

# Board's Report

## TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Seventy Fourth Annual Report along with the Audited Financial Statement of Accounts for the Financial Year 2018-19.

### 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 Companies Act, 2013 ('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 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 31 March 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 were 5,27,286 vehicles, while sales of Passenger Vehicles 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 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 sales 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 over the last 5 years.

Tiago registered a growth of 17% in its 3<sup>rd</sup> 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 2<sup>nd</sup> in JD Power customer satisfaction survey. In FY 2017-18, the Company shared the 2<sup>nd</sup> 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 the Company to achieve 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 3.0 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 commercial vehicles, lower by 24.8% over FY 2017-18, mainly due to decrease in sales in domestic sales. TDCV sold 4,371 commercial vehicles 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 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 commercial vehicles, 14.4% higher compared to 2,011 commercial vehicles in FY 2017-18.

### TMFHL

It 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')

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.

### FINANCE

During the year, 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 basis with 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.

**Deposits:** The Company has not accepted any public deposits during FY 2018-19. There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits as at the end of FY 2018-19 which is ₹7.30 crores (Previous year ₹10.80 crores).

At JLR, post spend on capital expenditure, design and development of GB£3,373 million (₹30,325 crores) [FY 2017-18: GB£4,186 million (₹35,776 crores)] the free cash flows were negative GB£1,267 million (₹9,962 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£3,775 million (₹34,168 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.

At TMFHL and its subsidiaries, the borrowings as on 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.

**Credit Rating :** 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 on account of weak performance and challenging external environment at JLR.

During FY 2018-19, for TMFHL and its subsidiaries, CRISIL and ICRA has 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.

### Material Changes and Commitment Affecting the Financial Position

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2018-19 till the date of this report.

### CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statement 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 statement (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 Statement of the subsidiary companies is attached to the Financial Statement in Form AOC-1. Pursuant to the provisions of Section 136 of the Act, the Company will make available the said financial statement 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 Company's website URL: <https://www.tatamotors.com/investors/annual-reports/>.

## 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:

### Name of the companies which have become subsidiaries, associates or joint ventures during the year:

#### Subsidiaries

- Spark44 Taiwan Limited (Taiwan) was incorporated with effect from May 7, 2018.
- Spark44 Colombia S.A.S. (Colombia) was incorporated with effect from May 10, 2018.
- Jaguar Land Rover Classic USA LLC was incorporated with effect from June 1, 2018 (dormant).
- Jaguar Land Rover Hungary KFT was incorporated with effect from July 30, 2018.
- Jaguar Land Rover Classic Deutschland GmbH was incorporated with effect from August 10, 2018.
- InMotion Ventures 4 Limited was incorporated with effect from January 4, 2019.

#### Associates

- Tata Toyo Radiator Limited was converted from a joint venture to subsidiary company with effect from July 1, 2018.
- Loginomic Tech Solutions Private Limited ('TruckEasy') stake acquired with effect from July 10, 2018.
- Automotive Skill Training Pvt. Ltd. converted into Private Limited Company from Section 25 Company with effect from December 10, 2018 (formerly Automotive Skills Training Foundation)
- TitanX Engine Cooling, Poland incorporated with effect from April 25, 2018.

### Name of the companies which have ceased to be subsidiaries, associates or joint ventures during the year:

#### Subsidiaries

- TML Drivelines Limited merged with the Company with effect from April 30, 2018 and consequently Authorised Share Capital of the Company increased from ₹3,900 crores to ₹4,000 crores.
- The Jaguar Collection Limited (dormant) dissolved with effect from June 19, 2018.
- Entire shareholding in TAL Manufacturing Solutions Limited ('TAL') sold to Tata Advanced Systems Limited with effect from March 29, 2019 after acquisition of the non-aerospace business from TAL.

#### Associates

- Serviplem S.A.U. liquidated with effect from February 6, 2019.

#### Restructuring

- Shareholding in Tata Technologies Limited ('TTL') decreased from 72.29% to 72.28% on account of further allotment of 6,188 shares with effect from April 20, 2018.
- Shareholding in Tata Motors (Thailand) Limited increased from 95.49% to 95.81% on account of further allotment of 2,500,000 shares to TML Holdings Pte. Ltd. with effect from April 2, 2018 and from 95.81% to 95.87% on account of further allotment of 548,000 shares to TML Holdings Pte. Ltd. with effect from November 22, 2018.
- Shareholding in Trilix S.r.l. increased from 80% to 100% with effect from December 6, 2018.

Transfer of Defense Undertaking to Tata Advanced Systems Limited: The Company proposes to transfer the value added segment of Defence vehicles business and specialized Defence projects (excluding FICV) ('Defense Undertaking') pursuant to a Scheme of Arrangement as a going concern on a slump sale basis to Tata Advanced Systems Limited ('TASL'), a wholly owned subsidiary of Tata Sons Private Limited, at an enterprise value of ₹209.27 crores arrived at using the Net Asset Value Method. The total consideration receivable from the said transfer has been negotiated for an upfront consideration of ₹100 crores (to be adjusted for design and development spent and changes in working capital) plus a future consideration of 3% of the revenue generated from identified Specialized Defence Projects for upto 15 years from the financial year ended FY 2020 subject to a maximum of ₹1,750 crores. Your Company has received No Objection from the Stock Exchanges, SEBI and the Competition Commission of India for the said transfer and requisite approvals from the Company's shareholders, National Company Law Tribunal ('NCLT'), the Ministry of Defence and other statutory authorities are under process.

The Company has adopted a Policy for determining Material Subsidiaries which has been amended during the year in line with Regulation 16 of the SEBI Listing Regulations. The Policy,

as approved by the Board, is available on the Company's website URL: <https://investors.tatamotors.com/pdf/material.pdf>.

Other than the above, there has been no material change in the nature of the business of the subsidiary companies.

## RISK MANAGEMENT

The Board takes responsibility for the overall process of risk management throughout the organization. Through an Enterprise Risk Management programme, the Company's business units and corporate functions address risks through an institutionalized approach aligned to the Company's objective. This is facilitated by internal audit. The Business risk is managed through cross-functional involvement and communication across businesses. The result of the risk assessment are presented to the senior management. The Risk Management Committee reviews business risk areas covering the top operational, financial, strategic and regulatory risks.

## INTERNAL FINANCIAL CONTROL SYSTEMS AND ADEQUACY

The Board has adopted policies and procedures for governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Company's internal control systems commensurate with the nature of its business, the size and complexity of its operations.

The Company has an independent in-house Internal Audit ('IA') department that functionally reports to the Chairman of the Audit Committee, thereby maintaining its objectivity. Remediation of deficiencies by the IA department has resulted in a robust framework for internal controls. These are detailed in the Management Discussion and Analysis Report, which forms part of this Report.

## HUMAN RESOURCES

The Tata Motors Group employed 82,797 permanent employees as of FY 2018-19 (FY 2017-18: 81,090 employees). The Company employed 27,572 permanent employees as of FY 2018-19 (FY 2017-18: 24,989 employees).

The Company has labour unions for operative / worker grade employees at all its plants across India, except the Dharwad Plant. The Company has generally enjoyed cordial relations with its employees and unions at its factories and offices and have received unions' support in the Company's implementation of reforms that impact safety, quality, cost and productivity improvements across all locations. Employee wages are being paid in accordance with wage agreements that have varying terms (typically three to four years) at different locations.

In line with the Company's philosophy of continuously harnessing employee potential and developing them to become more capable professionals and future leaders, in FY 2018-19 we have partnered with Symbiosis International (Deemed University) and launched a

2 year Management Program ('EPGDBM') with curriculum around operations, finance, people management, supply chain & marketing and 90 employees joined in the 1<sup>st</sup> batch. To enable comprehensive development of white collar workforce, the Company has created 4 Learning Academies – Commercial Excellence, Management Development, Operations Excellence, and Product Leadership. During FY 2018-19, 8443 permanent white collar employees were trained under these academies on various functional and managerial aspects. To develop its blue collar workforce, the Company trained 11,721 employees in technician's skill development, quality management and productivity improvement.

## Inclusion and Diversity

The Company believes that with diversity and inclusion at workplace, it can leverage the multiplicity of skillsets in all its operations. The Company has established policies and a supportive work environment, especially for its women employees and for employees from different backgrounds, age-groups and ethnicities as well.

The Company also endorses the initiative from Tata Group – Second Career Initiative Program ('SCIP') to offer an opportunity to returning mothers who would like to restart their professional careers. 'GearUp' initiative for mid-level women managers is designed to provide management development inputs focussed on leadership skills to make them ready as future leaders. Company's Human Resource ('HR') policy framework, including maternity leave policy, sabbatical and half-day-half-pay policy and flexible timings, helps employees to establish a work-life balance. The company employed 3.5% permanent women employees as of FY 2018-19. (FY 2017-18: 3.3%).

## Prevention of Sexual Harassment

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. Internal Complaints Committee ('ICC') is in place for all works and offices of the Company to redress complaints received regarding sexual harassment. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy.

During FY 2018-19, the Company had received 11 complaints on sexual harassments, 10 of which have been substantiated and appropriate actions taken. The remaining 1 complaint was received during mid March and is being investigated. There were no complaints pending for more than 90 days. The Company organized 103 workshops or awareness programs against sexual harassment.

## Tata Motors Limited Employees Stock Option Scheme

In order to ring fence and incentivize key talent, for driving long term objectives of the Company and ensuring that employee payoffs

match the long gestation period of certain key initiatives whilst simultaneously fostering ownership behavior and collaboration amongst employees, the Tata Motors Limited Employees Stock Option Scheme 2018 ('TML ESOP Scheme 2018' / 'the Scheme') was implemented during the year. Based on the approval of the shareholders at the Annual General Meeting held on August 3, 2018, aggregate 78,12,427 number of Options were granted to the Eligible Employees during the year under the Scheme.

During the financial year 2018-19, there has been no change in the Scheme. There were no ESOP that vested or any shares issued on vesting during the year. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Appropriate disclosures prescribed under the said Regulations with regard to the Scheme are available on the Company's website URL: <https://www.tatamotors.com/investors/ESOP/>

### PARTICULARS OF EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure - 1**.

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Statement is also open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure are related to any Director of the Company.

### BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report (BRR) on initiatives taken from an environmental, social and governance perspective, in the prescribed format is available as a separate section of the Annual Report and is also available on the Company's website URL: <https://www.tatamotors.com/investors/business-responsibility-report/>

### SAFETY & HEALTH – PERFORMANCE & INITIATIVES

Tata Motors has been in a Safety Excellence journey since 7 years. With very high level engagement in Safety, the Organization has taken huge strides to improve Safety Organization Structure and build strong safety systems with a vision of achieving 'Zero Injury at Workplace'.

For FY 2018-19 Tata Motors, including its subsidiaries, achieved the Safety Performance Target with Total Recordable Case Frequency Rate ('TRCFR') being 0.80 against the target of 1.01. For Indian Operations also, Tata Motors Safety Performance was well within targets with Total Recordable Case Frequency Rate

('TRCFR') being 0.60 against the target of 0.89. Unfortunately 3 fatalities were recorded - one each at a manufacturing location, workshop ('DTC') and a road incident. Robust incident investigation has been carried out for all 3 incidents and horizontal deployment of recommendations has been completed.

As a part of our robust governance mechanism, the Company has dedicated committees and various functional teams to ensure safety and implementation of our safety standards. Safety, Health and Sustainability ('SHS') committee of Board reviews the Company's safety performance every quarter. Plant level sub-committees for safety are formed, who functionally, report to corporate level sub-committees. The reviews happen at multi levels - factory level by Factory Implementation committee, plant level Apex committee or sub-committee, the SHS council and finally by the SHS committee. For non plant and services areas, focussed monthly reviews happen at regional offices and with Customer Service teams. Similar mechanism is also in place at workshop, warehouses and even at office locations.

Training and awareness across organisation continues to be considered as a key element of Safety Strategy. Aspects such as Safety Management Fundamentals, Incident Investigations, Contractor Safety Management, Actions Employees Can Take ('AECT') etc. are considered in training programmes for key leaders, 500+ internal trainers, new joiners in induction programmes as also refreshers to existing employees.

The Company continued Campaign 'i-drive safe' – an initiative on building a safe driving culture amongst its employee and associates and have trained them in Defensive Driving. Road Safety Month campaign was observed in February 2019 with the theme 'Road Safety is Life Safety' which included Road Safety Celebrations conducted in all location including all Plants, Offices, Dealerships, Warehouses and Vendors.

### SUSTAINABILITY

The manufacturing plants across the Country are certified to ISO 14001:2015 - Environment Management Systems and OHSAS 18001 – Occupational Health & Safety Management System. All 7 plants are certified for Food Safety Management System ISO 22000:2005. The CV manufacturing plants of the Company across India are certified to ISO 50001 - Energy Management System. Guided by its Environmental Policy, Climate Change Policy and Environmental Procurement Policy, the Company is focused on minimising the environmental impact of its products, processes and services throughout the life-cycle. Manufacturing Plants track energy and environmental performance in a periodic and structured manner at Head-Operations level. The Company actively benchmarks its energy and environmental performance between our own Plants as well as peers and adopts best practices across Plant locations for maximum impact. All the Company's sites have obtained CII-GreenCo Rating, and 2 Plants have achieved Platinum rating in FY 2018-19.

The Company continued to drive a number of initiatives to reduce its environmental footprint in FY 2018-19. Our GreenHouse Gas



(GHG) mitigation approach includes driving Energy Conservation in manufacturing operations and generation / procurement of renewable energy. The Company consumed 94.2 million units of renewable electricity in its operations (16.1 % of total power consumption), compared to 99.38 million units in FY 2017-18 (20.76% of total power consumption). The proportion of renewable power in previous financial year was greater due to allocation of wind power arrears. RE capacity was enhanced by 2MWp Roof-top Solar PV Project at Lucknow and Pimpri Pune Plants and 0.5MW at Chinchwad Pune in FY 2018-19, which will help offset GHG emissions in the FY 2019-20. Taking this further, the Company has signed a Power Purchase Agreement ('PPA') with Tata Power Renewable Energy Ltd. ('TPREL') for setting up an additional 7 MWp capacity of roof and ground mounted solar photovoltaic ('PV') installations across Jamshedpur, Pantnagar and Dharwad Plants.

The Company monitors water sourcing practices at its manufacturing Plants and continued to work on lowering water consumption through water conservation in operations, re-cycling treated effluent for re-use in process and harvesting rainwater. A total of 9,77,656 m<sup>3</sup> of water was conserved through these efforts in FY 2018-19, which is 13.8% of total water consumption as compared to 17.3% in FY 2017-18.

Hazardous wastes are disposed in accordance with authorizations issued by the Authorities in the States we operate. These include destruction of hazardous waste at cost by landfilling and incineration at Approved Common Treatment Storage and Disposal Facilities; energy and material recovery from hazardous wastes through co-processing in cement plants; and material conversion through approved re-cyclers for hazardous wastes such as spent thinner, paint sludge and sealant.

The Company commenced an initiative across Plants in FY 2018-19 called "Value from Hazardous Waste", aimed at diverting hazardous waste from landfill / incineration at approved sites and instead derive value from the same. This initiative aims to ultimately achieve 'Zero Waste to Landfill' status from manufacturing operations. The quantum of hazardous waste diverted from landfill / incineration was higher by 15.5% over FY 2017-18. However, due to higher waste generation on the back of higher volumes, hazardous waste sent for disposal to Common Treatment Storage and Disposal Facilities also increased by 41.2%.

The Company has also initiated actions to minimise the consumption of flexible plastic packaging in its operations. While plastic packaging used for dispatch of auto parts between Plants and to Warehouses has been significantly reduced, work is ongoing on plastic packaging used by our Suppliers. This is being done by elimination of plastic packaging where feasible and converting expendable (single-use) plastic packaging to returnable (multiple-use) packaging.

On Sustainability, we continued implementation of sustainable supply chain initiatives during FY 2018-19. 115 suppliers have been trained and provided handholding to improve sustainability performance and assessed towards sustainability expectations.

Circular economy, natural capital evaluation of key dependencies, design for environment, biodiversity assessment, life cycle assessment of products, climate adaptation study were some of the other initiatives the Company has taken in sustaining its business and planet.

JLR continues to drive health and safety through Destination Zero – A Journey to Zero Harm. The ambition is reflected in the JLR commitment with the key statement being "Our most valuable asset is our people, nothing is more important than their safety and wellbeing. Our co-workers and families rely on this commitment. There can be no compromise". The concept of Destination Zero Harm enables the consistent message on safety to continue to be highly visible in the business.

The development of focused plans has ensured that each functional area, aligned at Board level, has a specific 'Destination Zero' Harm Plan. These have assisted each functional area to tailor their own plan of activities to lead improved safety and wellbeing within their own area of responsibility, sponsored from the most senior level functionally.

To support the wider ambition of zero harm as well as focusing on incidents, JLR also continued to mature the approach to wellbeing activities with a focus on mental health and the continuation of programmes designed to support open discussions on matters of mental health, as well as other support interventions to assist in improved wellbeing, both in mental and physical health.

Performance on Lost Time Injuries ('LTI') remained relatively stable, especially within manufacturing. Many locations within the sites celebrated sustained zero lost time injuries. The performance on safety was assisted in part through various activities taken during the year, such as improving quality of safety behavioural observations, introduction of revised internal audit programme called SHARP, effective implementation of existing safety management programs, safety and wellbeing weeks, robust safety training, leadership training and driving assessments etc.

The business has gone through OHSAS 18001 - surveillance visits in 2018-19, within all the UK locations and maintained its accreditation to this standard through a series of external assessments. It has now started the cycle of assessments to migrate to the new International Standard ISO 45001 with accreditation to ISO 45001 expected at the end of the assessment period in 2019-20.

TDCV's Safety Index continued to improve from 1.24 to 0.52 in FY 2018-19. TDCV has implemented reinforced High-risk Control Program [LockOut Energy Control ('LOEC'), Pedestrian and In-Plant Vehicle ('PIV') and Confined Space entry] and operated the standing committee (PIV Committees and LOEC Committee) from 2018. In addition, TDCV has assigned emergency medical technicians ('EMTs') to designated places and conducted training sessions for all the employees to ensure a prompt response to any emergency situations within the company.

## CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year in the format prescribed in the Companies (CSR Policy) Rules, 2014 are set out in **Annexure - 2** of this Report. The Policy is available on Company's website at URL: <https://investors.tatamotors.com/pdf/csr-policy.pdf>.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure - 3**.

## EXTRACT OF ANNUAL RETURN

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in **Annexure -4** to this Report and is also available on the Company's website URL: <https://www.tatamotors.com/investors/annual-return/>.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Re-appointment

In accordance with provisions of the Act and the Articles of Association of the Company, Mr N Chandrasekaran, Non-Executive Chairman (DIN:00121863) is liable to retire by rotation and is eligible for re-appointment.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of the Secretarial Standard are given in the Notice of AGM, forming part of the Annual Report.

### Independent Directors

In terms of Section 149 of the Act and the SEBI Listing Regulations Mr Nasser Munjee, Mr Vinesh Kumar Jairath, Ms Falguni Nayar, Mr Om Prakash Bhatt and Ms Hanne Sorensen are the Independent Directors of the Company as on date.

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Mr Nasser Munjee, Mr Vinesh Kumar Jairath and Ms Falguni Nayar were appointed as Independent Directors at the 69<sup>th</sup> AGM of the Company held on July 31, 2014 for period of 5 years and are holding office till July 30, 2019. The Board hereby places on

record its appreciation for their valuable contribution and guidance during their tenure as Independent Director.

### Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel (KMPs) of the Company during FY 2018-19 are:

- Mr Guenter Butschek, Chief Executive Officer and Managing Director
- Mr Satish Borwankar, Executive Director and Chief Operating Officer
- Mr Pathamadai Balachandran Balaji, Group Chief Financial Officer
- Mr Hoshang Sethna, Company Secretary

The tenure of Mr Satish Borwankar Executive Director and Chief Operating Officer of the Company ends on July 15, 2019. Mr Borwankar started his career with the Company in 1974 as a Graduate Engineer Trainee and has served in various operating functions like manufacturing, quality, vendor development and strategic sourcing, rising through the ranks to become its Executive Director and Chief Operating Officer. The Board of Directors hereby places on record its appreciation for the invaluable contributions made by Mr Borwankar during his tenure.

## CORPORATE GOVERNANCE

At the Company, we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely, to boost long-term shareholder value and to respect minority rights. The Company considers it an inherent responsibility to disclose timely and accurate information regarding its operations and performance, as well as the leadership and governance of the Company.

A separate section on Corporate Governance and the certificate from the Practicing Company Secretary confirming compliance of Corporate Governance norms as stipulated in Regulation 34 read along with Schedule V of the SEBI Listing Regulations, giving information pertaining to the Board and its Committees, transfers to IEPF authority etc. form part of this Report.

### MEETINGS OF THE BOARD

During the year, the Board of Directors met 7 times. For details, please refer to the Corporate Governance Report, which forms part of this Annual Report.

### COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

- Stakeholders, Relationship Committee
- Risk Management Committee
- Safety Health and Sustainability Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Corporate Governance Report, which forms a part of this Report. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board.

### BOARD EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act and the SEBI Listing Regulations.

The Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of Non-Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board, taking into account the views of Executive and Non-Executive Directors in the aforesaid meeting. The above evaluations were then discussed in the Board meeting and performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Board members of the Company are afforded every opportunity to familiarize themselves with the Company, its management, its operations and above all, the Industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them is/are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

The details of the Familiarisation Programme for Independent Directors with the Company in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company and related matters are available on the Company's website URL: <https://investors.tatamotors.com/pdf/familiarisation-programme-independent-directors.pdf>.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act (salient features) has been briefly disclosed hereunder and in the Corporate Governance Report, which is a part of this Report.

#### Selection and procedure for nomination and appointment of Directors

The Nomination and Remuneration Committee ('NRC') is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The NRC reviews and vets the profiles of potential candidates vis-à-vis the required competencies, undertakes due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board.

#### Criteria for determining qualifications, positive attributes and independence of a Director

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the SEBI Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- Qualifications – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

The Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the Remuneration Policy of the Company.

The said policy is also available on the Company's website URL: <https://investors.tatamotors.com/pdf/directors-appointment-remuneration.pdf>

## VIGIL MECHANISM

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Tata Code of Conduct ('TCOC'), any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the TCOC cannot be undermined.

Pursuant to Section 177(9) of the Act and Regulation 4(2)(d) (iv) of the SEBI Listing Regulations, a Whistleblower Policy and Vigil Mechanism was established for directors, employees and stakeholders to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor ('CEC')/Chairman of the Audit Committee of the Company for redressal. The Company has revised the Whistleblower Policy in accordance with amendments made to SEBI (Prohibition of Insider Trading) Regulations, 2015.

It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website at URL: <https://investors.tatamotors.com/pdf/whistle-blower-policy.pdf>.

## AUDIT

### Statutory Audit

M/s B S R & Co. LLP, Chartered Accountants (ICAI Firm No. 101248W/W-100022), the Statutory Auditors of the Company, hold office until the conclusion of Seventy Seventh AGM to be held in the year 2022. Pursuant to Section 141 of the Act, the Auditors have represented that they are not disqualified and continue to be eligible to act as the Auditor of the Company.

The Report of the Statutory Auditor forming part of the Annual Report, does not contain any qualification, reservation, adverse remark or disclaimer. The observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

The Statutory Auditor of the Company has not reported any fraud as specified under the second proviso to Section 143(12) of the Act.

### Branch Audit

Members' approval is being sought *vide* item No. 5 of the Notice, for authorizing the Board of Directors to appoint Branch Auditors for the purpose of auditing the accounts maintained at the Branch Offices of the Company abroad.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Director appointed M/s Parikh & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for year ended March 31, 2019. The Report of the Secretarial Audit is annexed herewith as **Annexure - 5**. The said Secretarial Audit Report does not contain any qualification, reservations, adverse remarks and disclaimer.

### Cost Audit

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Mani & Co., a firm of Cost Accountants in Practice (Registration No.000004) as the Cost Auditors of the Company to conduct cost audits for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2020. The Board on recommendations of the Audit Committee have approved the remuneration payable to the Cost Auditor subject to ratification of their remuneration by the Members at the forthcoming AGM.

M/s Mani & Co. have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

## OTHER DISCLOSURES

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the FY 2018-19 with related parties were on an arm's length basis and in the ordinary course of business. There were no material related party transactions (RPTs) undertaken by the Company during the year that require shareholders' approval under Regulation 23(4) of the SEBI Listing Regulations or Section 188 of the Act. The approval of the Audit Committee was sought for all RPTs. All the transactions were in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

Given that the Company does not have any RPTs to report pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2, the same is not provided. The details of RPTs during FY 2018-19, including transaction with person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company are provided in the accompanying financial statements.

During the FY 2018-19, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, commission and reimbursement of expenses, as applicable.



The Policy on Related Party Transactions was amended during the year in line with amendment to the Act and SEBI Listing Regulations. The Revised Policy is available on the Company's website URL: <https://investors.tatamotors.com/pdf/rpt-policy.pdf>

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans and Investments made during FY 2018-19 are given below:

(₹ in crores)

Name of Companies	Nature of Transactions	Loans	Investment
JT Special Vehicle Private Limited	Loan	3.75	-
TAL Manufacturing Solutions Limited	Acquisition of Non-Aerospace Business	-	0.1
TMF Holdings Limited	Call option exercised for Compulsorily convertible preference shares: Series A	-	130
TMF Holdings Limited	Equity Infusion	-	600
Tata Precision Industries Singapore	Loan	0.5	-
Trilix S.R.L	Acquisition of remaining 20% stake	-	7.97

During FY 2018-19, the Company has not given guarantee to any of its subsidiaries, joint ventures and associate companies.

### SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of SEBI Listing Regulations, the Board of Directors of the Company have formulated a Dividend Distribution Policy ('the policy'). The Policy was amended by the Board to make it more dynamic yet simple.

The amended policy is annexed to this Report as **Annexure - 6** and is also available on the Company's website URL: <https://investors.tatamotors.com/pdf/dividend-distribution-policy.pdf>

### SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the Financial Statement.

## DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, secretarial auditors and external agencies, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018-19.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed and that there are no material departures;
- we have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively\*; and
- proper systems were devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

*\*please refer to the Section "Internal Control Systems and their Adequacy" in the Management Discussion and Analysis.*

## ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. The Directors would also like to thank the shareholders, employee unions, customers, dealers, suppliers, bankers, Governments and all other business associates for their continuous support to the Company and their confidence in its management.

On behalf of the Board of Directors

**N CHANDRASEKARAN**  
Chairman  
(DIN: 00121863)

Mumbai, May 20, 2019

## ANNEXURE-1

### Details of Remuneration of Directors, Employees and comparatives

[Pursuant to Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the FY 2019:

Sr No.	Names of Directors	Designation	Ratio of remuneration to median remuneration	% increase in the remuneration
<b>I Non-Executive Directors</b>				
1	Mr N Chandrasekaran <sup>(1)</sup>	Chairman- NED	--	--
2	Mr N Munjee	Independent Director	12.77	-- <sup>(3)</sup>
3	Mr V K Jairath	Independent Director	12.59	-- <sup>(3)</sup>
4	Ms Falguni Nayar	Independent Director	10.58	-- <sup>(3)</sup>
5	Dr Ralf Speth <sup>(2)</sup>	Non-Executive Director	--	--
6	Mr Om Prakash Bhatt	Independent Director	12.85	-- <sup>(3)</sup>
7	Ms Hanne Sorensen	Independent Director	10.29	-- <sup>(3)</sup>
<b>II Whole-time Directors</b>				
8	Mr Guenter Butschek	CEO and Managing	351.22	1.57
9	Mr Satish Borwankar	Executive Director and Chief Operating Officer	32.79	11.55
<b>III Key Managerial Personnel</b>				
1	Mr P B Balaji	Chief Financial Officer	108.49	-- <sup>(4)</sup>
2	Mr Hoshang Sethna	Company Secretary	19.82	17.50

**Notes**

- (1) As a policy, Mr N Chandrasekaran, Chairman has abstained from receiving Commission from the Company and hence not being stated.  
(2) Dr Ralf Speth is not paid any commission or sitting fees in view of his appointment as CEO and Director of Jaguar Land Rover Automotive PLC.  
(3) Not comparable as no commission was declared for the FY 2017-18.  
(4) Not comparable as remuneration for previous year was for part of the year.

- b. A break-up of median remuneration for employees is given below:

Employee Group	Median Remuneration (₹ in lakhs)	Increase in the median remuneration (%)
White Collar	11.70	13.04
Blue Collar	6.41	11.48

The Median Remuneration of employees for the FY 2019 is ₹ 7.64 lakhs

2. The number of permanent employees on the rolls of Company as at March 31, 2019: 27,572
3. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Employee group	Average percentage increase / (decrease) in salaries for FY 2019 (in %)
<b>All permanent (Blue Collar and White Collar permanent)</b>	<b>6.00</b>
White Collar	10.00
Blue collar	4.48
<b>Executive Directors/Managerial Remuneration</b>	
Mr Guenter Butschek	1.57
Mr Satish Borwankar	11.55

**Note :**

Salaries for blue collar includes only TFP (as they are not given any performance linked bonus but have plant-wise wage revision at a set frequency). The annual variable/performance pay and the salary increment of managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against major performance areas which are closely aligned to Company's objectives.

On behalf of the Board of Directors

**N CHANDRASEKARAN**  
Chairman  
(DIN: 00121863)

Mumbai, May 20, 2019

## ANNEXURE-2

## Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014]

1. A brief outline of the Company's CSR policy, including an overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:
  1. Overview:
    - (i) **Outline of CSR Policy** - As an integral part of our commitment to good corporate citizenship, we at Tata Motors believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized; focused on inter alia the Scheduled Castes and Scheduled Tribes, and the society at large. In order to leverage the demographic dividend of our country, Company's CSR efforts shall focus on Health, Education, Environment and Employability interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India. CSR at Tata Motors shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.
 

Weblink for Tata Motors India CSR Policy: <http://www.tatamotors.com/about-us/policies.php>
    - (ii) **CSR Projects:** 1. *Aarogya* (Health): Addressing child malnutrition; health awareness for females; preventive & curative health services, drinking water projects; 2. *Vidyadhanam* (Education): Scholarships; Special coaching classes for secondary school students; IIT-JEE & competitive exams coaching, school infrastructure improvement; co-curricular activities; Financial aid to engg. students, 3. *Kaushalya* (Employability): Divers training – novice and refresher; ITI partnership & allied-auto trades; Motor Mechanic Vehicle (MMV); Training in retail, hospitality, white goods repair, agriculture & allied trades; 4. *Vasundhara* (Environment): Tree plantation, environmental awareness for school students;
2. **Composition of CSR Committee:** The CSR Committee of the Board of Tata Motors comprises of (i) Mr Om Prakash Bhatt, Non-Executive, Independent Director [Chairman of the Committee]; (ii) Ms. Falguni S. Nayar, Non-Executive, Independent Director [Member of the Committee] (iii) Mr Guenter Butschek, CEO & Managing Director [Member of the Committee] and (iv) Mr. Satish B Borwankar, Executive Director and Chief Operating Office [Member of the Committee].
3. **Average Net Profit of the Company for last three financial years:** Nil: Loss (₹1496.61 crores)
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not applicable in view of the losses.
5. **Details of CSR Spend during the financial year:**

₹ 22.21 crores was spent towards various schemes of CSR as prescribed under Section 135 of the Act.

  - (a) **Total amount to be spent for the financial year:** Not applicable
  - (b) **Amount unspent, if any:** Not applicable
  - (c) **Manner in which the amount spent during the financial year:** For details, please refer Annexure A
6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount:** Not Applicable
7. **Responsibility Statement of CSR Committee of Board:** The CSR Committee of the Company's Board states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company. The Company had engaged M/s KPMG India (Registered) for assurance on CSR spend by the Company under Section 135 of the Companies Act, 2013, Schedule VII.
 

<b>Guenter Butschek</b> CEO & Managing Director (DIN 07427375)	<b>Om Prakash Bhatt</b> Non-Executive, Independent Director (Chairman CSR Committee) (DIN 00548091)
--	--

Mumbai, May 20, 2019

**ANNEXURE – A**

Sr. No.#	CSR project/ activity identified	Sector in which the Project is covered	Projects/Programmes 1. Local area/ others 2. Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project/ programs wise	Amount spent on the projects or programs		Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
					Direct	Overheads*		
(₹ in crores)								
1	Skill Development and vocational skills in Automotive and Non-Automotive Sector	Employability Enhancing Skill Development	Karnataka - Bangalore Karnataka - Dharwad Maharashtra - Mumbai Maharashtra - Mumbai, Thane Maharashtra - Navi Mumbai Maharashtra-Pune Gujarat - Ahmedabad Jharkhand- East Singhbhum Uttar Pradesh - Bara Banki, Lucknow Uttarakhand Udhm Singh Nagar	5.40	5.39	0.27	5.66	Direct = 0.17 Implementation Agency = 5.14
2	Promoting primary and secondary education in Rural and Socially/ Economically Backward communities	Promoting Education	Karnataka-Bangalore Karnataka-Dharwad Maharashtra-Mumbai Maharashtra-Mumbai, Thane Maharashtra-Navi Mumbai Maharashtra- Pune Gujarat-Ahmedabad Jharkhand- East Singhbhum Uttar Pradesh- BaraBanki, Lucknow Uttarakhand-Udhm Singh Nagar	8.54	8.27	0.41	8.68	Direct = 0.00 Implementation Agency = 8.00
3	Preventive and curative health services in Communities	Eradicating Hunger, Promoting preventive healthcare, Malnutrition, Promoting Preventive healthcare and sanitation and safe drinking water	Maharashtra- Mumbai Maharashtra-Palghar Maharashtra- Pune Gujarat-Ahmedabad Jharkhand- East Singhbhum Uttar Pradesh- Bara Banki, Lucknow Uttarakhand- Udhm Singh Nagar	3.22	3.99	0.20	4.19	Direct = 0.00 Implementation Agency = 4.12
4	Ensuring environmental sustainability through awareness and protection of natural habitats	Ensuring environmental sustainability	Maharashtra- Mumbai Maharashtra-Palghar Maharashtra- Pune Gujarat-Ahmedabad Jharkhand- East Singhbhum Uttar Pradesh- Bara Banki, Lucknow Uttarakhand- Udhm Singh Nagar	1.32	1.18	0.06	1.24	Direct = 0.00 Implementation Agency = 1.25
5	Rural Development	Rural development projects	Maharashtra-Mumbai, Maharashtra-Palghar	1.65	1.51	0.15	1.66	Direct = 0.00 Implementation Agency = 1.14
6	Drinking water project under SMDF	Safe Drinking water	Karnataka- Bangalore, Dharwad; Maharashtra- Mumbai, Thane, Palghar, Pune- Navi Mumbai; Gujarat- Ahmedabad; Jharkhand- East Singhbhum Uttar Pradesh- Bara Banki, Lucknow Uttarakhand- Udhm Singh Nagar	0.00	0.65	0.00	0.65	
7	Administrative Overheads And Capacity Building Cost			0.20	0.13	0.00	0.13	
	<b>Total</b>			<b>20.33</b>	<b>21.12</b>	<b>1.09</b>	<b>22.21</b>	

**Note:**

The CSR spends amount excludes ₹ 2.99 crore donated to Tata Community Initiative Trust (TCIT) for repair of infrastructure which was affected during the flood in Kerala (August 2018)

\*Details of implementing agency

- Employability** : AB FOUNDATION FOR SKILLS AND SUSTAINABILITY, Ador Welding Academy Pvt. Ltd., Ambika Motor Drving School, Avashya Foundation, BAIF Development Research Foundation, Balasore ITI, CBDRDSEI, Centum Foundation, DB Guwahati, DB Skills And Livelihood Pvt Ltd, Edujobs Academy Pvt Ltd, GANATAR, Gram Tarang Employability Training Services Pvt Ltd, Gram Vikas Kendra, GTET Balangir, GTET Parlakhimidi, Hubert Ebner India Pvt Ltd, IDTR, IIM Bihar, IIM Tripura, IIM WB, Indian Academy for Self Employed Women (IASEW), Indus Integrated Information Management Limited, Institute of Driving Training and Research, Institute of Social Development, ITI Nandnagari, JSS Shri Manjunatheshwara Pvt ITI Vidyagiri Dharwad, LAURUS EDUTECH LIFE SKILLS PVT LTD, Laurus Selam, Manikbag Automobile Pvt Ltd, MITCON Foundation, Mukund Service station Pvt. Ltd., Navjyoti Education Society, PACE Center Chembur, Paryawaran Evam Jan Kalyan Samiti (PEJKS), Pipal Tree Rangareddy, Prasad Chikitsa, Pratham Education Foundation, Ramakrishna Mission Belur, Ramkrishna Mission Sakwar, Saath Charitable Trust, Samaj Vikas Kendra, Sambhav Foundation, SANAND EDUCATION TRUST, Shashwat, Skill For Progress, SUVIDHA, Swaroopwardhinee, Tangent Tech Solutions, Tata Strive, TTC Fudi, Vedanta Foundation, Vedanta Foundation (Motor Driving School), Vedanta Foundation Motor Driving School, Vedanta Jalna, Vedanta Patna, Vedanta Reengus, Vikas Samities, VRUKSHA, Yashaswi Academy For Skills
- Education** : Agastya International Foundation, Avanti Fellows, Children's Movement for Civic Awareness - CMCA , College of Engineering Pune, DGB Infosystem, Foundation for Academic Excellence and Access (FAEA), GANATAR, Global Education Trust, Gram Vikas Kendra, IIT Bombay Alumni Association - IITBAA, Indian Institute of Management Bangalore, Indian Institute Of Science, Indian Institute of Technology - Gandhinagar, IndiaNow Foundation, Institute of Driving Training and Research, Institute of Social Development, Jeevantirith, Moinee Foundation, Moinee Foundation\_Pune, Nav Jagrat Manav Samaj, Navneet Foundation, Paryawaran Evam Jan Kalyan Samiti (PEJKS), Prayas Organisation for Sustainable Development, Samaj Vikas Kendra, Samata Shikshan Sanstha, Seva Sahyog Foundation, Shiksha Prasr Kendra, Society for Human Environmental Development (SHED), SRI SARADA MATH, Suprabhat Mahila Mandat, Swami Vivekananda Youth Movement, Swaroopwardhinee, Tangent Tech Solutions, Tata Institute of Social Sciences, The South Indian's Organization, Urmeer Charitable Trust, VASUNDHARA PUBLIC CHARITABLE TRUST, Vidya Poshak, Vikas Samities
- Health** : Family Planning Association of India Dharwad Branch, GANATAR, Gram Vikas Kendra, Impact India Foundation, Institute of Social Development, Jan Parivar Kalyan Sansthan, Lokmanya Medical Research Centre, LTH SILVER JUBILEE RESEARCH FOUNDATION, Manav Seva Education Trust , NAMASTE LIFE, Nav Jagrat Manav Samaj, Parivar Kalyan Sansthan, Prasad Chikitsa, Ramkrishna Mission Sakwar, Sneh Foundation, Snehdeep Jankalyan Foundation, Tangent Tech Solutions, Unik Medicare Solution, Vikas Samities
- Environment** : BAIF Institute for Sustainable Livelihood and Development, Bansilal Ramntath Agarwal Charitable Trust, BNHS ( Bombay Natural History Society), Gram Vikas Kendra, Green Thumb, Institute of Social Development, Manav Seva Education Trust, Prasad Chikitsa, Samaj Vikas Kendra, Shri Nityanand Education Trust, SUVIDHA, Terre Policy Center, Wildlife Research and Conservation Society
- Rural Development** : BSILD



## ANNEXURE-3

## Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo [Pursuant to Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014]

### A. CONSERVATION OF ENERGY

The Company has always been conscious of the need to conserve energy in its Manufacturing Plants which leads to optimized consumption of non-renewable fossil fuels, energy productivity, climate change mitigation and reduction in operational costs. The Company is also signatory to RE100 - a collaborative, global initiative of influential businesses committed to 100% renewable electricity, and is working towards massively increasing the demand for RE deliverables.

#### (i) Steps taken or impact on conservation of energy:

Energy Conservation (ENCON) projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner. Some of the major ENCON Projects in FY 2019 include:

- Jamshedpur Plant: Use of Glow Plug device in place of LPG in Heat Treatment, Optimising HT furnace operation for crown wheel processing, Optimizing FDV (Forced Draft Ventilation) unit operation running in VFD (variable frequency drive) modes, Reduction in propane consumption in Long Member PT-CED Ovens by installation of Flux Maxiox (fuel saving device) and optimizing shell temperature of Ovens through regular energy audits.
- Pimpri Plant: Converting 8500 Nos. of 36W fluorescent tubes to 18WLED tubes, Optimized equipment running by proper shift management.
- Chinchwad Plant: Replacement of 500 Nos. of 400W high bay lamps with 300 Nos. of 120W LED fixtures, Separation of compressed air supply to Grey Iron and Aluminium Foundry to reduce energy consumed by Compressors.
- Maval Foundry: Yield Improvement projects on Moulding Line, Reduced heating time through integral heater core box design for all new core boxes.
- Lucknow Plant: Reduction in compressed air consumption and AC power consumption at Plant level.
- Pantnagar Plant: Reduction in compressed air consumption at Plant level, Installation of VFDs on 75KW exhaust blowers of Paint Booths, Start-up time reduction in ASU Burners in Surfacers and Base Coat booth, Streamlined production planning for metallic color batch painting.
- Dharwad Plant: Fuel conservation by improvements in start-up of ACC oven.
- Chikhali Plant: Optimization of line running in Press & Weld Shop as per production plan.
- Sanand Plant: Optimising running hours of ASU Chillers, VFD for ED circulation pumps, Magnetic Fuel Saver, Arresting heat leakages in all Paint Baking Ovens.

These ENCON efforts in fiscal 2019 have resulted into - energy savings of 1,07,415 GJ (76,185 GJ power + 31,230 GJ fuel), avoided emission of 20,218 tCO<sub>2</sub>e and cost savings of INR 1,834 lakhs.

#### (ii) Steps taken for utilizing alternate sources of energy:

- The Company has set up Renewable Energy generation capacity (solar and wind) which includes:

- 21.95 MW Captive Wind Power Plant (off-site) at Supa and Satara in Maharashtra;
- 3.8 MW Roof-top Solar PV installation at Pimpri & Chikhali (Pune);
- 2 MW Roof-top Solar PV installation at Sanand;
- 2 MW Roof-top Solar PV installation at Lucknow;
- 18.5 kWp Solar PV installation at Pantnagar; &
- 7.2 kW hybrid-wind and solar installation at Dharwad
- In FY 2019, the in-house RE capacity was enhanced by 2MWp Roof-top Solar PV installations each at Lucknow and Pimpri Plants and by 0.5 MW at Chinchwad, Pune, which will help offset GHG emissions in the coming FY'19-20. The Company sources off-site wind power at its Pune, Sanand and Dharwad Works through Power Purchase Agreements (PPA) with Third Party Wind Power Generators and will continue to source renewable power from the grid in line with regulatory policies / frameworks and tariffs in the States of operations. Taking this further, the Company has signed a Power Purchase Agreement (PPA) with M/s Tata Power Renewable Energy Ltd. (TPREL) for setting up an additional 7 MWp capacity of roof and ground mounted solar photovoltaic (PV) installations across Jamshedpur, Pantnagar and Dharwad Plants.
- In FY 2019 the Company generated / sourced 94.30 million kWh of renewable electricity for its manufacturing operations, contributing to avoidance of 77,333 tCO<sub>2</sub>e and financial saving of ₹39.12 Crores.

#### (iii) Capital investment on energy conservation equipment:

In FY 2019, the Company has invested ₹333.22 lakhs in various energy conservation projects.

#### Awards / Recognition received during the year is as below,

- Lucknow Plant won the "Uttar Pradesh State Energy Conservation Award 2018" (under Industries General Category having connected load 1MW and above), - a State level competition conducted by Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA).
- CV Pune won the "Renewable Energy Excellence End User Award 2018" at Renewable Energy India Awards 2018 - Asia's largest Renewable Energy Expo organized by UBM India.
- CV Pantnagar Plant won the "Golden Peacock Award for Energy Efficiency 2018" organized by Institute of Directors.
- CV Pune and Pantnagar Plants recognized as "Excellent Energy Efficient Unit" at the CII National Award for Excellence in Energy Management 2018. CV Pune and CV Pantnagar Plants were also among only 3 units awarded "National Energy Leader" in the 'Automobile & Engineering' Sector.
- Jamshedpur Plant recognized as "Energy Efficient Unit" at the CII National Award for Excellence in Energy Management 2018.
- Jamshedpur Plant received 4.5/5 Star rating at the CII Energy Conclave-2018 organized by CII - Eastern Region.

- Pantnagar Plant was certified 'PLATINUM' under CII's "GreenCo Rating" system in 2018. Pantnagar Plant was originally rated 'GOLD' in 2015.
- Sanand Plant was certified 'PLATINUM' under CII's "GreenCo Rating" system in 2018.

## B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

### (i) Efforts made towards Technology Absorption, Adaptation and Innovation

The Company used a three-horizon strategy for managing its engineering and technology initiatives. The first-horizon involves products that the Company is working on currently, to bring to the market. The second-horizon involves researching known technologies that the Company may not be entirely familiar with at present, but are needed for our future products. And the third-horizon is for 'blue sky' research projects and there are a number of projects aimed at fostering a culture of innovation in the Company. The main endeavor is to continuously keep scanning for innovative projects in the third and second horizon and to integrate the promising ones to main stream projects in the first horizon.

Besides, its own ecosystem spanning across India, the UK and Italy, the Company also has tie-ups with various Universities based out of India, University of Warwick in the UK, and joint efforts with institutions in the United States. In India, as part of its efforts in this area the Company has signed a Memorandum of Understanding with IIT Bombay and College of Engineering Pune to undertake collaborative research on live projects and to create a technological partnership.

For example, some of the forward-looking technology programs that the Company is concentrating on are:

- Continuous & increased focus for fuel efficiency improvements across engine platforms through parasitic loss reduction, electrification of accessories, etc.
- Guided diagnostics coupled with connectivity solutions across identified engine/vehicle platforms
- Participation in a consortium led by a US research firm, for thermal efficiency improvement of diesel engines

Sustainable mobility solutions are the focal point of the global automotive industry. Strict emission norms, crash safety requirements and congestion is resulting in mobility transformation. The challenges faced by the Indian automotive industry remain the same, pressure from regulation and customer affordability. The Company aims to deliver well engineered, safe, advanced cars to the market. The company's future technology pipeline focuses on four key pillars namely Smart Autonomous & Connected vehicle, Clean Vehicle, Capable Vehicle and Desirable vehicle. To kindle innovation, Tata Motors is setting up lean and agile innovation hubs. These hubs which will operate like startups with focus on testing of solutions and go-to-market strategies. The first of these centers was established in Palo Alto, California.

Key areas of technology engagement in line with global and Indian trends:

- Advanced HMI technologies for improved user experience
- Advanced occupant safety and driving convenience adapted to Indian driving conditions
- Advanced connectivity architecture to support future mobility driven features
- Advanced vehicle efficiency through light-weighting of body and chassis structures, higher efficiency aggregates

Tata Motors is participating in the Govt of India initiated Uchatar Avishkar Yojana (UAY) project with IIT Kharagpur and Indian Institute of Science (IISC), Bangalore through which indigenous technology for battery packs, traction motors and engineering solutions for system integration is being developed. TML is also collaborating with academic institutions like IISc Bangalore and IIT Bombay for indigenous development of power electronics converters, fuel cell accessories, control algorithm for battery management system and heat exchanger for fuel cell applications.

Tata Motors believes in bringing academia and industry together for advancements in automotive research. Recent research conducted with Birla Institute of Technology & Science, Pilani, Vellore Institute of Technology- Chennai, Vishwakarma Institute of Technology, Pune & other leading technical institutes include:

- Digital validation development of full vehicle multi-body dynamic model for engine mounting system to validate attributes in the lab
- Development of full vehicle multi-body dynamic model for simulation of PAT targets for engine mounting system
- Brake disc temperature rise simulation for multi-stop applications
- Tire component target cascading simulation for vehicle ride and handling (ongoing)
- Engine vibration frequency calculation and simulation in ADAMS for improved NVH
- A new approach for powertrain multi-attribute target development & balancing for vehicle integration
- Mathematical model of powertrain for the passenger vehicle with Front Wheel Drive (FWD) is in development to address torsional vibrations
- Model development and analysis of effect of various steering, suspension and tire parameters on steering dynamic behavior
- Effect of suspension bush stiffness on vehicle K&C Attributes
- Vehicle SPMM & Handling Attribute Simulation
- Methodology Development for Brake Squeal Simulation using Abaqus FEA Software and Appropriate Squeal Reduction Strategy.
- Development of simulation methodology for predicting tire durability.
- Methodology development of engine mount target cascading and design optimization to meet NVH PAT.

### (ii) Benefits derived as a result of the above efforts

The Company continues to strengthen its capabilities across the technology domains to meet emerging and future market needs. By careful selection of advanced engineering and future technology portfolio, the Company intends to capitalize

and bookshelf the developed technology for incorporation into future products for making them more exciting and more attractive to the end customers.

The Company also endeavors to mitigate all future risks related to technology by timely having appropriate emerging technology on Emissions, FE enhancement, Powertrain, Safety, connectivity, Infotainment, telematics, green initiatives etc., to meet and exceed all future emissions and vehicular safety norms.

In passenger vehicles, the Company's continued efforts have translated into successful product launches and concept unveils. Earlier launched Tata Nexon is already the winner of several awards. It bagged the honor of becoming 1st engineered & made in India Car with 5-Star Global NCAP safety crash test rating scoring 5 stars for Adult Occupant Protection and 3 stars for Child Occupant Protection. This is a huge landmark in Indian car safety.

With the recently launched Tata Harrier, the Company entered the premium mid-size SUV segment. In a week of its launch, the Tata Harrier bagged the award for 'Most Awaited Car of the Year 2019', at the Exhibit Auto Tech Awards. Tata Motors also added to its passenger vehicle family the Tata NRG with SUV inspired styling in the entry-level cross-hatch segment.

In commercial vehicles, an updated version of the original segment defining SCV Tata Ace was launched as Tata Ace Gold offering enhanced ergonomics, safety and comfort. In the Intermediate Light Commercial Vehicle Category, the Next Gen range of Ultra World trucks were launched early last fiscal.

Continued efforts have ensured that Tata Motors bagged the prestigious Autocar "2019 Manufacturer of the year", under challenging market circumstances.

**(iii) a) Major technology absorption initiative undertaken:**

Sr. No.	Technology for	Status
1	Focus on simulation capabilities through various software, Hardware-in-Loop (HiL) to reduce development timelines	Development in progress
2	Connected car Technology and Cyber Security	Deploying to product
3	Advanced driver assistance with 360 degree sense, blind spot detection, surround view	Proof of Concept Ready
4	Safety plus systems for collision detection, mitigation, longitudinal drive ability control, and driver monitoring	Development in progress
5	Domain controllers for cockpit electronics with reconfigurable HMI	Proof of Concept Ready
6	Low cost Electronic Parking Brake	Deploying to product
7	Light Weighting of BIW and Chassis Structures	Proof of Concept Ready
8	Express cooling systems in vehicle using coanda vents, electronically variable – displacement compressor and in-cabin heating optimization	Proof of Concept Ready
9	Low cost LED lighting	Development in progress
10	Configurable seating offering enhanced safety and comfort with light-weighting	Development in progress
11	Fuel cell vehicle based on small commercial vehicle	Demonstration is in progress
12	Hydrogen recirculation blower system for Fuel cell system	Deployed on vehicle and testing is process
13	Battery management system for EV bus/car and car hybrids	Development in progress
14	In-house patented hybrid powertrain	Development in progress

Sr. No.	Technology for	Status
15	Development of DC-DC converter for fuel cell vehicles and on board charges	Development in progress
16	Traction motor control algorithm development for xEVs	Testing is in progress
17	Battery packs for electric and hybrid vehicles	Development in progress
18	Fuel Cell/Battery EV controller for fuel cell / Battery Electric vehicles	Development in progress
19	Automotive fuel cell Stack	Development in progress
20	Traction motor controller hardware	Testing is in progress
21	Design and development Induction Traction motors based	Testing is in progress
22	Demonstration of parallel PHEV technology (Alternate Fuel)	Development in progress
23	Advanced Driver Assistance Safety Systems LDWS, AEBS	Testing in Progress
24	Automatic transmission on SUV platform	Implemented
25	Reduced Cost of Ownership through development of fuel filter with pressure switch on Nexon	Implemented
26	Hill Assist system (Patent filed) for pick-up trucks	Developed
27	Inching autonomous driving in passenger car gasoline vehicles	Development in progress
28	Brake blending systems for improving regenerative brake energy capture in electric and hybrid vehicles	PoC completed
29	Exhaust energy recovery through Vapour-ejector refrigeration systems	Project Closed
30	Electric Trolley Bus system	Project On Hold
31	Ultra capacitor based energy storage system for hybrid vehicles	Developed
32	Induction motor with copper rotor	Developed
33	Moflex MMS Structural Technology	Deploying to product

**(iii) b) Major Technology Imports includes (preceding 3 financial years):**

Sr. No.	Technology for	Year of Import	Status
1	Synthetic road shells on a chassis dynamometer	2015-16	Implemented
2	A Noise Test Cell for engine and drivelines	2015-16	Implemented
3	Combustion analyser and knock sensors	2015-16	Implemented
4	Miniature shakers [from USA]—needed for Accurate Transfer Path Analysis of vibrations of engine To vehicle-body	2016-17	Implemented
5	Master air flow calibration rig	2016-17	Implemented
6	Climatic chamber with gasoline emission facility	2016-17	Implemented
7	Upgrade of test facilities for BS-6 compliance including particle number counter, ammonia analyzer, urea measurement system	2017-18	Implemented
8	Diesel Particulate Filter oven and weighing balance	2017-18	Implemented
9	A single channel Digital Signal Processor from M/s Silentium, Israel as a low cost Active Noise cancellation	2017-18	Implemented
10	New Chassis Dynamometer & upgradation of existing chassis dynamometer for BS-6 & beyond regulatory requirement and first of its kind multi-storey vehicle soaking facility	2018-19	Implemented
11	Software features such as cruise control, vehicle acceleration management, load based speed control & gear down protection in M&HCV trucks	2018-19	Implemented
12	Capability & capacity enhancement in ERC Engines for BS-6 Phase-1 and Phase-2 requirements	2018-19	Development in progress

#### (iv) Specific areas in which R & D is undertaken

The Company is mainly focused on specific areas of R&D and Engineering by which it can strengthen its HorizoNext Philosophy. For passenger cars, the main focus areas are in the domain of creating stunning design, pleasurable driving experience and connectivity. Therefore, the R&D portfolio is aligned towards developing technologies, core competence and skill sets in these specific domains to secure impactful and timely delivery of the envisaged future product products with leading product attributes. For commercial vehicles, in addition to design, the main focus areas are total cost of ownership, to be a market leader in application specific fuel efficiency and to deliver high performance and reliable products. Focus areas of Company's R&D also evolves around R&D infrastructure development and being timely future ready for future emissions and vehicular safety norms.

As one of India's largest R&D spenders, the Company focuses on connected, electric, shared and safe mobility and is aligned with local and global trends. To enhance in-cab experience, an in-built air freshening system has been developed. A new generation of infotainment products are being developed, that includes the next generation ConnectNext platform. It adapts Android Auto and Apple Carplay following with Android automotive operating systems that brings consumer world into the car infotainment system. We continually strive to offer our customers best – in class experience and take feedback from JD power surveys.

Tata Motors along with its subsidiary, TMETC has developed a fully autonomous car as part of the UK Auto drive project. This research initiative ensures that Tata Motors remains among the forefront of autonomous driving technology. To offer consumers a safer, smarter and convenient future.

Further to the above technologies, the Company is exploring Emergency Call, a solution that will contact emergency services in the event of an accident. The system will share GPS location to ensure time critical assistance. Tata Motors constantly strives to renew customer experience, hence focusing on solutions such as innovative seating configurations, express cooling, electronic parking brakes are few of the areas under focus.

Some of the forward-looking R&D programs that the Company is concentrating on are:

- Robust control system for hybrid and electric buses and electric cars
- Electrification of vehicle accessories for electric buses
- Development of indigenous Li-Ion battery packs for hybrid and electric buses and electric cars
- Indigenous development of fuel cell systems and accessories
- Development of high efficiency motors and inverters
- Development of electrically driven thermostat, fan, oil pump, turbocharger on various engine platforms which improve fuel economy and overall performance of vehicle
- Increased drain intervals for oil for axle and gear box inline with implemented for engines

#### Benefits derived as a result of the above R&D

Such efforts on R&D have secured a host of benefits for the Company in terms of being up-to-date with state of the art

on technology front strengthening the Company's position in commercial vehicles and would contribute in repositioning and transforming passenger vehicles to compete at a global level.

The Company's R&D spanning across over a decade of design effort in developing series hybrid bus, the Company has won the order to deliver 25 diesel series hybrid electric vehicles to the Mumbai Metropolitan Regional Development Authority (MMRDA), the largest order for hybrid buses in India till date. Once the hybrid buses start running in Mumbai, the Company expects further orders from other cities.

Through focused in-house development of technology, the Company is able to offer new technology products at more affordable prices compared to global equivalent products. For example, we won tenders for Electric buses and Electric cars from Govt of India on a global basis in which our products were offered at the lowest cost. The indigenously developed fuel cell buses would be far cheaper than the fuel cell buses available from a handful of global bus manufacturers, if put to production. The strength of the Company's approach to R&D in alternate powertrain is that the aggregates are globally sourced, but the overall system integration is done in-house to ensure that the final product serves the customer needs optimally and at lower price points. The Company is also putting efforts in indigenization of EV aggregates and fuel cell aggregates.

Targeting the booming Indian e-commerce sector, the Company has developed trucking solutions, including vehicles with customised payloads and deck lengths and vehicles equipped with advanced features such as OTP lock, CCTV cameras, load sensors, telematics system. The Company showcased 13 fully built, ready-to-use vehicles at 'The e-Commerce Expo 2019' in Mumbai. Reiterating its commitment to the Swachh Bharat Mission, Tata Motors showcased its Integrated Waste Management Customised Solutions at the MUNICIPALIKA 2018 event from September 19-21, 2018 at the Bombay Exhibition Center.

During FY 2019, we filed 86 patent applications and 113 design applications. In respect of applications filed in earlier years, 104 patents have been granted and 37 designs registered. Both filing and grant details include national and international jurisdictions.

#### Future Plan of Action

We plan to continue our endeavor in the research and development space to develop vehicles with reduced cost, time to market and shorter product life cycles. One of the main initiatives in this direction would be a platform approach to create bills of material and bills of process that have a high degree of commonality to reduce complexity and enhance ability to scale. The Company aims for timely and successful conclusion of technology projects so as to begin their induction into mainstream products, which will lead to a promising future. Our Focus is going to be building technology, capability, scale & capacities in R&D to able to ride the emerging trends. We are now focusing more on accelerated testing and validation and are using a lot of digital tools for the simulation process. The Company has charted a massive jump from 181<sup>st</sup> rank last year to 2<sup>nd</sup> rank in India's Most Attractive Brands 2018. Tata



Motors has been able to stay ahead of the curve and create superior offerings for the customer. Our keen eye for digitisation, connectivity, automation and advanced regulations' compliance is helping us deliver exciting innovations to our customers worldwide. On current product portfolio, the enhancements are offered through an approach of modular architecture strategy, enhanced Powertrain solutions, light weighting, system efficiency improvement strategies etc.

#### Innovation at the Engineering Research Center (ERC)

At Tata Motors while using different initiatives to strengthen the creative potential of our Business units and R&D team in ERC, we also work with the external Eco-system of suppliers, technology companies and startups to leverage their know how, creativity and out of the box thinking. Internally we have introduced formats like Innoverse and Imagineering, where ideas are crowdsourced and developed in proof of concepts through an accelerated development and maturation process, to Ideathon, on the lines of a hackathon.

These focus both on the traditional technologies as well as the emerging ones that allow us to deliver on the 4 disruption vectors impacting the automotive industry namely CESS (Connected, Electrified, Shared and Safe). These developments then find their way into product programs in a structured manner, of moving from limited proof of concepts to a fully engineered and deployable outcome.

Externally we have launched the TACNet program – Tata Motors Automobility Collaboration Network <https://tacnet.tatamotors.com> to connect and engage with technology companies and start-up community. Through this platform we post business challenges for which we are seeking solutions, as well as invite companies with innovative futuristic solutions to reach out to us for collaborative working.

#### a. Mobility Services

Building on the work started over the last couple of years, Tata Motors is looking at addressing the emerging and evolving needs of the markets and customers it serves through augmented products, service model offerings and mobility solutions. This not only allows us to serve our existing customers better, but also bring new customers to the Brand whose needs were not being catered to with our current offerings. Inline with the Vision statement, Mobility solutions across People and Goods movement will form a key part of our strategy and market offering. This will be done selectively through both investments as well as collaborations as an engagement model and explore through multiple on ground pilots before scaling the successful ones.

The Company will continue to invest in R&D as well as collaborative projects which will enhance the competitiveness of its future products and will also start active research in upcoming areas of automotive technology like autonomous driving, connected cars, and others.

Tata Motors plans to focus in the following areas to meet future product portfolio needs.

- Telematics and connected solutions entering into smart city era powered by 5G

- Enhancing user experience with natural voice recognition and smart access systems
- Improving vehicle efficiency and alternate propulsion systems through light-weight structures
- Advanced driver assistance systems that increase occupant safety and convenience

#### b. Digital Product Development Systems Initiatives

Front loading of product creation, validation & testing and seamless information dissemination are major contributors to 'Time to Market' and 'World Class Quality' initiatives to improve product development process.

Significant improvements in key processes for product design and manufacturing planning domain through modification of existing processes identifying few manual processes and converting into digital domain for better quality and agility.

- Connected Vehicle platform (CVP) core strategy has been finalized for standardizing and modularizing on-vehicle electronics, enhanced reuse to achieve economies of scale, leveraging synergy at dealership and service network and IoT based technology development.
- Modular BOM approach initiated in design and manufacturing domain to increase flexibility and minimize complexities.
- Implementation of online systems for improving tracking, signoffs, reporting and analysis by digitalization of 60 business processes based on homegrown pFirst platform. Major systems implemented in areas of VA/VE, WCQ, Program Management and budget tracking across functions.
- 40 new knowledge based engineering applications were designed and implemented across various product design and safety domains such as, Rear Parking Assist System Analysis (RPAS), Digital Validation of initial CAS surface carried out for its exterior projections to reduce bodily injury risk to a person in the event of a collision.
- More than 150 new productivity enhancement tools were developed and implemented across various product design and validation domains which assists our large number of engineers to increase productivity significantly through identified levers such as enhanced quality checks for design, drawing automation and process automation.
- For reducing number of parts and to increase reuse of parts across platforms, 3D feature based part search tool is integrated into parts creation and release process. Process is enhanced by providing information of other enterprise data and augmented with analytics for speedy decision.
- Critical manufacturing processes were validated digitally during BS-VI development with simulation including ergonomic analysis to detect potential problems in early stages of planning. MOST time analysis is being done extensively for MOP (Measure of Performance) improvement on the shop floor.
- Automotive Body Fastener design process is enriched by implementing in-house developed body fastener authoring tool for BIW designers.
- Next Generation Smart Assembly Management framework was designed and developed by using Smart User Defined Function/ Feature (UDF) and Smart Constraints for CVBU UDF based assembly design methodology. 6 UDF based Smart Assembly

application were delivered for Air brake systems and fuel system design groups.

- Product design quality and manufacturing quality is enhanced by implementing Dimensional Variation Analysis (DVA) by simulating product design and manufacturing process.
- To make information available to right stakeholders at right time, latest technology of BOTs based apps are deployed for multiple functions helping them verify data and take informed decisions.
- Deep Learning artificial intelligence (AI) based algorithms and apps are introduced into design process to reduce physical testing cycles by building predictive models helping in closing the gap between physical & digital simulations.
- High Performance Computing (HPC) infrastructure is augmented by adding 2 new HPC systems. CAE simulation using General Purpose Graphics Processing Unit (GPGPU) computation technology.
- Deployment of satellite servers across all plant locations, architected with high redundancy with almost zero downtime for applications deployed on a large number of virtual servers delivering high performance compliant to security standards of ISO27001.
- Implemented SIEM (Security Information and Event Management) Application, which collects, stores and analyses logs from different sources including servers, network devices and security devices, centrally monitoring security threats in real time for quick attack detection and response with holistic security reporting and compliance management.

### C. FOREIGN EXCHANGE EARNINGS & OUTGO

#### Activities relating to exports

The Company exported 53,140 vehicles comprising 51,119 CVs and 2,021 PVs. Export initiatives and highlights include:

#### Commercial Vehicles

- The Company participated in key Global motor shows and conclaves such as the Bhutan Construction Expo, Fexpocruz (Bolivia), Bangkok Motor Show, Dhaka Automotive Show, Malaysia, Philippines, Thailand Defence Expo.
- Ultra was launched in Malaysia, LPT 1212 in Bangladesh, CR range of intermediate and light commercial vehicles were launched in Bhutan. Signa series was launched in Bangladesh & Mozambique, Prima 3338 range of tippers in Indonesia, Super Ace mint E4 in Philippines and Vietnam, Ace Mega XL in SAARC and SE African markets, Magna in Bangladesh & Tanzania, Eanza in Oman and E4 models in Sri Lanka.
- CVIB conducted 'Global Service Campaign' in more than 40 countries in 3rd week of November, 2018 as a part of the enhancing the Customer Connect. The service campaign saw more than 50,000 vehicles serviced during the campaign.
- Bagged several prestigious orders, including order for 200 units from Myanmar Armed Forces, 400 units from AFTU Senegal, 450 Buses from ILOC Ivory Coast, etc.
- TATA Motors successfully delivered 200 units of LPTA 715 4x4 Troop Carrier to Myanmar Armed Forces.

- The 5<sup>th</sup> edition of the Company One World - International CV Distributor meet was held in Dubai from 25<sup>th</sup> to 23<sup>rd</sup> February, 2019. This year's event saw attendance by the Company Senior Management and over 200 guests from across 35 countries.

#### Passenger Vehicles

- Launch of new models in Nepal and Bangladesh helped the Company to the No. 4 and No. 3 rankings in the respective markets
- In Nepal, the Tata Motors' brand is at position 'Four' after competing with 26 Passenger Vehicle brands, with 11.8% market share. Tigor remains the No. 1 Sedan in Nepal with 22.2% Share, Sumo the No. 1 MUV with 47.1% Share. TML also has a No. 1 Share in Ambulance with 81.5% Share. Nexon is No. 2 in CUV with share of 31% in Nepal.
- In Bangladesh, the Company secured 'Market Leader Position' in cars segment with 23.7% Share. Tata Motors made the first ever supply to Bangladesh Army with 18 units of Hexa
- The Company participated in the prestigious Geneva Motor Show in Switzerland for the 22<sup>nd</sup> successive year where the Tata Altroz electric hatch, H2X concept, Buzzard Geneva Edition, Buzzard sport and Altroz premium urban car were displayed. The Company also participated in Nepal Automobile Dealers' Association (NADA) Auto Show and the Dhaka Automobile show where we achieved sales of 125 vehicles against 54 in FY2018.
- The Company participated in Rainstorm Emergency Relief activity carried out by SIPRADI CSR wing in Support with Tata Trust & Tata Motors. 65 families got relief package in this activity

#### Development of export markets

ASEAN and NW Africa are the Company's focus regions for future growth. Indonesia, Vietnam, Philippines and Malaysia are steadily picking up with the Tata Motors' brand becoming more visible in these markets. Our shipments to NW Africa increased by 31% in FY 2019 as compared to FY 2018, making it the fastest growing region. Vehicle assembly, in Vietnam saw steady growth of numbers. We also started assembly for Super Ace and Ultra in Malaysia in FY 2019.

The Company has been expanding its relevance in markets it is present in, with the introduction of new products such as Tata Prima, Ultra, Signa trucks and Buses in key markets to further grow volumes. The Company re-established its presence in the markets of Tanzania and Bhutan

#### Export Plans

The Company plans to focus on growing its exports aggressively in identified geographies by offering customer centric products and strong after sales support.

Foreign Exchange Earnings and Outgo in FY 2019		(₹ in crores)
Earning in foreign currency		6,508.00
Expenditure in foreign currency (including dividend remittance)		3,958.66

On behalf of the Board of Directors

**N CHANDRASEKARAN**  
Chairman  
(DIN: 00121863)

Mumbai, May 20, 2019

**ANNEXURE-4**  
**Form No. MGT – 9**  
**Extract of Annual Return**

as on the financial year ended on 31<sup>st</sup> March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 (the Act) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- |  |  |
|--|--|
| <p>i) CIN:- L28920MH1945PLC004520</p> <p>ii) Registration Date:- 1<sup>st</sup> September, 1945</p> <p>iii) Name of the Company:- Tata Motors Limited</p> <p>iv) Category / Sub-Category of the Company:<br/>Public Company / Limited by shares</p> <p>v) Address of the Registered office and contact details:-<br/>Address: Bombay House, 24 Homi Mody Street,<br/>Mumbai 400 001<br/>Tel: 022-6665 8282<br/>Email: <a href="mailto:inv_rel@tatamotors.com">inv_rel@tatamotors.com</a><br/>Website: <a href="http://www.tatamotors.com">www.tatamotors.com</a></p> <p>vi) Whether listed company:- Yes</p> | <p>vii) Name, Address and contact details of Registrar and Transfer Agent, if any:-<br/>TSR Darashaw Consultants Pvt. Limited<br/>6-10 Haji Moosa Patrawala<br/>Industrial Estate, Near Famous Studio,<br/>20, E Moses Road, Mahalaxmi (W), Mumbai 400 001<br/>Tel: 022-6656 8484; Fax: 022-66568494<br/>Email: <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a>;<br/>Website: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a></p> <p>For Rights Issue 2015:<br/>Link Intime India Private Limited<br/>No.C-13, Pannalal Silk Mill Compound,<br/>Lal Bahadur Shastri Road, Bhanpud (W), Mumbai 400 078<br/>Email: <a href="mailto:tatamotors.rights@linkintime.co.in">tatamotors.rights@linkintime.co.in</a>;<br/>Website: <a href="http://www.linkintime.com">www.linkintime.com</a></p> |
|--|--|

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of main product/services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacturing of Motor Vehicles	2910	89.58%

**III. PARTICULARS OF HOLDING, SUBSIDIARIES AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**

Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
<b>Subsidiaries [pursuant to Section 2(87) of the Act]</b>			
1	Concorde Motors (India) Limited 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001	U24110MH1972PLC015561	100
2	Tata Motors European Technical Centre PLC 18, Grosvenor Place, London, SW1X7HS	05551225	100
3	Tata Motors Insurance Broking and Advisory Services Limited 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001	U50300MH1997PLC149349	100
4	TML Holdings Pte Ltd 9 Battery Road, #15-01, Straits Trading Building, Singapore 049910	200802595C	100
5	TML Distribution Company Limited 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001	U63000MH2008PLC180593	100
6	Tata Hispano Motors Carrocera S.A. Carretera de Castellon, Km.230,5 (poligono Empresarium) Zaragoza, Spain	A50089119	100
7	Tata Hispano Motors Carroceries Maghreb SA Zone Industrial - Berrechid, Rue Al Adrisa, Berrechid - 26100, Morocco	1004723	100
8	TMF Holdings Limited 10th floor, 106 A and B, Maker Chambers III, Nariman Point, Mumbai 400 021	U65923MH2006PLC162503	100
9	Trilix S.r.l Via Teano 3, 10042 Nichelino, Torino, Italy	1044707	100
10	Tata Precision Industries Pte Ltd 1 Robinson Road, #19-01, AIA Towers, Singapore 048 542	197100574C	78.39
11	Tata Technologies Limited Plot No. 25, Pune Infotechpark, MIDC Taluka - Mulshi Hinjawadi, Pune - 27	U72200PN1994PLC013313	72.28
12	Tata Marcopolo Motors Limited Bombay House, 24, Homi Mody Street, Mumbai-400001	U34101MH2006PLC164771	51

Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
13	Tata Daewoo Commercial Vehicle Company Limited 172 Dongjangan-ro, Gunsan-si, Joellabuk-do, 54006, Korea	401-81-22865	100
14	Tata Motors (Thailand) Ltd 199 Column Tower 20th Floor, Ratchadapisek Road, Klongtoey, Bangkok 10110 Thailand	0105550023406	95.87
15	Tata Motors (SA)(Proprietary) Ltd 39 Ferguson Road, Illova 2196	2007/034689/07	60
16	PT Tata Motors Indonesia Pondok Indah Office Tower 3 Suite 801-A, Jl Sultan Iskandar Muda Kav V-TA Pondok Pinang Kebayoran Lama, Jakarta 12130, Republic of Indonesia	Tax Reg no. 03.188.148.5-013.000	100
17	Jaguar Land Rover Automotive Plc Abbey Road, Whitley, Coventry, CV3 4LF - England UK	6477691	100
18	TMNL Motor Services Nigeria Limited C/o Tata Africa Services (Nigeria) Limited, Plot C89, Amuwo Odofin Industrial Layout, Lagos, Nigeria	1284940	100
19	Tata Technologies Pte Limited 8 Shenton Way, #19-05 AXA Tower, Singapore 068811	198100504W	72.28
20	Tata Motors Finance Solutions Limited C/o Tata Motors Finance Ltd., 10th floor, 106 A & B, Maker Chambers III, Nariman Point, Mumbai 400 021	U65910MH1992PLC187184	100
21	Tata Motors Finance Limited C/o Tata Motors Finance Limited, 10th F 106 A & B, Makers Chambers III, Nariman Point Mumbai 400 021	U45200MH1989PLC050444	100
22	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited 4th floor, 272 Yeongdeung-ro, Yeongdeungpo-gu, Seoul 150 033, Korea	104-86-27436	100
23	PT Tata Motors Distribusi Indonesia Pondok Indah Office Tower 3, Floor 8, Suite 801-B, Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Pinang, Kebayoran Lama, Jakarta Selatan 12310, the Republic of Indonesia	Tax Reg no. 03.286.323.5-013.000	100
24	Jaguar Land Rover Holdings Limited Abbey Road, Whitley, Coventry, CV3 4LF, England, UK	4019301	100
25	Tata Technologies (Thailand) Limited 889 Thai CC Tower, Room 108-9, 10th Floor, South Sathorn Road, Kwhaeng Yannawa, Khet Sathorn, Bangkok Metropolis 10120	10554812171	72.28
26	Tata Manufacturing Technologies (Shanghai) Co. Ltd 11F,Aurora plaza,99 Fucheng Rd,Room 1131, Shangai 200120, China	310000400732137	72.28
27	INCAT International Plc 2 Temple Back East, Temple Quay, Bristol BS1 6EG	02377350	72.28
28	Jaguar Land Rover Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672070	100
29	Jaguar Land Rover (China) Investment Company Limited Room 713, 7F No. 6 Jirong Road (Area C1, Plot 001), Shanghai, China Free Trade Zone	310115400245293	100
30	Limited Liability Company "Jaguar Land Rover" (Russia) 28B, Building 2, Mezhdunarodnoe Shosse 141411, Moscow, Russian Federation	1085047006549	100
31	INCAT GmbH Breitwiesenstrasse 19, 70565 Stuttgart, Germany	HRB 18622	72.28
32	Tata Technologies Europe Limited 2 Temple Back East, Temple Quay, Bristol BS1 6EG	02016440	72.28
33	JLR Nominee Company Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672065	100
34	Jaguar Cars South Africa (Pty) Limited Simon Vermooten Road, Silverton, Pretoria 0184, South Africa	2000/026853/07	100
35	Jaguar Cars Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672067	100
36	Land Rover Exports Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1596703	100
37	Land Rover Ireland Limited C/o LK Shields Solicitors, 39/40 Upper Mount Street Dublin 2, Ireland	318198	100
38	The Diamler Motor Company Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	112569	100
39	Diamler Transport Vehicles Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	322903	100
40	S.S Cars Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	333482	100



Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
41	The Lanchester Motor Company Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	551579	100
42	Jaguar Land Rover Pension Trustees Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	4102133	100
43	Spark 44 (JV) Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	07535151	50.5
44	Jaguar Land Rover Austria GmbH Fuerbergstrasse 51, Salzburg, A5020, Austria	FN84604v	100
45	Jaguar Land Rover Japan Limited 3-13 Toranomon 4-chome, Minato-ku, Tokyo, Japan45	0104-01-075166	100
46	Jaguar Land Rover Deutschland GmbH Am Kronberger Hang 2a, 65824 Schwalbach/Ts, Germany	HRB2408	100
47	Jaguar Land Rover Classic Deutschland GmbH (Incorporated w.e.f. August 10, 2018) Geschäftsanschrift: Ringstrabe 38, 45219, Essen, Germany	HRB 29323	100
48	Jaguar Land Rover North America LLC 555 MacArthur Blvd., Mahwah, New Jersey 07430, USA	2075961	100
49	Jaguar Land Rover Nederland BV PO Box 40, 4153 ZG Bessd Stationsweg 8, Netherlands	23074977	100
50	Jaguar Land Rover Portugal - Veiculose Pecas, Lda Edificio Escritorios do Tejo, Rua do Polo Sul, Lote 1.10.1.1 - 3. B-3, Parish of Santa Maria dos Olivais, Municipality of Lisboa, Portugal	504998803	100
51	Jaguar Land Rover Australia Pty Ltd 65 Epping Road, North Ryde, New South Wales, 2113, Australia	4352238	100
52	Jaguar Land Rover Italia SpA Via Alessandro Marchetti, 105 - 00148, Roma, Italy	6070621005	100
53	Jaguar Land Rover Korea Company Limited 25F West Mirae Asset Center 1, Building, 67 Suha-dong, Jung-gu, Seoul 100-210, Korea	110111-3977373	100
54	Jaguar Land Rover Canada ULC 75 Courtneypark Drive West, Unit 3, Mississauga, ON L5W 0E3, Canada	2013828088	100
55	Jaguar Land Rover France, SAS 34 Rue de la Croix de Fer 78105 Saint Germain en Laye Cedex, France	509016804	100
56	Jaguar Land Rover India Limited Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai 400 001	U34200MH2012FLC237194	100
57	Jaguar e Land Rover Brasil Industria e Comercio de Veiculos LTDA Avenida Ibirapuera 2.332, Torre I - 10º andar- Moema 04028-002, São Paulo-SP-Brazil	35.222.373.953	100
58	Jaguar Land Rover (South Africa) Holdings Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	7760130	100
59	Jaguar Land Rover Espana SL Torre Picasso, Plaza Pablo Ruiz Picasso, 1 - Planta 42, 23020 Madrid, SPAIN	B-82526757	100
60	Jaguar Land Rover Belux N.V. Generaal Lemanstraat 47, 2018 Antwerpen, Belgium	0456.612.553	100
61	Jaguar Land Rover Slovakia s.r.o Vysoka 2B, 811 06, Bratislava, Slovakia	48302392	99.99
62	Jaguar Land Rover Singapore Pte Ltd Level 30, Singapore Land Rover, Raffles Place, 048623, Singapore	201541482M	100
63	Jaguar Racing Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	9983877	100
64	InMotion Ventures Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	10070632	100
65	Jaguar Land Rover Colombia S.A.S CL 677735 OFE 1204 BOGOTAN CUDNDINAMARKA 13192900	Tax Id no. 901.000.833-7	100
66	Jaguar Land Rover Ireland (Services) Limited C/o LK Sheilds Solicitors 39/40 Upper Mount Street Dublin 2 Ireland	608696	100
67	Jaguar Land Rover Taiwan Company Limited 12F, No. 40, Sec.1, Chengde Road, Datong Dist., Taipei City 103, Taiwan (R.O.C)	55768890	100
68	Jaguar Land Rover Servicios Mexcio S.A. de C.V. Javier Barros, Sierra, 540 Piso 7 703 Santa Fe Alvaro Obregon Distrito Federal 01210	SGM101223SU6	100
69	Jaguar Land Rover Mexico S.A.P.I de CV Javier Barros, Sierra, 540 Piso 7 703 Santa Fe Alvaro Obregon Distrito Federal 01211	JLR080418T9A	100

Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
70	Jaguar Land Rover Hungary KFT (Incorporated w.e.f. July 30, 2018) Regus Capital Square, Vaci ut 76, 1133, Budapest	01-09-327763	100
71	Jaguar Land Rover Classic USA LLC (Incorporated w.e.f. June 1, 2018) 251 Little Falls Drive, Wilmington, Delaware, 19808	US11	100
72	Shanghai Jaguar Land Rover Automotive Services Company Limited Room E16, Floor 2, 477, Fute West 1st Road, Shanghai Free Trade Zone, PRC	310115400006268	100
73	Tata Technologies Inc 41050, W Eleven Mile Road, Novi, Michigan 48375, USA	476-730+C9	72.34
74	Escenda Engineering AB C/o S Wedin, Helenedalsvagen 14, 431 36 Molndal	556798-1286	72.28
75	Spark 44 (Pty) Ltd (Sydney, Australia) Level 5, 65 Berry Street, North Sydney, NSW 2060	56602084346	50.5
76	Spark 44 GmbH (Frankfurt, Germany) Querstr. 7, 60322 Frankfurt am Main	HRB90999	50.5
77	Spark 44 LLC (LA & NYC, USA) 5870 W. Jefferson Blvd, Studio H, Los Angeles, CA 90016, USA	27-4287883	50.5
78	Spark 44 Limited (Shanghai, China) Units 6401,6402,6501,6502, No.436 Ju Men Road, Huangpu District, Shanghai 200023, China	91310000088514160B	50.5
79	Spark 44 DMCC (Dubai, UAE) Unit No: 1401 & 1404, Swiss Tower, Plot No: JLT-PH2-Y3A Jumeirah Lakes Towers, Dubai, UAE	DMCC34726	50.5
80	Spark 44 Demand Creation Partners Private Limited (Mumbai, India) Block A, Level 1, Shiv Sagar Estate, Dr. Annie Besent Road, Worli, Mumbai – 400018	U74999MH2015FTC269125	50.5
81	Spark 44 Limited (London & Birmingham, UK) White Collar Factory, 1 Old Street Yard, London, England, EC1Y 8AF	7535381	50.5
82	Spark 44 Pte Ltd (Singapore) 138 Market Street #36-01/02 CapitaGreen, Singapore 048946	201523182E	50.5
83	Spark 44 Communications SL (Madrid, Spain) Prim 19, 4th floor, 28004 Madrid	ESB8730486	50.5
84	Spark 44 S.r.l (Rome, Italy) via Marcella, 4/6- 00153 Rome	11353340018	50.5
85	Spark 44 Limited (Seoul, South Korea) F12, 11 Cheonggyecheon-ro, Jongno-gu, Seoul - 03187, Korea	110114-0162252	50.5
86	Spark 44 K.K. (Tokyo, Japan) 2-23-1-806, Akasaka, Minato-ku, Tokyo, 153-0042	5011101074299	50.5
87	Spark 44 Canada Inc (Toronto) 1059 Spadina Road, Toronto, ON M5N 2M7, Canada	2467809	50.5
88	Spark 44 Pty. Limited (South Africa) 21 Forssman Close, Barbeque Downs, Kyalami	2015/300314/07	50.5
89	Spark 44 Colombia S.A.S (Colombia) (Incorporated w.e.f. May 10, 2018) Cl 72 # 10 07 oficina 401, Bogota, Colombia	901.179.478-4	50.5
90	Spark 44 Taiwan Limited (Taiwan) (Incorporated w.e.f. May 7, 2018) 18F., No.460, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)	50768370	50.5
91	Jaguar Land Rover (South Africa) (Pty) Limited Simon Vermooten Road, Silverton, Pretoria 0184, South Africa	2001/027269/07	100
92	InMotion Ventures 1 Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	10442527	100
93	InMotion Ventures 2 Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	10444740	100
94	InMotion Ventures 3 Limited Abbey Road, Whitley, Coventry, CV3 4LF - England UK	10445040	100
95	InMotion Venrures 4 Limited (Incorporated w.e.f. January 4, 2019) Abbey Road, Whitley, Coventry, CV3 4LF - England UK	11749648	100
96	Tata Technologies SRL Romania Brasov Office: Str Brandusetor, No 84 Brasov, 500397, Romania	B1766921	72.31
97	Tata Technologies de Mexico, S.A. de C.V. Blvd. Independencia #1600 Ote., Local C-46 C.P. 27100 Torreon, Coahuila, Mexico	Tax Regn No: TTM- 990127-V84- 990127	72.34

Sr. No	Name and address of Company	CIN/GNL	Percentage of shares held
98	Cambric GmbH Service Kontor, Universitat Geb A1 1, D-66123 Saarbrücken, Stuhlsatzenhausweg 69, Raum 130, 66123 Saarbrücken	HRB 14269	72.34
99	Cambric Limited H & J Corporate Services, Ltd., Ocean Centre, Montagu Foreshore, East Bay Street, P.O. Box SS-19084, Nassau, Bahamas	57500	72.31
100	TAL Manufacturing Solutions Limited (Ceased to be a subsidiary w.e.f. March 29, 2019) PDO Building, Tata Motors Campus, Chinchwad, Pune - 411033	U29100PN2000PLC130290	100
101	TML Drivelines Limited (Merged with the Company w.e.f. April 30, 2018) C/o Tata Motors Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai - 400001	U34100MH2000PLC124874	100
102	The Jaguar Collection Limited (Dissolved w.e.f. June 19, 2018) Abbey Road, Whitley, Coventry, CV3 4LF - England UK	2018432	100
<b>Associates Subsidiaries [pursuant to Section 2(6) of the Act]</b>			
103	Automobile Corporation of Goa Limited Plant I, Honda Sattari, Goa 403530	L35911GA1980PLC000400	47.19%
104	Nita Company Limited 1703, Sky Bhaban, 195, Motljheel C/A, Dhaka - 1000, Bangladesh	NA	40.00%
105	Tata Hitachi Construction Machinery Company Private Limited Jubilee Building, 45, Museum Road, Bangalore, Karnataka - 560025	U85110KA1998PTC024588	39.99%
106	Tata Precision Industries (India) Limited Industrial Area No. 2, A B Road, Dewas, Madhya Pradesh - 455001	U29120MP1995PLC009773	39.19%
107	Tata AutoComp Systems Limited TACO House, Plot No- 20/B FPN085, V.G. Damle Path Off Law College Road, Erandwane Pune 411004	U34100PN1995PLC158999	26.00%
108	Jaguar Cars Finance Limited Bishopsgate, London EC2M 3UR	1731924	49.90%
109	Cloud Car Inc 2771, Centerville Road, Suite-400, Wilmington, Country of New Castle, Delaware, 19808, USA	5052102	26.30%
110	Synaptiv Limited Kirakland Avenue, Ilford, Essex, England, IG50th	10592914	37.50%
111	DriveClubService Pte Ltd 22 Sin Ming Lane, #06-76, Midview City, Singapore 573969	201707581H	25.07%
112	Loginomic Tech Solutions Private Limited (Acquired w.e.f. July 10, 2018) # 39, Sai Prema, Krishnanagar Industrial Layout, Hosur Road, Bangalore 560029	U74900KA2015 PTC080558	26%
<b>Joint Operations Subsidiaries [pursuant to Section 2(6) of the Act]</b>			
113	Tata Cummins Private Limited Telco Township, Jamshedpur 831004	U34101JH1993PTC005546	50.00%
114	Fiat India Automobiles Private Limited Plot No B-19, M. I. D. C. Ranjangaon Industrial Area, Ranjangaon, Taluka Shirur, Pune 412210	U28900PN1997PTC130940	50.00%
<b>Joint Ventures Subsidiaries [pursuant to Section 2(6) of the Act]</b>			
115	Chery Jaguar Land Rover Automotive Company Limited No. 1, Lu Hu Road, Changshu Economic and Technical Development Zone, Suzhou City, Jiangsu Provice, China	91320581717885280B	50.00%
116	Chery Jaguar Land Rover Auto Sales Company Limited 6F, Binjiang International Plaza, No.88, Tonggang Road, Changshu Economic and Technical Development Zone, Suzhou City, Jiangsu Provice, China	7535151	50.00%
117	JT Special Vehicles Private Limited Post Box No. 1840, No. 2, Ondipudur Road Singanallur, Coimbatore 641005	U34102TZ2016PTC027770	50.00%
118	Tata HAL Technologies Limited Unit 901-902, A Block, 8th Floor Laurel Building, Bagmane Tech Park, CV Raman Nagar, Bangalore 560093	U93000KA2008PLC046588	36.14%

**IV) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2018				No. of Shares held at the end of the year i.e. 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters (including Promoter Group)</b>									
<b>(1) Indian</b>									
(a) Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	1,05,06,44,727	0	1,05,06,44,727	30.94	1,10,84,19,398	0	1,10,84,19,398	32.64	1.70
(d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (Trust)	1,06,720	0	1,06,720	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (1)</b>	<b>1,05,07,51,447</b>	<b>0</b>	<b>1,05,07,51,447</b>	<b>30.94</b>	<b>1,10,84,19,398</b>	<b>0</b>	<b>1,10,84,19,398</b>	<b>32.64</b>	<b>1.70</b>
<b>(2) Foreign</b>									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (2)</b>									
<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>1,05,07,51,447</b>	<b>0</b>	<b>1,05,07,51,447</b>	<b>30.94</b>	<b>1,10,84,19,398</b>	<b>0</b>	<b>1,10,84,19,398</b>	<b>32.64</b>	<b>1.70</b>
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds / UTI	37,91,05,423	72,340	37,91,77,763	11.17	43,33,51,746	71,340	43,34,23,086	12.76	1.60
(b) Financial Institutions / Banks	1,03,38,275	2,48,930	1,05,87,205	0.31	1,20,41,015	2,48,530	1,22,89,545	0.36	0.05
(c) Central Government / State Governments(s)	67,42,762	20,13,905	87,56,667	0.26	81,19,445	20,13,905	1,01,33,350	0.30	0.04
(d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e) Alternate Investment Funds	37,72,751	0	37,72,751	0.11	20,92,257	0	20,92,257	0.06	-0.05
(f) Insurance Companies	29,32,35,196	800	29,32,35,996	8.64	22,83,10,927	800	22,83,11,727	6.72	-1.91
(g) Foreign Institutional Investors	33,44,136	23,940	33,68,076	0.10	6,96,956	23,940	7,20,896	0.02	-0.08
(h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(j) Any Other (specify)									
(j-i) Foreign Portfolio Investors (Corporate)	82,06,46,479	0	82,06,46,479	24.17	72,39,04,343	0	72,39,04,343	21.32	-2.85
(j-ii) Foreign Bodies - DR	62,15,251	0	62,15,251	0.18	76,13,577	0	76,13,577	0.22	0.04
(j-iii) Foreign Nationals - DR	2,86,661	0	2,86,661	0.01	991	0	991	0.00	-0.01
(j-iv) Foreign Institutional Investors - DR	73,015	0	73,015	0.00	0	0	0	0.00	0.00
(j-v) LLP - DR	750	0	750	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B) (1)</b>	<b>1,52,37,60,699</b>	<b>23,59,915</b>	<b>1,52,61,20,614</b>	<b>44.94</b>	<b>1,41,61,31,257</b>	<b>23,58,515</b>	<b>1,41,84,89,772</b>	<b>41.77</b>	<b>-3.17</b>

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2018				No. of Shares held at the end of the year i.e. 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
(a) Bodies Corporate	3,74,17,129	4,77,150	3,78,94,279	1.12	3,68,90,458	4,34,860	3,73,25,318	1.10	-0.02
(b) Individuals -				0.00				0.00	
i Individual shareholders holding nominal share capital upto ₹ 1 lakh	24,43,39,196	2,01,51,115	26,44,90,311	7.79	37,29,40,148	1,71,84,477	39,01,24,625	11.49	3.70
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,73,82,047	4,10,975	1,77,93,022	0.52	2,76,07,018	3,34,975	2,79,41,993	0.82	0.30
(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Other									
(d-i) NBFCs registered with RBI	1,26,674	0	1,26,674	0.00	1,99,577	0	1,99,577	0.01	0.00
(d-ii) Non Resident Indians	1,73,39,947	23,78,480	1,97,18,427	0.58	2,66,42,642	22,18,425	2,88,61,067	0.85	0.27
(d-iii) Clearing Member	1,25,24,514	0	1,25,24,514	0.37	3,08,26,693	0	3,08,26,693	0.91	0.54
(d-iv) Trust	2,56,93,501	1,750	2,56,95,251	0.76	2,58,64,121	1,750	2,58,65,871	0.76	0.01
(d-v) OCBs/Foreign Cos	1,52,061	0	1,52,061	0.00	1,24,495	0	1,24,495	0.00	-0.00
(d-vi) Foreign Corporate Bodies (including FDI)	0	0	0	0.00	0	0	0	0.00	0.00
(d-vii) IEPF Suspense A/C	35,59,715	0	35,59,715	0.10	39,75,896	0	39,75,896	0.12	0.01
<b>Sub-total (B) (2)</b>	<b>35,85,34,784</b>	<b>2,34,19,470</b>	<b>38,19,54,254</b>	<b>11.25</b>	<b>52,50,71,048</b>	<b>2,01,74,487</b>	<b>54,52,45,535</b>	<b>16.06</b>	<b>4.81</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1,88,22,95,483</b>	<b>2,57,79,385</b>	<b>1,90,80,74,868</b>	<b>56.19</b>	<b>1,94,12,02,305</b>	<b>2,25,33,002</b>	<b>1,96,37,35,307</b>	<b>57.83</b>	<b>1.64</b>
<b>TOTAL (A)+(B)</b>	<b>2,93,30,46,930</b>	<b>2,57,79,385</b>	<b>2,95,88,26,315</b>	<b>87.13</b>	<b>3,04,96,21,703</b>	<b>2,25,33,002</b>	<b>3,07,21,54,705</b>	<b>90.47</b>	<b>3.34</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>									
(1) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2) Public	43,70,04,000	20,750	43,70,24,750	12.87	32,36,76,110	20,250	32,36,96,360	9.53	-3.34
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3,37,00,50,930</b>	<b>2,58,00,135</b>	<b>3,39,58,51,065</b>	<b>100.00</b>	<b>3,37,32,97,813</b>	<b>2,25,53,252</b>	<b>3,39,58,51,065</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoters (including Promoter Group)**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	
1	Tata Sons Private Limited	96,13,81,852	28.31	1.63	1,01,91,56,523	30.01	1.52	1.70
2	Tata Industries Limited	7,22,03,630	2.13	0.00	7,22,03,630	2.13	0.00	0.00
3	Tata Investment Corporation Ltd	1,10,00,000	0.32	0.00	1,10,00,000	0.32	0.00	0.00
4	Ewart Investments Limited	35,25,187	0.10	0.00	35,25,187	0.10	0.00	0.00
5	Tata Chemicals Limited	19,66,294	0.06	0.00	19,66,294	0.06	0.00	0.00
6	Af-Taab Investment Company Ltd	4,08,181	0.01	0.00	4,08,181	0.01	0.00	0.00
7	Tata Steel Limited	1,00,000	0.00	0.00	1,00,000	0.00	0.00	0.00
8	Simto Investment Company Ltd	59,583	0.00	0.00	59,583	0.00	0.00	0.00
9	J R D Tata Trust	1,05,280	0.00	0.00	0	0.00	0.00	-0.00
10	Lady Tata Memorial Trust	1,440	0.00	0.00	0	0.00	0.00	-0.00
11	Sir Ratan Tata Trust	0	0.00	0.00	0	0.00	0.00	0.00
12	Sir Dorabji Tata Trust	0	0.00	0.00	0	0.00	0.00	0.00
		<b>1,05,07,51,447</b>	<b>30.94</b>	<b>1.63</b>	<b>1,10,84,19,398</b>	<b>32.64</b>	<b>1.52</b>	<b>1.70</b>

**Note :**

Entities listed from Sr. No. 2 to 12 above form part of the Promoter Group



**iii) Change in Promoter's Shareholding (please specify, if there is no change)**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2018		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Tata Sons Private Limited	96,13,81,852	28.31					96,13,81,852	28.31
				17.08.2018	Purchase of Shares	35,00,000	0.10	96,48,81,852	28.41
				24.08.2018	Purchase of Shares	2,26,00,000	0.67	98,74,81,852	29.08
				15.02.2019	Purchase of Shares	76,07,022	0.22	99,50,88,874	29.30
				22.02.2019	Purchase of Shares	98,77,753	0.29	1,00,49,66,627	29.59
				01.03.2019	Purchase of Shares	1,41,89,896	0.42	10,191,56,523	30.01
				<b>31.03.2019 At the end of the year</b>					<b>1,01,91,56,523</b>
2	J R D Tata Trust	1,05,280	0.00					1,05,280	0.00
				01.06.2018	Sale of Shares	-1,05,280	0.00	0	0.00
				<b>31.03.2019 At the end of the year</b>				<b>0</b>	<b>0.00</b>
3	Lady Tata Memorial Trust	1,440	0.00					1,440	0.00
				01.06.2018	Sale of Shares	-1,440	0.00	0	0.00
				<b>31.03.2019 At the end of the year</b>				<b>0</b>	<b>0.00</b>

**Notes :**

- Entities listed at Sr. No. 2 and 3 above form part of the Promoter Group
- Except for the above there is no change in the holding of Tata Industries Limited, Tata Investment Corporation Limited, Ewart Investment Limited, Tata Chemicals Limited, Af-Taab Investment Company Limited, Tata Steel Limited, Simto Investment Company Limited, Sir Ratan Tata Trust and Sir Dorabji Tata Trust during this FY 2018-19

**iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year		
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company	
1	Life Insurance Corporation of India					
		At the beginning of the year	14,92,95,627	4.40	14,92,95,627	4.40
		Bought during the year	-	-	14,92,95,627	4.40
		Sold during the year	19,22,134	(0.06)	14,73,73,493	4.34
		At the end of the year	14,73,73,493	4.40	14,73,73,493	4.40
2	Government of Singapore					
		At the beginning of the year	8,49,97,140	2.50	8,49,97,140	2.50
		Bought during the year	3,09,81,117	0.91	11,59,78,257	3.41
		Sold during the year	79,21,118	(0.23)	10,80,57,139	3.18
		At the end of the year	10,80,57,139	3.18	10,80,57,139	3.18
3	Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund					
		At the beginning of the year	4,86,03,527	1.43	4,86,03,527	1.43
		Bought during the year	9,13,54,253	2.69	13,99,57,780	4.12
		Sold during the year	3,68,49,216	(1.09)	10,31,08,564	3.04
		At the end of the year	10,31,08,564	3.04	10,31,08,564	3.04

Sr. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
4	ICICI Prudential Value Discovery Fund				
	At the beginning of the year	7,39,21,224	2.18	7,39,21,224	2.18
	Bought during the year	5,77,66,853	1.70	13,16,88,077	3.88
	Sold during the year	4,24,20,208	(1.25)	8,92,67,869	2.63
	At the end of the year	8,92,67,869	2.63	8,92,67,869	2.63
5	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus				
	At the beginning of the year	5,99,59,475	1.77	5,99,59,475	1.77
	Bought during the year	2,79,52,407	0.82	8,79,11,882	2.59
	Sold during the year	11,99,260	(0.04)	8,67,12,622	2.55
	At the end of the year	8,67,12,622	2.55	8,67,12,622	2.55
6	SBI-ETF Nifty 50				
	At the beginning of the year	3,40,94,397	1.00	3,40,94,397	1.00
	Bought during the year	2,72,31,524	0.80	6,13,25,921	1.8
	Sold during the year	87,92,834	(0.26)	5,25,33,087	1.55
	At the end of the year	5,25,33,087	1.55	5,25,33,087	1.55
7	Franklin Templeton Investment Funds				
	At the beginning of the year	4,29,30,633	1.26	4,29,30,633	1.26
	Bought during the year	46,42,053	0.14	4,75,72,686	1.50
	Sold during the year	1,99,436	(0.01)	4,73,73,250	1.40
	At the end of the year	4,73,73,250	1.4	4,73,73,250	1.40
8	UTI Nifty Index Fund				
	At the beginning of the year	3,21,46,194	0.95	3,21,46,194	0.95
	Bought during the year	97,78,415	0.29	4,19,24,609	1.24
	Sold during the year	59,71,175	(0.18)	3,59,53,434	1.06
	At the end of the year	3,59,53,434	1.06	3,59,53,434	1.06
9	Government Pension Fund Global <sup>#</sup>				
	At the beginning of the year	3,16,64,529	0.93	3,16,64,529	0.93
	Bought during the year	1,48,86,466	0.44	4,65,50,995	1.37
	Sold during the year	1,34,28,193	(0.40)	3,31,22,802	0.98
	At the end of the year	3,31,22,802	0.98	3,31,22,802	0.98
10	HDFC Trustee Company Limited - HDFC Prudence Fund				
	At the beginning of the year	4,99,26,659	1.47	4,99,26,659	1.47
	Bought during the year	1,36,48,985	0.40	6,35,75,644	1.87
	Sold during the year	3,17,21,623	(0.93)	3,18,54,021	0.94
	At the end of the year	3,18,54,021	0.94	3,18,54,021	0.94
11	ICICI Prudential Life Insurance Company Ltd*				
	At the beginning of the year	5,22,06,965	1.54	5,22,06,965	1.54
	Bought during the year	1,58,31,229	0.47	6,80,38,194	2.01
	Sold during the year	5,53,22,541	(1.63)	1,27,15,653	0.37
	At the end of the year	1,27,15,653	0.37	1,27,15,653	0.37

\* Ceased to be in the list of Top 10 as on 31.03.2019. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01.04.2018

# Not in the list of Top 10 shareholders as on 01.04.2018. The same is reflected above since it is one of the Top 10 shareholder as on 31.03.2019

**Note :**

Shareholding of Top 10 is consolidated based on Permanent Account Number of the shareholder. The date wise increase or decrease in shareholding of the Top 10 shareholders giving break-up of Ordinary and 'A' Ordinary shares bought and sold is available on the website of the Company [www.tatamotors.com](http://www.tatamotors.com)

v) Shareholding of Directors and Key Managerial Personnel :

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2018		Date	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares <sup>^</sup>	% of total shares of the company			No. of Shares <sup>^</sup>	% of total shares of the company	No. of Shares <sup>^</sup>	% of total shares of the company
1	Mr Satish Bowankar, Executive Director & COO	500	-					500	-
					No change	-	-	500	-
				31.03.2019	At end of the year	-	-	500	-
2	Mr P B Balaji, Group CFO	20,000	-					20,000	-
					No change	-	-	20,000	-
				31.03.2019	At end of the year	-	-	20,000	-
3	Mr Hoshang Sethna, Company Secretary	2,953 (AOS) 813	-					2,953 (AOS) 813	-
					No change	-	-	2,953 (AOS) 813	-
				31.03.2019	At end of the year	-	-	2,953 (AOS) 813	-

<sup>^</sup> Ordinary shares unless explicitly stated as AOS for 'A' Ordinary Shares

Notes :

- Other than the above, none of the Directors and KMPs hold any shares. There has been no change in the holdings of Directors and KMPs.
- Mr Balaji and Mr Sethna have been granted 2,28,600 and 28,500 options, respectively during the year which would vest at the end of 3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> year with an option to exercise at a price of ₹345 per share as per the terms of its issue.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

(₹ in crores)

	Secured loan excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,253.61	15,240.12	-	17,493.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	51.96	442.67	-	494.63
<b>Total (i+ii+iii)</b>	<b>2,305.57</b>	<b>15,682.79</b>	<b>-</b>	<b>17,988.36</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	9,747.76	18,634.39	-	28,382.15
• Reduction	(9,568.66)	(18,434.32)	-	(28,002.98)
<b>Net Change</b>	<b>179.10</b>	<b>200.08</b>	<b>-</b>	<b>379.18</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,432.70	15,440.20	-	17,872.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.63	369.93	-	371.56
<b>Total (i+ii+iii)</b>	<b>2,434.33</b>	<b>15,810.13</b>	<b>-</b>	<b>18,244.46</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Directors, Whole-time Directors and/or Manager

Sr. No	Particulars of Remuneration	Mr Guenter Butschek (MD & CEO)	Mr Satish Borwankar (ED & COO)	Amount in (₹)
<b>1</b>	<b>Gross Salary</b>			
a)	Salary u/s 17(1) of the Income Tax Act, 1961 (IT Act) <sup>#</sup>	15,53,00,264	1,56,16,221	17,09,16,485
b)	Value of perquisites u/s 17(2) of the IT Act <sup>#</sup>	1,20,97,371	15,35,158	1,36,32,529
c)	Profits in lieu of salary u/s 173(3) of the IT Act	-	-	-
<b>2</b>	<b>Stock Options</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission<sup>^</sup></b>	-	-	-
a)	as % of profit	-	-	-
b)	others, specify (Performance based)	-	66,60,000	66,60,000
<b>5</b>	<b>Other, please specify</b>			
	*Performance bonus + longterm incentive plan	9,22,71,960	-	9,22,71,960
	Retirement benefits	32,02,494	17,98,200	50,00,694
	<b>Total (A)</b>	<b>26,28,72,089</b>	<b>2,56,09,579</b>	<b>28,84,81,668</b>
	Ceiling as per the Act,			<b>39,61,18,938</b>

\*Performance Bonus of ₹5,94,000 (conversion rate : ₹ 77.67 as on March 31, 2019) will be paid during FY2019-20. The above also includes Long Term Incentives as per plan of ₹5,94,000 which would accrue based on company performance as decided by NRC.

<sup>#</sup>The above remuneration is as per Income Tax Act, 1961. Further, these amounts are paid to the Managing Director and Whole-time Director during the year.

<sup>^</sup>Commission relates to FY2018-19, it will be paid during FY2019-2020

## B. Remuneration to other directors

Sr. No	Particulars of Remuneration	Name of Directors					Amount in (₹)
<b>1</b>	<b>Independent Directors</b>	<b>N Munjee</b>	<b>V K Jairath</b>	<b>F Nayar</b>	<b>O P Bhatt</b>	<b>H Sorensen</b>	
a)	Fee for attending board/ committee meetings	12,60,000	11,20,000	10,80,000	13,20,000	8,60,000	56,40,000
b)	Commission*	85,00,000	85,00,000	70,00,000	85,00,000	70,00,000	3,95,00,000
c)	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>97,60,000</b>	<b>96,20,000</b>	<b>80,80,000</b>	<b>98,20,000</b>	<b>78,60,000</b>	<b>4,51,40,000</b>
<b>2</b>	<b>Other Non-Executive Directors<sup>#</sup></b>	<b>N Chandrasekaran</b>	<b>R Speth</b>				
a)	Fee for attending board/ committee meetings	6,00,000	-				6,00,000
b)	Commission	-	-				-
c)	Others, please specify	-	-				-
	<b>Total (2)</b>	<b>6,00,000</b>	<b>-</b>				<b>6,00,000</b>
	<b>Total B = (1+2)</b>						<b>4,57,40,000</b>
	<b>Total Managerial Remuneration</b>						<b>3,95,00,000</b>
	Ceiling as per the Act						<b>3,96,11,893</b>

\*Commission relates to FY2018-19, it will be paid during FY2019-20

<sup>#</sup>As a policy, Mr N Chandrasekaran, Chairman has abstained from receiving Commission from the Company and hence not being stated. Dr Ralf Speth is not paid any commission or sitting fees in view of his appointment as CEO and Director of Jaguar Land Rover Automotive PLC.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Amount in (₹)
		P B Balaji Group Chief Financial Officer	Hoshang Sethna Company Secretary	
<b>1</b>	<b>Gross Salary</b>			
a)	Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961 (IT Act)#	7,99,85,153	1,49,61,531	9,49,46,684
b)	Value of perquisites u/s 17(2) of the IT Act#	45,850	92,870	1,38,720
c)	Profits in lieu of salary u/s 173(3) of the IT Act	-	-	-
<b>2</b>	<b>Stock Options*</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission</b>	-	-	-
a)	as % of profit	-	-	-
b)	others, specify	-	-	-
<b>5</b>	<b>Other, please specify (Retirement benefits)</b>	26,13,656	6,38,997	32,52,653
	<b>Total</b>	<b>8,26,44,659</b>	<b>1,56,93,398</b>	<b>9,83,38,057</b>

# The above remuneration is as per Income Tax Act, 1961 includes performance pay for FY18 paid in FY19

\* Mr Balaji and Mr Sethna have been granted 2,28,600 and 28,500 options, respectively during the year which would vest at the end of 3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> year with an option to exercise at a price of ₹345 per share as per the terms of its issue.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the breach of any sections of the Companies Act against the Company or its Directors or other Officers in default, if any, during the year.

On behalf of the Board of Directors

**N CHANDRASEKARAN**  
Chairman  
DIN - 00121863

Mumbai, May 20, 2019



**ANNEXURE-5**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**  
(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
Tata Motors Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Motors Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
1. The Motor Vehicle Act, 1988 and the Rules made thereunder.  
We have also examined compliance with the applicable clauses of the following:
    - (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
    - (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. The Securities and Exchange Board of India have vide Order dated March 6, 2018 issued directions for the Company to conduct an internal inquiry within 3 months into the leakage of information relating to its financial results for the quarter ended December 2015, take appropriate actions against those responsible and to submit its report within 7 days thereafter. Accordingly, the Company has on June 12, 2018 submitted its final response to SEBI.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to what is stated above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice for which necessary consents have been sought at the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- a. TML Drivelines Limited, wholly owned subsidiary of the Company merged with the Company vide NCLT Order dated April 5, 2018, the appointed date being April 1, 2017.
- b. The Company redeemed unsecured listed Non-Convertible Debentures aggregating Rs 1090 crores and Secured listed Non-Convertible Debentures aggregating Rs 500 Crores during the year and has complied with the applicable laws.
- c. The Company vide tender offer redeemed senior notes aggregating US\$ 237,468,000 out of notes aggregating US\$ 500,000,000 due in 2020.
- d. The Company at the 73<sup>rd</sup> Annual General Meeting held on August 3, 2018 approved a scheme for grant of employee stock

options, for vesting into not exceeding 1,38,00,000 (One Crore Thirty Eight Lakh) Ordinary Shares of the nominal face value of ₹ 2 (Rupees Two Only) per Ordinary Share to the Eligible Employees of the Company on the terms and conditions stated in the Scheme. In terms of the said scheme, the Nomination and Remuneration Committee at its meetings held on September 6, 2018 and March 28, 2019, approved the grant of 49,95,690 and 28,16,737 stock options respectively.

- e. The Company has filed a scheme of arrangement for sale of its Defense business to Tata Advanced Systems Limited with NCLT, Mumbai on January 22, 2019 after receipt of necessary stock exchange approvals. NCLT vide its order dated May 6, 2019 have directed the company to convene a shareholders' meeting.
- f. The Company in March 2019 acquired the Non aerospace business from TAL Manufacturing Solutions Limited (TAL) its wholly owned subsidiary and divested its entire holding in TAL to Tata Advanced Systems Limited.

**For Parikh & Associates**  
Company Secretaries

**P. N. Parikh**  
Partner  
FCS No: 327 CP No: 1228

Place: Mumbai  
Date : May 17, 2019

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

#### 'ANNEXURE-A'

To,  
The Members  
Tata Motors Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

**P. N. Parikh**  
Partner  
FCS No: 327 CP No: 1228

Place: Mumbai  
Date : May 17, 2019

## ANNEXURE-6

## DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

**1. Scope and Objective**

This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company's growth & sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

The Policy is being recommended for adoption by the Board of Directors of all the companies in the Tata Motors Group i.e. by all its subsidiaries and to the extent possible, the joint ventures after discussions with its partners.

**2. Statutory Requirements**

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ("Act") in particular Sections 2(35), 24, 51, 134(3)(k), 123, 124, 125, 126 and 127 of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), such other applicable provisions of law and the Articles of Association of the Company as amended.

**3. Parameters to be considered while recommending/declaring dividend**

The Board while declaring or recommending dividend to the shareholders, will consider following financial/ internal and external factors:

Financial/Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.

- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, debt reduction, capitalisation of shares
- Crystallization of contingent liabilities of the Company
- Profit earned under the Consolidated Financial Statement
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

External Factors:

- Economic environment, both domestic and global.
- Unfavorable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing

**4. Circumstances under which shareholders of the Company may or may not expect dividend**

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company *may expect dividend* only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company *may not expect dividend* in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- the Company has significantly higher working capital requirement affecting free cash flow.
- the Company proposes to utilize surplus cash for buy-back of securities;
- the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 3 above.

#### 5. Policy as to how the retained earnings will be utilized

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Long term strategic plans
- Augmentation/ Increase in production capacity
- Market expansion plan
- Product expansion plan
- Modernization plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Payment of Dividend or issue of Bonus Shares
- Other such criteria as the Board may deem fit from time to time.

#### 6. Quantum and manner of dividend payout

Subject to the circumstances and scenarios mentioned above, the Company shall endeavor to maintain a total dividend payout ratio in the range of 25% to 40% of the annual standalone profits after tax (PAT) of the Company. Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the standalone Financial Statements only. In future should the regulations be amended permitting the Company to pay dividend based on its Consolidated Profits, the Board would consider such a payout ratio on its Consolidated Profits. Till such time, The Company will endeavor to have a policy on dividend distribution with a similar payout ratio across its subsidiaries and to the extent possible, in its joint ventures after discussions with its partners.

The Company may declare dividends for a year, usually payable for a financial year at the time when the Board considers and recommends the Annual Financial Statements, which is called final dividend. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

The Board of Directors may also declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.

#### 7. Specific clause with regard to dividend on shares with differential voting rights

The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

The Company has two classes of shares - Ordinary shares and 'A' Ordinary shares (shares with differential rights as to voting and dividend). As per the Company's Articles of Association and terms of issue of 'A' Ordinary Shares, the holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage points more than the aggregate rate of dividend, declared if any, on Ordinary shares for that financial year.

#### 8. Disclosures

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at [www.tatamotors.com](http://www.tatamotors.com).

#### 9. Policy review and amendments

The Policy will be reviewed periodically by the Board. This revised policy has been adopted by the Board of Directors of the Company at its meeting held on May 20, 2019, being the effective date of this Policy.

#### 10. Disclaimer

- a) The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.
- b) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.