

CHAIRMAN'S MESSAGE

Dear Shareholders,

The global economic situation showed signs of strengthening, with US economy speeding up, but the environment in the Eurozone remained weak with some early signs of improvement. GDP growth in China and India were low as compared to the high growth rates in the past. However, both these economies continue to hold a great promise for leading global growth in future.

The global auto industry recorded a surge in sales with impressive growth, riding on the back of strong demand in the world's top two automobile markets – China and the United States. The automotive industry in the US came back to strength from the poor period of recession, supported by low interest rates and improving consumer sentiment. Sales in China- the world's largest auto market since 2009- also crossed the 20 million cars mark. Pressure on local carmakers built up, as foreign automakers stepped up their investments in China. Europe did show some early signs of recovery, but with high levels of unemployment continuing to prevail in southern Europe, a clear turnaround was not visible. Consumer behavior in that region remains cautious.



CYRUS P MISTRY

Chairman

On the product front, the company showcased several impressive new products at the Auto Expo '14, with a lineup that included Tata Bolt and Tata Zest, due to be launched in the coming months. Both the products have created high levels of excitement among the potential customers.

INDIAN AUTO INDUSTRY AND TATA MOTORS

India's GDP growth continued to be below 5% and Industrial growth remained in negative territory. Consequently, the Indian auto industry witnessed a decline in both passenger vehicles and in commercial vehicles segment by 4.7% and 22.4% respectively. For most of last year, the economy was hamstrung by rising inflation and high interest rates, leading to relatively low consumer interest in buying new vehicles, and, in many cases, postponement of purchase. In the later part of the year, reduction in excise duty and partial lifting of mining bans did help in recovery of sentiment, but only to a limited extent. High delinquencies in vehicle financing led to tightening of lending norms by financiers, which badly impacted the sales of small commercial vehicles and passenger cars.

Tata Motors domestic business, in this tough environment, lost market share in both commercial vehicles and passenger vehicles business. While the competition in both the segments remained quite aggressive with almost all the players resorting to huge discounting, Tata Motors' approach was cautious and responsible. As integral part of this approach, the Company focused on keeping

To ensure long-term competitiveness of Tata Motors, the company also took several steps under the Horizonext strategy- new products, quality improvement and enhancement of the consumer experience- that will help improve sustainable profitability of the business in long-term. The company has steadily progressed in all these areas and is inculcating a culture which is intolerant to poor quality and absolutely committed to customer delight.

inventory levels low in order to reduce the burden on its channel partners. On the product front, the company showcased several impressive new products at the Auto Expo '14, with a lineup that included Tata Bolt and Tata Zest, due to be launched in the coming months. Both the products have created high levels of excitement among the potential customers. The new Prima LX and Ultra range in commercial vehicles also showcased great promise to be category leaders. They aptly demonstrate Tata Motors' technological capabilities and the company's pursuit to offer world-class products and experience to its customers.

To ensure long-term competitiveness of Tata Motors, the company also took several steps under the Horizonext strategy- new products, quality improvement and enhancement of the consumer experience- that will help improve sustainable profitability of the

business in long-term. The company has steadily progressed in all these areas and is inculcating a culture which is intolerant to poor quality and absolutely committed to customer delight.

JAGUAR LAND ROVER

For luxury cars, it was a record breaking year with most of the manufacturers posting their highest ever sales. The US remains the world's largest market for luxury cars. China is close on its heels, with further growth coming from Asia-pacific region, Latin America and the Middle East.

Jaguar Land Rover re-affirmed our confidence in the premium car market and rewarded us by harnessing the opportunities created by rising demand for high-performance luxury cars across the world. With its extra-ordinary line-up of new exciting products, JLR posted record sales of 434,311. The resolve, commitment and creativity of passionate designers and engineers in JLR is indeed praise-worthy. Jaguar F-TYPE managed to garner excellent reviews, while the new Range Rover and Range Rover Sport were exceptionally well received.

We will remain committed to make investments in these two iconic brands and plan to deliver a slew of new products during the next 5 years. JLR will continue to expand its manufacturing footprint in growing markets like China and Brazil, thus offering consumers

Jaguar Land Rover re-affirmed our confidence in the premium car market and rewarded us by harnessing the opportunities created by rising demand for high-performance luxury cars across the world. With its extra-ordinary line-up of new exciting products, JLR posted record sales of 434,311.

in these markets an even greater opportunity to experience the cutting-edge technology and design of Jaguar and Land Rover products.

LOOKING AHEAD

The global economy is on the path of recovery, with consumer sentiment showing signs of improvement in all the major markets. The auto industry in India too, after one of its worst years, is seeing early signs of recovery and renewed confidence amongst consumers, particularly with a stable government at the centre. We expect a turnaround of the industry by the later part of this financial year with a hope that the Government would also come out with policy interventions that support the growth of auto industry, given its critical importance to development of the economy.

Tata Motors is working on a strong pipeline of new products and technologies keeping in view the changing market, customers' aspirations and regulatory needs. The company is at an inflexion point with its entire product portfolio being revamped with relevant and exciting products for our target customers. Initiatives on cost-erosion and customer experience are being pursued with great rigor to help transform the organization into a more competitive and profitable business in the coming years.

Our employees, suppliers and channel partners remain our major source of strength. We sincerely thank them for their strong resolve and commitment shown to the cause of the company. Even in very difficult situations they have demonstrated utmost patience, understanding and dedication. Finally, I wish to thank you, our shareholders, for reposing faith in Tata Motors and its management, without which the company could not have taken the bold steps and decisions required towards making Tata Motors a respected global automobile company.



Chairman

Tata Motors is working on a strong pipeline of new products and technologies keeping in view the changing market, customers' aspirations and regulatory needs. The company is at an inflexion point with its entire product portfolio being revamped with relevant and exciting products for our target customers.