strong product development and engineering capabilities and a strong management team.

GREEN INITIATIVES

As a responsible citizen, your Company strongly urges you to support the Green Initiative by registering your email address with Company's Registrars and Transfer Agents/Depositories to receive communication, including the Annual Report, from the Company in electronic mode. As an austerity measure and in furtherance of the Green Initiative, the Company has sent an Abridged Report to the Members for FY 2018-19. The full copy of the Annual Report can be viewed under the 'Investor' section on the Company's website www.tatamotors.com and would be provided to the Members on request.

Board of Directors & Corporate Information

Chairman Emeritus

[Mr Ratan N Tata](#)

Board of Directors

[Mr N Chandrasekaran](#)

Non-Executive Director and Chairman

[Mr Nasser Munjee](#)

Non-Executive, Independent Director

[Mr Vinesh Kumar Jairath](#)

Non-Executive, Independent Director

[Dr Ralf Speth](#)

Non-Executive Director

[Ms Falguni Nayar](#)

Non-Executive, Independent Director

[Mr Om Prakash Bhatt](#)

Non-Executive, Independent Director

[Ms Hanne Sorensen](#)

Non-Executive, Independent Director

[Ms Vedika Bhandarkar](#)

Non-Executive, Independent Director

[Mr Guenter Butschek](#)

CEO and Managing Director

[Mr Satish Borwankar](#)

Executive Director and Chief Operating Officer

Registered Office

Bombay House,
24, Homi Mody Street
Mumbai 400 001
Tel: +91 22 6665 8282
Email: inv_rel@tatamotors.com
Website: www.tatamotors.com

Corporate Identity Number

L28920MH1945PLC004520

Executive Committee

[Mr Guenter Butschek](#)

CEO and Managing Director

[Mr Satish Borwankar](#)

Executive Director and Chief Operating Officer

[Mr P B Balaji](#)

Group Chief Financial Officer

[Mr Girish Wagh](#)

*President - Commercial Vehicles
Business Unit*

[Mr Mayank Pareek](#)

*President - Passenger Vehicles
Business Unit*

[Mr Rajendra Petkar](#)

Chief Technology Officer

[Mr Thomas Flack](#)

Chief Purchasing Officer

[Mr Shailesh Chandra](#)

*President - Electric Mobility
Business & Corporate Strategy*

[Mr Ravindra Kumar G P](#)

President & Chief Human Resource Officer

Company Secretary

[Mr H K Sethna](#)

Auditors

BSR & Co. LLP
(Registration No. 101248W/W-100022)

Share Registrars

[TSR Darashaw Consultants 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
Website: www.tsrdarashaw.com

Bankers

[Australia & New Zealand Banking Group Limited](#)
[Bank of America](#)
[Bank of Baroda](#)
[Bank of India](#)
[Citibank NA](#)
[Deutsche Bank](#)
[Federal Bank](#)
[HDFC Bank Limited](#)
[Hongkong and Shanghai Banking Corporation](#)
[ICICI Bank](#)
[Indian Bank](#)
[Kotak Bank](#)
[Standard Chartered Bank](#)
[State Bank of India](#)
[Union Bank of India](#)

WORKS

[Jamshedpur](#)
[Pune](#)
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[Sanand](#)
[Dharwad](#)

Chairman's Message



Natarajan Chandrasekaran

Non-Executive Chairman

In the commercial vehicles segment, which is the back-bone of the domestic business, the company has maintained its leadership position in the industry with a 45.1% market share in FY2018-19.

Dear Shareholders,

It is my privilege to write to you and present the Annual Report for 2018-19.

The global automotive industry is witnessing disruptive innovations. The technological changes are leading to new products and business models including shared mobility, autonomous and connected vehicles. Concerns about sustainability are leading the governments across the world to push for reduction in the carbon footprint, encouraging the adoption of electric vehicles. These changes coupled with geo-political trade situation, uncertainty around Brexit and slow-down in China have led to a period of uncertainty for the global auto industry.

In the Indian context, the automotive industry is expected to emerge as the world's third largest passenger vehicle market by 2021, driven by the underlying economic growth, increasing consumption demand and mass urbanization. However, in the short to medium term, the sector faces some challenges due to the ongoing credit crunch, low consumer spending and the transition from

BSIV to BSVI emission norms by April 1, 2020. The growth in the commercial vehicle market is likely to pick-up driven by increased infrastructure spending, growth of new-age industries like E-Commerce and further progress in the hub and spoke model of distribution.

In this backdrop, I would like to share with you the performance, status and future direction of your company.

Tata Motors Limited (India Market)

At Tata Motors Limited – India, we had announced a "Turnaround" programme in July 2017. Since then, your company has undertaken a series of comprehensive steps to address different aspects of the business. I am happy to share with you that the result of these initiatives has been visible in your company's strong operational and financial performance.

In the commercial vehicles segment, which is the back-bone of the domestic business, the company has maintained its leadership position in the industry with a 45.1% market share in FY2018-19. The business

delivered a 17.2% volume growth compared to the previous year. This is a strong performance in the background of a weaker second half of the year driven by increased axle load norms, liquidity crunch and lower demand.

In the passenger vehicles segment, your company delivered a credible performance by growing its volumes at 13.9% compared to the industry growth rate of 2.8% in FY2018-19 and achieved the highest unit sales and market share over the past five years. Your company launched a portfolio of successful products including Nexon, which is the only car in India with a "5-star" safety rating from GNCAP and the second most selling SUV in India. The Tata Harrier was launched in January 2019 to an overwhelmingly positive customer reaction.

While your company continues to make significant progress, by no means the work is done. In the CV segment, your company needs to grow and secure the sustainable cashflow from the business and ensure smooth transition to BSVI emission norms. In the PV segment, your company needs to enhance its sales and service offering which is a key to growth in volumes and execute its plan to achieve profitability at PBT level.

On Electric Vehicles, your company's strong belief is that this is a necessary initiative for India. Your company is committed to take the lead in this transition and work with other companies in the Tata ecosystem to help create a viable environment to drive adoption of electric vehicles. However, this transition has to be well planned. The government and industry need to work together to ensure that ecosystem is developed, incentives are provided to stimulate demand and sustainability goals are achieved by implementing emission norms across the value chain.

Jaguar Land Rover

JLR is making significant investments to develop next generation products. Over the past year, the company has continued to develop award-winning products that combine outstanding performance, quality and technology. The all electric Jaguar I-Pace has been awarded the 2019 World Car of the Year, 2019 World Car Design of the Year and the 2019 World Green Car, being the first car ever to win three World Car titles, along with being awarded the Car of the Year at

the European Car of the Year Awards 2019. This is a gratifying testament for the superior next generation car portfolio of JLR.

From an operational performance perspective, the last twelve months have been challenging for JLR. These have resulted in the business reporting a revenue decline this year and an operating loss. Our sales from China declined by 34.1% this year compared to the previous year. The company faced headwinds from external factors including slowdown of sales in China and Europe along with internal factors of high fixed cost structures, dealer network profitability and high investment leading to cash outflows.

JLR is taking steps to cut costs while taking a calibrated approach towards future investment in the product portfolio. The company is actively looking at partnerships and prioritising its investments while ensuring that it is not compromising its future. These are critical interventions and JLR is committed to deliver cost and cash improvements.

The next few years are going to be decisive for our company. We have to focus on strong operational excellence to deliver positive cashflows while making the right investments to be prepared for the future. We need to transform ourselves to be relevant in the world of future mobility. This will require us to form partnerships, develop mobility solutions and optimise our investment in the process.

I am aware that it has not been an easy journey and I would like to thank our employees, management team, dealers, customers, suppliers and all other stakeholders for their hard work and commitment at this important time of the company's journey.

I would also like to thank you for your continued trust, confidence and support as we turn this business around and deliver the results that we all look forward to.

Best Regards,

N Chandrasekaran

Mumbai, May 20, 2019

Board's Report

[Salient Features pursuant to Section 136 (1) of the Companies Act, 2013 read along with Rule 10 of the Companies (Accounts) Rules, 2014]

TO THE MEMBERS OF TATA MOTORS LIMITED

The Board of Directors present to the shareholders the 74th Annual Report, which *inter alia* includes the Board's Report. For the purpose of this Abridged Annual Report for FY 2018-19, the salient features of the Board's Report in line with Section 136 (1) of the Companies Act, 2013 ('the Act') read together with the circular of the Ministry of Company Affairs no. G.S.R. 191(E) dated February 27, 2018 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI Listing Regulations') is being presented.

The Company will make available the full Annual Report containing *inter alia* the Board's Report and the Annexures thereto upon a request received from any member of the Company. Any member interested in obtaining the said copy may write to the Company Secretary.

FINANCIAL RESULTS

(₹ in crores)

PARTICULARS	Standalone*		Consolidated	
	FY 2019	FY 2018	FY 2019	FY 2018
Revenue from operations	69,202.76	58,689.81	3,01,938.40	2,92,340.64
Total expenditure	63,476.23	55,824.11	2,72,143.59	2,58,536.37
Operating profit	5,726.53	2,865.70	29,794.81	33,804.27
Other Income	2,554.66	2,492.48	2,965.31	3,957.59
Profit before interest, foreign exchange, depreciation, amortization, exceptional item and tax	8,281.19	5,358.18	32,760.12	37,761.86
Finance cost	1,793.57	1,744.43	5,758.60	4,681.79
Profit before depreciation, amortization, exceptional item, foreign exchange and tax	6,487.62	3,613.75	27,001.52	33,080.07
Depreciation, amortization and product development/ engineering expenses	3,670.40	3,576.87	27,815.20	25,085.46
Foreign exchange (gain)/loss (net)	215.22	17.14	905.91	(1,185.28)
Profit/(loss) before exceptional items and tax	2,602.00	19.74	(1,719.59)	9,179.89
Exceptional Items - (gain) / loss (net)	203.07	966.66	29,651.56	(1,975.14)
Profit/(loss) before tax	2,398.93	(946.92)	(31,371.15)	11,155.03
Tax expenses (net)	378.33	87.93	(2,437.45)	4,341.93
Profit/(loss) after tax	2,020.60	(1,034.85)	(28,933.70)	6,813.10
Share of profit of joint venture and associates (net)	-	-	209.50	2,278.26
Profit/(loss) for the year	2,020.60	(1,034.85)	(28,724.20)	9,091.36
Other comprehensive income/(loss)	(23.43)	43.22	(5,575.77)	29,562.51
Total Other comprehensive income/(loss) for the year	1,997.17	(991.63)	(34,299.97)	38,653.87
Attributable to:				
Shareholders of the Company	-	-	(34,401.73)	38,524.52
Non-controlling interest	-	-	101.76	129.35

* These include the Company's proportionate share of income and expenditure in its two joint operations, namely, Tata Cummins Pvt. Ltd. and Fiat India Automobiles Pvt. Ltd.

DIVIDEND

In view of inadequate profits for FY 2018-19, no dividend is permitted to be paid to the Members as per the provisions of the Act and the Rules framed thereunder.

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits for FY 2018-19 in the Profit and Loss Account.

FINANCIAL PERFORMANCE AND THE STATE OF THE COMPANY'S AFFAIRS

OPERATING RESULTS AND PROFITS

The Indian economy in FY 2018-19 started with a healthy 8.2% growth in the first quarter on the back of domestic resilience.

Growth eased to 7.3% in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee depreciated because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

Global growth is moderating as the recovery in trade and manufacturing activity is losing its steam. Despite ongoing negotiations, trade tensions among major economies remain elevated. Growth in the United States has remained solid, bolstered by fiscal stimulus. In contrast, activity in the Euro Area has been somewhat weaker than previously expected, owing to slowing net exports. China registered growth of 6.5% in 2018. A

rebound in private fixed investment helped offset a decline in public infrastructure and other state spending. However, industrial production and export growth have decelerated, reflecting easing global manufacturing activity. Japan's economy also saw annualized growth of 0.8% due to bad weather and natural disasters. The GDP rate of Russia slowed down to 0.8% in 2018. At a growth rate of 1.2%, South Africa's economic expansion would still be above the 0.8% level at which the economy expanded in 2018. The Middle East economy growth looks uncertain with the cut in oil production in compliance with OPEC+ deal and geopolitical risks will continue to cap the growth.

The **Tata Motors Group** registered a growth of 3.3% in income from operations to ₹3,01,938 crores in FY 2018-19 as compared to ₹2,92,341 crores in FY 2017-18. This was due to better sales volume in the business in India and due to favorable translation impact from Great Britain Pound ('GBP') to Indian Rupee ('₹') of ₹14,517 crores. Earnings Before Other Income, Interest and Tax, were ₹3,774 crores in FY 2018-19 compared to ₹11,788 crores in FY 2017-18. The decrease was primarily driven by the performance of Jaguar Land Rover business, including higher depreciation and amortization and fixed marketing expenses / selling costs. The Company's net loss (attributable to shareholders of the Company) was ₹28,826 crores in FY 2018-19 as compared to a profit of ₹8,989 crores in FY 2017-18. In FY 2018-19, the Company has taken an impairment charge of ₹27,838 crores for Jaguar Land Rover, due to weak sales and profitability, change in the market conditions, especially in China and technology disruptions.

Tata Motors Limited recorded revenue from operations (including joint operations) of ₹69,203 crores in FY 2018-19, 17.9% higher from ₹58,690 crores in FY 2017-18. Growth in demand of Medium and Heavy Commercial Vehicle ('M&HCV') and Light Commercial Vehicle ('LCV'), new product offerings in Passenger Cars and Utility Vehicles ('UV'), resulted in increase in EBITDA margins to 7.4% in FY 2018-19 as against 4.1% in FY 2017-18. Profit Before and After Tax (including joint operations) for FY 2018-19 were at ₹2,399 crores and ₹2,021 crores, respectively as compared to Loss Before and After Tax (including joint operations) of ₹947 crores and ₹1,035 crores, respectively for FY 2017-18.

Jaguar Land Rover ('JLR'), (as per IFRS) recorded revenue of GB£24.2 billion in FY 2018-19 compared to GB£25.8 billion in FY 2017-18, down by 6.2% broadly in line with the decline in wholesales (excluding CJLR) which were down 6.9% primarily as a result of the challenging conditions in China.

Consolidated EBITDA for FY 2018-19 was GB£2.0 billion, lower compared GB£2.8 billion for FY 2017-18, as a result of the lower wholesales, higher incentive and warranty costs, partially offset by Project Charge cost efficiencies and favourable realised foreign exchange movements. The Loss Before Interest and Tax ('EBIT') was GB£180 million in FY 2018-19 compared to EBIT of GB£971 million in FY 2017-18, due to the lower EBITDA, higher depreciation and amortisation and lower profits from the China joint venture.

The Loss Before Tax excluding exceptional items in FY 2018-19 was GB£358 million compared to Profit Before Tax excluding exceptional

items of GB£1.1 billion in FY 2017-18, primarily reflecting the lower EBIT, higher interest costs and unfavourable revaluation of hedges and foreign currency debt in FY 2018-19 compared to favourable revaluation in the prior year. Exceptional charges totalled £3.3 billion for FY 2018-19, including a £3.1 billion asset impairment in Q3 and a further £149 million for employee separation charges in Q4.

Free cash flow was negative £1.3 billion for FY19 (including £1.4 billion positive free cash flow in Q4) after lower investment of £3.8 billion and £403 million of working capital inflows. As at March 31, 2019, JLR had £3.8 billion of cash and a £1.9 billion undrawn credit facility resulting in £5.7 billion of total liquidity.

TMF Holdings Limited ('TMFHL'), the Company's captive financing subsidiary, reported consolidated revenues of ₹3,975 crores (FY 2017-18: ₹2,908 crores) and Profit After Tax of ₹164 crores in FY 2018-19 (FY 2017-18: ₹76 crores).

Tata Daewoo Commercial Vehicle Company Limited, South Korea ('TDCV') (as per Korean GAAP), registered revenues of KRW 651.36 billion, a drop of 25.0% over FY 2017-18. The Loss After Tax was KRW 28.02 billion as compared to Profit After Tax of KRW 33.66 billion in FY 2017-18. Lower profitability was mainly due to lower sales and lower absorption of fixed costs partially offset by material cost reduction.

VEHICLE SALES AND MARKET SHARES

The **Tata Motors Group** sales for the year stood at 12,74,072 vehicles, up by 4.3% as compared to FY 2017-18. Global sales of all Commercial Vehicles ('CV') were 5,27,286 vehicles, while sales of Passenger Vehicles ('PV') were at 7,46,786 vehicles.

TATA MOTORS

Tata Motors recorded sales of 6,79,288 vehicles, a growth of 16.2% over FY 2017-18, higher than the Indian Auto Industry which grew by 5.9%. The Company's market share increased to 15.5% in FY 2018-19 from 14.1% in FY 2017-18. The Company's exports on standalone basis were marginally higher by 1.4% to 53,140 vehicles in FY 2018-19 as compared to 52,404 vehicles in FY 2017-18.

Commercial Vehicles ('CV')

The CV Industry started FY 2018-19 on a very strong note, which continued through first half before being impacted by the implementation of the increased Axle load norm. This resultant drop in demand along with increase in parc capacity, the liquidity crunch triggered by the NBFC crisis, coupled with other factors dampened the demand largely in second half. However, overall FY 2018-19 was a year of robust growth for the CV industry. Tata Motors CV Business sales in the domestic market for FY 2018-19, witnessed a robust growth of 17.2% with 4,68,788 units sold. The market share of Tata Motors for FY 2018-19 was 45.1%. All the four segments showed strong growth with three out of four segments inching up their market share.

Some of the highlights for the year were:

- M&HCV volumes grew by 12.3% in FY 2018-19. Several new products and variants across the Prima and Signa platforms

were launched. These include LPT 1618 5L Turbotronn – the first 4 cylinder engine offering in M&HCV range, SIGNA 4923.T and 4823.T – India's first range of 16 wheeler trucks with 49T and 47.5T GVW, the entire range of Increased Axle Load range of products from 18.5T to 55T GVW across trucks, tractors and new range of Tippers: - 1913.T and 1918.T, 2818.T, 3518.T, 4223.T, 4623.S, 5523.S, 2823.TK/K, 1918K, 1923K. Tata Motors inched up its market share by 0.7% in this segment, with a growth for the first time after 10 years.

- ILCV volumes registered a strong growth of 23% in the FY 2018-19. Tata Motors reinforced its position through the introduction of the Ultra 1518.T, Ultra 1412, Ultra T.7 with smaller cabin design suitable for intercity operations in domestic and international markets. In addition the launch of LPT407/27 FE, LPT 1412SLP, LPT 1212CRX, LPT1512 CRX, SFC 909, LPT 909/49 CNG and India's first 13.8T CNG vehicle LPT1412 CNG in the regular ICV range helped Tata Motors establish itself as No. 1 in ICVs sub-segment. Tata Motors also launched specialized e-commerce containers range with advanced features like surveillance cameras, OTP based Lock, Load sensors etc. in the year. Tata Motors market share in the segment was up by 0.5% compared to FY 2017-18.
- SCV & Pickup Volumes grew by 23.9% in FY 2018-19. The launch of Tata Ace Gold with the legendary facia, popular among the target customer group added to the Company's strength in the Ace family. The market share was up by 0.7% compared to FY 2017-18.
- Volumes in the CV passenger segment grew by 3.5% in FY 2018-19. The introduction of 15 seater and 12 seater Winger helped to cater to the ever increasing tour and travel segment. The year also saw introduction of 1623, a 230 HP 12 meter bus, typically used for intercity coaches. In addition, EGR vehicles on the 1515 range and 1212, a bus meant to cater to the higher seating capacity rugged application, very prevalent in the country today were launched. On the other end of the spectrum, 407 on the smaller wheel base (2900 WB) was introduced as a perfect fit to intra-city congested roads for both school and staff applications.
- Reiterating its commitment to greener fuel options, the Company started delivery of electric buses to various State Transport Units.
- The Company significantly improved the ability to provide customers with end-to-end support and comfort through enhancing value added services under a umbrella brand of "Sampoorna Seva". The key elements include 6 Year 6 lakh km warranty on the entire range of M&HCVs, Tata Alert breakdown assistance service available across 3 million kilometers of Indian roads and Tata Delight Loyalty Program.
- Non-vehicle business revenue for CVBU from spares, prolife and aggregates increased by 21.6% in FY 2018-19. Tata Motors Genuine Oil ('TMGO') launched last year reached 17,000 KL of sale helping to bring down the Total Cost of Ownership for its customers.

Passenger Vehicles ('PV')

The domestic PV Industry grew by 2.8% during FY 2018-19 registering a volume of 3.35 million vehicles. Barring the first quarter, industry de-grew consecutively for three quarters. Overall, the Industry performance was affected by delay in availability of retail finance, higher interest rate, higher acquisition price because of requirement of buying three year insurance at the time of purchase, negative sentiment in market and postponement of purchase decisions. As a result, the retail was far below expectations. This led to higher stock at dealerships and dealers faced the challenge of the working capital rotation.

The festival seasons during the year did not give the expected impetus. The beginning of the festive season was washed out due to unprecedented floods in Kerala. During Navaratri and Diwali, the market was expected to bounce back and infuse positive energy into the system. But just before this festive season the liquidity was severely impacted because of NBFC crisis. The festive season reported a 14% de-growth, one of the worst festive sales performance in the recent past.

Whilst market situation remained challenging throughout the year, Tata Motors PV business outperformed the market. The Company registered a 13.9% overall growth in FY 2018-19 with a total volume of 2,10,500 units. The market share for the year was 6.3%, an improvement of 60 basis points from FY 2017-18. The growth rate 13.9% for the Company is ahead of the industry. This is the highest unit sales and market share in over the last 5 years.

Tiago registered a growth of 17% in its 3rd year of market presence with 2,00,000 + customers. Nexon was awarded with 5 star safety rating by GNCAP, the only car in India with 5 star safety rating, and established itself as the second most selling SUV with annual sales of over 55,000 units.

To counter the market slowdown, the Company did four critical product interventions within 51 days in festival season, namely, Tiago NRG, Nexon KRAZ, Tigor Refresh and Tiago/Tigor JTP range of products. These interventions helped to attract additional set of customers and continue the market buzz. On January 23, 2019, the Tata Harrier was launched and the initial response from customers is overwhelming.

Customer satisfaction remained as the centre of business. The Company ranked a clear 2nd in JD Power customer satisfaction survey. In FY 2017-18, the Company shared the 2nd rank with Maruti Suzuki. Non-vehicular business revenue improved 15% over last financial year. The Net Promoter Score of PV business significantly improved from a negative score of 13 in FY 2014-15 to a positive score of 18 in FY 2018-19 signifying improvement in brand perception. This helped the Company to gain pricing power across models and exercise pricing leadership.

Exports

The Company exported 53,140 vehicles (FY 2017-18: 52,404 vehicles). Export of CV marginally increased by 2% in FY 2018-19 with 51,119 units compared to 50,106 units in FY 2017-18. New

regulations and political uncertainty in Sri Lanka, and slump in Middle East, impacted industry volumes in these markets. However, our market share in both these markets improved for commercial vehicles. Market share in most of the focused markets, either improved or have been strong and the Company successfully bagged several prestigious orders.

Export of PV stood at 2,021 units compared to 2,298 units in FY 2017-18. Two large markets remain non-operational - Sri Lanka due to high import duties, tight retail financing and South Africa due to the closure of the distribution channel. Launch of new models in Nepal and Bangladesh helped rank Company to rank No. 4 and No. 3 in the respective markets.

JLR retail sales were 5,78,915 vehicles in FY 2018-19, down 5.8% year on year, primarily reflecting weaker market conditions in China which was partially offset by strong growth in the UK and North America.

The introduction of new and refreshed models led by the Jaguar E-PACE, award winning I-PACE, Range Rover Velar and the refreshed Range Rover and Range Rover Sport were offset by lower sales of more established models, mainly in China, and the run-out of the first generation Range Rover Evoque in the third quarter with sales of the new Evoque beginning to ramp up through the fourth quarter. By region, sales were up strongly in the UK by 8.4% and in North America by 8.1% and retails were also higher in Overseas markets by 2.4%. Retail sales in Europe declined 4.5% year on year on account of continuing diesel uncertainty, Brexit and the change to more stringent World Harmonised Light Vehicle Testing Procedure ('WLTP') emissions testing regime. Retail sales in China (including sales from the joint venture) were down 34.1% year on year due to trade tensions with the US, slowing economic growth and uncertainty driven by import duty changes effective from July 2018, inventory reduction and corrective actions in China.

The total wholesale volumes (excluding sales from the China Joint Venture) at 5,07,895 units were down 6.9% as compared to the 5,45,298 units in FY 2017-18, generally reflecting the trends seen in the retail sales above.

Some of the key highlights of FY 2018-19 were:

- JLR's first battery electric vehicle, the Jaguar I-PACE went on sale in June 2018 (2019 World Car of the Year, 2019 World Car Design of the Year, 2019 World Green Car, 2019 European Car of the Year)
- E-Pace launched and on sale from the China joint venture in September 2018
- All new Range Rover Evoque with hybrid options went on sale in Q4
- Refreshed Jaguar XE launched in Q4 with exterior updates and significantly improved infotainment
- Announced the reveal of the All New Land Rover Defender for later in 2019
- Project Charge announced to deliver £2.5 billion of cost, cash and profit improvements by the end of FY 2020; and Project Accelerate announced to support long term sustainable profitable growth

- Manufacturing plant in the city of Nitra in Slovakia commenced production of the Land Rover Discovery in October 2018
- Land Rover celebrated it's 70 year anniversary
- JLR completed it's first self-driving journey as part of autonomous driving trials with the UK Autodrive project in Q2
- Announced 6 cylinder Ingenium 3 litre petrol engine to be manufactured at the Engine Manufacturing Centre in Wolverhampton, UK to be introduced in Range Rover Sport
- Announced the production of next-generation Electric Drive Units ('EDU') at the Engine Manufacturing Centre in Wolverhampton later this year
- Announced that the batteries to power the EDU's will be assembled at a new Battery Assembly Centre located at North Warwickshire in the UK

TDCV during FY 2018-19 sold 6,672 CV, lower by 24.8% over FY 2017-18, mainly due to decrease in domestic sales. TDCV sold 4,371 CV in the domestic market lower by 36.3% as compared to sales in FY 2017-18, primarily due to lower industry volumes and aggressive discounting and marketing strategies of primarily driven by the imported brands. The market share for both HCV and MCV segments put together was 21.1% as compared to 26.5% in FY 2017-18. However, TDCV could increase its export sales to 2,301 CV, 14.4% higher compared to 2,011 CV in FY 2017-18.

TMFHL is the vehicle financing arm under the brand "TMF Holdings Limited". TMFHL's disbursements (including refinance) increased by 42.8% at ₹21,993 crores in FY 2018-19 as compared to ₹15,406 crores in FY 2017-18. New Vehicle disbursements are done through its subsidiary Tata Motors Finance Ltd ('TMFL'). TMFL financed 2,16,015 vehicles reflecting an increase of 23.3% over 1,75,128 vehicles financed in FY 2017-18. Disbursements for CV increased by 39.6% and were at ₹15,978 crores (142,187 units) as compared to ₹11,448 crores (115,689 units) in FY 2017-18 mainly due to gain in market share (28.3% in FY 2018-19 vs. 26.1% in FY 2017-18). Disbursements of PV increased by 28.5% to ₹3,013 crores (46,500 units) from a level of ₹2,345 crores (42,619 units). Used Vehicle disbursements done through Tata Motors Finance Solutions Limited ('TMFSL'), a 100% Subsidiary of TMFHL were at ₹3,002 crores (27,328 vehicles) as compared to ₹1,614 crores (16,820 vehicles) during FY 2017-18.

Tata Motors (Thailand) Limited ('TMTL') wholesales in FY 2018-19 was 633 units as compared to 682 units in FY 2017-18. The Thai Commercial Automobile Industry has witnessed a growth of 22% in FY 2018-19 compared to 14% growth in the year before, however, as part of ongoing review, TMTL have undertaken a reassessment of its business model in Thailand to ensure it is sustainable over the long term. As a part of the restructuring, the Company has ceased the current manufacturing operations in the financial year and are in the process of scaling down the operations including reduction of manpower. The Company shall address the Thailand market with a revamped product portfolio, suitable to local market needs, delivered through a CBU distribution model. TMTL bagged a prestigious order from Royal Thai Army to supply 614 units of the 1.25 ton Tata Truck.

Tata Motors (SA) (Pty) Limited ('TMSA') achieved its highest ever sales in FY 2018-19 due to expansion of production range. TMSA successfully introduced TDCV model KL3TX and TML model Ultra 1014 in FY 2018-19. In FY 2018-19, TMSA sold 963 units in the South African market as compared to 773 units in FY 2017-18. TMSA's export sale was Nil as against 42 units in FY 2017-18. Going forward in FY 2020-21, TMSA is in the process of adding few more new TDCV models, including K5DEF, K7CEF.

FINANCE

During the year under review, the free cash flows for Tata Motors Group were negative ₹16,346 crores (FY 2017-18: negative ₹11,191 crores), post spend on capex, design and development of ₹35,236 crores. Tata Motors Group's borrowing as at March 31, 2019 stood at ₹106,175 crores (as at March 31, 2018: ₹88,951 crores). Cash and bank balances and investments in mutual funds stood at ₹42,086 crores (as at March 31, 2018: ₹48,974 crores). The consolidated net automotive debt to equity ratio stood at 0.47 as at March 31, 2019, as compared to 0.15 as at March 31, 2018.

Free cash flows were ₹1,539 crores (FY 2017-18: ₹1,339 crores) standalone including joint operations of the Company. Spend on capex, design and development were ₹4,753 crores (net). The borrowings of the Company as on March 31, 2019 stood at ₹18,640 crores (as at March 31, 2018: ₹18,464 crores). Cash and bank balances including mutual funds stood at ₹2,981 crores (as at March 31, 2018: ₹2,312 crores). Additionally, the Company has undrawn committed lines of ₹1,500 crores.

During FY 2018-19, the Company raised unsecured term loans amounting to ₹1,500 crores from Banks for general corporate purpose.

The Company successfully completed liability management exercise by part refinancing of US\$ 500 million notes due for repayment on April 30, 2020. The Company raised ECB of US\$ 237.468 million maturing in June 2025 which was used to repay the bonds through the tendering process.

At JLR, post spend on capital expenditure, design and development of GB£3,810 million (₹34,962 crores) [FY 2017-18: GB£4,186 million (₹35,776 crores)] the free cash flows were negative GB£1,267 million (₹11,627 crores) for FY 2018-19. The borrowings of JLR as on March 31, 2019, stood at GB£4,511 million (₹40,829 crores) [as at March 31, 2018: GB£3,731 million (₹34,238 crores)]. Cash and financial deposits stood at GB£3,786 million (₹34,267 crores) [as at March 31, 2018: GB£4,657 million (₹42,977 crores)]. Additionally, JLR has undrawn committed long term bank lines of GB£1,935 million (JLR data as per IFRS).

During FY 2018-19, JLR issued €500 million senior notes due in 2026 at a coupon of 4.50% per annum. JLR also raised US\$ 1,000 million through syndicated loan. The proceeds were for general corporate purposes, including support for JLR's ongoing growth and capital spending requirements.

The borrowings of TMFHL and its subsidiaries as at March 31, 2019 stood at ₹37,814 crores (as at March 31, 2018: ₹27,470

crores). Cash and bank balances and investments in mutual funds stood at ₹2,119 crores (as at March 31, 2018: ₹1,206 crores). TMFHL and its subsidiaries, raised ₹2,066 crores by issuing NCDs. Bank borrowings through secured term loans continued to be a major source of funds for long-term borrowing and raised ₹6,306 crores during FY 2018-19. TMFL has also done securitization of ₹3,862 crores in FY 2018-19.

Tata Motors Group has undertaken and will continue to implement suitable steps for raising long term resources to match fund requirements and to optimise its loan maturity profile.

During FY 2018-19, the Company's rating for foreign currency borrowings was downgraded to "Ba2"/Negative by Moody's and to "B+"/ Watch Negative by Standard & Poor's. For borrowings in the local currency, Non-Convertible debentures and long term bank facilities i.e. (Buyers Credit and Revolving Credit Facility), the ratings were downgraded by CARE to "AA"/Stable and the ratings were retained with a change in outlook by CRISIL at "AA/ Negative and by ICRA at "AA/ Negative". During the year, JLR's rating was downgraded by Moody's at "Ba3"/Negative and by Standard & Poor's at "B+"/ Watch Negative.

During FY 2018-19, for TMFHL and its subsidiaries, CRISIL and ICRA have maintained its rating and changed its outlook on long-term debt instruments and long term bank facilities to "AA/ Negative". Further CARE has changed the ratings on long term debt and long term bank facilities to CARE AA/Stable.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries for FY 2018-19 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the SEBI Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statements (condensed) together with the Auditor's Report thereon form part of this Annual Report. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statements of the subsidiary companies is attached to the Financial Statements in Form AOC-1. Pursuant to the provisions of Section 136 of the Act, the Company will make available the said financial statements of the subsidiary companies upon a request by any member of the Company or its subsidiary companies. These financial statements of the Company and the subsidiary companies will also be kept open for inspection by any member at the Registered Office of the Company and would be available on the website of the Company.

SUBSIDIARY, JOINT ARRANGEMENTS AND ASSOCIATE COMPANIES

The Company has 99 subsidiaries (12 direct and 87 indirect), 10 associate companies, 3 joint ventures and 2 joint operations as at March 31, 2019, as disclosed in the accounts.

During FY 2018-19, the following changes have taken place in subsidiary / associates / joint venture companies: