

Q3 FY 16 BUSINESS REVIEW



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I]

SNAPSHOT OF FINANCIALS

Particulars	NET REVENUE *			PAT		
	Q3 FY16	Q3 FY15	Y-o-Y change	Q3 FY16	Q3 FY15	Y-o-Y change
TML Consolidated (Rs Crores)#	72,256.4	70,212.0	2.9%	3,507.5	3,580.7	(2.0%)
TML Standalone (Rs Crores)	10,000.6	9,060.3	10.4%	(200.9)	(2,122.7)	N.A
Jaguar LandRover PLC (IFRS) (GBP Million)	5,781.0	5,879.0	(1.7%)	440.0	593.0	(25.8%)

Particulars	NET REVENUE *			PAT		
	9M FY 16	9M FY 15	Y-o-Y change	9M FY 16	9M FY 15	Y-o-Y change
TML Consolidated (Rs Crores)#	1,94,876.7	1,95,381.3	(0.3%)	5,846.7	12,269.8	(52.3%)
TML Standalone (Rs Crores)	29,800.0	25,515.8	16.8%	(230.8)	(3,574.7)	N.A
Jaguar LandRover PLC (IFRS) (GBP Million)	15,614.0	16,040.0	(2.7%)	840.0	1,736.0	(51.6%)

<u>USD Million@</u>						
Particulars	NET REVENUE *			PAT		
	Q3 FY16	Q3 FY15	Y-o-Y change	Q3 FY16	Q3 FY15	Y-o-Y change
TML Consolidated#	10,923.1	10,614.1	2.9%	530.2	541.3	(2.0%)
TML Standalone	1,511.8	1,369.7	10.4%	(30.4)	(320.9)	N.A
Jaguar LandRover PLC	8,520.0	8,664.5	(1.7%)	648.5	874.0	(25.8%)

<u>USD Million@</u>						
Particulars	NET REVENUE *			PAT		
	9M FY 16	9M FY 15	Y-o-Y change	9M FY 16	9M FY 15	Y-o-Y change
TML Consolidated#	29,459.8	29,536.1	(0.3%)	883.9	1,854.8	(52.3%)
TML Standalone	4,504.9	3,857.3	16.8%	(34.9)	(540.4)	N.A
Jaguar LandRover PLC	23,011.9	23,639.8	(2.7%)	1,238.0	2,558.5	(51.6%)

*Net Revenue excludes other income;

PAT is after Minority Interest and share of Profit/ (loss) in respect of associate companies;

@ At conversion rate of 1 USD = 66.15 INR; 1 GBP = 1.4738 USD

II] **INDIAN ECONOMIC SCENARIO: KEY HIGHLIGHTS OF Q3 FY16**

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

1. **GDP Growth**

On a cumulative basis, GDP grew by 7.3% during 2015-16 (Apr-Dec) as compared to 7.4% growth in the corresponding period of previous fiscal year. The investment cycle is gradually picking up, led by government efforts to boost investment in infrastructure, particularly roads, railways and urban infrastructure. As per the Advance Estimates of Central Statistical Office, India is expected to grow at 7.6% in FY 2015-16 higher than 7.2% growth in 2014-15.

India's GDP growth at 7.1% in 2015-16 Q3 was lower than 2015-16 Q2 growth of 7.5% but higher than 6.7% growth in 2014-15 Q3. Lower growth was due to negative growth in Agriculture, weak growth in 'Electricity, gas, water supply & other utility services' and Financial, real estate & professional services'. Industrial Growth accelerated on the back of pick up in Mining and Manufacturing sectors growth rate (these numbers may seem to be in contrast with physical output growth in IIP data as mentioned later in the report). Other indicators suggest the economy is in the early stages of a recovery, though with some areas of continued weakness. Services sector continued to maintain growth momentum.

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

Based on expenditure approach, GDP growth in Q3 FY16 was led by pickup in private final consumption expenditure. Gross capital formation slowed down due to lack of private investments. Plan capital expenditure of central government increased by 38% (Y-o-Y) in Apr-Aug 2015-16 compared to 12% during the same period last year. Negative exports growth continues to be an impediment, however, negative import growth provides some cushion.

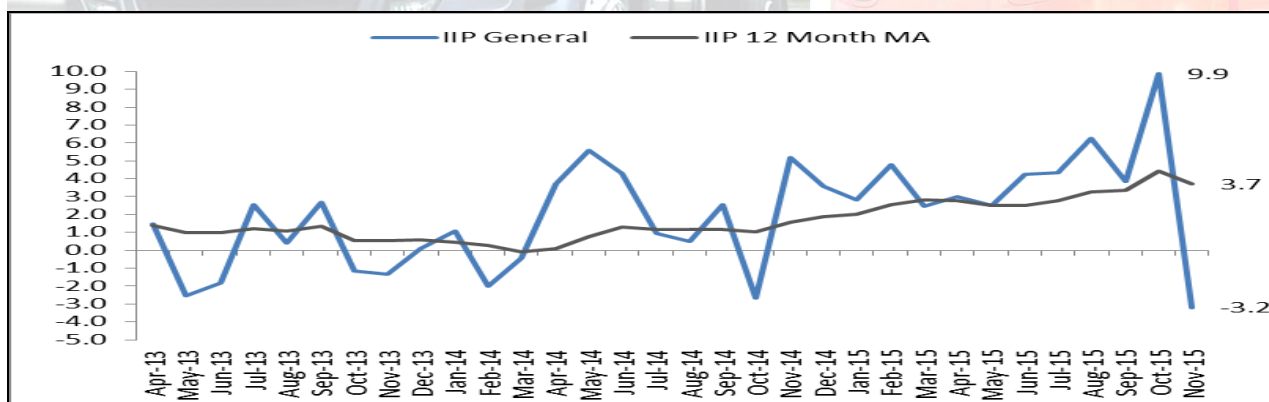
GDP by expenditure (% change y/y) in real terms

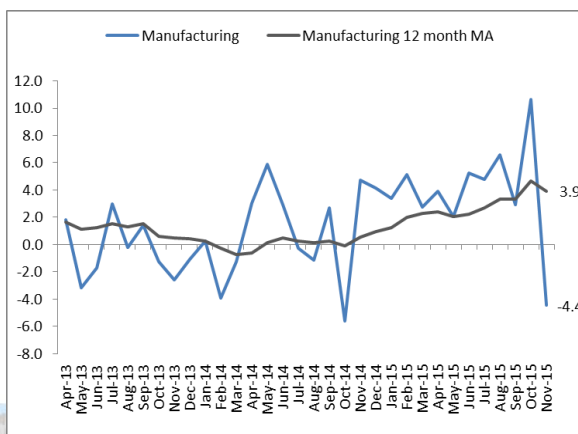
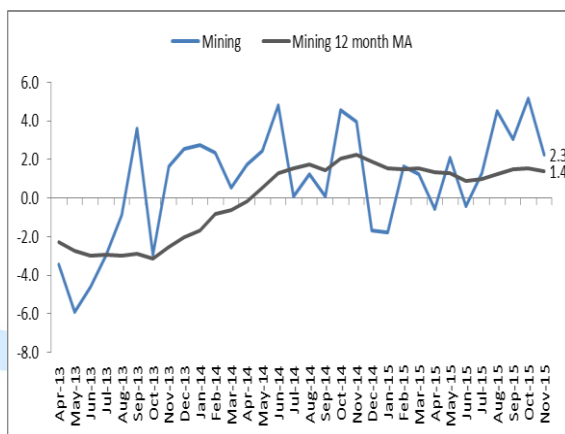
	GDP	Private final consumption expenditure	Government final consumption expenditure	Gross capital formation	Exports (Goods & Services)	Imports (Goods and Services)
Q1 FY15	7.5	8.2	9.0	9.3	11.6	-0.6
Q2 FY15	8.3	9.2	15.4	3.0	1.1	4.6
Q3 FY15	6.6	1.5	33.2	4.5	2.0	5.7
Q4 FY15	7.5	7.9	-7.9	5.7	-8.2	-8.7
Q1 FY16	7.6	6.4	1.0	5.4	-5.8	-5.0
Q2 FY16	7.7	5.6	4.3	8.2	-4.3	-3.4
Q3 FY16	7.3	6.4	4.7	4.1	-9.4	-10.8

2. Industrial Growth**IIP and its categories**

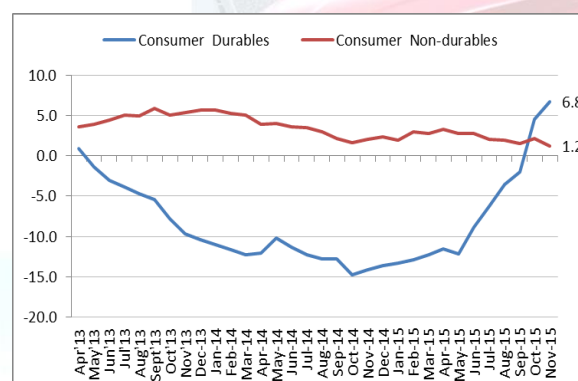
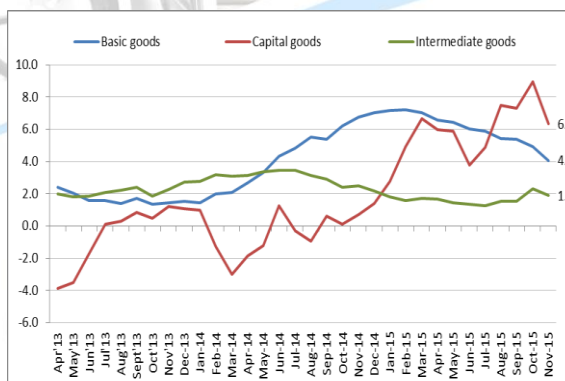
	Categories	Apr-Nov FY 16	Apr-Nov FY 15
IIP	General	3.8	2.5
Sectoral	Mining	2.2	2.4
	Manufacturing	3.9	1.5
	Electricity	4.6	10.7
Use-based	Basic	3.8	8.3
	Capital	4.7	4.9
	Intermediate	2.2	1.9
	Consumer	4.2	-5.7
	- Consumer Durables	11.9	-15.9
	- Consumer Non-Durables	-0.5	1.8

Source: MoSPI





The index dropped by (-3.2%) Y-o-Y in Nov'15 compared to 9.9% growth in Oct'15. However, cumulative growth in FY 16 (Apr-Nov 2015) stood at 3.8% compared to 2.5% in the same period last year. Moving average stood at 3.7%. Consumer goods sector is picking up fuelled by urban demand. However, rural demand remains muted due to weak monsoon for second consecutive year.



Within use-based classification, the long term trend has picked up in all the sectors, however, in the last few months it has been plateauing off.

3. Infrastructure Index

Performance of Core industries

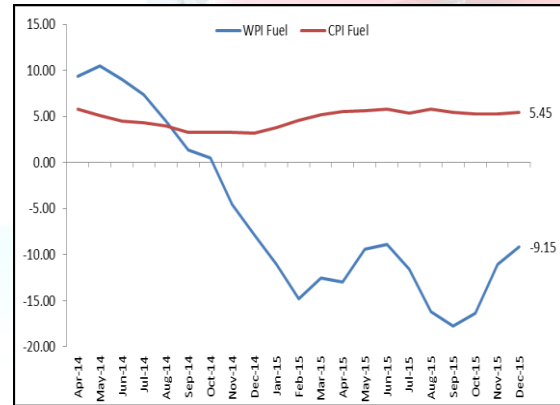
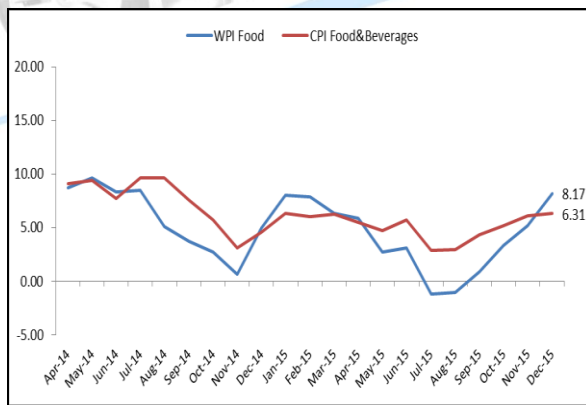
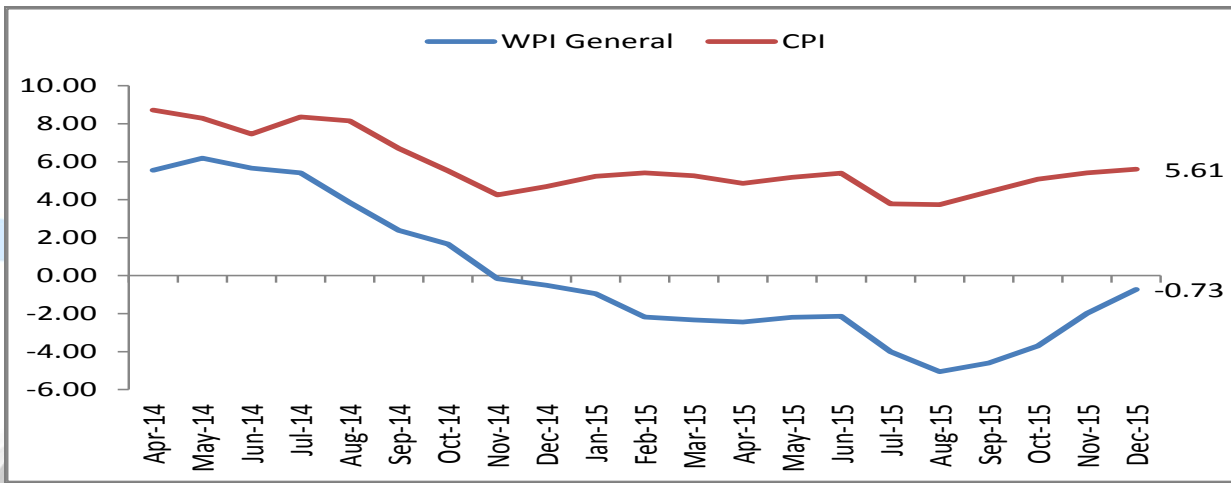
Sector	Weight (%)	Apr-Nov 2015-16	Apr-Nov 2014-15
Overall Index	37.903	2.0	6.0
Coal	4.379	4.3	9.8
Crude Oil	5.216	-0.4	-0.8
Natural Gas	1.708	-2.3	-5.1
Refinery Products	5.939	2.5	-0.5
Fertilizers	1.254	9.7	-1.3
Steel	6.684	-1.5	7.9
Cement	2.406	2.1	8.4
Electricity	10.316	4.2	10.7

(Source: GOI- MINISTRY OF COMMERCE & INDUSTRY)

Lower growth in infrastructure industries index reaffirms the weak investment scenario.

4. Inflation

Year on Year growth rate of WPI and CPI



WPI continued its deflationary trend for the 13th month in row owing to falling global commodity prices including fuel. Manufacturing WPI continues to decline and that restricts the ability of the producers to raise prices. Retail inflation as measured by CPI rose to 5.6% in December 2015 compared to 5.4% in November, mainly due to fading base effect and rising prices of vegetables and pulses. Drought for the second consecutive year in 2015 has weighed on farm output, with some indications of food price pressures starting to build toward the end of the year.

5. Interest rates

Movement in Key Policy Rates (%)

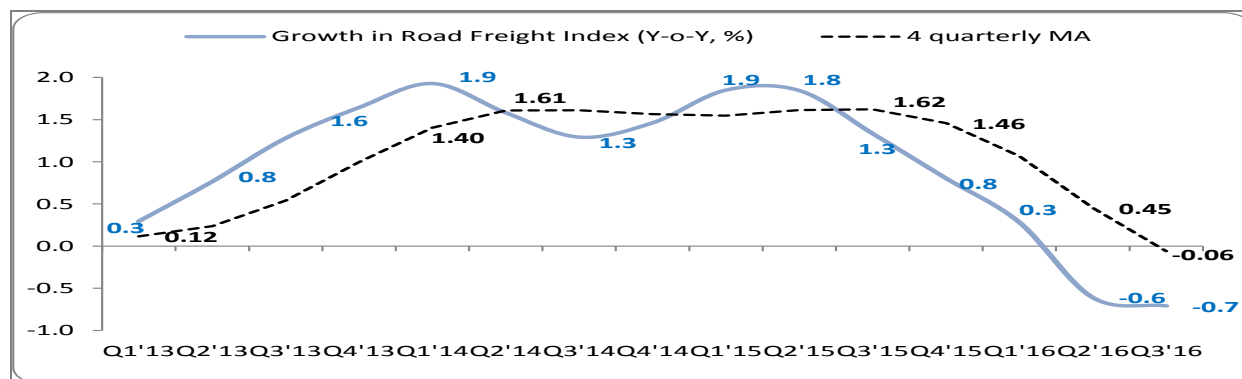
	Reverse Repo Rate	Repo Rate	Cash Reserve Ratio
29-01-2013	6.75 (-0.25)	7.75 (-0.25)	4.00 (-0.25)
19-03-2013	6.50 (-0.25)	7.50 (-0.25)	4.00
03-05-2013	6.25 (-0.25)	7.25 (-0.25)	4.00
17-06-2013	6.25 (0.00)	7.25 (0.00)	4.00
20-09-2013	6.50 (+0.25)	7.50 (+0.25)	4.00
30-10-2013	6.75 (+0.25)	7.75 (+0.25)	4.00
18-12-2013	6.75 (0.00)	7.75 (0.00)	4.00
28-Jan-2014	7.00 (+0.25)	8.00 (+0.25)	4.00
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

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.

The RBI kept the repo rate unchanged in the latest monetary policy announced on 2nd Feb, 2016. Earlier it reduced the Repo rate by 50 bps from 7.25% to 6.75% on 29th Sept 2015. Cumulatively, in 2015, Repo rate has been reduced by 125 bps. While, this was a welcome move, transmission by banks is still slow. As against the overall 125 bps cut in Repo rate, the reduction in base lending rate is around 70 bps. The current base rate is in the range of 9.3%-9.7%. Also, 10-Yr Gsec yield has increased to 7.8% following the recent depreciation of the rupee.

6. Freight Rates



Average road freight rate index for Q3 (Oct-Dec) FY16 dropped by 0.7% y/y. Growth in freight rate index shows a decelerating trend since Q3'15 after remaining flattish for the last 4-5 quarters due to weak economic activity. The scope for fleet operators to increase the freight rates was limited given the decline in diesel prices and sluggish business activity.

7. National Highway Development Project (NHDP)

Status of NHDP (As on 31st July 2015)

The NHDP projects are divided into seven phases. However the ones being implemented are in four phases, i.e. I, II, III and V. There is no progress on the other phases.

Status of NHDP & other NHAI Projects (30th November 2015)	Total length (kms)	Completed	Under Implementation	Balance to be awarded	NHDP
GQ	5846	100.00	0.00	0.00	
NS – EW Ph I & II	7142	89.81	6.45	3.74	
NHDP Phase III	12109	54.79	27.32	17.90	
NHDP Phase IV	13203	12.00	35.36	52.64	
NHDP Phase V	6500	34.83	21.55	43.62	
NHDP Phase VI	1000	0.00	0.00	100.00	
NHDP Phase VII	700	3.14	2.71	94.14	
Port Connectivity	402	94.28	5.72	0.00	
NHDP Total	46902	49.35	21.07	29.59	
Others (Ph I, II & Misc.)	1859	81.66	18.34	0.00	
SARDP-NE	388	27.06	1.29	71.65	
Total by NHAI	49149	50.39	21.08	28.53	

Source – National Highway Authority of India

Outlook by Tata DES (Tata Department of Economics and Statistics), 2015-16

- Real GDP growth at 7.4%, GDP growth at current prices is 6.2% due to a negative growth in national income deflator
- Interest rates to come down only gradually. In 2015, repo rate has been reduced by 125 bps through four interest rate cuts announced earlier in the year. In comparison, banks have brought down their base lending rates by around 70 bps. Unless full transmission takes place, benefit of lower interest rates cannot be realized.
- CPI Inflation: around 5.8% by March 2016
- Money supply growth: 11%
- INR/USD for Jan-Mar 2016 is projected to average around 67.0/USD

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

<u>Rs. Crores</u>	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY16	9M FY15	Y-o-Y change
Global Sales(Units)*	2,75,406	2,51,534	9.5%	7,54,307	7,13,530	5.7%
Net Revenue#	72,256.4	70,212.0	2.9%	1,94,876.7	1,95,381.3	(0.3%)
EBITDA#	10,236.5	10,807.2	(5.3%)	27,776.0	32,863.5	(15.5%)
EBITDA Margin	14.2%	15.4%	(120 bps)	14.3%	16.8%	(250 bps)
Other Income	180.6	222.0	(18.6%)	733.1	653.6	12.2%
Profit before exceptional items and tax	4,130.0	5,876.4	(29.7%)	10,143.7	18,955.1	(46.5%)
Exceptional Items	45.7	(144.0)	NM	(2,723.9)	(23.6)	NM
Profit before Tax	4,175.7	5,732.4	(27.2%)	7,419.8	18,931.6	(60.8%)
Net Profit (PAT) ^	3,507.5	3,580.7	(2.0%)	5,846.7	12,269.8	(52.3%)
Basic EPS - Ordinary Shares	10.31	10.99		17.31	37.71	
Basic EPS - 'A' Ordinary shares	10.41	11.09		17.41	37.81	
Gross Debt	72,646.1	72,828.0		72,646.1	72,828.0	
Net Automotive Debt	13,395.3	10,499.4		13,395.3	10,499.4	
Net Automotive Debt / Equity	0.17	0.15		0.17	0.15	
Inventory Days	43	38		48	41	
Receivable Days	16	15		18	16	

^ PAT is after Minority Interest and share of Profit/(Loss) in respect of associate companies

EPS reported in the tables above is not annualized;

Inventory and Receivable Days are based on the Average Sales for the respective periods

B] TATA MOTORS GROUP CONSOLIDATED FINANCIALS IN USD MILLIONS

<u>USD Million@</u>	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY16	9M FY15	Y-o-Y change
Global Sales(Units)*	2,75,406	2,51,534	9.5%	7,54,307	7,13,530	5.7%
Net Revenue#	10,923.1	10,614.1	2.9%	29,459.8	29,536.1	(0.3%)
EBITDA#	1,547.5	1,633.7	(5.3%)	4,198.9	4,968.0	(15.5%)
EBITDA Margin	14.2%	15.4%	(120 bps)	14.3%	16.8%	(250 bps)
Other Income	27.3	33.6	(18.6%)	110.8	98.8	12.2%
Profit before exceptional items and tax	624.3	888.3	(29.7%)	1,533.4	2,865.5	-46.5%
Exceptional Items	6.9	(21.8)	NM	(411.8)	(3.6)	NM
Profit before Tax	631.2	866.6	(27.2%)	1,121.7	2,861.9	(60.8%)
Net Profit (PAT) ^	530.2	541.3	(2.0%)	883.9	1,854.8	(52.3%)
Basic EPS - Ordinary Shares	0.16	0.17		0.26	0.57	
Basic EPS - 'A' Ordinary shares	0.16	0.17		0.26	0.57	
Gross Debt	10,982.0	11,009.5		10,982.0	11,009.5	
Net Automotive Debt	2,025.0	1,587.2		2,025.0	1,587.2	
Net Automotive Debt / Equity	0.17	0.15		0.17	0.15	
Inventory Days	43	38		48	41	
Receivable Days	16	15		18	16	

Excludes Other Income;

^ PAT is after Minority Interest and share of Profit/(Loss) in respect of associate companies

EPS reported in the tables above is not annualized;

@ At conversion rate of USD 1 = 66.15 INR for reference only

Inventory and Receivable Days are based on the Average Sales for the respective periods

C] TATA MOTORS GROUP OPERATING PROFIT PERFORMANCE Q3 FY 16
India Business Performance :-

India Business reported a significant improvement in Operating Margin to 5.7%, which is an improvement of 860 bps Y-o-Y (after adjusting for the Singur and other one offs in Q3 FY 15). This broadly reflects :-

- Strong M &HCV growth of 14.8 % (Y-o-Y)
- Ongoing cost reduction and other margin improvement initiatives.
- Maintained positive EBITDA margin trend in all the three quarters of current year (Q1, Q2 and Q3 of FY 16) as compared to negative EBITDA margin in all the three corresponding quarters of last year.

Jaguar Land Rover Business Performance :-

Jaguar Land Rover reported EBITDA of £ 834 mn (margin of 14.4%), down £262 m from Q3 FY15 but up £245 m from Q2 FY16. The year over ear decrease broadly reflects

- Softer Sales in China and model mix.
- Non recurrence of an annual China tax rebate (received in Q3 FY 15 but in current year it was received in Q1) and other items
- Offset Partially by higher wholesales volumes

D] TML CORPORATE CREDIT RATING

Credit Rating Agency	Long Term Rating as on 31 st Dec 2015
Moody's	Ba2 / Stable
S&P	BB / Stable
CRISIL	AA / Stable
ICRA	AA / Stable
CARE	AA+ /Stable

IV] TATA MOTORS GROUP INDIA BUSINESS
A] FINANCIALS IN RUPEES CRORES

<u>Rs. Crores</u>	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY 16	9M FY 15	Y-o-Y change
Total Volumes: CV+PC+Exports (Units)	1,23,295	1,27,484	(3.3%)	3,67,424	3,65,316	0.6%
CV (Units)	78,625	78,748	(0.2%)	2,28,135	2,34,511	(2.7%)
PC (Units)	31,965	36,422	(12.2%)	98,366	94,175	4.5%
Exports (Units)	12,705	12,314	3.2%	40,923	36,630	11.7%
Net Revenue#	10,001	9,060	10.4%	29,800	25,516	16.8%
EBITDA#	569	(742)	NM	1,718	(1,099)	NM
EBITDA Margin	5.7%	(8.2%)	1390 bps	5.8%	(4.3%)	1010 bps
Other Income	474.8	58.4	NM	1,672.9	1,798.3	(7.0%)
Profit before exceptional items and tax	(14.9)	(1,857.1)	NM	115.0	(2,518.8)	NM
Exceptional Item	(188.3)	(247.5)	NM	(334.3)	(299.5)	NM
Profit before Tax	(203.2)	(2,104.6)	NM	(219.3)	(2,818.3)	NM
Net Profit (PAT)	(200.9)	(2,122.7)	NM	(230.8)	(3,574.7)	NM
Basic EPS - Ordinary Shares	(0.59)	(6.53)		(0.68)	(10.99)	
Basic EPS- 'A' Ordinary shares	(0.59)	(6.53)		(0.68)	(10.99)	
Gross Debt	17,827.6	21,593.4		17,827.6	21,593.4	
Net Debt	15,105.6	19,216.9		15,105.6	19,216.9	
Net Debt / Equity	0.69	1.22		0.69	1.22	
Inventory Days	46	49		46	52	
Receivable Days	16	15		16	16	

#Excludes Other Income;

EPS reported in the table above is not annualized;

Inventory and Receivable Days are based on the Average Sales for the respective periods

A] TATA MOTORS GROUP INDIA BUSINESS: FINANCIALS IN USD MILLION

<i>USD Million@</i>	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY 16	9M FY 15	Y-o-Y change
Total Volumes: CV+PC+Exports (Units)	1,23,295	1,27,484	(3.3%)	3,67,424	3,65,316	0.6%
CV (Units)	78,625	78,748	(0.2%)	2,28,135	2,34,511	(2.7%)
PC (Units)	31,965	36,422	(12.2%)	98,366	94,175	4.5%
Exports (Units)	12,705	12,314	3.2%	40,923	36,630	11.7%
Net Revenue#	1,511.8	1,369.7	10.4%	4,504.9	3,857.3	16.8%
EBITDA#	86.0	(112.2)	NM	259.8	(166.2)	NM
EBITDA Margin	5.7%	(8.2%)	1390 bps	5.8%	(4.3%)	1010 bps
Other Income	71.8	8.8	NM	252.9	271.9	(7.0%)
Profit before exceptional items and tax	(2.3)	(280.7)	NM	17.4	(380.8)	NM
Exceptional Item	(28.5)	(37.4)	NM	(50.5)	(45.3)	NM
Profit before Tax	(30.7)	(318.2)	NM	(33.1)	(426.0)	NM
Net Profit (PAT)	(30.4)	(320.9)	NM	(34.9)	(540.4)	NM
Basic EPS - Ordinary Shares	(0.01)	(0.1)		(0.01)	(0.17)	
Basic EPS-'A' Ordinary shares	(0.01)	(0.1)		(0.01)	(0.17)	
Gross Debt	2,695.0	3,264.3		2,695.0	3,264.3	
Net Debt	2,283.5	2,905.0		2,283.5	2,905.0	
Net Debt / Equity	0.69	1.22		0.69	1.22	
Inventory Days	46	49		46	52	
Receivable Days	16	15		16	16	

#Excludes Other Income; EPS reported in the tables above is not annualized;

@ At conversion rate of USD 1 = 66.15 INR for reference only

Inventory and Receivable Days are based on the Average Sales for the respective periods

B] COMMERCIAL VEHICLES BUSINESS**VOLUMES**

Period/ Segments	Q3 FY16 Volumes	Q3 FY15 Volumes	Y-o-Y change	9M FY 16 Volumes	9M FY 15 Volumes	Y-o-Y change
M/HCV	36,917	32,161	14.8%	1,09,620	88,839	23.4%
LCV	41,708	46,587	(10.5%)	1,18,515	1,45,672	(18.6%)
Total CV	78,625	78,748	(0.2%)	2,28,135	2,34,511	(2.7%)

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

C] PASSENGER VEHICLES BUSINESS**VOLUMES**

Period/ Segments	Q3 FY16 Volumes	Q3 FY15 Volumes	Y-o-Y change	9M FY 16 Volumes	9M FY 15 Volumes	Y-o-Y change
Micro	5,932	4,968	19.4%	17,253	11,335	52.2%
Compact	21,182	24,614	(13.9%)	64,861	60,705	6.8%
Midsize	1	246	N.M	186	1,046	(82.2%)
Premium/ Luxury	269	438	(38.6%)	717	1,130	(36.5%)
Utility Vehicles	4,458	6,035	(26.1%)	14,937	19,381	(22.9%)
Vans	123	121	1.7%	412	578	(28.7%)
Total PC	31,965	36,422	(12.2%)	98,366	94,175	4.5%

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, and Zest

'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

D] EXPORTS**VOLUMES**

Period/ Segments	Q3 FY16 Volumes	Q3 FY15 Volumes	Y-o-Y change	9M FY 16 Volumes	9M FY 15 Volumes	Y-o-Y change
Commercial Vehicles	12,006	11,558	3.9%	38,150	33,860	12.7%
Passenger Vehicles	699	756	(7.5%)	2,773	2,770	0.1%
Total Exports	12,705	12,314	3.2%	40,923	36,630	11.7%

E] HIGHLIGHTS
COMMERCIAL VEHICLES

- Strong M&HCV growth along with other cost reduction and margin improvement supported the margin improvement of 860 bps Y-o-Y (after adjusting for Singur and other one offs in Q3 FY 15).
- M&HCV Industry witnessing strong demand conditions fuelled by sustained replacement demand and initial fleet expansion demand. Growth was driven by volume expansion across the segment.
- Company's M&HCV sales in the quarter registered growth of 14.8% y-o-y.
- Market Share for M&HCV in Q3 FY 16 stood at 53.8 %, a growth of 240 bps against Q2 FY 16,
- While the overall LCV continued to decline, but
 - Several segments of the LCV, both in goods and passenger carrier segment, witnessed positive growth during the quarter.
 - SCV segment, though declined during the quarter, but witnessed a positive growth in the month of December 2015.
 - In the SCV segment , the company's market share in the quarter remains above 75%.
- Variable marketing expenses remain high in the Industry.
- International Business generates growth of 3.9 % (y-o-y) in Q3 FY 16. Growth momentum was affected by the continued adverse political situation & unrest in Nepal.

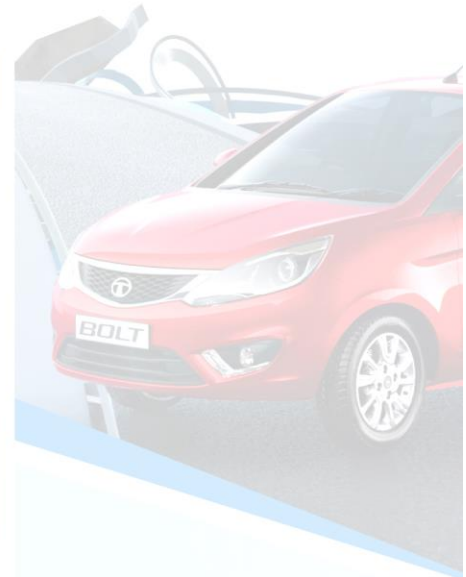
PASSENGER VEHICLES

- Our domestic market share in PV for Q3 FY 16 stood at 4.4 %. In Car segment, market share for the quarter stood at 5.1 %
- Passenger vehicle industry witnessed a growth of 15.0 % (y-o-y) in Q3 FY 16, mainly supported by new launches in the industry.
- In domestic market, passenger vehicles segment of the Company declined 12.2 % (y-o-y) in Q3 FY 16. This needs to be seen in the context of pre launch build up of inventory in Q3 of last year.
- Showcased the new Compact hatchback, with cutting edge designs, technology and driving dynamics. The new compact hatchback has received extremely positive reviews and a very strong response from all the Auto critics, enthusiasts and media.
- The new Compact hatchback, will come with
 - Revotron 1.2 L Petrol Engine, 3 cylinder, MPFi with MULTI DRIVE and
 - Revotron 1.05 L Diesel Engine, 3 cylinder, CRAIL with MULTI DRIVE.

F] KEY LAUNCHES & EVENTS IN Q3 FY 16:

1. In October 2015, Tata Motors opens first & exclusive bus range dealership in Chennai- BusZone partnering with Janta Group, to enrich its presence in Tamil Nadu. Offering dedicated 3S (Sales, Service & Spares) for buses with 24 x 7 customer support. Availability of financing, insurance and loyalty programs, including service contracts.
2. In October 2015, **Dharwad plant** of Tata Motors had been awarded the **Excellent Energy Efficient Award** at event organized by Confederation of Indian Industries.
3. In October 2015, Tata Motors won the Golden Peacock Award to recognize the successful journey and rich experience on Sustainability practices of the company.
4. In October 2015, Tata Motors launches the Celebration Edition range of passenger vehicles for festive season for Zest, Bolt, GenX Nano, Safari Storme and Indigo that received very good response from the customers.
5. In October 2015, Tata Motors launched two new cars – the **Bolt hatchback & sedan** in South Africa.
6. On October 2015, launched its new next-generation school bus, in the UAE - ‘the new **Tata ELANZA**’. Specifically built as per stringent School Transport Regulations of the Emirates, the vehicle is designed and built with inputs from customers across the Middle-East, setting new benchmarks in safety, comfort and operating economics.
7. In November 2015, Tata Motors & IOCL, signed an after market partnership agreement to supply high performance TML- IOCL co-branded lubricants across India in retail markets.
8. In November 2015, Tata Motors showcases four new construction vehicles at EXCON 2015 - Tata PRIMA 3138.K 32 CuM Coal Tipper, Tata PRIMA LX 2523 .K RePTO, Tata PRIMA LX 3128.K 19 CuM Scoop HRT and Tata SAK 1613.
9. In November 2015, Tata Motors and Ashok Auto Sales open new 3S facility in Firozabad to service the full range of Commercial Vehicles. With over 5000 square meters of space earmarked for Tata Motors entire range of commercial vehicles. 24 x 7 onsite customer support, with full-loaded mobile workshops.
10. In November 2015, Tata Motors partnered with the Football Legend - **Lionel Messi** as the global brand ambassador for its Passenger Vehicles. The Company is the **first Indian** brand endorsed by the international sports icon, Lionel Messi. This will be a long-term partnership for endorsing Tata Motors range of passenger vehicles, globally.
11. In December 2015, Tata Motors showcases its new sporty compact hatchback. With Global design inputs from Pune, UK and Italy studios, it is ‘Expressive and Exciting’, which has received heartwarming responses from the auto world.
12. In December 2015, Tata Motors launches new variant of **Safari Storme**.

13. In December 2015, Tata Motors showcases three new products at **Municipalika 2015**. All three vehicles showcased, cater to the needs of municipal corporations and other urban local bodies with best-in-class maneuverability and fuel-efficiency.
14. In December 2015, Tata Motors won the **Indian Automotive Technology and Innovations Awards, 2015** for the Tata CNG Series Hybrid Full Low floor buses.
15. In December 2015, Tata Motors won the **Best Indian Brand Award** in Uganda. The company also won the **Mini Truck** as well as the **Light Truck of the Year** at the prestigious Ghana Auto Awards.



G] WAY FORWARD

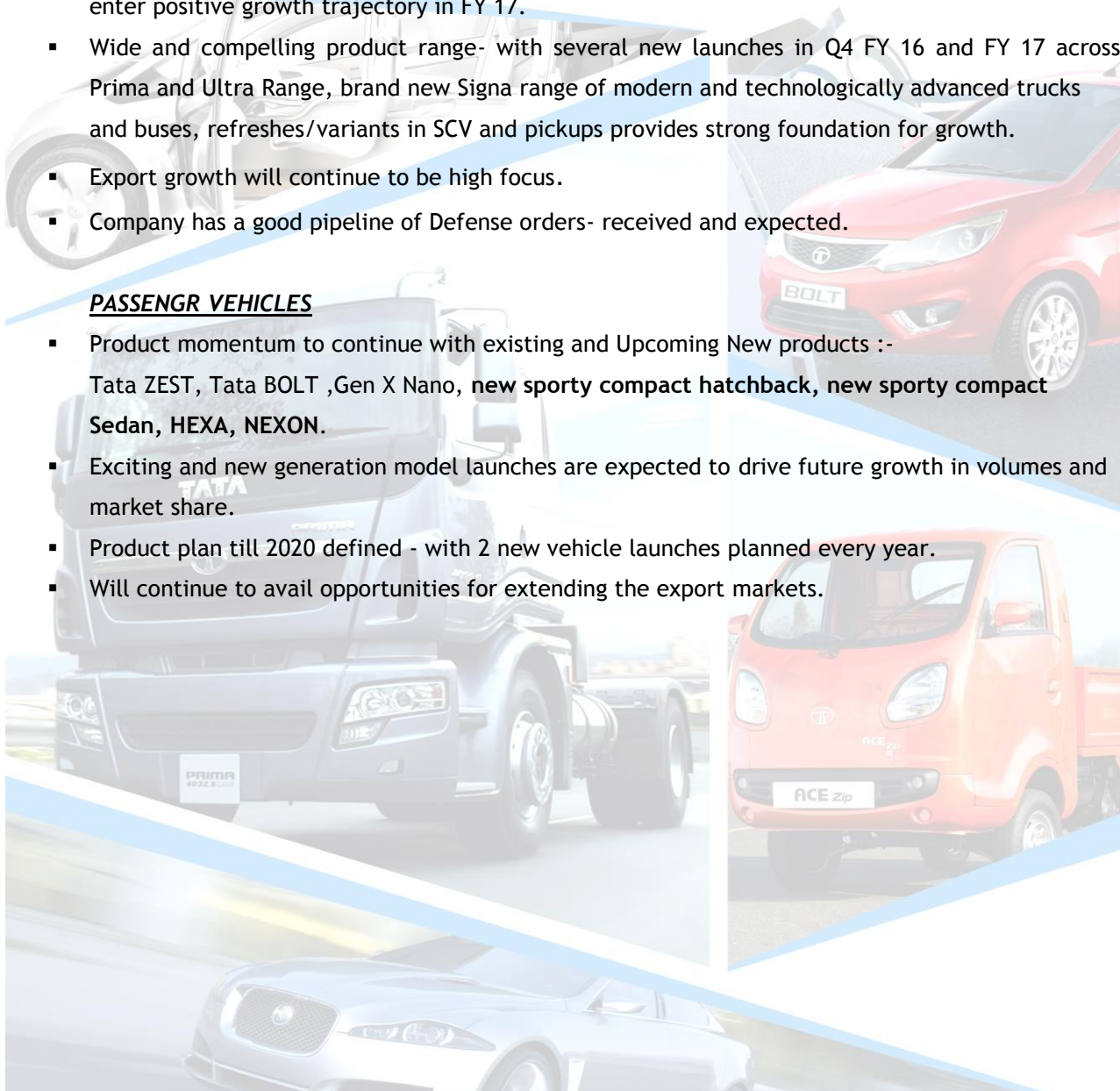
- Economy, driven by government led expenditures and stimulus, is expected to support the Auto Sales growth in FY 17.
- Company will continue to explore capital optimization through better operating efficiencies in working capital etc. and monetization of non-core assets and some of its investments

COMMERCIAL VEHICLES

- M&HCV growth is expected to remain buoyant in FY 17, supported by continued replacement demand and further aided by fleet expansion demand. We expect SCV segment will also enter positive growth trajectory in FY 17.
- Wide and compelling product range- with several new launches in Q4 FY 16 and FY 17 across Prima and Ultra Range, brand new Signa range of modern and technologically advanced trucks and buses, refreshes/variants in SCV and pickups provides strong foundation for growth.
- Export growth will continue to be high focus.
- Company has a good pipeline of Defense orders- received and expected.

PASSENGR VEHICLES

- Product momentum to continue with existing and Upcoming New products :-
Tata ZEST, Tata BOLT ,Gen X Nano, **new sporty compact hatchback, new sporty compact Sedan, HEXA, NEXON.**
- Exciting and new generation model launches are expected to drive future growth in volumes and market share.
- Product plan till 2020 defined - with 2 new vehicle launches planned every year.
- Will continue to avail opportunities for extending the export markets.



V] TATA MOTORS GROUP JAGUAR LAND ROVER AUTOMOTIVE PLCA] FINANCIALS(i) IFRS AS APPROVED IN THE EU

	IFRS					
<u>GBP Million</u>	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY 16	9M FY 15	Y-o-Y change
JLR Wholesales	1,37,631	1,22,187	12.6%	3,59,439	3,41,318	5.3%
Jaguar Wholesales	27,024	19,053	41.8%	69,913	56,418	23.9%
Land Rover Wholesales	1,10,607	1,03,134	7.2%	2,89,526	2,84,900	1.6%
Net Revenue	5,781	5,879	(1.7%)	15,614	16,040	(2.7%)
EBITDA#	834	1,096	(23.9%)	2,244	3,116	(28.0%)
EBITDA Margin	14.4%	18.6%	(420 bps)	14.4%	19.4%	(500 bps)
Profit before Tax	499	685	(27.2%)	980	2,218	(55.8%)
Net Profit (PAT)	440	593	(25.8%)	840	1,736	(51.6%)
Gross Debt	2,548	2,423		2,548	2,423	
Net Debt	(860)	(1,604)		(860)	(1,604)	
Net Debt / Equity	(0.12)	(0.24)		(0.12)	(0.24)	
Inventory Days	42	35		46	38	
Receivable Days	17	14		18	15	

JLR wholesales excludes sale of CJLR which stood at 12,830 for the current quarter and 22,219 for YTD.

(ii) JLR FINANCIALS UNDER IGAAP

	IGAAP					
<u>GBP Million</u>	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY 16	9M FY 15	Y-o-Y change
JLR Wholesales	1,37,631	1,22,187	12.6%	3,59,439	3,41,318	5.3%
Jaguar Wholesales	27,024	19,053	41.8%	69,913	56,418	23.9%
Land Rover Wholesales	1,10,607	1,03,134	7.2%	2,89,526	2,84,900	1.6%
Net Revenue	5,990	5,971	0.3%	16,019	16,189	(1.0%)
EBITDA	898	1,114	(19.3%)	2,424	3,232	(25.0%)
EBITDA Margin	15.0%	18.7%	(370 bps)	15.1%	20.0%	(490 bps)
Profit before Tax	479	795	(39.7%)	896	2,360	(62.1%)
Net Profit (PAT)	422	581	(27.4%)	762	1,776	(57.1%)
Gross Debt	2,699	2,528		2,699	2,528	
Net Debt	(918)	(1,613)		(918)	(1,613)	
Net Debt / Equity	(0.12)	(0.24)		(0.12)	(0.24)	
Inventory Days	42	35		46	38	
Receivable Days	16	14		18	15	

JLR wholesales excludes sale of CJLR which stood at 12,830 for the current quarter and 22,219 for YTD.

Inventory and Receivable Days are based on the Average Sales for the respective periods

B] JAGUAR LANDROVER IFRS TO IGAAP PAT WALK:

	GBP Millions
IFRS profit/(loss) for the period	440
GAAP differences on warranty	4
Difference on intellectual property amortisation	2
AS11 Options & Bonds	36
Intrinsic Value of FX Option	(68)
Deferred Tax GAAP Difference	8
IGAAP profit/(loss) for the period	422

C] VOLUMESJAGUAR LANDROVER WHOLESAL VOLUMES

Wholesale	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY 16	9M FY 15	Y-o-Y change
Jaguar	27,024	19,053	41.8%	69,913	56,418	23.9%
LandRover	1,23,437	1,03,134	19.7%	3,11,745	2,84,900	9.4%
Total Jaguar	1,50,461	1,22,187	23.14%	3,81,658	3,41,318	11.82%

Wholesales volume include China Joint Venture volumes. CJLR volumes for Q3 FY 16 stood at 12,830 and 22,219 for 9M FY16.

JAGUAR LANDROVER RETAIL VOLUMES

Retail	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY 16	9M FY 15	Y-o-Y change
Jaguar	23,841	18,336	30.0%	64,595	57,539	12.3%
LandRover	1,13,812	93,189	22.1%	2,98,163	2,80,363	6.3%
Total Jaguar	1,37,653	1,11,525	23.43%	3,62,758	3,37,902	7.36%

Please click on the link <http://www.tatamotors.com/investors/jlr-volumes.php> for looking at volume of Jaguar Landrover on Carline basis as well as Regionwise basis. Retails include China Joint Venture volumes. CJLR volumes for Q3 FY 16 stood at 9,010 and 19,398 for 9M FY16.

D] MARKET ENVIRONMENT

Macroeconomic conditions remained mixed during the quarter notwithstanding the significant financial market volatility seen since the start of the new calendar year. The economies of the UK and US continue to exhibit solid growth whilst more gradual growth has continued in Europe. China reported growth of 6.8% in the quarter, in line with expectations, although financial market volatility continues to reflect uncertainty over the economy, as well as the impact of falling oil prices and the stronger US Dollar on many emerging market economies.

With the expected 0.25% US rate increase in December, the US Dollar strengthened by 2.1% to 1.48 against the Pound but generally more against other currencies which weakened against the Pound (Chinese Renminbi by 1.3% to 9.74, Euro by 0.6% to 1.36 and Russian Rouble by almost 10% to 109.3).

Total Automotive industry car volumes			
	Q3 FY 16	Q3 FY 15	Change (%)
China	65,75,800	55,45,300	18.58%
Europe (excluding UK)	19,19,856	17,51,500	9.61%
UK	5,36,617	5,18,220	3.55%
North America	48,27,153	44,83,123	7.67%
All other markets	34,65,827	39,47,562	(12.20%)

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.

E] JLR HIGHLIGHTS

- Volumes excluding China JV-Wholesales and Retails for Q3 FY 16 stood at **137,631 units** and **128,643 units**. China JV (CJR)-Wholesales and Retails for Q3 FY 16 stood at **12,830 units** and **9,010 units**.
- Revenue in Q3 FY16 stood at **£5,781 m**, down £98mn from Q3 FY15 but up **£950 m** from Q2 FY 16.
- EBITDA in Q3 FY16 stood at **£ 834 m (margin of 14.4%)**, down £262m from Q3 FY15 but up **£ 245 m** from Q2 FY 16.
- Total Product and other investments in the business in Q3 FY 16 stood at **£ 842 m**. Free Cash flow for the quarter, after Investments but before finance expenses, stood at **£ 454 m**.
- Cash and deposits at **£3.4 b** and 5 year undrawn revolving credit facility at **£1.9 b** represents total liquidity of **£5.3 b** as of 31st December 2015.
- PBT of **£499 m** after exceptional items, down £186 m from Q3 FY 15, (but up **£656 m** from Q2 FY 16, reflecting
 - Lower EBITDA. (£262m)
 - Higher depreciation and amortisation (up £92m).
 - Offset partially by
 - + favourable overall revaluation of unrealised FX and commodity hedges and USD debt (+ £118m) and
 - + China JV profits of £ 22m (up £36m).
 - + Exceptional item for Tianjin insurance recoveries (£30m)

F] TATA MOTORS GROUP- JAGUAR LANDROVER -OTHER DEVELOPEMENTS

INVESTING IN MANUFACTURING BASE AND TECHNOLOGY



UK Engine Plant

- Additional £450m investment announced
- £1b total investment
- 2.0-litre diesel engine now available in the new Jaguar XF, Range Rover Evoque and the Land Rover Discovery Sport



Slovakia Plant

- Investment agreement to build a manufacturing plant in the city of Nitra
- Initial investment of over £1bn
- 150,000 units of capacity per annum
- Employment of 2,600 people with production commencing in 2018.
- Potential further JLR investment of £500m to expand capacity to 300,000 units per annum and create an additional 1,300 jobs subject to a further feasibility study.



Electrification

- JLR is exploring plug-in hybrid and battery electric vehicles.
- Jaguar recently announced that it would be competing in the FIA Formula E championship from August 2016
- Presenting a unique and exciting opportunity for JLR to further the development of its future electric powertrain technology

G] TATA MOTORS GROUP- JAGUAR LANDROVER -PRODUCT PIPELINE

RECENT AND UPCOMING PRODUCTS TO DRIVE FUTURE GROWTH



Evoque 16 MY- Aug 15



All New Lightweight XF- Sep 15



China JV Discovery Sport - Nov 15



XJ 16 MY - Launched Dec 2015



F Pace- Launching 2016



XE -Launching in US 2016



H] WAY FORWARD

- JLR's strategy continues to be to invest in new products, technology and manufacturing capacity to grow profitably.
- We now expect investment spending in the region of of £3.3b in 2015/16.
- JLR intends to continue to drive strong operating cash flow to fund investment.
- Given the higher investment, free cash flow could be negative in the near and medium term, however, we expect that our strong balance sheet, including total cash and short-term investments of £3.4b and undrawn long-term credit lines of £1.9b at 31 December 2015, as well as proven access to capital markets and bank funding would support our investment plans as required.

New Products

- Jaguar Land Rover plans to continue to build on recent successful product launches and is focusing on the upcoming launches of the Jaguar XE in the US and the Jaguar F-PACE in Spring 2016 followed by the Evoque Convertible and others yet to be announced.
- These new products are expected to drive solid profitable volume growth for JLR going forward.

I] JLR CORPORATE CREDIT RATING

Credit Rating Agency	Long Term Rating as on 31 st Dec 2015
Moody's	Ba2 / Positive
S&P	BB / Stable

VI] HIGHLIGHTS OF OTHER KEY SUBSIDIARIES
A] TATA MOTORS FINANCE

	<i>Rs. Crores</i>					
Particulars	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY16	9M FY15	Y-o-Y change
Net Revenue *	721.2	724.5	(0.5%)	2,081.0	2,182.3	(4.6%)
PAT	33.4	(81.9)	N.A.	60.2	214.2	(71.9%)

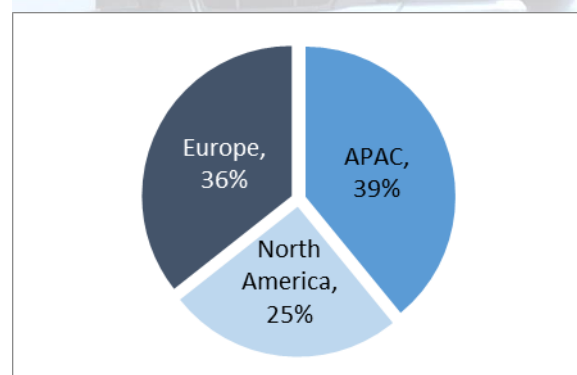
HIGHLIGHTS

- Finance disbursed during Q3 FY16 stood at Rs. 2,299.49 Cr.
- The book size as on Dec 31, 2015 for TMFL stood at Rs 21,654.29 Cr.
- In FY16 YTD market share stood at 23.3%.
- NIM of vehicle financing business for YTD FY 16 was 6.6%

B] TATA TECHNOLOGIES

	<i>Rs. Crores</i>					
Particulars	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY16	9M FY15	Y-o-Y change
Net Revenue *	691.1	663.3	4.2%	1,971.3	1,892.7	4.2%
EBITDA *	140.0	104.7	33.7%	361.9	304.1	19.0%
% of Revenue	20.3%	15.8%	450 bps	18.4%	16.1%	230 bps
PAT	102.4	78.6	30.2%	273.2	233.4	17.0%

* Excludes 'Other Income'

Revenue Break - For Q3 FY16

HIGHLIGHTS

- Revenue continued upward trend with YOY growth of 4.2%

C] TATA DAEWOO (As per Korean GAAP)

	KRW Billion					
Particulars	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY16	9M FY15	Y-o-Y change
Sales (Units)	2,276	2,606	(12.7%)	6,914	8,004	(13.6%)
Net Revenue *	226.1	233.1	(3.0%)	642.1	686.7	(6.5%)
EBITDA *	21.1	35.7	(40.9%)	62.4	60.8	2.7%
% of Revenue	9.3%	15.3%	(600 bps)	9.7%	8.9%	80 bps
PAT	12.3	32.0	(61.6%)	37.6	40.4	(6.9%)

* Excludes 'Other Income'

HIGHLIGHTS

- Performance in the quarter impacted by adverse economic situation in the export market.

D] TML DRIVELINES LTD

	Rs. Crores					
Particulars	Q3 FY16	Q3 FY15	Y-o-Y change	9M FY16	9M FY15	Y-o-Y change
Net Revenue *	122.6	128.2	(4.3%)	397.4	375.6	5.8%
EBITDA *	18.1	37.3	(51.5%)	89.8	108.6	(17.3%)
% of Revenue	14.7%	29.1%	(1440 bps)	22.6%	28.9%	(630 bps)
PAT	2.8	17.2	(83.7%)	34.0	31.4	8.3%

* Excludes 'Other Income'

HIGHLIGHTS

- Revival in CV market due to higher demand helped revenue to grow YTD.
- Quarterly profits impacted due to higher costs and lower realisations.

VII] SHAREHOLDING PATTERN

Shareholding Pattern as on Dec 31st, 2015

Ordinary Shares	%
Tata Companies	33.01
Indian Financial Institutions / MFs / Banks	17.24
ADR/GDR Holders / Foreign holders-DR status	17.66
Foreign Institutional Investors	23.90
Others	8.20
Total	100%

'A' Ordinary Shares	%
Tata Companies	0.51
Indian Financial Institutions / MFs / Banks	30.20
Foreign Institutional Investors	53.99
Others	15.30
Total	100%

Market Capitalisation as on 31st Dec 2015 stood at Rs.1,276.97 bn (\$19.30bn)

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.

Q3 FY16 represents the period from 1st Oct 2015 to 31st Dec 2015.

Q3 FY15 represents the period from 1st Oct 2014 to 31st Dec 2014.

YTD FY16 represents the period from 1st April 2015 to 31st Dec 2015.

YTD FY15 represents the period from 1st April 2014 to 31st Dec 2014.

JLR Financials contained in the review are as per IFRS as approved in the EU as well as in IGAAP, Unaudited. All other subsidiaries' financials are in IGAAP except TDCV.