

# Our way forward

To keep pace with the rapidly changing automobile industry and to prepare for what lies ahead, we expect that the investment needs will remain high, especially on account of ACES, BS VI and new products.

## Our EBIT target milestones

Between FY19 and FY21 (Post Product Development Cost Policy changes)			Long term
TML	3-5%		5-7%
JLR	4-7%		7-9%

## TML – On the path to connecting aspirations

At the core of TML's brand remains its driving ambition, 'Connecting Aspirations'.

TML aims to develop innovative products to excite customers. It understands the need for a connected ecosystem that it is developing for customers to integrate into their digital lives. Today's customers want their future vehicles to be more than just about four wheels that transport them from one point to another. With this aspiration in mind, TML plans to manufacture connected vehicles, which will provide access to a whole new world of experiences through a range of predictive and personalised services.

TML is also well-positioned to play its part in India's ambitious road to progress. The Government of India is geared to take the nation to the next level by building smart cities. TML is committed to give this aspiration the necessary impetus with its diverse set of products that will drive connectivity in the smart-city ecosystem. Being the only auto major with an end-to-end product portfolio from public transport to personal cars, from providing last-mile connectivity solutions to Bus Rapid Transit System (BRTS), from emergency response vehicles to commercial utility vehicles, from green mobility to smart and secure mobility solutions and vehicles designed to simply amplify the thrill of the drive, the Company shares a responsibility to seamlessly connect the smart cities.

While there are already 1,800+ touchpoints for CV as of today, TML aims to attain a target of 1,200 outlets for PV by 2020. The Company is also considering the possibility of introducing digital and virtual showrooms to make customer experience a more fruitful one.

## JLR – 'ACE'ing the future

Internationally, there is a shift from the internal combustion engine environment to one with autonomous, connected and electrified vehicles. In keeping with this change, JLR has set plans in motion towards giving customers the choice of deciding the degree of electrification in their vehicles from 2020. The customers will be able to choose from mild hybrids, plug-in hybrids and also BEVs. At present, the Company already has a plug-in hybrid option in the refreshed Range Rover and Range Rover Sport models.

While the strategy for electrified vehicles has been defined, there are challenges on the way. There are geopolitical issues, especially in Europe and the UK, and higher taxes on diesel, that may throw a spanner in the works. However, JLR is quite optimistic that with its premium, advanced vehicles, it can continue its profitable sustainable growth.

Further, the import duty in China has gone down by 10%, from 25% to 15%. JLR is hopeful that its consumers in China will benefit from the lower prices and the Company sees this as a big step towards the development of free trade and commerce.

With 12 nameplates in FY18, JLR projects its growth to 16 by FY24.