

## TML CEO and MD's Message

# Resilience and rebound in every step



**Mr. Guenter Butschek**  
CEO and Managing Director,  
Tata Motors Limited

### Dear Shareholders,

I hope this letter finds you well and in good health.

Financial Year 2020-21 will be remembered as the year of COVID-19. With lockdowns and large scale disruptions across the world, survival and wellbeing rightfully became the foremost priority.

Tata Motors too was severely impacted but we resolved to emerge stronger by improving our market, operational and financial performance – a tough ask that was diligently fulfilled.

We took immediate measures to keep our people safe and protect their health. In the absence of any prior blueprint to manage such a crisis, we designed a comprehensive Business Continuity Plan that was purposefully executed by empowered, local cross-functional teams. Our ecosystem inclusive approach to calibrate shutdown, restart and revival, enabled fast track recovery and delivered sequential quarter on quarter growth.

The ongoing second wave of the pandemic has once again resulted in multiple lockdowns in Q1FY 22. Experienced from the past year, we are implementing a holistic Business Agility

Plan to protect the interests of our business, customers, dealers and suppliers and to ensure a swift bounce back as the situation improves. Further, we are organising vaccination camps at our plants and offices for eligible employees and their family members to get conveniently vaccinated.

We used the pandemic to accelerate our transformation agenda for enhancing the organisation's agility and resilience to avail forthcoming opportunities:

**Redefining Mobility** – We used the mandate to migrate to BS VI norms to transcend beyond just emission compliance and set new paradigms of safety, design, quality, connectivity, comfort and performance in our vehicles.

**Optimising More for Less** – To offer more choice to customers, we successfully leveraged the power of modularity and commonalities to build scale, reduce complexity and costs, introduce more products in shorter time span, and improve overall engineering efficiency.

**Embracing 'Bridgital'** – With digital becoming the new language to engage with customers, a smart micro market strategy complementing a deft product strategy enabled better customer outreach and engagement.

In PV, the growing preference for our 'New Forever' range of cars and SUVs and rising popularity of EVs led the business to achieve its highest ever annual sales in 8-years. Further, the launch of the 'Altroz i-Turbo', the iconic 'Safari' in an all new avatar and other forthcoming vehicles endorses our commitment to enhance presence in the faster growing market segments.

The unveiling of an entire CV portfolio (SCV, ILCV and MHCV) with customised solutions to address industry specific applications announced our intent to redefine transportation. While the ultra-sleek 'T.Series' range established fresh benchmarks in urban and semi urban freight transportation, the 'Intra V30' launch set a new standard for last mile delivery amongst SCVs.

During this unprecedented fiscal, we delivered a healthy increase across key metrics – volume, revenue, cost reduction and profitability. Our intense efforts resulted in better than expected cash savings of ₹ 9,300 crore, positive free cash flows of ₹ 2,730 crore after interest and

improvement in EBIT margin by 370bps despite a weak first quarter.

As the future often demands a different approach from the past, we have a set of high impact programmes underway aligned with key trends shaping the auto industry of tomorrow.

**Future is Digital** – Building on the early successes and learnings, we are now ideally poised to take the big leap in our digital journey to transform customer experience and provide a range of solutions for the entire ecosystem.

**Future is Connected** – Spotting this trend early, we have successfully developed a proprietary Connected Vehicle Platform. This customisable, scalable and adaptable platform is being effectively deployed across our range of smart and connected vehicles. It has received acclaim from customers for providing meaningful insights and easy to use features.

**Future is Collaborative** – We are refreshing our culture fundamentals and institutionalising benefits of working in purpose driven cross functional teams to build trust and transparency. Advances in technology are enabling us collaborate seamlessly across the value chain to deliver richer experiences.

**Future is Green** – As the leader in the electric car market, we are focussed on accelerating the adoption, access and use of environment friendly EVs. We are equally committed to strengthening our presence in the electric commercial vehicle domain across segments.

With these programmes, we are well positioned for the times ahead. Our emphasis remains on enhancing sales momentum, growing market share, maintaining leadership in sustainable mobility and delivering cash accretive growth.

I take this opportunity to express my deepest appreciation for all my colleagues and their families for their inspiring contribution amidst this difficult time. I also thank you for your continuing trust, support and commitment to Tata Motors.

Best regards,

**Guenter Butschek**

Ramsau am Dachstein, Austria, May 18, 2021