

Tailwinds in Tata Motors' drive to profitability

Growing global and domestic demand, better semiconductor chip supplies, and successful product launches are powering the automotive manufacturer's ride out of losses

DEEPAK PATEL
New Delhi, 3 February

After seven tough quarters, Tata Motors is back on the road to profitability with the opening of global markets after the Covid-19 pandemic, an improvement in the supply of semiconductor chips, softening commodity prices, a revamp of the brand identity, and the launch of a series of successful products.

The company posted its first net profit — after seven quarters — of ₹3,043 crore in the third quarter of 2022-23 (Q3FY23) against a net loss of ₹1,451 crore in Q3 of FY22. About 67 per cent of Tata Motors' revenues comes from its subsidiary Jaguar Land Rover (JLR) that is known for its top-end vehicles. JLR's global retail sales jumped from 80,126 units in Q3FY22 to 84,827 units in Q3FY23.

"We did significantly improve our deliveries of MLA (Modular Longitudinal Architecture) units Range Rover and Range Rover Sport. They principally get targeted to North America and to China. North America was actually up 34 per cent quarter-over-quarter, and China was lower because of the Covid shutdowns," Adrian Mardell, interim CEO, JLR, said during Q3 results call.

Things are looking brighter for JLR after China lifted strict lockdown controls in December 2022 following internal protests. "The actual uplift in China in the first three weeks of January is very strong. As those dealer outlets have opened, of course, the dealers have an appetite to take those units, and they're moving very, very quickly. And that will be our anticipation post (Chinese) New Year also," Mardell noted, adding that one of JLR's major priorities now is to "continue to secure chip supplies" through strategic tie-ups.

JLR's order book stands at record 215,000 units in Q3FY23 against 205,000 in Q3FY22, said Prabhudas Lilladher in its research note, adding that the 74 per cent of the current order book is for its new models like Range Rover, Range Rover Sport and Defender. "Production for these models is expected to increase in Q4 as well, as semiconductor supplies have improved," the note added.

Ravi Bhatia, president of automotive consultancy firm Jato Dynamics, told *Business Standard* that in the recent past, Covid was holding back JLR's business and the company has now benefitted from the opening up of the global economy. "Rich people became richer, so JLR benefitted as well," Bhatia said.

Meanwhile, parent company Tata Motors' passenger vehicle (PV) and electric vehicle (EV) divisions launched five new models in the last two years and they have turned out to be successful (see table).

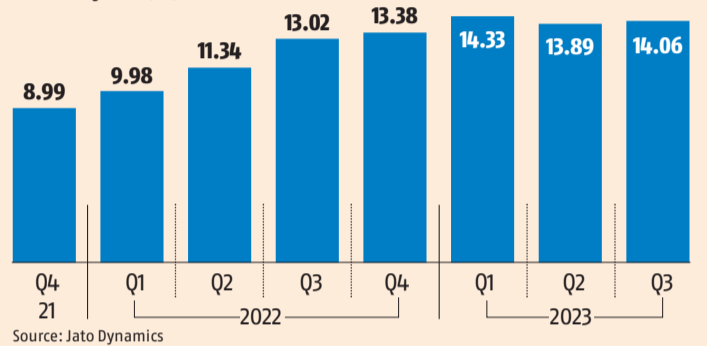
Shailesh Chandra, managing director of the PV and EV divisions, told *Business Standard* that "strong growth" has been witnessed on the back of strong consumer connect, agile working to deal with semi-conductor crisis, and a holistic portfolio that is being appreciated for its high standards of safety, stylish design and modern features.

Bhatia said that Tata Motors has very effectively changed the perception of its brand. "Today, it is considered a premium brand to have as compared to the earlier days of Indica and others," he added.

Secondly, Tata Motors effectively ran a campaign on safety and took a lead position on that issue. "When there was a perception of the Indian car market generally lacking in safety, they took a hard position on it and



POLE POSITION
How Tata Motors' share in the Indian PV market has increased over the last two years (%)



sent their cars to get NCAP (New Car Assessment Programme) certification. Today, if you talk to anyone about safe cars, they will name Tata Motors," Bhatia added.

The company's pole position in the SUV segment — which is seeing the highest growth among all segments — and the electric car segment — which is also seeing substantial growth — has also been a factor behind its turnaround.

All of this happened in FY23. In the

first half of FY22, the company was number five in the utility vehicle (UV) segment, behind other major players such as Maruti, Hyundai, Mahindra & Mahindra and Kia. However, Tata Motors' UV sales jumped by 144 per cent to 181,481 units in the first half of FY23, making it the number one player in this segment. In electric cars, the company is the dominant player with about 85 per cent market share.

At the recently-concluded Auto Expo 2023, Tata Motors unveiled var-

ious PV and EV, which it would be launching in the next few years. Chandra said, "The Curvv (SUV) expected to enter the market first will be backed by our multiple powertrain strategy while the AVINYA (SUV) will be a pure EV, which depicts our interpretation of the future of mobility."

To be sure, competition in these growing segments (EV plus SUV) will rev up too. Maruti will launch its first EV, which will be an SUV called eVX in FY24. Overall, India's largest car-maker will roll out six EVs in the country by FY30, its parent firm Suzuki said last month. Bhatia said Tata Motors' position in EV and SUV segments might change as Maruti and other brands also enter into the e-SUV segment.

Tata Motors produced 293,822 commercial vehicles (CVs) in April-December period last year against 246,515 units in the corresponding period of 2021. Tata Motors' Executive Director Girish Wagh — who looks after the company's CV division — said a strong focus on infrastructure spending by the government is expected to improve demand across segments and applications in the CV industry. The scrappage policy is also expected to be critical for the entire CV business, he said, adding that the company's after-sales service is also a deciding factor for customers while choosing the company's CVs.

"Critical sectors including e-commerce, FMCG, FMCD, construction, mining, steel and cement will continue to drive demand in the M&HCV (medium & heavy commercial vehicles) and I&LCV (intermediate and light commercial vehicle) segments. Similarly, the SCV (small commercial vehicles) segment is expected to grow on the back of resilient demand from the agriculture, dairy and e-commerce sectors. We expect a recovery for passenger CVs, with the reopening of offices and schools and increased activity in the tourism sector," Wagh added.

Overall, the company's march towards profits in the coming quarters has more tailwinds than headwinds, according to sector analysts.

In its research note, JM Financial said, "Softening raw material costs and operating leverage are expected to support margins going forward. Strong free cash flow generation is expected to support higher investments towards electrification at JLR," it noted.

"Tata Motors' EV portfolio is leading the domestic EV space. Improving margins for both domestic CV and PV segments augurs well for the overall profitability of the company," it added.

'Our new mantra is to bring back growth'

Nasdaq-listed IT services firm Cognizant lost market share to rivals in the recent past. But that seems to be changing as Ravi Kumar S takes over as chief executive officer. RAJESH NAMBIAR, chairman and managing director, Cognizant India, says the new CEO has set a target of meeting 100 clients in 100 days. In an interview, Nambiar tells Shivani Shinde about the company's fourth quarter (Q4) performance. Edited excerpts:

The Q1 revenue guidance indicated a contraction, and you have not provided guidance for the full year. What is the reason behind this?

Our Q1 outlook is based on booking momentum — we do not see many of these deals materialising in Q1 and that is the reason for the broad outlook, plus there will be a negative impact of the currency of around 150 basis points (bps). The guidance also factors in the global macroeconomic uncertainties. Though it isn't huge, we do see some impact on discretionary spending.

We have not provided full-year guidance as Ravi has just taken over, and it will take him some time to see what the company does. The full-year guidance will come with the next results we file in May.

This is the first quarter of the new CEO, what are the big priorities?

It has been just about three weeks since Ravi came on board, and the company is recalibrating itself to a growth mindset. The four pillars of our strategy remain unchanged — accelerating digital, globalising Cognizant, increasing our relevance to clients, and repositioning our brand.

Ravi has chalked out three focus areas: Cognizant as employer of choice, winning large deals, and enhancing our



operational discipline. Our new mantra is bringing back growth.

Ravi will be in India by the end of February and he is engaging with clients. He has said he will meet 100 clients in 100 days and that process has started.



RAJESH NAMBIAR
CMD, Cognizant India

How is Cognizant making sure that it can win large deals?

If you go back a year and see where we are today, we are better equipped to manage large deals. And we have added advanced solution capabilities, programme and project management capabilities. Winning a deal is one aspect, making sure that we are able to execute it profitably is also important. Last week, we announced a 10-year \$1 billion renewal deal with CoreLogic. This type of deal will demonstrate the confidence our clients have in our capabilities.

Read full interview on [business-standard.com](https://www.business-standard.com)

Canara Bank
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SALE NOTICE
Canara Bank invites offer from Public for Sale of its two immovable properties at Bengaluru.

Sl.No.	Property details	Reserve Price (in lakhs)
1	115, Second Stage, West of Chord Road, Rajajinagar, Bengaluru, Karnataka.	₹ 898.40
2	House No: 521, Dollars Colony, RMV 2nd Stage, Bengaluru, Karnataka.	₹ 842.40

For more details, visit Bank website www.canarabank.com, CPP Portal www.eprocure.gov.in and Mis e procurement technology limited portal <https://canarabank.auctiontng.net>.
Last date of submission 20.02.2023
All addendum/corrigendum including modifications if any shall be published in the website only.
Date: 04.02.2023
DIVISIONAL MANAGER

Linc Limited
(Formerly known as Linc Pen & Plastics Limited)
CIN:L36991WB1994PLC065583

Regd. Off: Aurora Water Front, 18th Floor, GN-34/1, Saltlake, Sector-V, Kolkata - 700 091.
Phone: 033-6826 2100 E-mail: investors@lincpen.com, Website: www.lincpen.com

EXTRACT FROM THE STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER, 2022 (Rs. in Lakhs)

Sl. No.	Particulars	Quarter ended 31.12.22	Nine months ended 31.12.22	Quarter ended 31.12.21
1.	Total Income from Operations	12,495.11	35,203.25	9,575.15
2.	Net Profit/(Loss) for the period (before Tax, Exceptional Items)	1,490.41	3,350.56	368.77
3.	Net Profit/(Loss) for the period before Tax	1,490.41	3,350.56	368.77
4.	Net Profit/(Loss) for the period after tax (after Exceptional Items)	1,113.12	2,506.82	278.56
5.	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	1,113.48	2,507.90	276.67
6.	Equity Share Capital	1,487.23	1,487.23	1,487.23
7.	Other Equity (as on 31st March, 2022)		12,798.20	
8.	Earnings per Share (of Rs.10/- each)			
	(a). Basic :	7.49	16.86	1.87
	(b). Diluted :	7.49	16.86	1.87

NOTE:
The above is an extract of the detailed format of the Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites - www.nseindia.com, www.bseindia.com and on the Company's website - www.lincpen.com. For and on behalf of the Board

Place : Kolkata
Date : 3rd February, 2023
Deepak Jalan
Managing Director

TATA POWER
(Corporate Contracts Department)
The Tata Power Company Limited, 2nd Floor, Sahar Receiving Station, Sahar Airport Road, Andheri East, Mumbai-400059
(Board Line: 022-67173188) CIN: L28920MH1919PLC000567

NOTICE INVITING TENDER (NIT)
Tata Power Company Limited invites Expression of Interest (EOI) from eligible vendors for the following packages:
a. Outline agreement of one year for procurement of Laptops with Base Model 900 No. & High End model 200 No. (Package Reference: CC23DM011)
b. Outline agreement of one year for procurement of 100 No. Desktops (Package Reference: CC23DM012)
For detailed tender documents (incl. procedure for Tender participation), please visit Tender section on website <https://www.tatapower.com>. Last date for Bid submission (through E-tender system) is 26th Feb 2023, 1500 Hrs. The link from Tata Power e-Tender system shall be shared with participating bidders only & all future communication will be done thru the E-tender system only.

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