

CHAIRMAN'S MESSAGE

Dear Shareholders,

The Financial Year 2015-16 was one of continued global volatility across different markets. The fall in oil prices and commodities have had varied impact across different companies and countries. The China slowdown continues to be an important global economic factor.

The news was more positive for India with robust GDP growth, making the country one of the fastest growing economies worldwide. The sustained start-up environment has also played an important role in bringing in global and domestic investment, opening up new opportunities and also helping to carry economic development beyond just the tier one cities. Moreover, there is, rightly so, a greater thoughtfulness towards investing in new or emerging companies with a greater attention to the right business models. This is a positive sign of a more mature and responsible economy.

Nonetheless there remain key challenges. The continued delay of some of the tax reforms continue to pose operational bottlenecks in a more streamlined movement of goods and services across the

country. The shadow of NPAs continue to haunt the Indian financial sector even as the sector is all set to grow with new financial institutions.

For the Tata Motors Group, 2015-16 was a year of mixed results but it was important to note the return to profitability. It was therefore a turnaround year, backed by strong Jaguar Land Rover growth despite challenges, as well as the start of the turnaround for Tata Motors standalone.

Jaguar Land Rover continued to show strong global sales, despite the China slowdown. It showed a strong growth in the key markets of North America and Europe. Its strong revenue growth reflected the demand for the new models such as Land Rover Discovery Sport, Jaguar XE and XF, that helped the Company add new customers to both brands across UK, Europe and North America. Jaguar Land Rover's solid financial performance through last year was clearly showcased by its selling more than half a million cars in one year for the first time.

Last year, it thus produced and sold more cars than at any time in its history. Its vehicles have received more than 140 awards for design, technology, safety and environmental sustainability. Besides winning the accolade of 'Best UK Employer' by Bloomberg, Jaguar Land Rover is one of the UK's largest exporters, with more than 80 percent of its revenue coming from exports.

There was good news for the Tata Motors standalone business as well. Tata Motors M&HCV business showed sustained growth for a year to lead the turnaround of the Indian business. Within this while some segments like the multi-axle vehicles and tractor



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trailers emerged as the key growth drivers, the tipper segment also started showing signs of recovery with demand coming primarily from coal mining regions. After the launch of advanced new platforms like Prima and Ultra, the launch of Signa in the last quarter of 2015-16 ensures that we lead from the front in bringing the most advanced technology to mainstream trucking. We expect this growth to sustain especially with the planned infrastructure projects now getting into execution. Strong GDP growth and consumer sentiment will also help sustain this momentum as will the upcoming regulatory changes.

As one of the world's largest bus manufacturers, with the most complete range of transit vehicles, meeting every need arising from day-to-day travel, Tata Motors continued to bring global technology for safe, comfortable and economical travel. The Company's push towards electric hybrid buses and articulated buses to meet the future transport needs for the envisaged Smart Cities got a significant validation with the order from MMRDA for 25 hybrid buses for Mumbai's modernistic business hub, the Bandra Kurla Complex.

We have witnessed some encouraging growth in LCVs and will continue to lead and grow in this space with new product introductions, also reaching out to customers in smaller cities and towns through new sales and service points.

2015-16 also saw a strong growth in defence as the Company transitions from a supplier of defence logistics solutions to a design and development company providing a comprehensive range of solutions including armoured combat vehicles. This has opened up significant domestic as well as international opportunities as Tata Motors joins hands with global partners to develop solutions for defence agencies everywhere.

The year was an exciting one for PV — not only did it mark the launch of the stylishly designed hatchback Tiago but it also was the first preview for what's coming. Since its launch, Tiago as the first completely new product marking the PV transformational journey has received strong bookings and great customer response. I was also delighted personally by the response that our new cars Hexa, Nexon and Kite-5 received from the industry and customers at the Greater Noida (Delhi) Auto Expo 2016. Our continued efforts towards enhanced customer experience also bore results as we

saw strong improvement in the JD Power Customer Satisfaction Index, as we moved up to the third rank in the industry.

We are all becoming used to unpredictable and dynamic market environments, learning to manage by anticipating customer needs, leveraging strong processes and building competitive product portfolios and networks. The new financial year will not be any different in the challenges it will pose, especially as the continued sway of technology is impacting the entire industry as consumer behaviour undergoes significant change. The recent Brexit Referendum will also add some uncertainty to the world of global business, but we are confident we can see through it with careful understanding of its long-term impact and strong robust processes to handle volatility. At Jaguar Land Rover, we will continue to invest in a sustainable, profitable growth strategy with a market defining product portfolio.

The Company remains the largest investor in automotive research in the UK, with cutting-edge innovation as the key to its future growth.

For the Tata Motors standalone business, this will mark a milestone year of growth, great launches and transformation. There continues to be the growing pressure of competition and we will look to bring in significant launches in PV and CV with focus on cost efficiencies to remain competitive.

A very important aspect of this transformational journey is the appointment of Guenter Butschek as the new CEO and MD for the Tata Motors standalone business. He brings tremendous global experience and expertise as well as operational insights to lead this transformation. I am delighted to welcome him on board.

I am optimistic about the future — it may be challenging but offers many positive opportunities across Tata Motors and Jaguar Land Rover. We remain committed to all our stakeholders and to the communities we work in, for sustainable profitable growth with continual community engagement.

Thank you all for your continued support, which I gently appreciate and cherish.



Chairman



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