



Navigating the storm

No matter how perfect the storm is and the magnitude of its impact, we, at Tata Motors are confident of emerging stronger on the other side. We will do this by keeping our costs low and ecosystem viable.

In FY20, challenges facing the automotive industry were aplenty, much before the outbreak of the coronavirus pandemic. A slowing domestic economy, muted demand across other geographies, regulatory transitions (emissions, safety and axle load), pricing pressures and geo-political conflicts put our resilience to test. However, anchored to our core purpose of providing innovative mobility solutions, we leveraged our strategic strengths to become more lean, agile and operationally fit amidst the intensifying storm.

We prioritised our capital expenditures towards immediately value-accretive projects, reduced working capital and curtailed overhead costs. Our new launches and strong pipeline reflect the choices we are making to consolidate our core capabilities by streamlining products, architectures and new-age technologies. We are exploring strategic alliances to ensure steady access to capital, deleverage our balance sheet and step up our play as a leading automobile manufacturer.



Performance snapshot FY20

₹2,61,068 CR

REVENUE
(CONSOLIDATED)

8.4%

EBITDA MARGIN
(CONSOLIDATED)

(0.2%)

EBIT MARGIN
(CONSOLIDATED)

₹(9,205) CR

FREE CASH FLOW
(AUTOMOTIVE)

33.4%

REDUCTION IN ABSOLUTE
(SCOPE 1 & SCOPE 2)
GHG EMISSIONS (TML)

7,63,600

TOTAL COMMUNITY
OUTREACH (TML)

21,11,015

TOTAL COMMUNITY
OUTREACH (JLR)

About the report

The 75th Integrated Annual Report 2019-20 from the Tata Motors Group encapsulates our relentless commitment to our stakeholders. It captures our 'Turnaround' story that has kept the Group strong in the face of the adverse developments in the automobile industry.

SCOPE AND BOUNDARY

The Report covers the performance of the Group for the period starting from April 1, 2019 to March 31, 2020. The Report aims to provide our stakeholders with a holistic view of our value-creation model, strategy, governance and performance, while also outlining the outlook of the Group.

REPORTING STANDARDS/Frameworks

The Report follows the guiding principles of the International Integrated Reporting Council's Integrated Reporting <IR> Framework. The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 and the rules made thereunder, the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

INTEGRATED APPROACH

While we focus on the six capitals of <IR> – financial, manufactured, human, intellectual, natural and social & relationship – for understanding our dependencies and impacts on them, we look at our performance holistically through a sustainability lens (covering the Environment, Social and Governance aspects). We present our initiatives and performance on each of these aspects. The report has also been mapped with respect to the Global Reporting Initiative (GRI) Standards, Sustainable Development Goals (SDGs) and Principles of the United Nations Global Compact (UNGC); the same is available on www.tatamotors.com.

MATERIALITY

The Report includes information that is material to our stakeholders and our process of value creation. We have also presented information on how we strategically approach these material issues. The material issues are reviewed by the Group management.

ASSURANCE

Assurance on financial statements has been provided by independent auditors BSR & Co. LLP and non-financial disclosures of TML have been assured by TUV India Private Limited. The assurance has been given against the Report's adherence to the <IR> Framework of the IIRC and the GRI Standards. The assurance report issued by TUV India Private Limited is available on www.tatamotors.com.

Contents

EQUIPPED

Equipped with strong fundamentals, future-ready products, operational excellence, innovation and technological expertise – the Tata Motors Group is prepared to navigate the storm.

CORPORATE OVERVIEW

04 Company Profile

PERFORMANCE

08 Chairman's Message
10 TML CEO and MD's Message
11 JLR CEO's Message
12 New Launches
16 Key Highlights
18 Performance Review

VALUE CREATION

20 Business Model
22 Operating Environment
28 Risks and Opportunities
32 Stakeholder Engagement and Materiality

CHARTING OUR ROUTE

The turnaround initiatives are helping the Group navigate smoothly through the storm in the global automotive sector.

STRATEGIC OVERVIEW

36 Tata Motors Limited – Turnaround 2.0
42 Jaguar Land Rover – Transformation
46 Tata Motors Finance

ON THE RIGHT COURSE

With a focus on long-term value creation, the Group is on the right course towards a sustainable future.

SUSTAINABILITY SNAPSHOT

50 Sustainability Focus
52 Environmental Responsibility
58 Social Responsibility
66 Corporate Governance

STATUTORY REPORTS

68 Board's Report
102 Management Discussion and Analysis
124 Risk Factors
143 Report on Corporate Governance
163 Business Responsibility Report

FINANCIAL STATEMENTS

174 Standalone
251 Consolidated

366 Notice

EQUIPPED



Equipped with strong fundamentals, future-ready products, operational excellence, innovation and technological expertise – the Tata Motors Group is prepared to navigate the storm.



Company Profile

We are Tata Motors Group

Tata Motors Group is a leading global automobile manufacturer. Part of the illustrious multi-national conglomerate, the Tata group, we offer to the world a wide and diverse portfolio of cars, sports utility vehicles, trucks, buses and defence vehicles.

We have operations in India, the UK, South Korea, South Africa, China, Brazil, Austria and Slovakia through a strong global network of subsidiaries, associate companies and Joint Ventures (JVs), including Jaguar Land Rover in the UK and Tata Daewoo in South Korea.



COUNTRIES
OF OPERATION

125+



CUSTOMER
TOUCHPOINTS

8,400+

Tata Motors Limited

Tata Motors Limited (TML) is one of India's largest Original Equipment Manufacturers (OEMs) offering an extensive range of integrated, smart and e-mobility solutions.

TML's Commercial Vehicle (CV) offerings include sub-1 tonne to 55-tonne Gross Vehicle Weight (GVW) trucks and small, medium and large buses and coaches. TML's Passenger Vehicle (PV) offerings include the NEW FOREVER range that exemplifies the IMPACT 2.0 design language across cars and utility vehicles and is developed using pioneering technologies that are sustainable.

TML is also playing a leading role in proactively shaping the electric mobility landscape in the country.

TML has a JV with Fiat Group Automobiles to manufacture passenger cars, engines and transmissions for the domestic market, and a JV with Cummins Inc. USA for the design and manufacturing of diesel engines.

MISSION

We innovate mobility solutions with passion to enhance the quality of life

VALUES

Integrity

Teamwork

Accountability

Customer Focus

Excellence

Speed

VISION

By FY 2024, we will become the most aspirational Indian auto brand, consistently winning, by

- delivering superior financial returns
- driving sustainable mobility solutions
- exceeding customer expectations, and
- creating a highly engaged work force

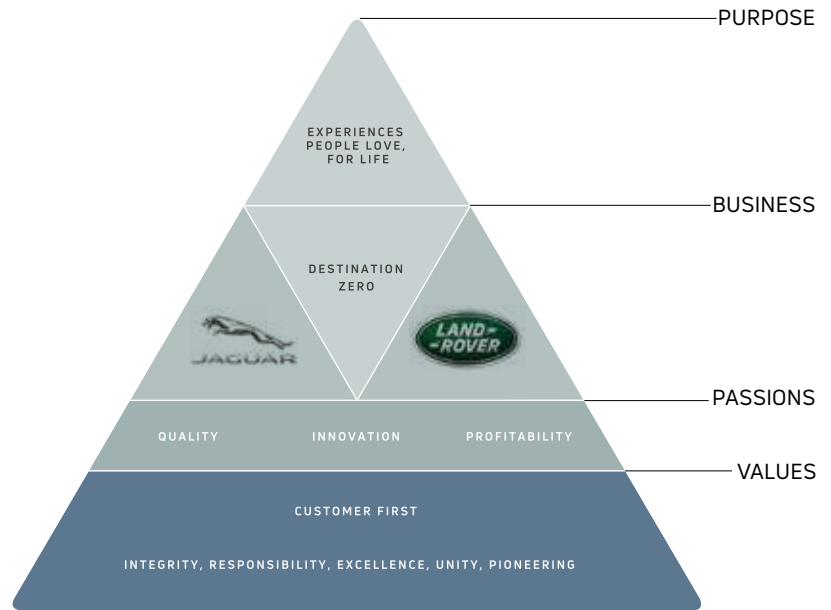
Jaguar Land Rover

Jaguar Land Rover (JLR) is a global automotive manufacturer and leading technology company, proudly built around two iconic British car brands: Jaguar and Land Rover. JLR is driven by a desire to deliver class-leading vehicles, providing experiences people love, for life.

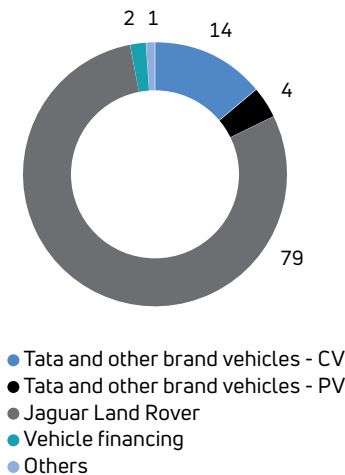
Part of the Tata Motors Group since 2008, JLR has a JV with Chery Automobile Company to manufacture certain models, including powertrains, in China. JLR has also strategically partnered with Waymo to develop the self-driving Jaguar I-PACE and is collaborating with the BMW Group to develop next-gen Electric Drive Units (EDUs).

DESTINATION ZERO

JLR's vision is a world of sustainable, smart mobility – Destination Zero – enhancing the quality of everyone's life with zero emissions, zero accidents and zero congestion through relentless innovation. Our ambition is to make our societies safer and healthier, and our environments cleaner through relentless innovation. Adapting our products and services to the rapidly-changing world around us.



Revenue mix FY20 (%)



Other subsidiaries

TATA MOTORS FINANCE

Tata Motors Finance Limited (TMFL) and Tata Motors Finance Solutions Limited (TMFSL) are Non-Banking Financial Companies (NBFCs). They are the subsidiaries of TMF Holdings Limited (TMFHL).

TMFHL is a 100% subsidiary of TML and a Core Investment Company (CIC). TMFL facilitates new vehicle financing. TMFSL undertakes the dealer/vendor financing business and the used vehicle refinance/repurchase business.

TATA DAEWOO & TATA TECHNOLOGIES LIMITED¹

Tata Motors Group also holds key subsidiaries, such as Tata Daewoo Commercial Vehicles and Tata Technologies Limited.

In 2004, the Tata Motors Group acquired Korea's second largest truck maker Daewoo Commercial Vehicles. Today, it exports its vehicles to 60+ countries.

Tata Technologies Limited is a leading company in engineering services outsourcing and product development IT services, providing a competitive edge to global manufacturers.

¹The Integrated Report does not include information on these subsidiaries explicitly, except for the consolidated financial figures of the Tata Motors Group.

Company Profile Contd.

Extending mobility solutions around the world

United Kingdom

05
MANUFACTURING
FACILITIES

03
R&D/ENGINEERING
AND DESIGN
CENTRES

1,10,067
VEHICLES SOLD

REVENUE

₹42,443CR

North America

01
R&D/ENGINEERING
AND DESIGN
CENTRE

1,35,766
VEHICLES SOLD

REVENUE

₹52,030CR

Europe

02
MANUFACTURING
FACILITIES

01
R&D/ENGINEERING
AND DESIGN
CENTRE

1,13,270
VEHICLES SOLD

REVENUE

₹43,227CR

China

01
JV VEHICLE AND ENGINE
MANUFACTURING
FACILITY

38,212
VEHICLES SOLD

REVENUE

₹29,820CR

India

10
MANUFACTURING
FACILITIES

02
R&D/ENGINEERING
AND DESIGN
CENTRES

4,51,925
VEHICLES SOLD

REVENUE

₹47,094CR

Chairman's Message

Charting out a disciplined growth path



Mr N Chandrasekaran
Chairman and
Non-executive Director

Dear Shareholders,

It is my privilege to write to you and present the Annual Report for FY20.

I hope this letter finds you safe and in good health.

As you know, the global auto industry has grappled with multiple issues during the year. On one hand, we saw greater clarity emerge on Brexit; yet on the other hand, mounting trade tensions, muted global growth and enhanced regulatory norms have fundamentally changed the contours of the business environment in which we operate. Next came the onset of the COVID-19 pandemic in the final quarter of the year, which has ushered in a new reality for industries across the world.

The Indian auto industry faced an unprecedented year, marked by significant headwinds. Domestic auto sales declined by 18% Y-o-Y in FY20, the lowest since the data series was introduced in 2001. Alongside a broad economic slowdown, regulatory changes—including changed axle load norms and the migration to BSVI emission standards—fuelled uncertainty for both consumers and suppliers. These challenges

One of the highlights of the year was the launch of the Tata UniEVerse, an entire electric mobility ecosystem—from charging infrastructure, battery cells, battery packs and electric motors, to financing options, customised for the needs of electric vehicle (EV) ownership.

were further exacerbated in the final quarter of the year by the country's strict lockdown measures in response to the pandemic.

Against this volatile macro backdrop, your Company is charting out a disciplined path towards a robust and resilient future. I would like to first address the current year's performance, followed by various transformative initiatives being undertaken.

Tata Motors Limited (TML)

Over the past two financial years, TML focused on refreshing its portfolio, improving structural efficiencies and streamlining internal processes. In doing so, TML turned a corner and delivered improved market shares, profitability, and positive free cash flows. In FY19, we delivered positive net income of ₹2,021 crore, after making losses for five years. In both FY18 and FY19, TML produced positive free cash flows, following five years in negative territory.

However, in FY20, this turnaround journey has been interrupted, as demand deteriorated sharply on the back of an abruptly slowing economy coupled with the spread of COVID-19.