



# Tata Motors Group

NCLT Convened Meeting |  
5 March 2021

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# Group performance highlights : Q3FY21

Despite pandemic related uncertainties and supply bottlenecks, expect to end FY21 on a strong note

## TML (S)

- Strong recovery trajectory continues in both CV and PV
- CV : Broad based demand recovery in MHCV and ILCV
- PV : “New Forever” range sales momentum continues with retails up 56% Y-o-Y
- Revenue up 35%, EBIT breakeven achieved
- FCF of ₹2.2KCr. Cost and cash savings of ₹5.1KCr delivered YTD
- Promoters exercised their warrants amounting to ₹2.6KCr in Jan 2021. Pro-forma liquidity at ₹8.2KCr

## JLR

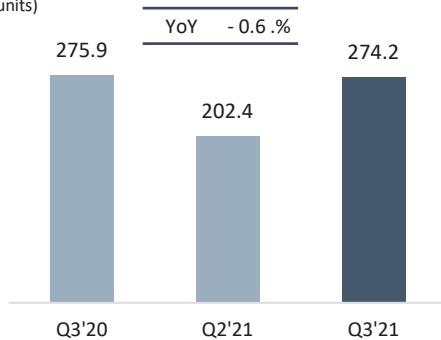
- QoQ recovery in all markets except UK where Q3 is seasonally lower. China up Y-o-Y
- Favourable mix and cost performance helped deliver £121 mn improvement in PBT Y-o-Y
- FCF of £562 mn, best-ever third quarter cash flow
- Charge+ continues to deliver with £2.2 bn of savings YTD
- Total liquidity at £6.4 billion

# Revenue ₹ 75.7KCr, PBT ₹ 4.2KCr, Auto FCF ₹ 7.9KCr

Strong all-round performance with EBITDA @ ₹ 11KCr (14.8%, +540bps)

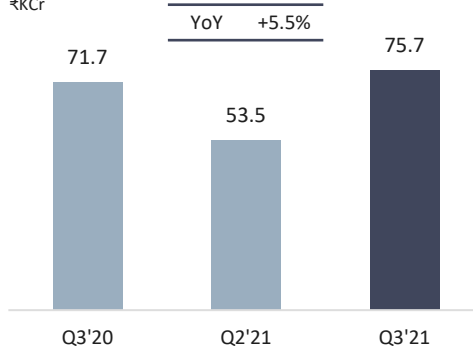
## Global Wholesales

(K units)



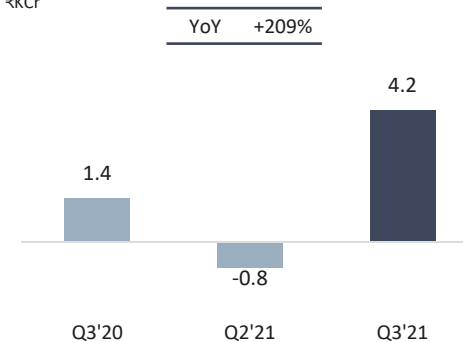
## Revenue

₹KCr



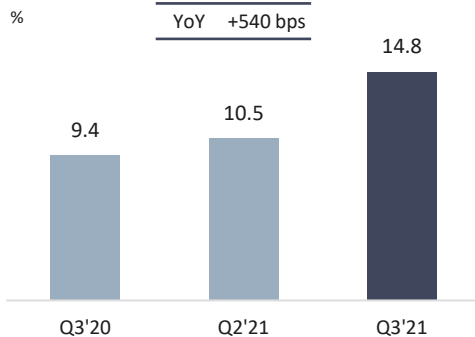
## PBT

₹KCr



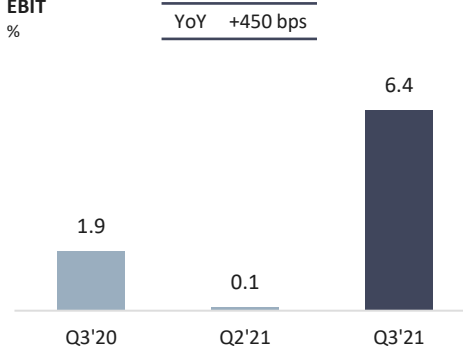
## EBITDA

%



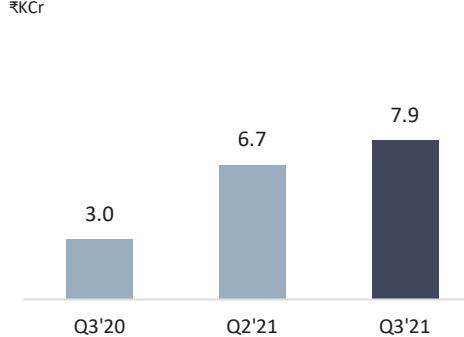
## EBIT

%



## FCF(Auto)

₹KCr

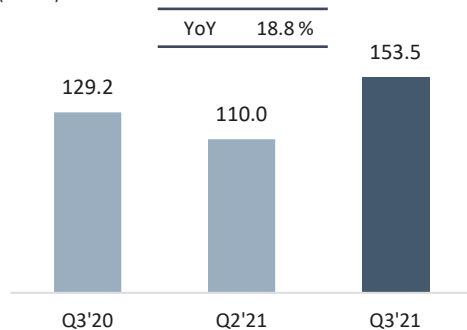


# Revenue ₹14.6 KCr; EBIT breakeven, PBT (0.6KCr), FCF ₹2.2 KCr

Sequential improvement in performance; Strong cash flows continue

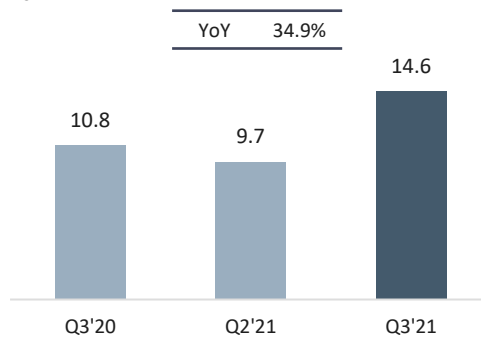
## Wholesales

(K units)



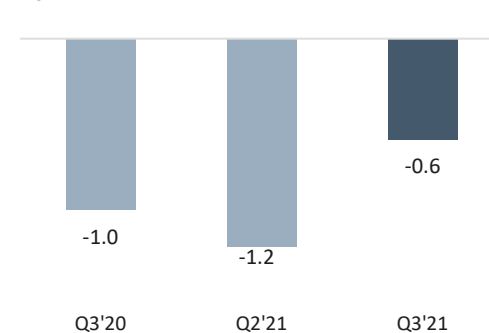
## Revenue

₹KCr



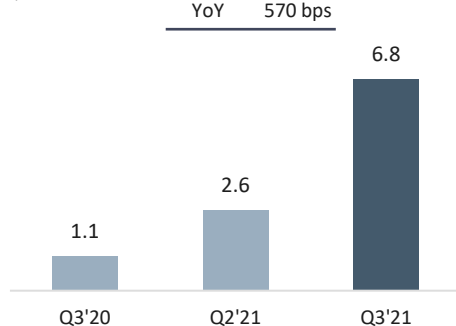
## PBT

₹KCr



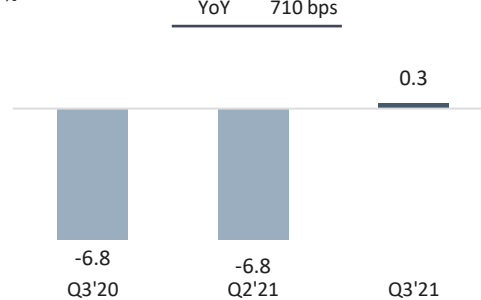
## EBITDA

%



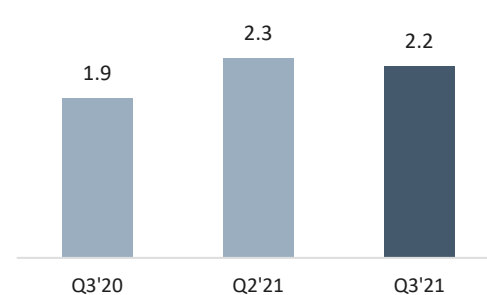
## EBIT

%



## FCF (after interest)

₹KCr



# Passenger Vehicles

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# Winning Sustainably in PV & Proactively in EV space

>10% market share in near term. Aim to be FCF positive by FY23



## Product Portfolio

- Forever New Range
- Design, Safety & Driving Pleasure
- 6 established nameplates and more to follow



## Brand

- Increase in Awareness, Consideration
- Increase in Net Promoter Scores



## Reimagining Front-End

- Superior customer experience
- Profitable dealer network
- Micromarket specific sales & network plan



## Manufacturing & Quality Leadership

- Agile manufacturing network
- Quality leadership



## Structural Margin Improvements

- Superior mix, Non vehicular revenue
- Scale benefits
- Cost benefits from modularity, localization

## PV Business Subsidiarization

- Helps bring differentiated and enhanced management focus
- Flexibility in securing long term alliances in future

# Refreshed portfolio with “New Forever” Range of products **TATA MOTORS**

New age IMPACT-ful design. Built on 2 architectures driving scale and differentiation

Connecting Aspirations

**ARC**  
Agile Light Flexible  
Advanced

**Ω ARC**  
Optimal Modular Efficient  
Global Advanced



Impact Design 2.0

DESIGN

4 Star & 5 Star GNCAP

SAFETY

Unparalleled Driving Pleasure

DRIVING PLEASURE

2 New Architecture & well differentiated offerings across categories

# Establishing itself as a leader in EV market

Both Nexon EV and Tigor EV are highest selling vehicles in respective segments

## Product Launches

**Nexon EV** launched in Jan '20 with cert. range of 312 km

- #1 EV in India with 3000 happy customers
- Won EESL tender for 150 EVs

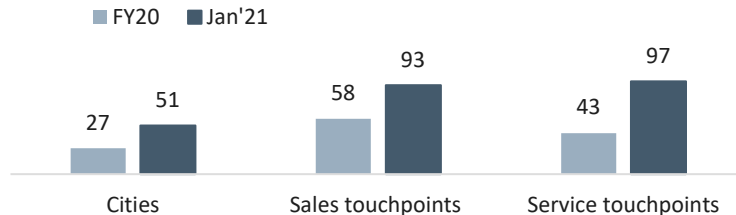


**Tigor ER EV** launched in Sep '19 with cert. range increase from 140 km to 213 kms

- #1 EV for fleet segment



## Network



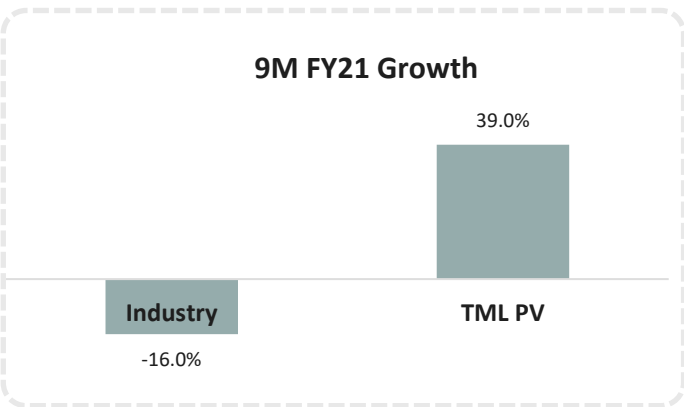
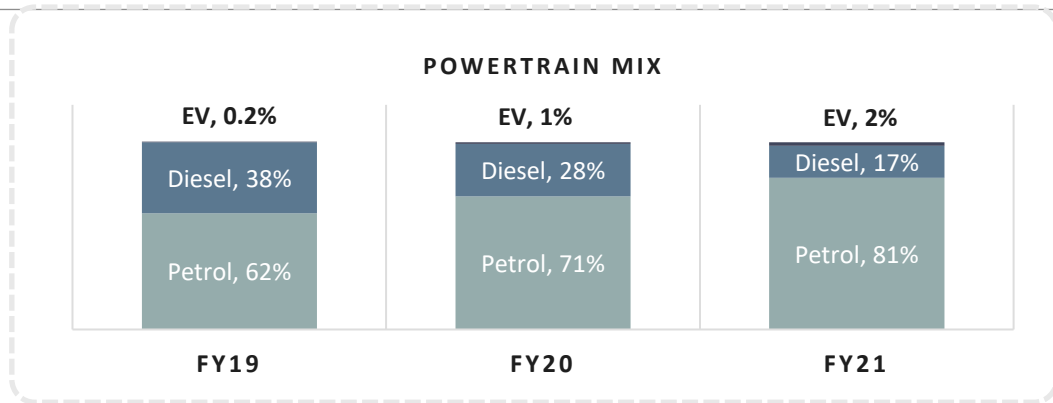
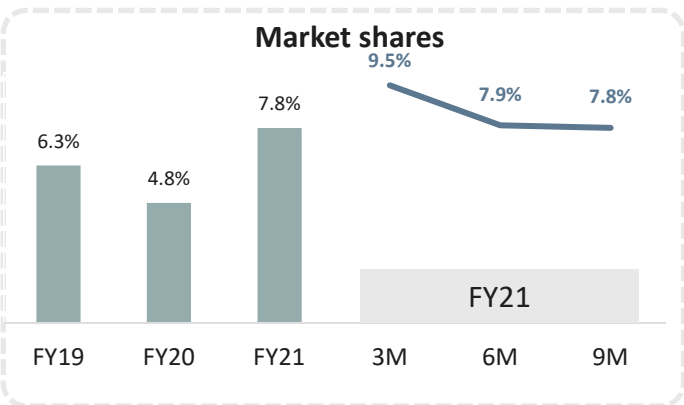
- **Largest EV Ready network** in India
- **Dedicated EV Product Specialists** (graduates) stationed at dealerships to provide **better customer service**
- **Micro market** activation strategy

**Tata Group EV ecosystem collaboration is progressing; supporting phased localization and charging infrastructure penetration**



# PV: Strong improvement in market shares

“New Forever” Range and focus on “Reimagining PV” yielding results



- Tiago, Tigor, Altroz and Nexon in Top 10 vehicles in respective segments
- Harrier continues to pick up momentum: +113% growth in average monthly sales in Q3FY21 vs. average monthly sales of FY20
- Altroz, India’s safest hatchback, established a strong presence in the premium hatchback segment.
- Nexon EV driving EV industry growth; crosses 2500 sales milestone since launch; it contributed to 64% of EV industry volume in 9M

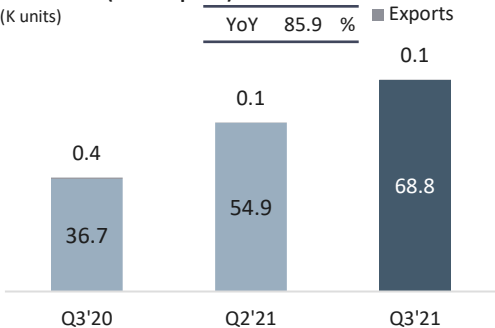
# Volumes 68.9K (86%), Revenue ₹ 5KCr (79%)

EBITDA 3.8% (+780bps) – Contribution margins, mix and operating leverage offset by commodity inflation

### Wholesales (incl. exports)

(K units)

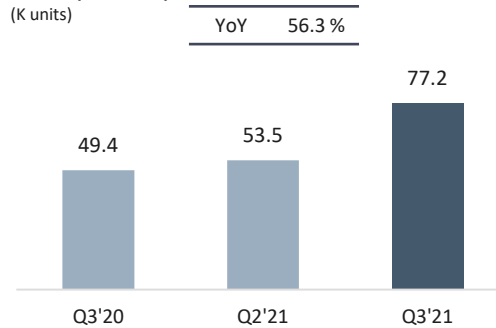
YoY 85.9 %



### Retails (domestic)

(K units)

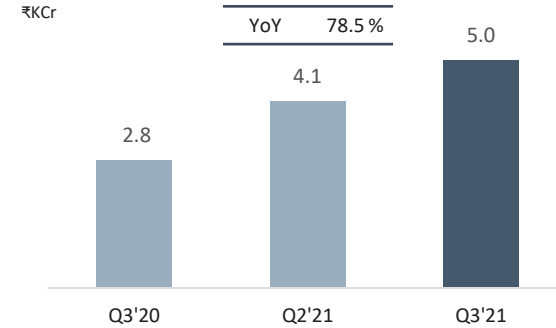
YoY 56.3 %



### Revenue

₹KCr

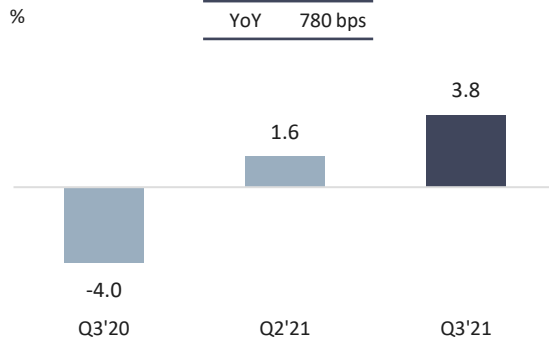
YoY 78.5 %



### EBITDA

%

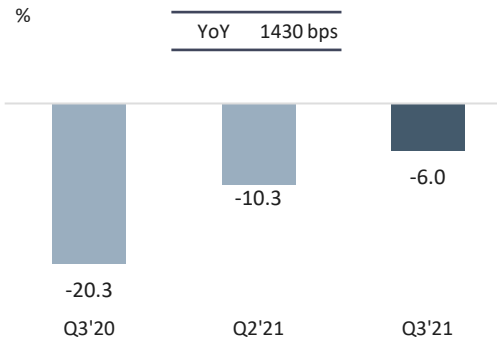
YoY 780 bps



### EBIT

%

YoY 1430 bps



# Subsidiarization of PV Business

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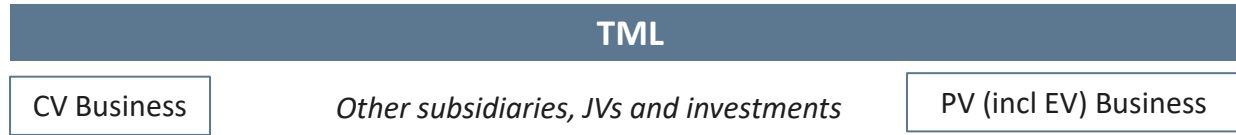
**TATA MOTORS**  
Connecting Aspirations



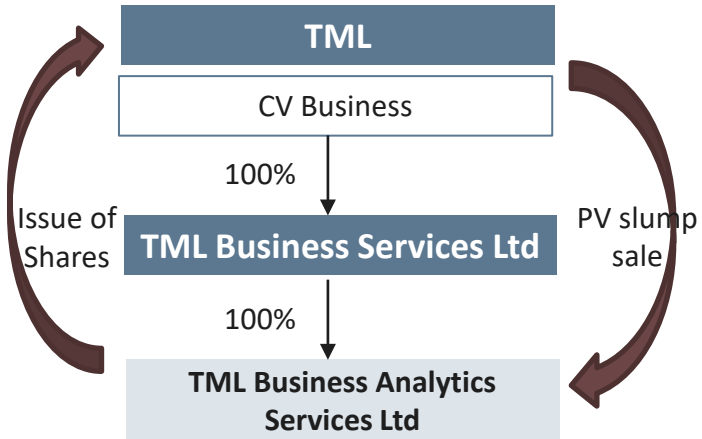
# Transaction structure

Slump sale on a going concern basis undertaken through a NCLT scheme of arrangement

## Schematic representation of transaction structure

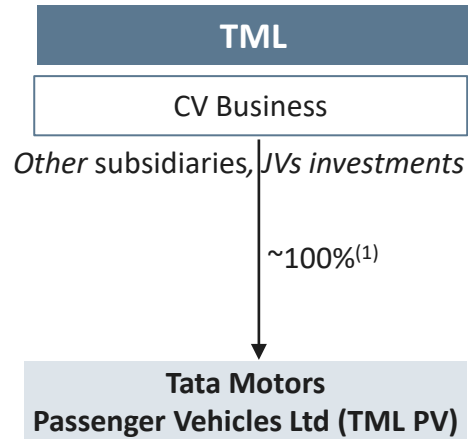


### Slump Sale Transaction



Note (1): Nominal stake to be held by TML Business Services Ltd

### Final Structure



To include 100% stake in Trilix, TMETC

- TML to continue to hold 100% in PV business post slump sale
- Consideration for slump sale in form of equity shares
- Scheme also involves reduction of share premium account. Non cash accounting adjustment for better representation of financials

# Salient features of the scheme

Ensures that new entity formed is fully functional on a standalone basis. Synergies with TML to be maintained

Terms	Particulars
<b>Factories &amp; Other Assets</b>	<ul style="list-style-type: none"><li>• All land, factories pertaining to PV business (Sanand, Pune)</li><li>• Few other real estate properties, corporate offices</li><li>• All other relevant assets to PV business incl. plant &amp; machinery, intangibles, working capital</li></ul>
<b>Intellectual Property</b>	<ul style="list-style-type: none"><li>• IP relevant to PV business (incl vehicles, powertrains, platforms, patents, trademarks)</li><li>• Access to common IP to be ensured for both the entities</li></ul>
<b>Employees</b>	<ul style="list-style-type: none"><li>• Frontline employees related to PV to move to new entity</li><li>• Existing TML ESOP Scheme shall continue to be in force for the transferred employees</li><li>• Central functions to continue with TML to ensure cost synergies are maintained</li></ul>
<b>Existing Debt</b>	<ul style="list-style-type: none"><li>• All existing debt (other than Govt of Gujarat loan) to continue with TML</li><li>• PV entity to separately plan for its working capital facilities</li></ul>
<b>Others Liabilities</b>	<ul style="list-style-type: none"><li>• All relevant PV contracts, warranties, customer claims, employee liabilities</li><li>• All claims related to PV business arising in ordinary course of business</li></ul>

Note: For further details please refer "Scheme of Arrangement between TML and TBASL" on TML IR page

# PV business valuation for slump sale

Consideration to be settled in the form of issue of shares of TBASL. No impact on TML shareholders

- Subsidiarization is an internal restructuring and does not have any economic impact for TML shareholders
- Capital reduction does have any impact on TML shareholding or having any adverse impact on TML creditors

Valuation Approach	PV Undertaking		TBASL	
	Value (INR crores)	Weight	Value (INR / share)	Weight
Asset Approach - Net asset value method*	8,590	0%	NA	
Income Approach - Discounted Cashflows Method	8,828	50%	NA	
Market approach - Comparable Companies' Multiples Method	10,006	50%	NA	
<b>Value</b>	<b>9,417</b>		<b>10.0 per share</b>	

## Key Advisors

Valuation Report

**SRBC & COLLP**  
Chartered Accountants



Fairness Opinion



Legal Advisors



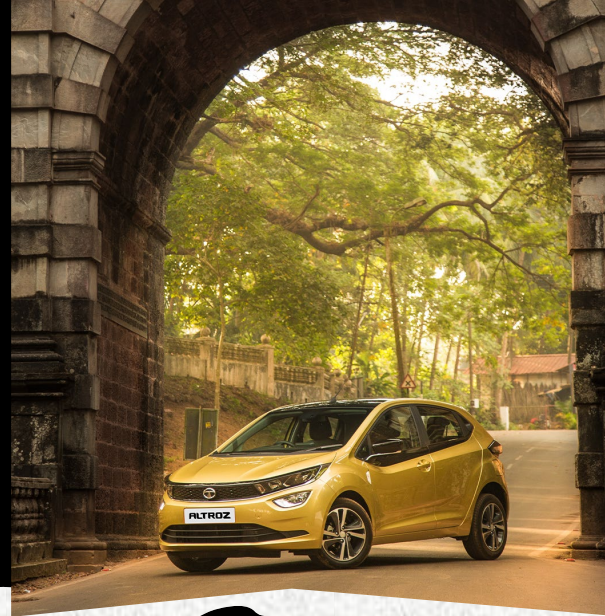
# Current status

Substantial progress already made. Target to achieve closure by June 2021 post final NCLT approval

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- NOC from stock exchanges received
- NCLT order for meeting of TML shareholders and secured creditors on 5<sup>th</sup> March 2021 for approval of scheme with requisite majority
- Provisional NOC received from respective nodal agencies for transfer of factory land in Pune (K-Block, J1-8 Block)
- Discussions with other state agencies in Gujarat and Maharashtra in progress for other approvals
- Other statutory approvals with respect to factory establishment to be done near final NCLT order

**Teams formed to track all internal dependencies in parallel to NCLT process to ensure smooth transition of PV business at closing**



**Thank You**

**NCLT Convened Meeting |  
5 March 2021**

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