

# ABOUT TOYOTA KIRLOSKAR MOTOR



## COMPANY PROFILE

The fore bearers in Lean Manufacturing, Toyota Kirloskar Motor Pvt. Ltd (TKM) is one of the leading Auto manufactures of India established in the year 1997, as a joint venture between Toyota Motor Corporation, Japan and the Kirloskar Systems Ltd., India. Toyota Motor Corporation holds eighty nine percent of the equity while Kirloskar Systems Ltd.,

India, holds eleven percent.

Toyota Kirloskar Motor manufacturing plants are located in Bidadi industrial area in the outskirts of Bangalore city. The two plants are spread across 432 acres and have manufacturing capacity of 310000 vehicles per annum.

	PLANT 1	PLANT 2
Established	October 1997 (start of production: December 1999)	December 2010
Location	Bidadi Industrial area, Bangalore	
Products	Innova, Fortuner	Corolla Altis, Etios, Etios Liva, Camry
Installed Production capacity	Upto 1,00,000 units	Upto 2,10,000 units

Commercially, Toyota Kirloskar Motor has more than 215 independently owned dealerships and 106 suppliers spread across the country.

## KEY PRODUCTS AND MARKET SEGMENTATION

TKM manufactures the Innova, Corolla Altis, Fortuner, Etios, Etios Liva & Camry and imports Land cruiser, Prado, Prius as Completely Built Units.

Toyota Kirloskar Motor's also exports one of its well known cars in the market – Etios to South Africa, Mauritius, Zimbabwe, Seychelles, Sri Lanka and Innova to Sri Lanka during the year 2012-13.





## PRODUCT LINE UP:

The Innova has been the best selling model in the MPV segment for the past seven years in succession and Fortuner has been the best selling model in the SUV segment in India since 2010-2011. Toyota's new small car, the Etios was first launched in December 2010. Toyota's luxury car Camry is also assembled at Plant-2.

TKM also imports and sell the Land Cruiser, Prado and Prius models as CBUs [Completely Built Units] throughout its dealer network in India.



**Land Cruiser** | The Pride of the World



**Prado** | All Terrain Luxury



**Prius** | Planet's Favourite Hybrid



**Camry** | Lead by example



**ETIOS Liva** | Built on QDR



**ETIOS** | The Real Sedan



**Fortuner** | The Art of Power



**Innova** | Multi Premium Vehicle



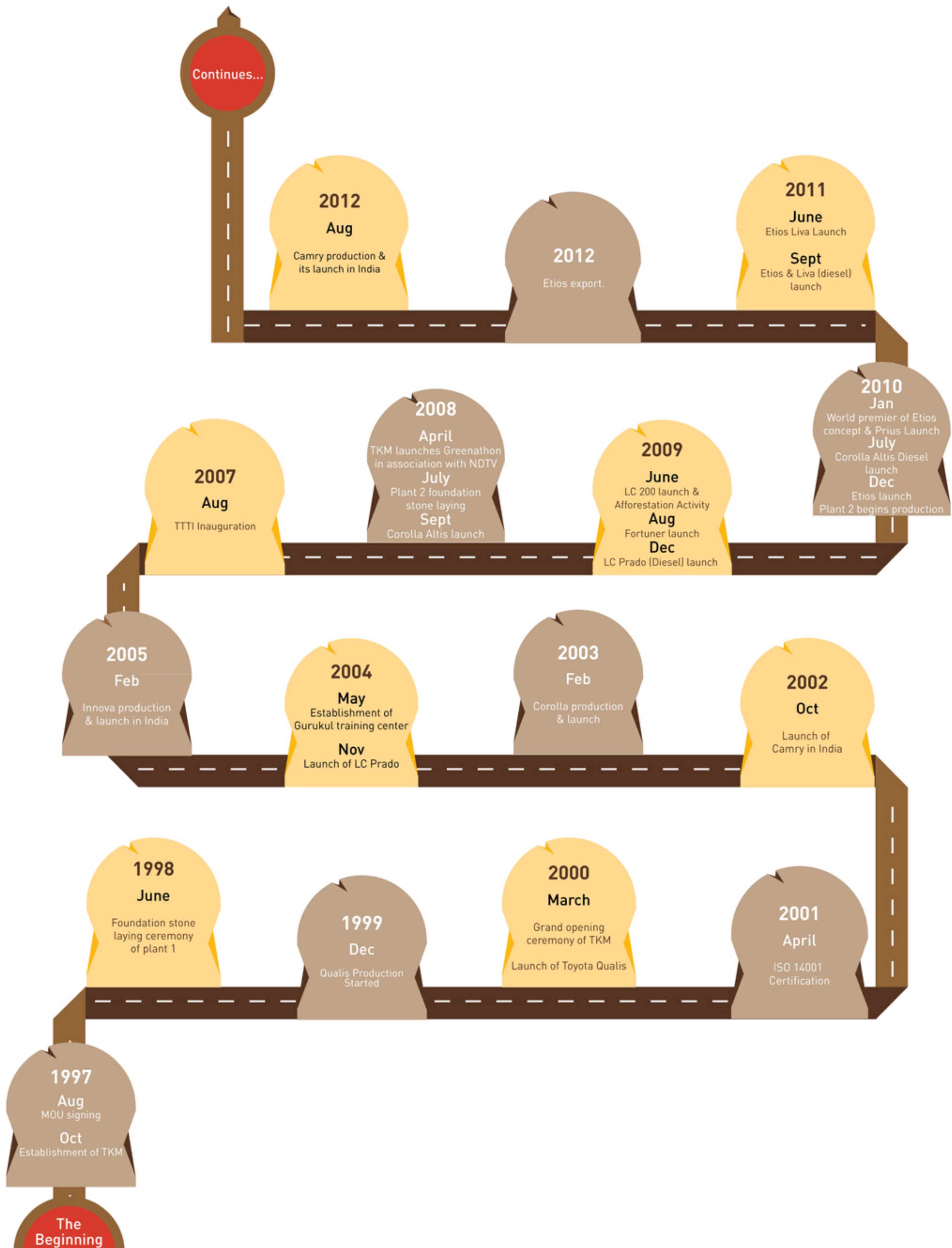
**Corolla Altis** | Genius Inside - Gorgeous Outside

PRODUCT LINE-UP (MANUFACTURED IN INDIA)  
EXPORT  
PRODUCT LINE-UP (CBU-IMPORT)





# KEY MILESTONES OF TOYOTA IN INDIA





## LOCATIONS



### HQ ADDRESS:

#### TOYOTA KIRLOSKAR MOTOR PVT. LTD

Plot No.1, Bidadi Industrial Area, Bidadi,  
Ramanagar District.  
Pin: 562 109, Karnataka, INDIA.  
Tel: +91-80-66292098 / 66292382  
Fax: +91-80-27287076 / 77  
Email: sustainability@toyota-kirloskar.co.in  
www.toyotabharat.com

### CORPORATE OFFICE:

#### TOYOTA KIRLOSKAR MOTOR PVT. LTD.

10th Floor, Canberra Tower  
No. 24 , UB City, Vittal Mallya Road  
Bangalore - 560001, INDIA.

- ★ Head Office [HO], Bidadi, Ramanagara
- ☼ Regional Office [RO], South, Bangalore
- ⚙ Regional Office [RO] - IS Office, Bangalore
- ⚙ Regional Parts Depot & Training Centre [West], Pune
- ★ Regional Office [RO], Mumbai
- ▣ Regional Parts Depot & Training Centre [North], Manesar
- ◆ Regional Office [RO], North, Gurgaon
- Regional Office [RO], East, Kolkatta
- ⊙ Regional Parts Centre, Neemrana

## TOYOTA KIRLOSKAR MOTOR PRIVATE LIMITED POLICY FOR 2012-13

1. Maximize customer and stakeholder satisfaction by creating a **“Waku Doki Experience”**
2. **Capability enhancement** (Production, Sales and Others) to strengthen the foundation for the challenging phase.
3. Enhance **TKM Profitability** through optimized resource allocation and 100% localization.
4. Synergize Quantity (Q) and Quality (Q) by thorough preparation and execution with focus on **“Safety First, Quality Must”**.
5. **Human Development** to sharpen the skills of individuals and instil sense of accomplishment.





# CORPORATE GOVERNANCE

Toyota Kirloskar Motor promotes a culture of high ethical standards, integrity, transparency and accountability in all the business transactions and in compliance with all laws and regulations. The company has established internal control mechanisms to ensure the observance of the norms of Corporate Governance and believes in a system driven performance with the highest priority.

TKM recognizes that good governance is a sine qua non for sustainability. The value statement, code of ethics and internal control mechanisms define our value system and reflects our culture and commitment to the values of Corporate Governance.

TKM has initiated bold steps to enhance the Corporate Governance environment. The task of the Corporate Governance division is to establish good governance in the company and educate all stakeholders. The Corporate Governance environment in TKM is depicted in the schematic at right.

## INTERNAL CONTROL MECHANISM

TKM practices a risk-based, focused, internal audit system. TKM uses the services of an external audit firm so that the independence of the auditor is maintained. Critical issues of audits are reported to the Audit Committee on a half yearly basis, enabling the management to take corrective actions. TKM also conducts SOX audit as a part of Toyota Motor Corporation's global audit requirement.

## CORPORATE GOVERNANCE STRUCTURE



## VALUE STATEMENT

TKM has released the value statement for the company after due deliberations and with the understanding of all stakeholders. These core values are to be cherished and imbibed by its members at all times in their personal and professional life.

## CODE OF ETHICS

Toyota Kirloskar Motor has a comprehensive Code of Ethics based on the Guiding Principles of Toyota. The values along with Code of Ethics go a long way in establishing the company as a good corporate citizen. The code clearly charts out the manner in which the employees of the company should interact with internal and external environment superiors, subordinates, suppliers, dealers, local community, public and government.

The broad areas of coverage are:

- Legal Compliance
- Conflict of Interests
- Mutual Trust
- Team Work

### HONESTY

I will be honest to my profession in spirit, word and action.



### HUMILITY

I am proud about myself and I will treat everyone with same respect that I expect.



### HARMONY

I will work with team spirit and will not live at the cost of others.



### COURAGE

I will work for continuous improvement to lead from the front amidst all adversities.



### ACCOUNTABILITY

I will take ownership for all my actions.







## WHISTLE BLOWER POLICY

As a company it encourages and respects professionalism, honesty, integrity and ethical behaviour, TKM has a well-established "Whistle Blower Policy" in place to ensure protection of its workforce, dealers and vendors and ensure Company Values are always followed. This gives the stakeholders an opportunity to fearlessly report any unethical behaviour noticed by them. The scope of coverage is vast and six channels are provided for reporting.

These reports are received by an Independent Authority(IA) who is one of the big four audit and investigating agency and IA will investigate the issues depending on the advice of a Whistle Blowing Committee consisting of the senior management.

## CHANNELS OF REPORTING

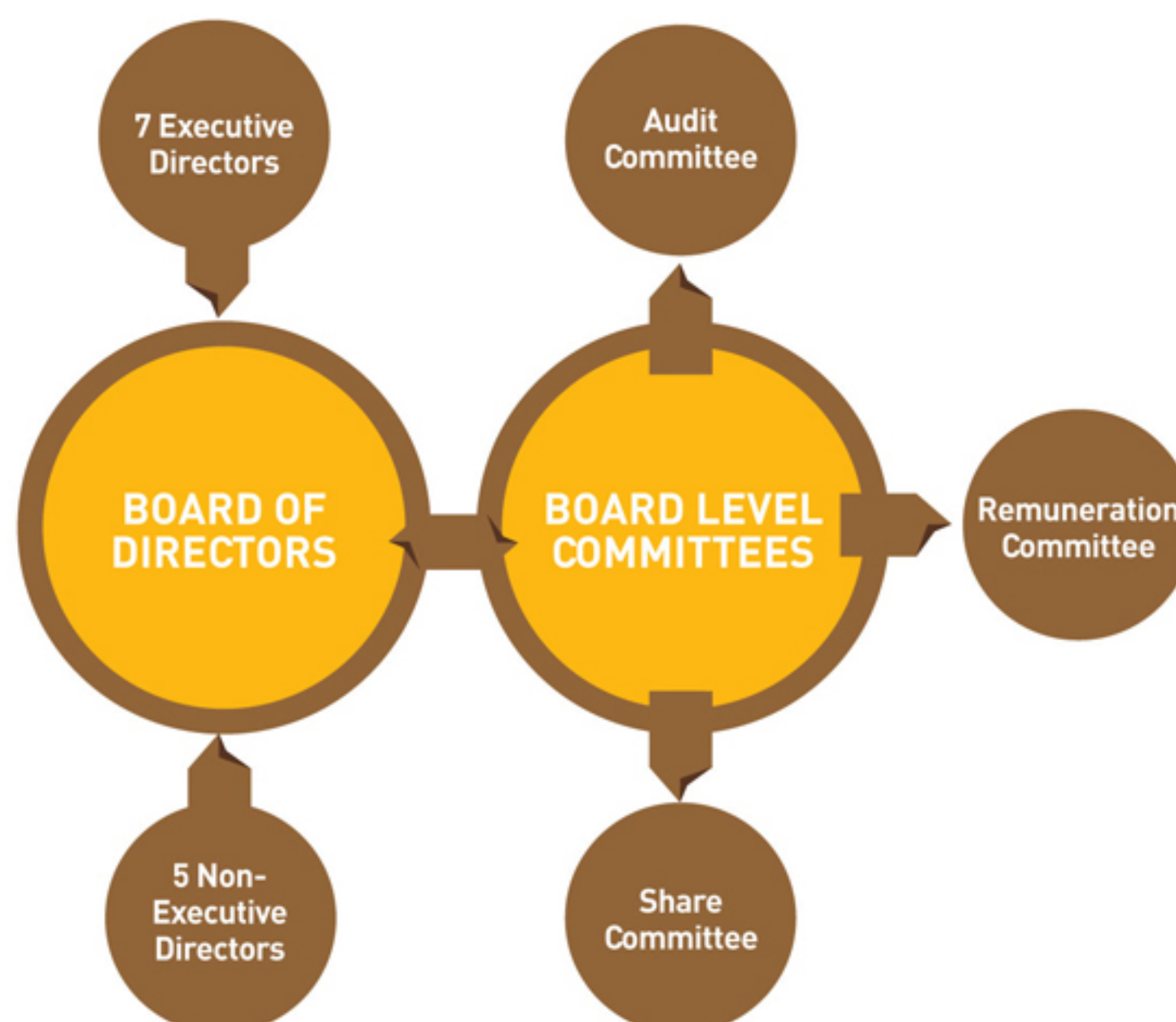
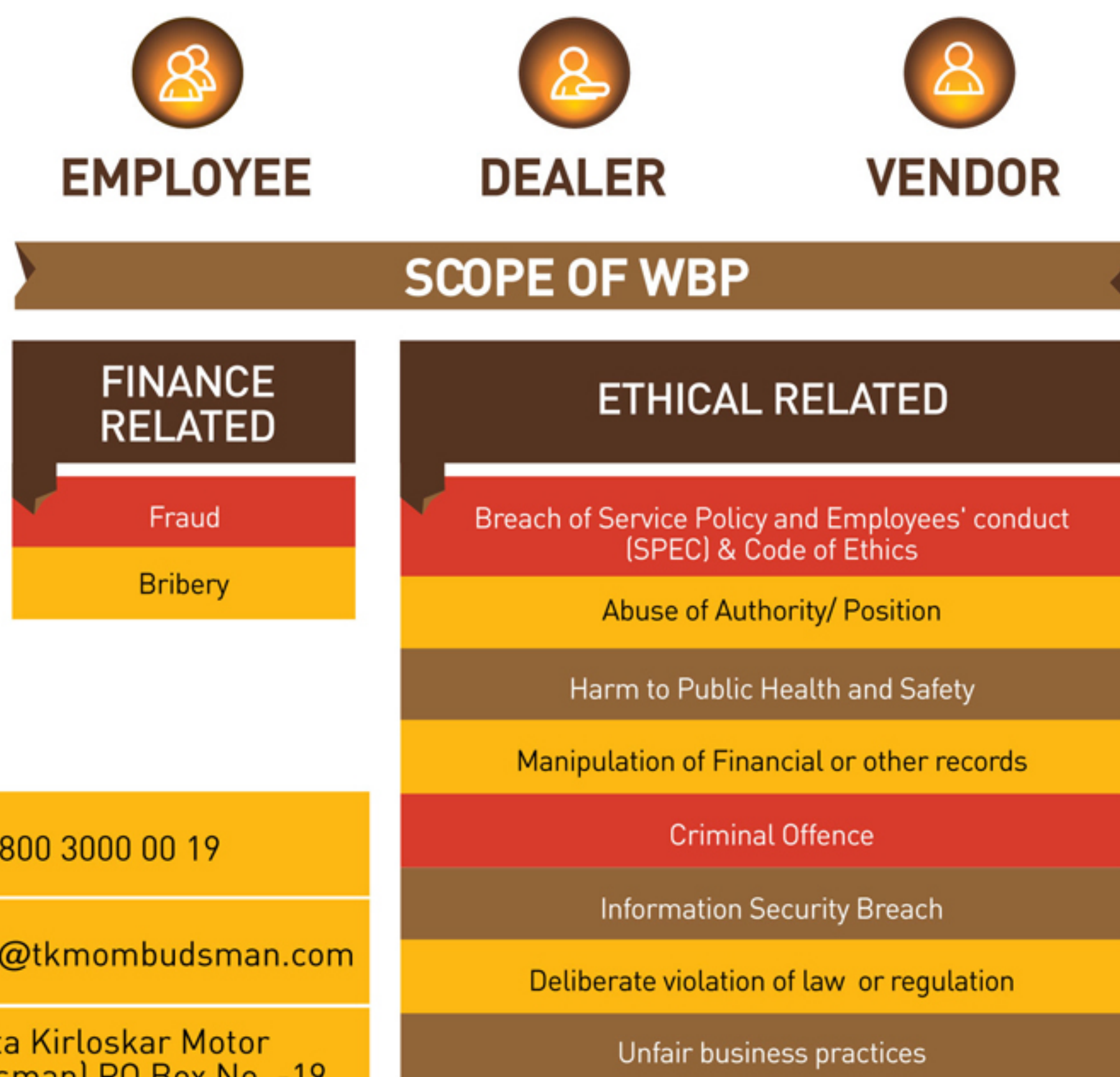
	<b>Toll free hotline</b>	1800 3000 00 19
	<b>Dedicated Email id</b>	complaint@tkmombudsman.com
	<b>Dedicated post box</b>	Toyota Kirloskar Motor (Ombudsman) PO Box No. -19 Ramanagara - 562 159
	<b>Dedicate SMS</b>	76 76 00 00 19
	<b>Online complaint</b>	www.toyota-kirloskar-corporategovernance.com
	<b>Whistle Blower Drop Boxes</b>	Placed at different TKM locations

## BOARD OF DIRECTORS: STRUCTURE

The Board of Directors at TKM forms the highest governing body, responsible for corporate governance and represents the interests of our stakeholders. The Board provides strategic guidance and frequently reviews corporate policies, regulatory compliance, significant management decisions and overall performance of the organization. The Board plays a vital role in overseeing the compliance of legal and operational requirements.

TKM has established three important committees at the Board level to review significant policies and activities and make recommendations in their respective areas.

## WHO CAN REPORT UNDER THIS POLICY





### Audit Committee:

Audit Committee is formed as per the requirements of the Companies Act, 1956. It is responsible for reviewing half yearly and annual financial statements, internal control systems, Internal audit scope and discuss with Internal and Statutory Auditors about their observations and report.

### Remuneration Committee:

It decides the remuneration to be payable to the Directors and other policies with respect to managerial remuneration.

### Share Committee:

To issue share certificates to the shareholders after allotment of shares by the Board and to register the transfers of shares as per Board authorisation.

#	Name of Company Director [Member of Board of Directors]	Designation & Functional Responsibility	Category [Independent / Executive]	Member of Board-level Committee/s *
1	Takahiro Iwase	Chairman	Non Executive	<b>Remuneration Committee &amp; Audit Committee</b>
2	Vikram S Kirloskar	Vice Chairman	Non Executive	Audit Committee & <b>Share Committee</b>
3	Hiroshi Nakagawa	Managing Director	Executive	Audit Committee & Share Committee
4	Shekar Viswanathan	Whole-time Vice Chairman	Executive	
5	Sandeep Singh	Deputy Managing Director & COO	Executive	
6	Masanori Takahashi	Deputy Managing Director & COO	Executive	
7	Hidehisa Nagae	Director & EMC	Executive	
8	T S Jaishankar	Director - Commercial & EVP	Executive	
9	Mao Saka	Director - Finance & SVP	Executive	Share Committee
10	Kyoichi Tanada	Director	Non Executive	Remuneration Committee
11	Atul C Kirloskar	Director	Non Executive	
12	Yasuo Kawada	Director	Non Executive	Remuneration Committee

\* Note: Indicate in bold font the ones she/he chairs

## COMPANY ORGANIZATION

Toyota Kirloskar Motor has a strong organization that takes up sustainability initiatives and promote them effectively. The details are mentioned in the chart.





The company's vision, mission and values are evolved based on the inputs from employees across the organization. Leadership gets guidance from the Global Hoshin and the Regional Hoshin. Based on this, leadership discusses on the previous year's achievement and deliberates in detail on the future business challenges. In this perspective, year-wise targets are listed out. To achieve these targets, company's Hoshin (policy / direction) for the year is derived. Vice Chairman, Managing Director, and Deputy Managing Director communicate during off-site meeting to the Division Heads. Further, the Division Heads communicate to all employees during Annual Communication. Leadership reviews the progress of the set target twice in a year.

Leadership personally shares the vision, mission, strategy, performance and future challenges of the Company/Division and solicits feedback through various channels such as



The feedback received is reviewed by the leadership and appropriate action is taken. Also major decisions are taken during the Board Meeting where the leadership sets the momentum. The organization's goals are derived in the Hoshin off-site meeting, which is communicated across the company through normal organization.

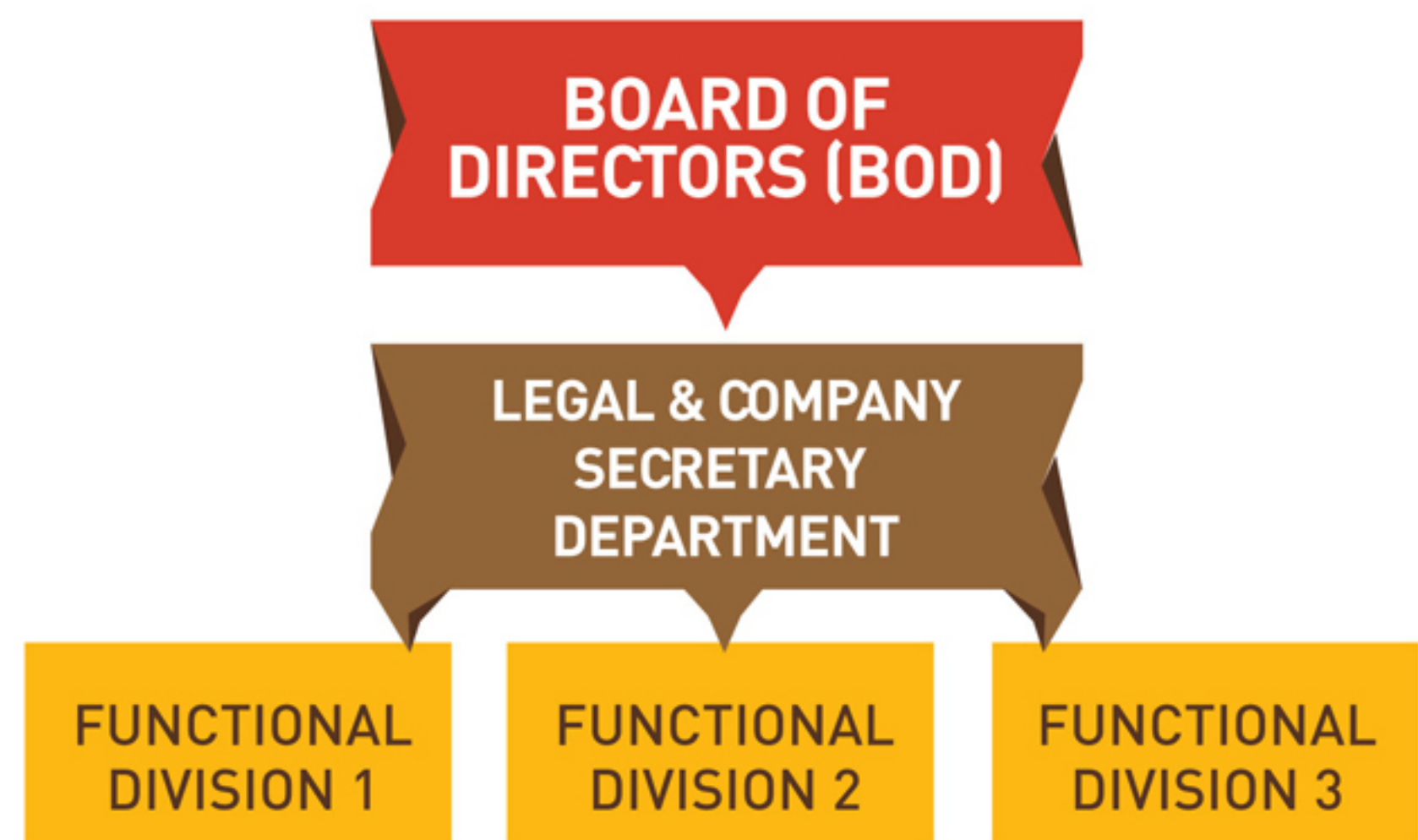
## LEGAL COMPLIANCE

At TKM, as a good corporate citizen, we believe adherence to law is a top priority issue. Compliances of all statutory requirements are of utmost priority of the Organisation. In this regard as a measure of monitoring the compliance levels across all the divisions, a Legal Compliance Management Tool has been implemented. The Tool helps in sending alerts to the responsible person for compliance activities. It also provides for status report of the compliance levels to the senior management and Directors on real time basis.

1. To comply with each and every law is the essence of TKM's operations.
2. Towards our approach to go beyond the legal requirements, the legal compliance management system at TKM has been decentralized, making it more exhaustive & comprehensive.
3. In this system, every applicable functional division are empowered to establish and ensure legal compliance at their levels. They are further responsible to confirm the compliance to the Legal & Secretarial team for Compliance management at the highest level.

Toyota Kirloskar Motor [TKM] aims to achieve 100% compliance to all applicable Legal requirements.

We do not restrict ourselves to just fulfil the compliance, but we intend to go beyond it by aiming to the intent behind the legal requirement



4. Thus, every Divisions/Departments are entrusted with the responsibility to ensure 100% Legal compliance.
5. TKM Legal Manual acts as a guide to understand the laws applicable to each division.
6. Compliance policies are considered integral to company objectives.
7. A good compliance culture is shown by the promotion of positive attitude towards legal compliance activity at all levels within an organisation.





## PUBLIC POLICY

FEW OF OUR MEMBERS ARE ASSOCIATED WITH SOME OF ORGANIZATIONS SUCH AS BCIC, CII, SIAM

SIAM	Mr Vikram Kirloskar, Vice President
CII – National	Mr Vikram Kirloskar, Member
CII Bangalore	Mr Shekar Viswanathan, Member
BCIC	Mr V Ramesh, Member

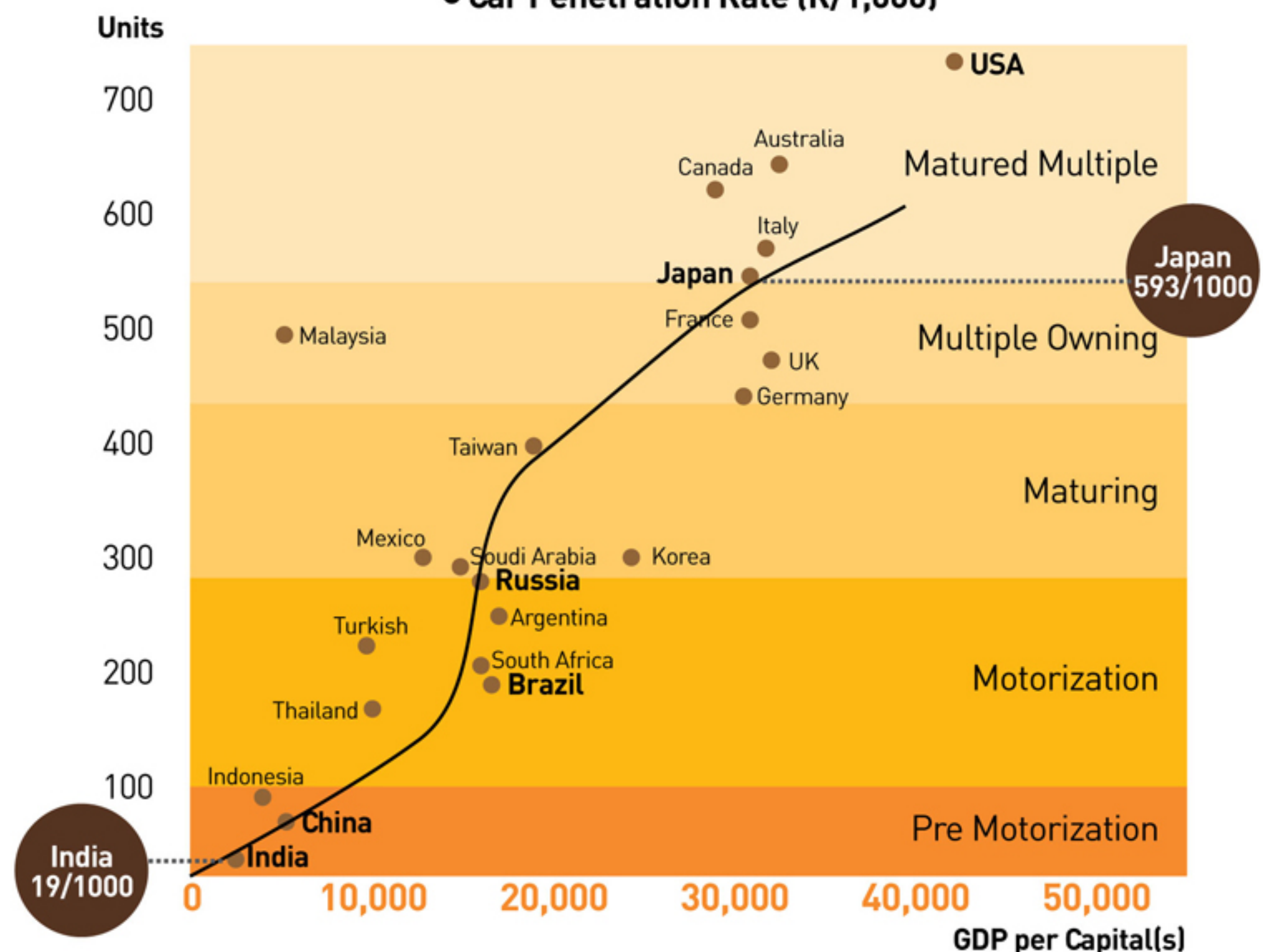
## MARKET SCENARIO

According to statistics, it has been noted that there are just about 19 cars for 1000 people in India. However, India is the second fastest growing automobile market in the world after China. This growing market not only makes India attractive for leading global automobile manufacturers, for Toyota, it represents an unlimited growth story.

With the rising demand and increasing propensity to spend, the Indian customer's high expectations make the market competitive.

### Potential for Rapid Market Expansion with Huge Population

● Car Penetration Rate (R/1,000)



### DATA METRICS: Methodologies followed

The data and figures in the report are actual numbers based on the methodology and standard management systems followed by our Environment, Health and Safety department and other departments, in line with industry practices. Our performance is reported on a year-on-year basis, comparing the current year's performance against the previous year.

