

# Q2 FY 17 BUSINESS REVIEW



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I]

**SNAPSHOT OF FINANCIALS**

Particulars	NET REVENUE *			PAT *		
	Q2 FY17	Q2 FY16	Y-o-Y change	Q2 FY17	Q2 FY16	Y-o-Y change
TML Consolidated (Net of Excise Duty) (Rs Crores)	65,940	61,526	7.2%	848	(1,740)	NM
TML Standalone (incl Joint Operations) (Rs Crores)#	10,351	10,695	-3.2%	(631)	(289)	NM
TML Standalone (Rs Crores)	10,224	10,511	-2.7%	(632)	(302)	NM
Jaguar LandRover PLC (IFRS) (GBP Million)	5,953	4,831	23.2%	244	(92)	NM

Particulars	NET REVENUE *			PAT *		
	H1 FY17	H1 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
TML Consolidated (Net of Excise Duty) (Rs Crores)	131,945	121,977	8.2%	3,109	3,514	-11.5%
TML Standalone (incl Joint Operations) (Rs Crores)#	20,774	20,049	3.6%	(605)	1	NM
TML Standalone (Rs Crores)	20,510	19,817	3.5%	(617)	(99)	NM
Jaguar LandRover PLC (IFRS) (GBP Million)	11,414	9,833	16.1%	548	400	37.0%

USD Million@						
Particulars	NET REVENUE *			PAT *		
	Q2 FY17	Q2 FY16	Y-o-Y change	Q2 FY17	Q2 FY16	Y-o-Y change
TML Consolidated (Net of Excise Duty) (Rs Crores)	9,899	9,237	7.2%	127	(261)	NM
TML Standalone (incl Joint Operations) (Rs Crores)#	1,554	1,606	-3.2%	(95)	(43)	NM
TML Standalone (Rs Crores)	1,535	1,578	-2.7%	(95)	(45)	NM
Jaguar LandRover PLC	7,722	6,267	23.2%	317	(119)	NM

USD Million@						
Particulars	NET REVENUE *			PAT *		
	H1 FY17	H1 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
TML Consolidated (Net of Excise Duty) (Rs Crores)	19,808	18,312	8.2%	467	528	-11.5%
TML Standalone (incl Joint Operations) (Rs Crores)#	3,119	3,010	3.6%	(91)	0	NM
TML Standalone (Rs Crores)	3,079	2,975	3.5%	(93)	(15)	NM
Jaguar LandRover PLC	14,806	12,756	16.1%	711	519	37.0%

#Joint Operations included in Standalone financials are Tata Cummins Private Ltd and Fiat India Automobile Private Limited

\*Net Revenue is excluding excise duty and other income;

# PAT is after share of Profit/(loss) in respect of Joint Ventures & associate companies;

@ At conversion rate of 1 USD = 66.6113 INR; 1 GBP = 1.2972 USD

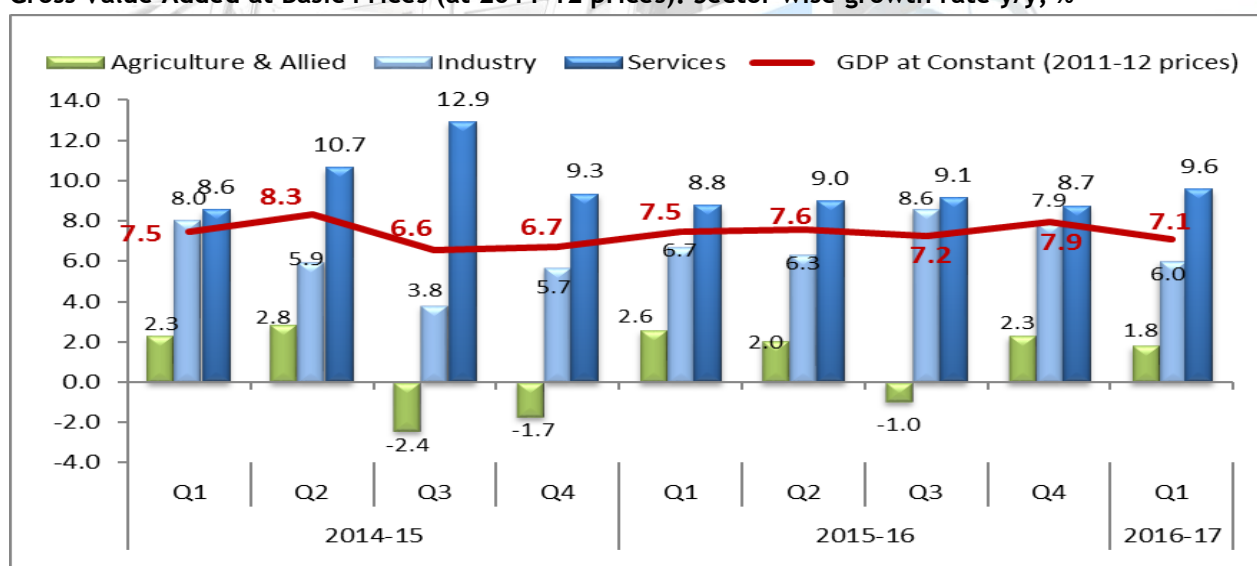
## II] INDIAN ECONOMIC SCENARIO: KEY HIGHLIGHTS OF Q1 FY17

Source: Tata Department of Economics and Statistics (Tata DES)

## 1. GDP Growth

Q1 FY 2016-17 GDP posted a growth of 7.1%, lower than 7.5% in Q1 2015-16 pulled down by lower growth in industrial sector. Investment demand remains sluggish. India being a consumption-driven economy saw private consumption (contributing 55% to GDP) growth receding to 6.7%. Going ahead, the investment cycle could gradually pick up led by government efforts to boost investment in infrastructure, particularly roads, railways and urban infrastructure.

## Gross Value Added at Basic Prices (at 2011-12 prices): Sector wise growth rate y/y, %



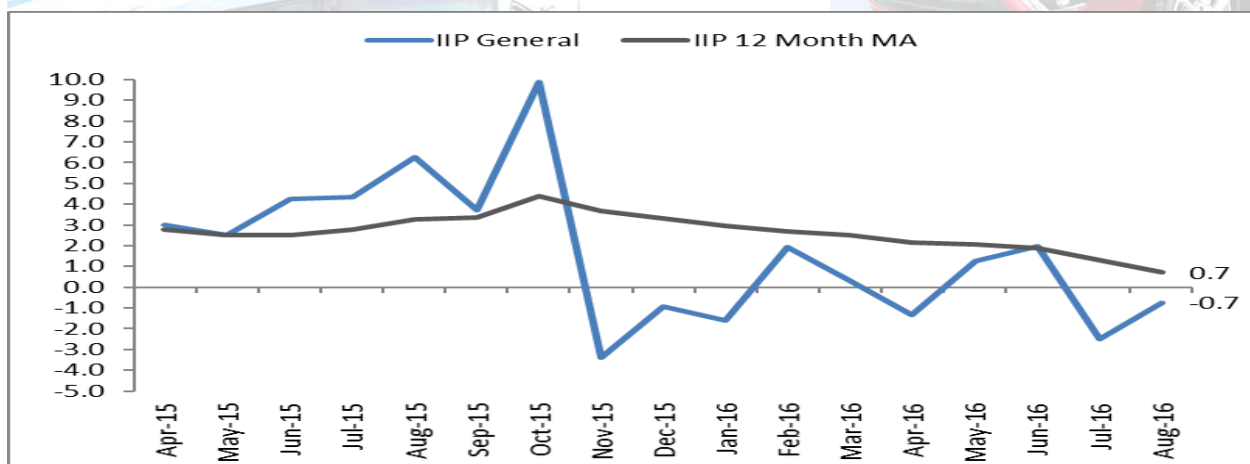
## GDP by expenditure (% change y/y) in real terms

GDP by expenditure (% change y/y) in real terms	GDP	Private final consumption expenditure	Govt final consumption expenditure	Gross capital formation	Exports, Goods & Services	Imports, Goods & Services
Q1 FY15	7.5	8.2	9.0	9.3	11.6	-0.6
Q2 FY15	8.3	9.2	15.4	3.0	1.1	4.6
Q3 FY15	6.6	1.5	33.2	4.5	2.0	5.7
Q4 FY15	6.7	6.6	-3.3	7.3	-6.3	-6.1
Q1 FY16	7.5	6.9	-0.2	6.6	-5.7	-2.4
Q2 FY16	7.6	6.3	3.3	9.6	-4.3	-0.6
Q3 FY16	7.2	8.2	3.0	2.0	-8.9	-6.4
Q4 FY16	7.9	8.3	2.9	-2.4	-1.9	-1.6
Q1 FY17	7.1	6.7	18.8	-4.6	3.2	-5.8

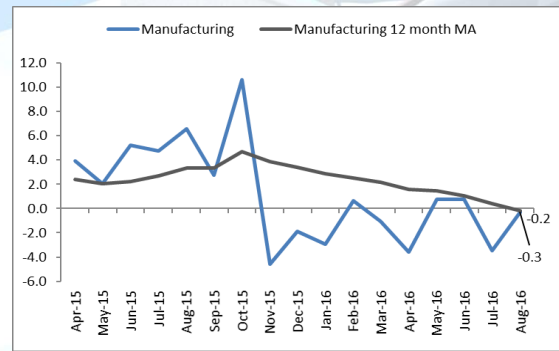
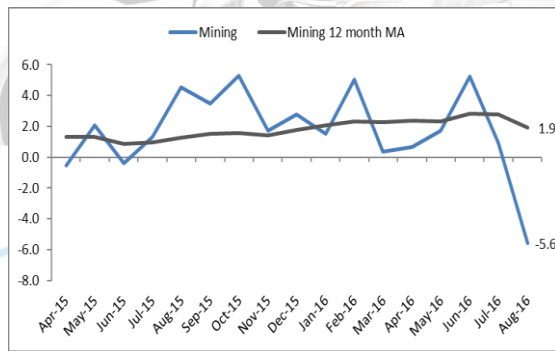
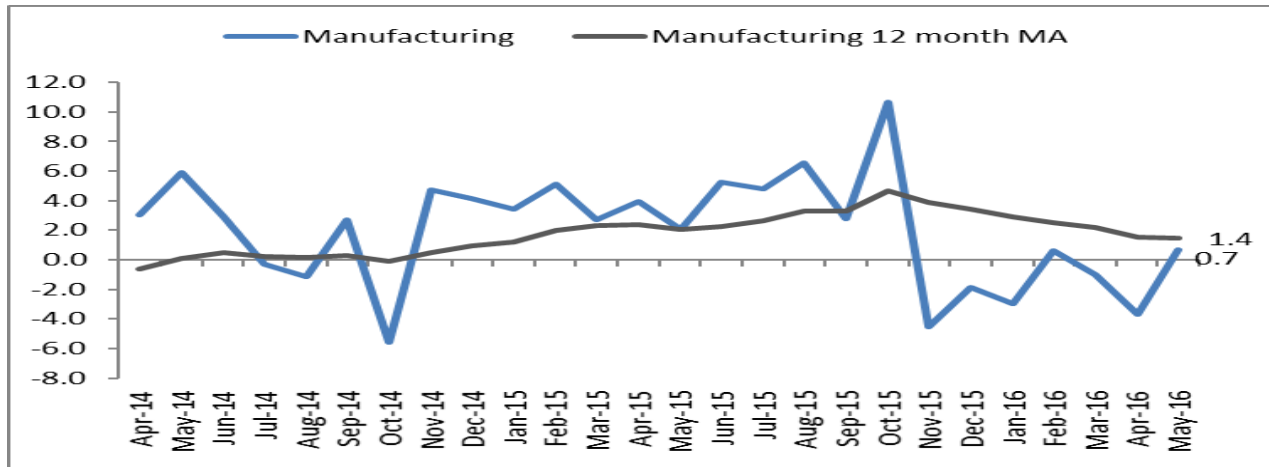
## 2. Industrial Growth

	Categories	Apr-Aug FY 17	Apr-Aug FY 16
IIP	General	0.3	4.1
Sectoral	Mining	0.6	1.3
	Manufacturing	-1.2	4.5
	Electricity	5.7	3.2
Use-based	Basic	3.9	4.6
	Capital	-21.5	7.2
	Intermediate	3.9	1.9
	Consumer	0.9	2.9
	- Consumer Durables	6.3	7.5
	- Consumer Non-Durables	-2.8	0.0

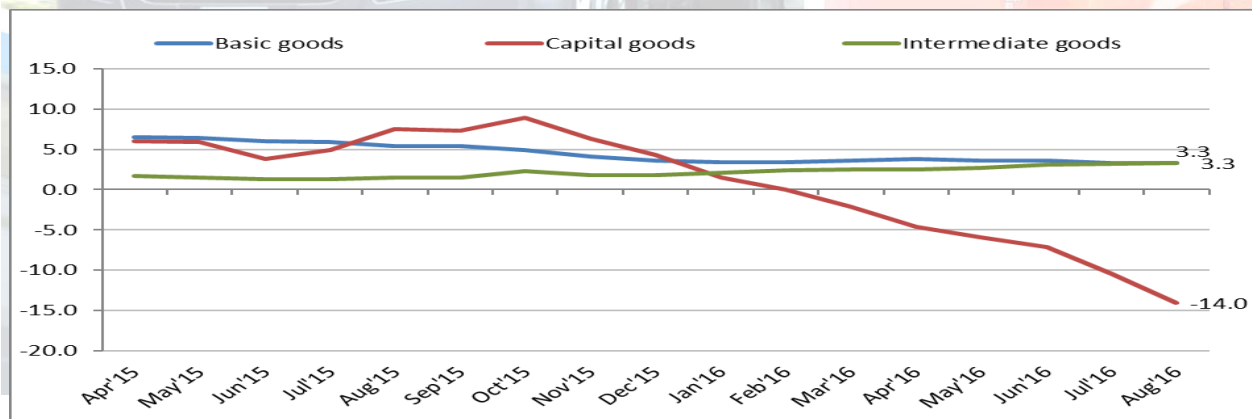
Source: MoSPI

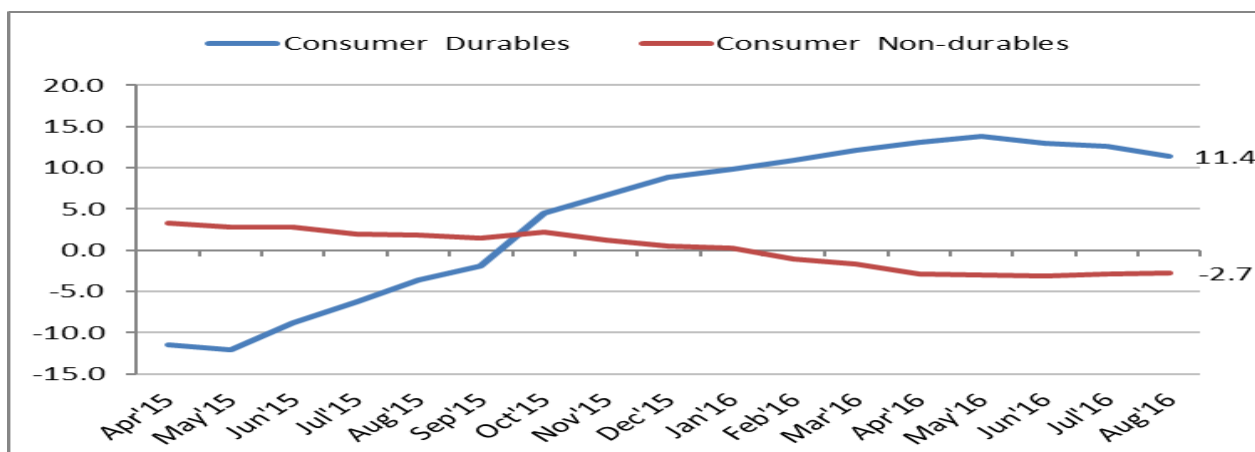






IIP growth has been volatile in the last few months with the 12 monthly moving average showing a declining trend since October 2015. Manufacturing growth has been impacted due to lack of investment, coupled with persistent weakness in Capital Goods Sector (beginning November 2015, it has clocked negative y/y growth). In manufacturing sector, 7 out of the 22 industry groups reported negative growth during August'16. The IIP index recorded -0.3% y/y growth during Apr-Aug 2016-17 owing to weakness in manufacturing sector with growth further pulled down by steep decline in capital goods production reflecting subdued investment scenario. On the positive front, consumer durables have picked up fuelled by urban demand. However, consumer non-durables remained weak suggesting weakness in rural demand.





### 3. Infrastructure Index

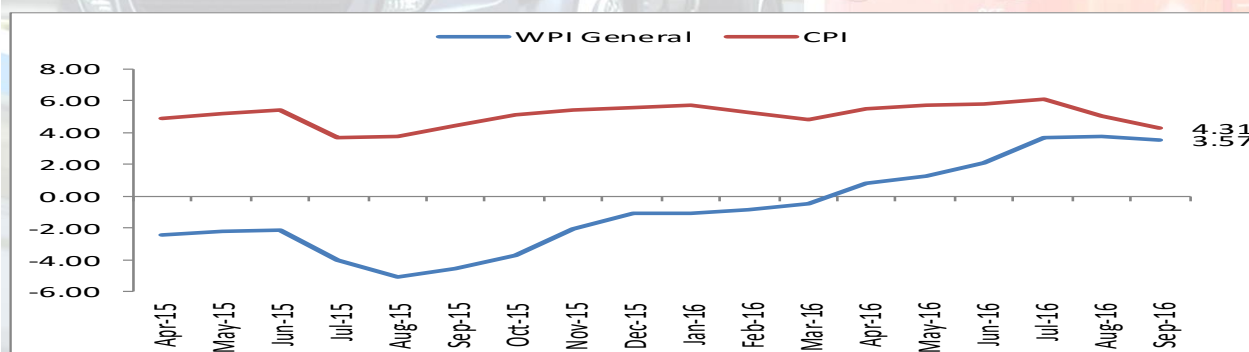
#### Performance of Core industries

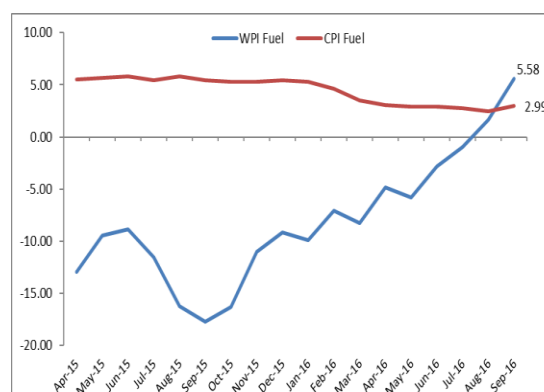
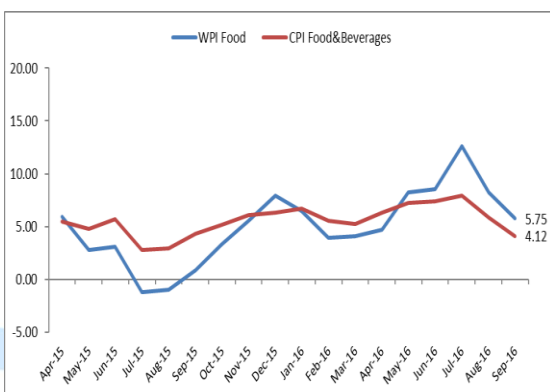
Sector	Weight (%)	Apr-Aug 2016-17	Apr-Aug 2015-16
<b>Overall Index</b>	37.903	4.5	2.4
<b>Coal</b>	4.379	2.6	4.4
<b>Crude Oil</b>	5.216	-3.1	0.5
<b>Natural Gas</b>	1.708	-4.2	-2.7
<b>Refinery Products</b>	5.939	7.6	4.3
<b>Fertilizers</b>	1.254	6.4	7.7
<b>Steel</b>	6.684	5.5	0.3
<b>Cement</b>	2.406	4.4	2.1
<b>Electricity</b>	10.316	5.7	3.2

(Source: GOI- MINISTRY OF COMMERCE & INDUSTRY)

Core Industries index which is an indicator of infrastructure industries performance reported higher growth in Apr-Aug of FY17 led by improvement in refinery products, steel, cement and electricity.

### 4. Inflation





WPI inflation averaged 2.5% in Apr-Sep 2016-17 as compared to -3.4% in the corresponding period of previous year. In Sep'16, it was 3.6% as against 3.7% in Aug'16. Retail inflation recorded 5.4% for the fiscal year so far which is about 1% higher than 4.5% in the same period of previous year. Monthly numbers suggest the wholesale inflation has remained range bound around 3.6% with retail inflation on a downward trend.

While food inflation both at retail and wholesale level continues to come down, the fuel inflation continues to go up, particularly at the wholesale level. Manufacturer's pricing power has picked up in the last 3-4 months (starting from June 2016) reflecting improved demand conditions.

## 5. Interest rates

### Movement in Key Policy Rates (%)

	Reverse Repo Rate	Repo Rate	Cash Reserve Ratio
01-04-2014	7.00 (0.00)	8.00 (0.00)	4.00
03-06-2014	7.00 (0.00)	8.00 (0.00)	4.00
05-08-2014	7.00 (0.00)	8.00 (0.00)	4.00
30-09-2014	7.00 (0.00)	8.00 (0.00)	4.00
02-12-2014	7.00 (0.00)	8.00 (0.00)	4.00
15-01-2015	6.75 (-0.25)	7.75 (-0.25)	4.00
04-03-2015	6.50 (-0.25)	7.50 (-0.25)	4.00
07-04-2015	6.50 (0.00)	7.50 (0.00)	4.00
02-06-2015	6.25 (-0.25)	7.25 (-0.25)	4.00
29-09-2015	5.75 (-0.50)	6.75 (-0.50)	4.00
01-12-2015	5.75 (0.00)	6.75 (0.00)	4.00
02-02-2016	5.75 (0.00)	6.75 (0.00)	4.00
05-04-2016	6.00 (+0.25)	6.50 (-0.25)	4.00
07-06-2016	6.00 (0.00)	6.50 (0.00)	4.00
09-08-2016	6.00 (0.00)	6.50 (0.00)	4.00
04-10-2016	5.75 (-0.25)	6.25 (-0.25)	4.00

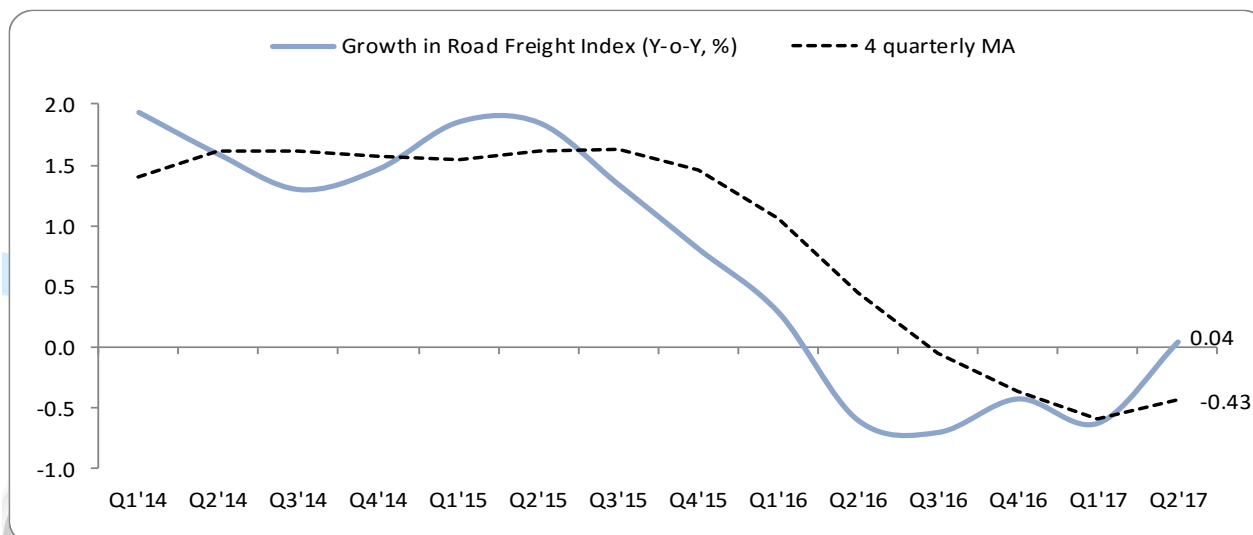
Note: 1. Reverse Repo indicates absorption of liquidity and repo indicates injection of liquidity.

2. Figures in parantheses indicate change in policy rates in per cent.

RBI in its fourth bi-monthly monetary policy review reduced the rates to ease liquidity. The decision is in consonance with the objective of achieving consumer price index (CPI) inflation at 5% by Q4 of 2016-17 and the medium-term target of 4% within a band of +/- 2 percent, while supporting growth.



## 6. Freight Rate



Average road freight rate index for Q2 (Jul-Sep) FY17 posted a growth of 0.04% even though the 4 quarterly moving average remains negative reflecting lower freight availability due to monsoons. Meanwhile, diesel prices increased by an average Rs.1.75/litre. Higher diesel prices in absence of adequate freight availability restricts ability of truck operators to pass on the increase in costs thus putting pressure on profitability of truck operators.

## 7. National Highway Development Project (NHDP)

There has been progress on road projects; work has started on NHDP phase 6 after a gap of 6-7 years. There is also progress on port connectivity projects.

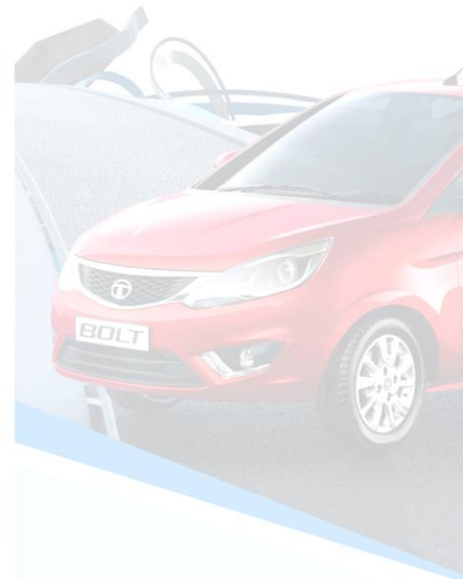
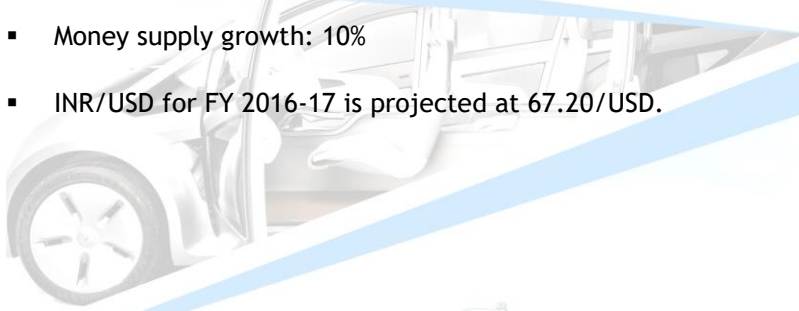
### Status of NHDP

Status of NHDP & other NHAI Projects (31st Jul 2016)	Total length (kms)	Completed	Under Implementation	Balance to be awarded
GQ	5846	100	0	0
NS - EW Ph I & II	7142	90.52	5.88	3.6
NHDP Phase III	11809	59.55	26.55	13.9
NHDP Phase IV	13203	19.31	42.27	38.42
NHDP Phase V	6500	37.52	11.09	51.38
NHDP Phase VI	1000	0	16.5	83.5
NHDP Phase VII	700	3.14	14	82.86
Port Connectivity	435	87.13	12.87	0
<b>NHDP Total</b>	<b>46635</b>	<b>53.04</b>	<b>21.82</b>	<b>25.14</b>
Others (Ph I, II & Misc.)	1845	91.6	8.78	0
SARDP-NE	110	95.45	4.55	0
<b>Total by NHAI</b>	<b>48590</b>	<b>54.6</b>	<b>21.27</b>	<b>24.13</b>

Source - National Highway Authority of India

**Outlook by Tata DES (Tata Department of Economics and Statistics), 2016-17**

- If the monsoons are normal, agricultural growth in FY2016-17 could be in the range of 4-5% which can contribute around 0.6-0.8% to GDP growth. In FY2015-16, agricultural sector grew at 1.3% and contributed 0.2% to GDP growth. Higher agricultural growth could pull GDP to at least 8% in FY2016-17.
- Interest rates to come down only gradually.
- The RBI targets 5% inflation rate by the end of FY2016-17. This is under the assumption of normal monsoon, current level of international crude oil prices and exchange rate. Oil prices have also recovered a bit which can pose a risk.
- Money supply growth: 10%
- INR/USD for FY 2016-17 is projected at 67.20/USD.



**III] A] TATA MOTORS GROUP CONSOLIDATED FINANCIALS IN RS. CRORES**

<b><u>Rs. Crores</u></b>	<b>Q2 FY17</b>	<b>Q2 FY16</b>	<b>Y-o-Y change</b>	<b>H1 FY17</b>	<b>H1 FY16</b>	<b>Y-o-Y change</b>
Global Sales(Units)	276,736	251,892	9.9%	537,187	478,004	12.4%
Revenue*	66,999.7	62,647.2	6.9%	134,055.8	124,157.4	8.0%
Revenue (Net off Excise duty)*	65,940.2	61,525.8	7.2%	131,945.2	121,976.6	8.2%
EBITDA#	7,024.5	7,362.0	-4.6%	15,517.7	19,073.4	-18.6%
EBITDA Margin	10.7%	12.0%	(130 bps)	11.8%	15.6%	(380 bps)
Other Income	179.4	256.8	-30.1%	353.0	480.9	-26.6%
Profit before exceptional items and tax	983.1	1,191.1	-17.5%	3,049.4	7,530.9	-59.5%
Exceptional Items	16.2	(3,341.1)	NM	501.3	(2,707.2)	NM
Profit before Tax	999.3	(2,150.0)	NM	3,550.7	4,823.6	-26.4%
Net Profit (PAT) ^	828.4	(1,684.0)	NM	3,064.7	3,547.1	-13.6%
Basic EPS - Ordinary Shares	2.4	(5.0)		9.0	10.5	
Basic EPS - 'A' Ordinary shares	2.5	(5.0)		9.1	10.6	
Gross Debt	74,201.0			74,201.0		
Net Automotive Debt	14,472.0			14,472.0		
Net Automotive Debt / Equity	0.26			0.26		
Inventory Days	51			51		
Receivable Days	17			17		

The Company has adopted Ind AS for its Standalone and Consolidated financials with effect from April 1, 2016, with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2015 and all the periods presented have been restated accordingly.

# EBITDA is calculated on Net Revenue (i.e net of Excise duty)

+ Excludes Other Income;

^ PAT is after Non-controlling interest and share of Profit/(Loss) in respect of Joint Ventures & Associate companies

EPS reported in the tables above for the quarter is not annualized;

**B] TATA MOTORS GROUP CONSOLIDATED FINANCIALS IN USD MILLIONS**

<u>USD Million@</u>	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
Global Sales(Units)	276,736	251,892	9.9%	537,187	478,004	12.4%
Revenue +	10,058.3	9,404.9	6.9%	20,125.1	18,639.1	8.0%
Revenue (Net off Excise duty) +	9,899.3	9,236.5	7.2%	19,808.2	18,311.7	8.2%
EBITDA #	1,054.6	1,105.2	-4.6%	2,329.6	2,863.4	-18.6%
EBITDA Margin	10.7%	12.0%	(130 bps)	11.8%	15.6%	(380 bps)
Other Income	26.9	38.5	-30.1%	53.0	72.2	-26.6%
Profit before exceptional items and tax	147.6	178.8	-17.5%	457.8	1,130.6	-59.5%
Exceptional Items	2.4	(501.6)	NM	75.3	(406.4)	NM
Profit before Tax	150.0	(322.8)	NM	533.0	724.1	-26.4%
Net Profit (PAT) ^	124.4	(252.8)	NM	460.1	532.5	-13.6%
Basic EPS - Ordinary Shares	0.04	(0.07)		0.14	0.16	
Basic EPS - 'A' Ordinary shares	0.04	(0.07)		0.14	0.16	
Gross Debt	11,139.4	0.0		11,139.4	0.0	
Net Automotive Debt	2,172.6	0.0		2,172.6	0.0	
Net Automotive Debt / Equity	0.26	-		0.26	-	
Inventory Days	51	-		51	-	
Receivable Days	17	-		17	-	

The Company has adopted Ind AS for its Standalone and Consolidated financials with effect from April 1, 2016, with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2015 and all the periods presented have been restated accordingly.

Higher volumes and revenue are more than offset by the adverse FX impact, higher depreciation and amortisation.

# EBITDA is calculated on Net Revenue (i.e net of Excise duty)

+ Excludes Other Income;

^ PAT is after Non-controlling interest and share of Profit/(Loss) in respect of Joint Ventures & Associate companies

EPS reported in the tables above for the quarter is not annualized;

@ At conversion rate of USD 1 = 66.6113 INR for reference only



**C] TATA MOTORS GROUP OPERATING PROFIT PERFORMANCE Q2 FY 17 SNAPSHOT**
**Standalone Business Performance: -**

Standalone business (including Joint Operations) reported a EBITDA Margin of 3.6%. This broadly reflects:-

- Significant de-growth in M&HCV of 16.5% (Y-o-Y), partially offset by:
- Solid LCV growth of 11.4% (Y-o-Y)
- Car segment growth of 26.4% (Y-o-Y)
- Strong Exports growth of 20.1% (Y-o-Y)

**Jaguar Land Rover Business Performance: -**

Jaguar land Rover EBITDA for Q2 FY17 was **£ 615 mn**, EBITDA margin at 10.3%; mainly reflecting:

- Favourable Volume and Mix
- Favourable Operating exchange offset by realized hedges,
- Unfavourable FX revaluation of current assets and liabilities and one-time provision for new customer quality programmes,

EBITDA margin excluding the FX revaluation, one-time provision for new customer quality programmes and adjusting revenue for realised FX hedging losses, was around 12.9%

**D] TML CORPORATE CREDIT RATING**

Credit Rating Agency	Long Term Rating as on 30th Sep 2016
Moody's*	Ba1 / Stable
S&P**	BB+ / Stable
CRISIL***	AA / Positive
ICRA	AA / Stable
CARE	AA+

\* Moody's upgraded Long Term Rating to Ba1+ with Stable Outlook on 27<sup>th</sup> September 2016.

\*\* S&P upgraded Long Term Rating to BB+ with Stable Outlook on 16<sup>th</sup> August 2016.

\*\*\* CRISIL revised the outlook to Positive on 3<sup>rd</sup> October 2016.

**IV] TATA MOTORS GROUP STANDALONE BUSINESS (including Joint Operations) AS PER INDAS**
**A] FINANCIALS IN RUPEES CRORES**

<u>Rs. Crores</u>	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
Total Volumes: CV+PC+Exports (Units)	134,397	126,690	6.1%	261,238	244,129	7.0%
CV (Units)	75,636	77,883	-2.9%	154,329	149,510	3.2%
PC (Units)	41,108	34,103	20.5%	75,438	66,401	13.6%
Exports (Units)	17,653	14,704	20.1%	31,471	28,218	11.5%
Revenue *	11,406.1	11,793.9	-3.3%	22,870.9	22,194.3	3.0%
Revenue(net of excise duty) *	10,351.4	10,694.9	-3.2%	20,774.0	20,044.3	3.6%
EBITDA #	376.1	874.9	-57.0%	1,075.6	1,439.1	-25.3%
EBITDA Margin	3.6%	8.2%	(460 bps)	5.2%	7.2%	(200 bps)
Other Income	146.0	215.0	-32.1%	770.6	1,122.1	-31.3%
Profit before exceptional items and tax	(639.1)	33.0	NM	(492.6)	395.6	NM
Exceptional Item	30.2	(305.1)	NM	(78.4)	(335.7)	NM
Profit before Tax	(608.9)	(272.1)	NM	(571.0)	59.9	NM
Net Profit (PAT)	(630.8)	(288.8)	NM	(605.0)	1.0	NM
Basic EPS - Ordinary Shares	(1.86)	(0.85)		(1.78)	0.00	
Basic EPS- 'A' Ordinary shares	(1.86)	(0.85)		(1.78)	0.02	
Gross Debt	21,766.2			21,766.2		
Net Debt	18,925.7			18,925.7		
Net Debt / Equity	0.84			0.84		
Inventory Days	50			50		
Receivable Days	16			16		

# EBITDA is calculated on Revenue net of Excise duty

\* Excludes Other Income;

EPS reported in the table above for the quarter is not annualized;

Joint Operations included in Standalone financials are Tata Cummins Private Ltd and Fiat India Automobile Private Limited.

**TATA MOTORS GROUP STANDALONE BUSINESS**

<u>Rs. Crores</u>	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
Revenue (incl Excise Duty)	11,232.3	11,579.2	-3.0%	22,507.8	21,850.7	3.0%
Profit Before Tax	(634.0)	(301.1)	NM	(617.0)	(88.7)	NM
Profit After Tax	(632.1)	(301.9)	NM	(616.8)	(98.8)	NM

**B] TATA MOTORS GROUP STANDALONE BUSINESS (including Joint Operations) AS PER INDAS****FINANCIALS IN USD MILLION**

<u>USD Million@</u>	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
Total Volumes: CV+PC+Exports (Units)	134,397	126,690	6.1%	261,238	244,129	7.0%
CV (Units)	75,636	77,883	-2.9%	154,329	149,510	3.2%
PC (Units)	41,108	34,103	20.5%	75,438	66,401	13.6%
Exports (Units)	17,653	14,704	20.1%	31,471	28,218	11.5%
Revenue *	1,712.3	1,770.6	-3.3%	3,433.5	3,331.9	3.0%
Revenue(net of excise duty) *	1,554.0	1,605.6	-3.2%	3,118.7	3,009.1	3.6%
EBITDA#	56.5	131.3	-57.0%	161.5	216.0	-25.3%
EBITDA Margin	3.6%	8.2%	(460 bps)	5.2%	7.2%	(200 bps)
Other Income	21.9	32.3	-32.1%	115.7	168.5	-31.3%
Profit before exceptional items and tax	(95.9)	5.0	NM	(74.0)	59.4	NM
Exceptional Item	4.5	(45.8)	NM	(11.8)	(50.4)	NM
Profit before Tax	(91.4)	(40.8)	NM	(85.7)	9.0	NM
Net Profit (PAT)	(94.7)	(43.4)	NM	(90.8)	0.2	NM
Basic EPS - Ordinary Shares	(0.3)	(0.1)		(0.3)	0.0	
Basic EPS- 'A' Ordinary shares	(0.3)	(0.1)		(0.3)	0.0	
Gross Debt	3,267.7			3,267.7		
Net Debt	2,841.2			2,841.2		
Net Debt / Equity	0.84			0.84		
Inventory Days	50			50		
Receivable Days	16			16		

# EBITDA is calculated on Revenue net of Excise duty

\* Excludes Other Income;

EPS reported in the tables above for the quarter is not annualized;

Joint Operations included in Standalone financials are Tata Cummins Private Ltd and Fiat India Automobile Private Limited

@ At conversion rate of USD 1 = 66.6113 INR for reference only

**TATA MOTORS GROUP STANDALONE BUSINESS**

<u>USD Million@</u>	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
Revenue (incl Excise Duty)	1,686.2	1,738.3	-3.0%	3,379.0	3,280.3	3.0%
Profit Before Tax	(95.2)	(45.2)	NM	(92.6)	(13.3)	NM
Profit After Tax	(94.9)	(45.3)	NM	(92.6)	(14.8)	NM

**C] COMMERCIAL VEHICLES BUSINESS****VOLUMES**

Period/ Segments	Q2 FY17 Volumes	Q2 FY16 Volumes	Y-o-Y change	H1 FY 17 Volumes	H1 FY 16 Volumes	Y-o-Y change
M/HCV	33,208	39,782	-16.5%	68,712	72,703	-5.5%
LCV	42,428	38,101	11.4%	85,617	76,807	11.5%
Total CV	75,636	77,883	-2.9%	154,329	149,510	3.2%

Note: For the analysis- LCV Includes Ace, Magic and Winger

**D] PASSENGER VEHICLES BUSINESS****VOLUMES**

Period/ Segments	Q2 FY17 Volumes	Q2 FY16 Volumes	Y-o-Y change	H1 FY 17 Volumes	H1 FY 16 Volumes	Y-o-Y change
Micro	2,022	6,770	-70.1%	4,459	11,321	-60.6%
Compact	34,274	21,825	57.0%	62,568	43,679	43.2%
Midsize	0	0	NM	0	185	NM
Premium/ Luxury	108	215	-49.8%	251	448	-44.0%
Utility Vehicles	4,632	5,166	-10.3%	7,982	10,479	-23.8%
Vans	72	127	-43.3%	178	289	-38.4%
Total PC	41,108	34,103	20.5%	75,438	66,401	13.6%

Source: SIAM Industry Data and Company analysis

Note: Volume does not include Fiat Sales, For the analysis -

'Micro' comprises of Nano; 'Compact' comprises of Indica, Vista, Bolt, Indigo CS, Zest & Tiago;

'Midsize' comprises of Indigo XL and Manza;

'Premium/Luxury' includes Jaguar vehicles sold in India; 'Utility Vehicles' comprises of Safari, Sumo, Xenon, Aria and Land Rover Vehicles sold in India; 'Vans' comprises of Tata Venture

**E] EXPORTS****VOLUMES**

Period/ Segments	Q2 FY17 Volumes	Q2 FY16 Volumes	Y-o-Y change	H1 FY 17 Volumes	H1 FY 16 Volumes	Y-o-Y change
Commercial Vehicles	16,114	13,249	21.6%	29,268	26,144	11.9%
Passenger Vehicles	1,539	1,455	5.8%	2,203	2,074	6.2%
Total Exports	17,653	14,704	20.1%	31,471	28,218	11.5%



## F] HIGHLIGHTS

### COMMERCIAL VEHICLES

- Total CV Volumes (including Exports), up 0.7% YoY in Q2 FY17. Exports witnessed strong growth of 21.6% YoY in Q2 FY17
- Overall CV Industry witnessed pressure on account of demand pause in the M&HCV segment in Q2 FY 17
- Domestic CV volumes of the Company de-grew by 2.9% Y-o-Y in Q2 FY 17 reflecting,
  - LCV segment growth of 11.4 % Y-o-Y, offset by
  - M&HCV segment de-growth of 16.5 % Y-o-Y
- Variable marketing expenses remain high in the Industry.
- Bags order for over 5000 buses from STU's across India.
- Exports up 21.6 % Y-o-Y in Q2 FY17.
- Other key highlights in the Export markets were :-
  - Forays into Bolivia with the launch of CV range
  - Launch of Tata Super Ace in Vietnam
  - Launch of new CVs in Indonesia

### PASSENGER VEHICLES

- Total PV volumes (including exports) up 19.9% Y-o-Y in Q2 FY 17
- Passenger vehicle industry witnessed a growth of 18.0% y-o-y in Q2 FY 17. Domestic volume of TML in passenger vehicles segment grew by 20.5% in the same period.
- Passenger car industry grew by 11.4% y-o-y. The car segment of TML outperformed industry with growth of 26.4% y-o-y.
- Tiago, with its Impact design, has received very strong response and the Company continues to have a very strong order book.
- Launched Tiago in Nepal;

**G] KEY LAUNCHES & EVENTS IN Q2 FY 17:**

- In August 2016, Tata Motors showcased its new generation passenger vehicles at the 12th NADA Auto Show in Kathmandu, Nepal. The product line-up featured the exciting, dynamic hatchback - TIAGO, the award winning compact sedan - Zest, Nepal's first multi drive Hatch - Bolt and the rugged SUV - Storme.
- In August 2016, Tata Motors launched the much awaited Dynamic Hatchback - TIAGO in Nepal. It comes with cutting edge design, technology and driving dynamics to create new segment benchmarks in the industry, the TIAGO can now be booked across the country.
- In August 2016, PT Tata Motors Distribusi Indonesia (TMDI), a unit of Tata Motors Ltd., had launched two new-generation commercial vehicles in Indonesia, the Tata ULTRA 1012 light truck and the Tata Xenon XT D-Cab 4x4 pick-up, at the 24th Gaikindo Indonesia International Auto Show (GIIAS) 2016.
- In August 2016, flagged off 241 Tata Motors buses, under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for operation in Karnataka by KSRTC (Karnataka State Road Transport Corporation).
- In September 2016, Tata Motors launched TATA SUPERACE mini-truck in Vietnam, an innovative cargo transport solution, the Tata SuperAce mini-truck offers versatility, safety and comfort. Engineered to perform all the tasks of a small pick-up truck, the Tata SuperAce has a rated payload of 1 tonne. As the only diesel powered mini-truck in its segment, the Tata SuperAce is also offered with a petrol powered engine, for a superior fuel economy and a top speed of up to 130 kmph.
- In September 2016, Tata Motors brought 'TRUCK WORLD' to Chandigarh - Launched new SIGMA range in the MHCV segment with class leading features offering next-generation trucking solutions from haulage to construction. An aerodynamic front fascia signature design, large cabin accommodating improved ergonomics and NVH levels for a superior in-cab experience, large windscreen for good all-round visibility & road view for more safety, in-built telematics system - Tata Fleet Man and proven and reliable drive

## H] WAY FORWARD

- Company will continue to explore capital optimization through better operating efficiencies in working capital etc and monetization of non-core assets and some of its investments

## COMMERCIAL VEHICLES

- On the back of Infrastructure spending and good monsoon, we expect M&HCV to grow in second half of Fiscal 2017 leading to full year. M&HCV growth of 0-5%. In case of pre-buying before countrywide adoption of BS IV from 1st April 2017, the overall M&HCV growth may be higher. Similarly, we expect that the buses & LCV segment will continue to maintain their positive growth momentum during the year.
- Wide and compelling product range with several new launches in FY17 provides strong foundation for growth :-
  - M&HCV- Expansion of **Prima LX** and new **Signa Range** across tonnages and applications. Aim to get back to position of more than 60% market share over the next 2 years in 16 tonne and above segment (from the current level of ~55-56%)
  - LCV & ILCV- Expansion of the new **Ultra Range** across tonnages and applications
  - SCV & Pick up :- refreshes/variants to further complement and strengthen the **ACE** and **Super ACE** family
- Export growth in FY 17 is expected to be in the range of 20-25%. We aim to take the CV export contribution to the total CV revenue to 25% in next 2 years (from the current ~15%)
- Company has a good pipeline of Defense orders- received and expected.

## PASSENGER VEHICLES

- Company will launch new **Tata Hexa** in January 2017. Hexa has received very positive reviews and accolades from the auto media, journalist and enthusiasts.
- Launch of **Kite 5** and **Nexon** to follow
- Dealer network expansion will also be a focus area
- Customer centricity will be continuously strived for, as reflected in the improved ranking of 3rd place in the recent JDP CSI



## V] [A] TATA MOTORS GROUP -JAGUAR LAND ROVER AUTOMOTIVE PLC

### MARKET ENVIRONMENT

The macroeconomic environment continued to be mixed in Q2 FY17, the UK government's comments regarding a "hard Brexit" in early October and notwithstanding a further depreciation of the British Pound, UK economic data was generally positive in Q2 FY17. US economic conditions were generally favorable supported by consumer spending and stable labor market conditions. European GDP growth gradually improved although, however inflation and employment remain at lower levels. China's economic growth remains on target (6.5-7.0%) as the government continues to support the economy with policy actions. Economic conditions in emerging markets remained challenging, however the increase in the oil price is more supportive of economies such as Russia and Brazil.

#### Total automotive industry car volumes (units)

	Q2 FY17	Q2 FY16	Change (%)
China	5,668,300	4,438,300	27.7%
Europe (excluding UK)	2,173,306	2,071,819	4.9%
UK	729,859	719,997	1.4%
US	4,450,400	4,502,900	(1.2)%
Other markets (Including Russia and Brazil)	3,284,187	3,354,793	(2.1)%

The total industry car volume data above has been compiled using relevant data available at the time of publishing this interim report, compiled from national automotive associations such as the Society of Motor Manufacturers and Traders in the UK and the ACEA in Europe, according to their segment definitions, which may differ from those used by JLR.

### JLR VOLUMES

#### JAGUAR LANDROVER WHOLESALE VOLUMES

Wholesale	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY 17	H1 FY 16	Y-o-Y change
Jaguar	43,618	21,688	101.1%	78,190	42,891	82.3%
LandRover	95,617	95,058	0.6%	195,371	188,308	3.8%
<b>Total Jaguar</b>	<b>139,235</b>	<b>116,746</b>	<b>19.26%</b>	<b>273,561</b>	<b>231,199</b>	<b>18.32%</b>

Wholesales volume include China Joint Venture volumes. CJLR volumes stood at 15,043 for Q2 FY 17 and 28,601 for H1 FY 17. The volume stood at 5,585 for Q2 FY 16 and 9,389 for H1 FY 16.

#### JAGUAR LANDROVER RETAIL VOLUMES

Retail	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY 17	H1 FY 16	Y-o-Y change
Jaguar	41,706	22,646	84.2%	73,512	40,754	80.4%
LandRover	100,753	87,554	15.1%	201,700	184,351	9.4%
<b>Total Jaguar</b>	<b>142,459</b>	<b>110,200</b>	<b>29.27%</b>	<b>275,212</b>	<b>225,105</b>	<b>22.26%</b>

Retail volume include China Joint Venture volumes. CJLR volumes stood at 13,492 for Q2 FY 17 and 27,531 for H1 FY 17. The volume stood at 5,084 for Q2 FY 16 and 10,388 for H1 FY 16.

Please click on the link <http://www.tatamotors.com/investors/jlr-volumes.php> for looking at volume of Jaguar Land Rover on Carline basis as well as Regionwise basis



**B] FINANCIALS****(i) IFRS AS APPROVED IN THE EU**

GBP Million	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY 17	H1 FY 16	Y-o-Y change
JLR Wholesales	124,192	111,161	11.7%	244,960	221,810	10.4%
Jaguar Wholesales	41,938	21,688	93.4%	76,510	42,891	78.4%
Land Rover Wholesales	82,254	89,473	-8.1%	168,450	178,919	-5.9%
Net Revenue	5,953	4,831	23.2%	11,414	9,833	16.1%
EBITDA	615	589	4.4%	1,287	1,410	-8.7%
EBITDA %	10.3%	12.2%	(190 bps)	11.3%	14.3%	(300 bps)
Profit before Tax (before exceptional items)	281	88	219.3%	629	726	-13.4%
Profit before Tax	280	(157)	NM	679	481	41.2%
Net Profit (PAT)	244	(92)	NM	548	400	37.0%
Gross Debt	2,645	2,491		2,645	2,491	
Net Debt	(1,192)	(469)		(1,192)	(469)	
Inventory Days	52	53		54	52	
Receivable Days	16	19		17	18	

\*JLR wholesales excludes sale of CJLR which stood at 15,043 for the Q2 FY17 and 28,601 for H1 FY 16. The volume stood at 5,585 for the Q2 FY16 and 9,389 for H1 FY 16.

EBITDA margin for Q2 FY 17 excluding the FX revaluation, one-time accrual for new customer quality programmes and adjusting revenue for realised FX hedging losses, was around 12.9%

**(ii) JLR FINANCIALS UNDER IND-AS**

GBP Million	IGAAP					
	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY 17	H1 FY 16	Y-o-Y change
JLR Wholesales	124,192	111,161	11.7%	244,960	221,810	10.4%
Jaguar Wholesales	41,938	21,688	93.4%	76,510	42,891	78.4%
Land Rover Wholesales	82,254	89,473	-8.1%	168,450	178,919	-5.9%
Net Revenue	6,027	4,868	23.8%	11,550	9,971	15.8%
EBITDA	685	631	8.6%	1,393	1,787	-22.0%
EBITDA %	11.4%	13.0%	(160 bps)	12.1%	17.9%	(580 bps)
Profit before Tax (before exceptional items)	193	121	59.8%	430	857	-49.8%
Profit before Tax	152	(179)	NM	443	639	-30.6%
Net Profit (PAT)	166	(110)	NM	419	520	-19.4%
Gross Debt	2,642	2,485		2,642	2,485	
Net Debt	(1,195)	(476)		(1,195)	(476)	
Inventory Days	52	53		53	52	
Receivable Days	16	18		16	18	

\*JLR wholesales excludes sale of CJLR which stood at 15,043 for the Q2 FY17 and 28,601 for H1 FY 16. The volume stood at 5,585 for the Q2 FY16 and 9,389 for H1 FY 16

**C] JAGUAR LANDROVER IFRS TO INDAS PROFIT RECONCILIATION:**

	Qtr ended 30 <sup>th</sup> Sep 2016
Particulars (GBP in millions)	
Profit as per reported under IFRS	244
IndAS Adjustment	
a. Options	-25
b. Forwards	-52
Profit as per reported under IndAS	167



**D] TATA MOTORS GROUP- JAGUAR LANDROVER -OTHER DEVELOPEMENTS**

**All New XFL**



- Long wheelbase version of the XF for the China market
- First Jaguar produced at the China JV
- Retail sales of 594 units in September 2016

**All-new Discovery**



- Lightweight aluminium construction 480kg lighter
- CO2 emissions from 159g/km
- Flexible interior provides seven full-sized adult seats
- Wholesales to start in Q4 FY17

**Major product reveal at LA auto show today!**



**E] JLR HIGHLIGHTS**

- Wholesales and Retail volumes (excluding CJLR) for Q2 FY 17 stood at **124,192 units** and **128,967 units** , respectively .CJLR wholesales and retail volumes stood at **15,043** and **13,492** unit
- Retail Sales up in all the Regions reflecting strong sales of F-PACE, XE, EVOQUE, and DISCOVERY SPORT- North America up 39%; UK up 28% , China (incl JV) up 49%, Europe up 31%, Overseas up 1%
- Total Capex and Product development spend for **the quarter was £784 mn**. Post this spend **free cash flow was £ 70 mn**
- Cash and financial deposits stood at **£3.8 bn** and undrawn committed bank lines at **£1.9bn**
- **PBT of £280 mn**, up from the loss of £ 157 mn in Q2 FY 16 broadly reflecting
  - Favourable volume and mix offset partially by one time accrual of new customer quality programme
  - Favourable revaluation of un-realized FX and commodity hedges
  - **Non-recurrence of £245m exceptional Tianjin charge in Q2 FY16**
- Share of China JV Profits for Q2 FY 17 was **£33 mn**. **China JV declared first dividend of RMB1.2bn (JLR share 0.6 bn) - most will be reinvested in the JV**





## F] WAY FORWARD - CONTINUING TO INVEST TO DRIVE PROFITABLE GROWTH

- JLR's strategy continues to be to invest in new products, technology and manufacturing capacity to grow profitably - in FY17 investment spending is likely to be somewhat lower than the prior indication of about £3.75b.
- Jaguar Land Rover plans to continue to build on recent successful product launches with the continued sales ramp up of the Jaguar F-PACE, XF long wheel base in China, the Evoque Convertible and future new models including the all new Land Rover Discovery and others to be announced.
- Increasing sales of these new products and the planned start of new Discovery wholesales in Q4 FY17 are expected to drive profitable growth and support a solid second half of the year.
- JLR continues to have a balanced sales profile and will continue to closely monitor and assess market conditions in key regions.

## G] JLR CORPORATE CREDIT RATING

Credit Rating Agency	Long Term Rating as on 30 <sup>th</sup> Sep 2016
Moody's*	Ba1 / Positive
S&P**	BB+ / Stable

\* Moody's upgraded Long Term Rating to BB+ with Positive Outlook on September 26, 2016.

\*\* S&P upgraded Long Term Rating to BB+ with Stable Outlook on August 16, 2016.

## VI] HIGHLIGHTS OF OTHER KEY SUBSIDIARIES

### A] TATA MOTORS FINANCE (On a Consolidated basis)

-	<u>Rs. Crores</u>					
Particulars	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
Net Revenue *	708.0	712.0	-0.6%	1,421.0	1,641.0	-13.4%
PAT	(7.0)	(16.0)	-56.3%	12.0	152.0	-92.1%

\*Include Other Income

#### HIGHLIGHTS

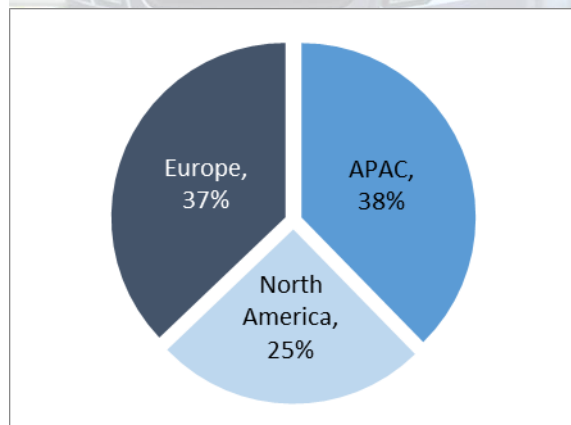
- Finance disbursed during Q2 FY17 stood at Rs. 2,238.48 Cr.
- The book size as on Sep 30, 2016 for TMFL stood at Rs 22,232.11 Cr.
- In Q2 FY17 market share stood at 22.50% (on a non- consolidated basis)
- NIM of vehicle financing business for Q2 FY 17 was 5.19%

### B] TATA TECHNOLOGIES

-	<u>Rs. Crores</u>					
Particulars	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
Net Revenue *	700.6	654.9	7.0%	1,371.4	1,278.7	7.3%
EBITDA *	107.7	120.7	-10.8%	211.0	222.3	-5.0%
% of Revenue	15.4%	18.4%	(300 bps)	15.4%	17.4%	(200 bps)
PAT	78.4	90.3	-13.2%	152.6	171.9	-11.2%

Excludes 'Other Income'

#### Revenue Break - For H1 FY17



#### Highlights:

Revenue continued upward trend with YOY growth of 7%

C] TATA DAEWOO (As per Korean GAAP)

-	<u>KRW Billion</u>					
Particulars	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
Sales (Units)	2,424	2,419	0.2%	5,028	4,638	8.4%
Net Revenue *	237.9	222.8	6.8%	504.9	416.0	21.4%
EBITDA *	17.3	16.7	3.4%	38.8	41.3	-6.0%
% of Revenue	7.3%	7.5%	(20 bps)	7.7%	9.9%	(220 bps)
PAT	7.6	13.5	-44.0%	20.7	25.4	-18.4%

\* Excludes 'Other Income'

HIGHLIGHTS

- Y-o-y improved owing to strong domestic performance.
- PAT however increased due to increased cost.

D] TML DRIVELINES LTD (as per Indian AS)

	<u>Rs. Crores</u>					
Particulars	Q2 FY17	Q2 FY16	Y-o-Y change	H1 FY17	H1 FY16	Y-o-Y change
Net Revenue *	104.4	140.0	-25.4%	254.6	274.8	-7.4%
EBITDA *	7.2	34.1	-79.0%	43.2	69.7	-38.0%
% of Revenue	6.9%	24.4%	(1750 bps)	17.0%	25.3%	(830 bps)
PAT	(3.4)	17.0	N.M	12.5	35.7	-64.9%

\* Excludes 'Other Income'

HIGHLIGHTS

- De-growth in the MHCV business lead to drop in revenue and profitability.



VII] SHAREHOLDING PATTERNShareholding Pattern as on Sep 30<sup>th</sup>, 2016

Ordinary Shares	%
Tata Companies	33.00
Indian Financial Institutions / MFs / Banks	14.36
ADR/GDR Holders / Foreign holders-DR status	18.47
Foreign Institutional Investors	26.32
Others	7.85
<b>Total</b>	<b>100%</b>

'A' Ordinary Shares	%
Tata Companies	0.10
Indian Financial Institutions / MFs / Banks	26.68
Foreign Institutional Investors	57.77
Others	15.45
<b>Total</b>	<b>100%</b>

Market Capitalization as on 30<sup>th</sup> Sep 2016 stood at Rs. 1,717.07 bn (\$25.78bn)

Disclaimers & statements

Statements in this presentation describing the objectives, projections, estimates and expectations of the Company i.e. Tata Motors Ltd and its direct and indirect subsidiaries and its associates may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes and incidental factors.

Q2 FY17 represents the period from 1<sup>st</sup> July 2016 to 30<sup>th</sup> Sep 2016.

Q2 FY16 represents the period from 1<sup>st</sup> July 2015 to 30<sup>th</sup> Sep 2015.

H1 FY17 represents the period from 1<sup>st</sup> April 2016 to 30<sup>th</sup> Sep 2016.

H1 FY16 represents the period from 1<sup>st</sup> April 2015 to 30<sup>th</sup> Sep 2015.

JLR Financials contained in the review are as per IFRS as approved in the EU as well as in IndAS, Unaudited. All other subsidiaries' financials are in IndAS except TDCV(which is in Korean GAAP) and TMF (which is in IGAAP) .