

Our strategic framework

S1 Strategy 1

Focus on new product development

Our objective

Key capitals deployed



TML

To develop a range of exciting and contemporary products and services across the PV and CV segments to match and surpass customer expectations

JLR

- Producing and delivering vehicles that create experiences, which customers love, for life
- Embracing technologies on ACES while delivering products of the highest quality
- Delivering a fully emissions-compliant portfolio
- Moving towards Modular Longitudinal Architecture (MLA) - scalable architecture that is agnostic to propulsion system and will optimise commonality and reduce complexity, while managing costs



Key initiatives and actions

TML

The Company launched a number of models during FY18:

- Launched the next-generation Compact Utility Vehicle (CUV) – Nexon
- Rolled out the first batch of Tigor EV as part of the prestigious EV car tender floated by EESL
- Enhanced customer experience with exciting design and features (including Automated Manual Transmission [AMT] and smart connectivity)
- Introduced a number of new CV models, including the new XL range of small commercial cargo vehicles and a number of new products on the Prima and Signa ranges
- Unveiled a number of new products during the Auto Expo 2018, including the new-generation Tata H5X and 45X concepts, Intra compact truck, Ultra T7 light truck and the SIGNA 4323, India's first six-axle rigid truck

JLR

- Awarded the World Car Design of the Year award at the 2018 World Car Awards for Range Rover Velar, a luxury performance SUV
- Launched E-PACE, Jaguar's first compact SUV, which has a five-star Euro NCAP rating, confirming it to be among the safest vehicles in the market
- Introduced I-PACE, the first fully electric premium SUV in the world in early 2018, giving JLR a true competitive advantage and helping the Company attain a leadership position among EVs
- Launched plug-in hybrid variants of Range Rovers and Range Rover Sports, offering customers 31 miles of electric-only range and combined fuel economy and CO₂ emissions of up to 91.1 mpg and as low as 72g/km
- Continued investment in new models that cater to the technology needs of ACES and helps the Company remain competitive in the marketplace — its new factory in Slovakia is slated to commence production by the end of 2018

variants to enhance the range of choices for its expanding customer base.

- The Company is introducing contemporary and value-added features and technologies to increase the product appeal, safety and passenger comfort.
- TML is actively working on alternate propulsion systems, including zero-emission technology, especially in EVs for certain applications.

JLR

- Jaguar has started the migration to be a leader in electrification. At the same time, Land Rover has a strong line-up of SUVs, including the new Defender, which is currently under development. JLR also has a line-up of special vehicles created in Special Vehicles Operations (SVO). The Company aims to grow and expand up to 16 nameplates between FY22 to FY24.
- JLR is on track for complying with European fleet average tailpipe CO₂ emissions by 2020—supported by the Plug-in Hybrid Electric Vehicle (PHEV) powertrains in its Range Rover and Range Rover Sport SUVs, the fully electric Jaguar I-PACE and other future PHEV/BEVs.
- From 2020, all JLR vehicles will offer an electric option. These vehicles will be Mid Hybrids and/or PHEVs or BEVs.
- JLR announced its partnership with Waymo for development of autonomous cars and for delivering 20,000 Jaguar I-Pace models under this arrangement.

Looking ahead

TML

- TML is leveraging modular approach state-of-the-art architectures both in CV and PV, while developing a number of new products and

S2 Strategy 2

Expanding international business

Our objective

The focus of this strategy is to identify new international markets based on the demographical and socio-economical features of specific regions, which include the aspects of:

- Regulatory landscape
- Geopolitical landscape
- Competitive landscape

Key capitals deployed



Key initiatives and actions

TML

- Shipments to ASEAN doubled in FY18 as compared to last year, making it the fastest growing region.
- In FY18, the Company successfully bagged several prestigious orders, including 250 units Xenon pickups, 200 units of LPTA 715 from the Myanmar armed forces, 540 units of buses from ILOC, Senegal, 209 units of Winger (135 units) and Xenon (75 units) from GVK EMRI Sri Lanka and 100 buses from FTC Mozambique.
- Some of the key events in FY18 were the launch of Prima in the Philippines, Signa in Sri Lanka, Yodha in Nepal, Ultra buses in Tanzania, Ultra range in South Africa and unveiling of Ultra in Thailand and Indonesia.
- Shipment of 9166 units of ILCV in FY18 is also the highest ever shipment for the segment in a year.

JLR

- Through the China JV, the Company capitalised on the high demand in China. Outside of the UK, JLR has a global plant network, with a contract manufacturing facility at Austria and a plant at China. It has established local assembly operations at India and Brazil.
- JLR has attained a balanced sales profile across North America, China, Europe, the UK and overseas during FY18.
- JLR has a global network of 23 National Sales Companies, which cover 92% of the worldwide volume. With a common identity across the retailer network for enhanced customer experiences (ARCH), JLR's retailers are investing around:
 - £3 Billion currently
 - Plan to increase the investment to £9 Billion by FY23

Looking ahead

TML

The Company will enhance volumes from non-SAARC markets driven by growth in ASEAN, Africa and the Middle East.

- To expand global market footprint further, TML will focus on four key areas of developing suitable products, driving optimal sourcing and manufacturing, enhancing overall customer experience and further establishing the TML brand across geographies.
- The Company's KD assembly facilities are spread across eight countries and it aims to grow this to other strategic markets, taking KD contribution to almost 20% of total exports in FY21 compared to 8% in FY18.

JLR

- JLR's manufacturing footprint is expanding, with the Slovakia plant on track for start of production by the end of 2018. The Company's approach is to support key markets while accessing a lower cost base.
- JLR is also working on further expansion of its manufacturing footprint in China through its JV.
- JLR continues to expand in new markets.

Our strategic framework

S3 Strategy 3

Mitigating cyclicality

Our objective

- To mitigate the impact of cyclicality in the automobile industry, the Tata Motors Group plans to continually strengthen operations while gaining market share across different product lines and offering a wide range of products in diverse geographies.
- The Company also plans to strengthen other business operations such as financing of vehicles and spare part sales, service and maintenance contracts, among others.

Key capitals deployed



Key initiatives and actions

TML

- TML has invested in building adequate capacities across locations, ensuring smooth production ramp-up for all new models and creating flexibility across manufacturing plants.
- The Company has been actively looking for opportunities to optimise its operations, with specific focus on improving the supply chain efficiency, significant cost reduction and sales enhancement initiatives.
- The Company is also actively pursuing increased penetration of services, such as penetration of annual maintenance contracts and fleet management services by leveraging its competencies and the use of technology.
- Initiatives such as sale of certified pre-owned CV and greater push on spare parts and aftersales have also been actioned.
- Expanding the addressable market in PV, with products targeting multiple growth segments, is one of the key focus areas.

JLR

- JLR is expanding its international footprint and maintains a balanced retail sales profile across key sales regions.
- In addition, the Company is bringing in substantial changes to the market (e.g. automation and electrification) with new product launches, which enables it to focus on industry-defining products ahead of its competition.

Looking ahead

TML

TML is working towards:

- Increasing the sales of Tata OK refurbished vehicles
- Growing business in the field of fully-built vehicles, such as trailers and tippers
- Continued focus on cost management and production throughput to maximise the overall efficiencies
- Actively pursuing opportunities in EVs and mobility services as future growth areas for the business

JLR

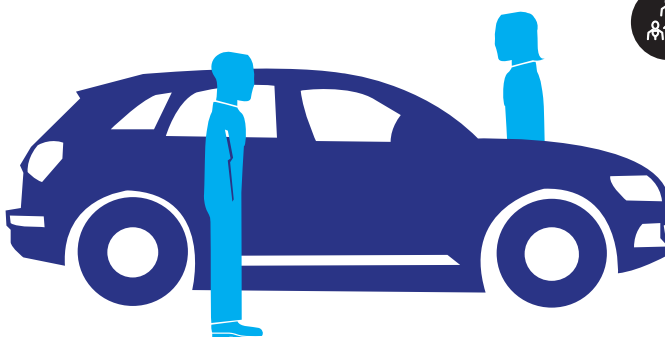
- To safeguard against the effects of a cyclical business, JLR is focussing on more realistic planning of volumes in recognition of the present market realities. It is focussed on driving cost efficiency and operating leverage across the business. The Company is also making prudent investment plans to meet the affordability criteria while remaining at the forefront of technologies. Jaguar and Land Rover are both now stronger and more vibrant brands than ever before, supporting the ambition for further global growth.

S4 Strategy 4

Customer focus

Our objective

- TML's focus is on strengthening market presence by offering solutions that meet and surpass customers' expectations and deliver hassle-free sales and service experience to customers.
- JLR's philosophy of 'Customer First' enables personalised and 'easy to do with' experience for its customers.



Key capitals deployed



Key initiatives and actions

TML

Some of the key highlights for CV include:

- Introduced Sampoorna Seva, a holistic value-added package
- Initiated actions to reduce vehicle delivery time to 24 hours in case of a breakdown of CV
- Increased reach of telematics software for large customers, supporting predictive maintenance
- Provided 24x7 on-road assistance through Tata Alert, Tata Zippy and Tata Kavach consistently
- Expanded and strengthened its extensive network of service centres, dealerships and distributors across the country, including specific focus on rural network
- Deployed mobile or container workshops to provide on-site repairs
- Developed strong customer and stakeholder engagement, leading to stronger CVBU Brand NPS

Some of the key highlights for the PV section include:

- Improved CSI from 847 to 877 (Rank 2nd)
- Enhanced dealership network coverage, effective resource deployment and focus on product availability
- Enhanced brand appeal and NPS rating
- Achieved significant gains in quality through the World Class Quality (WCQ) initiative

JLR

- JLR created synergistic collaborations between its Customer Focussed Innovation (CFI) team, its Design and Marketing team and its Production team to make products that give its customers a premium experience throughout.
- The Company hosted its first-ever customer co-creation event, where the customers shared ideas for new products and experiences.
- It established a connect with customers on real-time basis through technology diagnostic platforms such as CloudCar and Connected Car.
- The Company sold 46,000 units of Velar since its launch in July 2017 and 9,000 units of E-PACE since last November. It is expecting to start customer deliveries for I-PACE and is building up an order bank.

Looking ahead

TML

- Strengthen dealership sales and service network by increasing the number of customer touchpoints
- Reinforce customer engagement activities such as Key Account Management and customer and dealer meets
- Develop and provide value-added features and services to its ever-increasing customer base using technologies such as connectivity, data analytics and Internet of Things (IoT)

JLR

- JLR strives for continuous improvement in customer services. Through the 'Customer First' transformation plan, the Company focusses on five strategic objectives:
 - Exceeding quality
 - Expectations
 - Delivering on time
 - Creating value for the company
 - Creating value for the customers and enabling and using people efficiently
- The Company aims for higher quality, keeping vehicle programmes on track and ensuring optimum use of resources to deliver an optimal experience to even more customers.
- The Company aims to provide products and services that customers desire, while trying to exceed customer expectations over time.
- JLR is currently operating in 129 countries with a global network of 1,571 retailers and plans to expand its retailer network to ~1,800 by FY23.

Our strategic framework

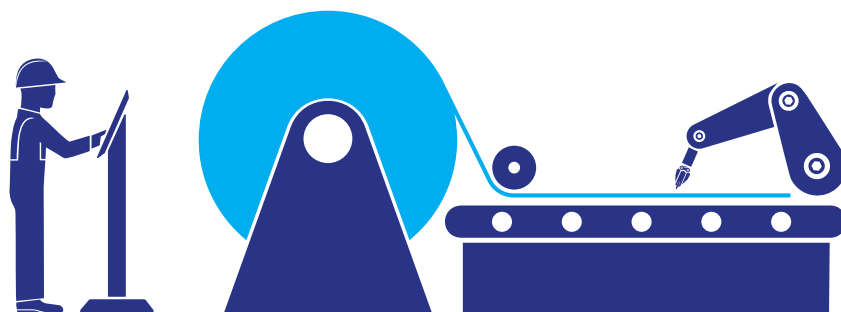
S5 Strategy 5

Organisational efficiency and cost management

Our objective

- To critically review and right-size the cost structure to deliver best-in-class products at competitive prices and maximise the returns on a continual basis

Key Capitals Deployed



Key initiatives and actions

TML

TML undertook multiple initiatives in FY18 to bring about higher efficiencies within the organisation.

Some of the key activities undertaken were:

- Intense cost reduction exercise across the product range through the Value Analysis Value Engineering (VAVE) approach
- Extensive benchmarking exercise with systematic deployment of initiatives such as the 'should-cost' approach
- Alternate sourcing, and commercial negotiation
- Critical review of internal resources, including the roll out of operational efficiency initiatives, productivity improvement initiatives and fixed-cost reduction measures
- Establishing a clear decision-making matrix and accountability within business units

JLR

JLR introduced certain initiatives to reduce product and business complexity (e.g. Modular Longitudinal Architecture (MLA)) to benefit from economies of scale and has established robust project management processes to ensure the set targets are met. Some of the initiatives are:

- JLR is investing in new state-of-the-art facilities designed for efficiency and quality with reduced development cycle times.
- It plans to leverage new product architecture commonality and scale efficiencies through Design for Assembly and Design for Logistics.
- It is growing its facility utilisation and energy efficiency with technology application and best practice maintenance systems.
- JLR is also enhancing its logistics infrastructure and systems for inbound supply chains and is developing outbound logistics using autonomous vehicle capabilities. The Company is sourcing globally to drive cost savings and improve flexibility and logistics e.g. in China, Hungary and Slovakia.

Looking ahead

TML

- TML will continue to focus on identifying areas of resource optimisation and reducing input costs.
- Initiatives such as margin improvement projects and cost reduction actions across locations and functions are continuing in FY19 to strengthen overall financials.

JLR

- JLR's Slovakia plant provides an opportunity to the Company for a relatively lower cost manufacturing location compared to the UK. It offers the opportunity for lower labour cost in the manufacturing facility and also better access to supply base. Global sourcing and supply base will drive cost savings and improve flexibility and logistics.
- JLR has been making tough and prudent choices on its investment plan to meet affordability criteria while remaining competitive and innovative.