

**Latha: If you can give us some more colour and nuance on the Jaguar Land Rover (JLR) sales especially Jaguar sales which have really been taking the market by surprise. How are the global sales looking and likely to look?**

**A:** I think it is good news; festival season has been good for Tata Motors as well as JLR. Coming particularly to Indian market, I think last few months have been extremely good for us and we're ready to go build upon this.

**Anuj: Jaguar sales in particular have done remarkably well and some of the new launches like the F-Pace but there is a bit of a slowing momentum in Land Rover. Would you be worried about that?**

**A:** I don't think; these are temporary hiccups. We are on course to achieve our business plan and very confident about that globally.

**Latha: Let me come to the festive season itself, how are things shaping up on the ground? We saw some strong auto sales numbers being announced by companies, is it just stocking, are your dealers telling you that there is much better demand?**

**A:** No, it is not just stocking, they are some real hardcore numbers. If you see last month, the industry grew by around 20 percent plus and this was on back of huge uptick in the showroom footfalls. In fact, the festive season starts with Onam in South, in Kerala and particularly in South, in Kerala Onam was extremely good. Compared to last year if I compare, there is growth of almost 30 percent over last year. In fact, we grew by more than 100 percent in Onam. So, I think that is a good sign.

Overall if you see in the market also, in the festive season or in the first six months, the growth has been significant but this should be compared with the fact that last three years have been extremely muted; there was no growth. However, this year first quarter industry grew by around 7 percent; I would say modest growth. Second quarter which really took off and the growth was 17 percent. So, the first half was 12.1 percent industry growth and this growth is I think very interestingly coming from very specific segments of the passenger car. While hatch segment is growing, it has grown significantly; the sedan segment for the first time in last seven to eight years has seen a significant decline of around 14 percent. However, the mother of all segments is the utility vehicle (UV) segment which has grown by almost 40 percent; that is about segmental break and as a result industry has grown by 12 percent.

Going forward I think the festive season which is going on, initial results which I got for Navratri is very encouraging. Across the country where Navratri creates an impact, we have got a very positive impact. I would say that most manufacturers would have experienced the similar thing. After a long time good news and next question will be why this growth; I would say that all the drivers are actually placed positively. Interest rates are among the lowest in last many years, fuel prices are also very modest and not expected to be going anywhere up sharply for some time and overall sentiments are good. So, there you have the market growth.

**Anuj: The UV segment has done well in India and we have seen a lot of new launches. From Tata Motors table do we see any launches in the compact SUV for example which has been the fastest growing space, do you have some launches here?**

**A:** You will have to wait for some more time; I think we have some more time before we launch a compact SUV but good news is we will be launching another UV very shortly called the Hexa. I think in the month of January we will be introducing our new flagship car called Hexa which is a sensational car and we previewed it at Auto Motor Show. Earlier we had shown at Geneva Motor Show also and the response was extremely encouraging. However, compact UV will take some time.

**Latha: How will margins shape up, the steel prices first because of a government supported import price barrier and now because of actual rise in commodity prices globally have gotten expensive, will you be able to push higher prices?**

**A:** I think the first endeavor whenever something like this happens is to absorb as much as you can internally through various means like productive improvement, cost reduction but beyond a point naturally we need to pass it on. The increase we did on October 1, this month but that was not enough, we will have to see it going forward more.

**Latha: You would largely expect your margins in FY17 to be similar to FY16 or even better?**

**A:** Let us leave it to end of the year. Our endeavor will be at least to hold on to last year's level.

**Anuj: A technical question because a lot of people want to know how is the pound depreciation impacted your numbers overall, both your numbers in terms of sales and your margin numbers?**

**A:** As of now modest. I would not quantify it but only modest in fact.

**Anuj: Do you see this as a trigger going forward if the pound continues to get pounded?**

**A:** Obviously it is a trigger, nobody can deny that. Exchange rate risk is a big risk. Like every company, everybody takes a mitigation plan for that in anticipation.

**Latha: Does it hurt you?**

**A:** Let us hope not. Don't pin me down on that.

**Latha: Not pinning you down, it is just for Tata Steel\_ for instance it is positive, for you the impact would be a little negative, is that?**

**A:** I will not comment on that as of now.

**Latha: For the longest time we have been waiting for a v-shaped outbreak in revenue performances. Do you think FY17 is that year?**

**A:** I think we should see significant improvement. As I said, in especially domestic market, already I am showing you good improvement. Last quarter we grew by 24 percent against industry of 17 percent. I expect Q3 should be a significant improvement over year-on-year (YoY) last year so that should continue. For a long time we had hiatus and no new products had come in market from our side and now increasingly with more and more entries we will increase.

If I talk about domestic market, we cover only 60 percent of market, we call it addressable market, we are only in 60 percent of the market. Going forward, year after year, we will start covering rest of the market; that naturally gives us a huge growth in the market. 40 percent market is yet to be owned by us. Interestingly, last month we were the third largest passenger car company that is excluding UVs we were the third largest passenger car company in the country which is quite encouraging for us.

**Anuj: What is JLR getting right in the US because for the last two months we have had scenarios where the overall market has gone down but JLR sales have looked good, in August in particular I**

**think the overall sales were down for the industry but JLR sales went up 40 percent, what is going right -- is it product mix, is it something else?**

**A:** It is a very simple question, we are very good, our products extremely good and customers find favour with it.

**Anuj: Mahindra and Mahindra (M&M) announced a tie-up with Ola and that market is growing. Do you have some plans to announce any kind of tie-up, the likes of Uber or Ola for domestic market?**

**A:** We had a tie-up much earlier than the other company you mentioned. We had tied up in May itself and it is not only Tata Motors, it is very comprehensive with Tata Motors, Tata Capital, Tata Motors Finance and together we have formed an agreement long back. Yesterday only I reviewed the numbers; we are growing with Uber as well as Ola with almost 100 percent over last year. So, we already have an agreement much earlier than Mahindra.

**Latha: In a few months it will be winter again in Delhi and we have got this huge movement now for more energy efficient cars and the governments, various state governments coming heavily on pollution as a result of autos. Is that movement going to dull auto sales at all?**

**A:** I don't think. Whatever is good for India is good for auto industry also. I am very convinced about it and auto industries definitely will comply with whatever norms are there. I don't think throughout the world, especially also in India, auto companies are known to take steps in accordance with whatever is required to make air cleaner. Indian industry adopted euro norms quickly, government has now preponed euro VI norm to 2020 and I am sure industry will deliver on that. So, again I will say whatever is good for India is good for industry also.

**Latha: What are the driving factors for upsurge in Tiago's sale?**

**A:** We launched Tiago on 6th April and ever since, months after months, it is continuously increasing, we just have more than 50,000 bookings. Every month, the number we are touching is around 5,000 and as I said, 50,000 bookings, the waiting period on particular variants, is more than four months.

Young families are coming to buy this and word of mouth on this car is very big. When we collect feedback, what is the trigger for buying Tiago, the main trigger is its sheer design. It gives us huge reassurance that our impact design philosophy, which we started, is getting accepted big time.

Our dream is that we should have a car which even a customer can recognise from a distance of 100 metres. That is the significant departure from our earlier design philosophy.

**Latha: Do you expect this festive season to be better than the last one?**

**A:** See, the first festival has already happened which was Onam in South, the festivity start from that. Industry sales have increased around 30-40% over last year which is significant. Second festival is Navratri which is going on. Our initial signs look very encouraging. Last month, the industry grew by almost 20% plus which was a good sign after a long time. After three-four years, we are seeing some big pull.

I think reasons are very obvious, one is of course festivity has brought in good moods, also if you see interest rates are among the lowest for last so many years. Also very importantly, the credit availability is not an issue, it is available, if you apply for a loan, you get it and finally the fuel prices are also among

the lowest and not expected to go up in short time. So all this together make a very good case for growth of the auto industry.

**Anuj: What are the kind of growth numbers you are looking during the festive season?**

**A:** Let us just see first how the first six months have panned out - industry grew by 7% in first quarter, we grew by around 8%. Industry grew by around 17% in Second quarter, we have grown by 24% and going forward I think similar momentum should continue.

**Anuj: What kind of expectations do you have from the industry in the festive season?**

**A:** Industry should show a decent double digit growth. October is a very important month for almost all festivals are in there. I think 15% to 20% growth should be there in the industry.

**Latha: Tiago is already doing well. By when can the customers really see the Hexa launch?**

**A:** Today, Tata Motors is present in only 60% of the market, 40% is where we are not present. So, that means the addressable market for us is that 60%. It is very natural that going forward in future, we will add more and more orders to increase our addressable market. Hexa will be one similar step. Hexa will be our display of impact design philosophy which is to engage customers, to excite customers and excel in whatever we do. Hexa, we will be launching last quarter of this year, the first quarter of the calendar year -- Jan, Feb, March. So I think January is what we are looking for.

**Anuj: When you launched Tiago, competitive pricing was kept in mind. Will we see this aggressive pricing across models going ahead in Tata Motors?**

**A:** I think on generalising pricing strata, it is horses for the courses. It depends on what are the market situation at that time. It depends on what is the relative positioning of other competitors, where you want to enter. So, it is a mix of all this marketing mix that helps you in deciding prices. So, you cannot generalize that this is the pricing philosophy.

**Latha: Have you seen any shift in the perception about the brand Tata Motors and what are the other things you are doing except on the product side to work on the sales and service to engage the customer?**

**A:** See brand is a promise. It is just not advertising. It is a promise of excellence in every aspect of whatever you do. So, we are working on all the aspects. We are also working on how do you really enhance the experience of a customer when he comes to your shop so a lot of work is being done on that front. What experience a customer gets in when they go to the workshop to repair the car and how is the quality of the car, also matters. So, we are working on all these fronts to enhance and transform our brand into a different level.

**Latha: What are the kind of market share you are aiming at, say in the next couple of years?**

**A:** As I just mentioned a short while ago, we are present in only less than 60% of the market. So, naturally any entry into other product, any segment will give us additional market share. We saw that with the entry of Tiago, the market share started looking up immediately.