

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

The Financial Year 2015-16 has been a year of recovery for Tata Motors with focus on introducing exciting mobility solutions and keeping customers central to our plans. Last year marked the start of the transformational journey of Tata Motors. A journey to leverage our global resources of people, design and R&D to offer differentiated products, with a comprehensive commercial and passenger vehicle offering. I see the previous financial year as the building base for this transformational journey to make Tata Motors future-ready.

A strong part of being prepared for the future is our product story. The Prima, Ultra and Signa platforms offer new paradigms for mainstream M&HCV markets and are well-timed to leverage the sustained growth in this segment from the last few quarters. These new launches represent the new technology-oriented Tata Motors, for instance with Telematics now a mandated feature on the Signa trucks. These are future-proofed platforms that can serve the Company's interests as new regulatory changes come into effect for trucks and buses, enabling the Company to continue leading and gaining market share. The new Bus Code and the government focus on smart cities offer clear opportunities for our well-established investments in Tata Marcopolo.

With the versatile Ace platform and the improved macro-economic trends, we should also see an improved growth there, including the pick-up segment where we expect to bring in new products. We expect SCVs to grow in the coming year, with greater proliferation of the Hub-N-Spoke logistics model and the implementation of GST. Relatively untapped potential in semi-urban and rural areas and improving urbanisation levels will further help improve volumes in this segment.

Defence is the other major segment for growth and an opportunity in the years to come, as it opens up to greater private sector participation. Tata Motors has long been a Defence partner, in no small reason because of its ability to work closely for multi-year product development cycles. With its ever-greater technology orientation and the ability to bring in global partnerships, as seen in recent agreements with Bharat Forge and General Dynamics, the Company will continue to widen its product portfolio that allows it to take advantage of domestic as well as international market opportunities.

Global expansion will in fact be an important theme for going forward as it offers economies of scale and returns on our R&D investment, longer product cycles across markets and is the best de-risking strategy to reduce dependence on cyclical markets. The previous year saw us increase our exports and the comprehensive CV portfolio offers us multiple opportunities to grow these further, especially in emerging markets of Asia, Africa and Latin America. It also offers the added benefit of an enhanced global mindset in our products, services and processes.

The launch of the new mid-segment hatchback Tiago and the overwhelming customer response mark the start of a completely new product portfolio for our cars. At the Noida (New Delhi) Auto Expo in February 2016, we provided a sneak preview of the exciting range of cars coming up. These cars from the lifestyle SUV Hexa to the compact SUV Nexon; as well as the new compact sedan currently code-named Kite 5 all won acclaim from the public and critics alike. We look forward to continually bringing these and more disruptive and exciting new offerings for passenger vehicle customers.



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Across CV and PV, we are determined to bring product offerings that lead the change the true hallmark of an innovator. Our well-defined plan includes developing multiple new platforms with advanced technologies, constantly working on improving the performance and reliability of existing ones, keeping in mind changing customer preferences and regulations. Additionally, we continue to work towards network enhancement to ensure unrelenting focus on customer service. We will provide greater on-ground and virtual access to our customers for new products as well as after-sales services while constantly upgrading the delight quotient.

Building a "FUTUREADY" organisation

However, it is important to emphasise that the transformation goes beyond just the products — we have launched a holistic journey that will touch upon all the key aspects of our business. We have recently re-articulated the Tata Motors Mission and Vision in clear and differentiated terms to clearly explain who we are, as well as to put forth a tangible action plan with defined results for the immediate future.

Our Mission is to **innovate mobility solutions with passion to enhance quality of life**. We are a company that has consistently

innovated across passenger and commercial vehicles to provide mobility solutions for people and goods. With deep insight into customer needs, we offer the widest portfolio of solutions. We have regularly created new categories to fulfil latent needs, bringing in the most advanced technologies to offer relevant solutions.

As a part of the Tata group, we believe in making a difference for our people, for the communities we are part of and for the country. This Mission statement clearly defines our *raison d'être* and our passionate commitment to bring innovation into everything we do.

Our Vision defines more specific targets: to achieve **sustainable financial profitability in the next three years**. We are working towards growing, not just the volumes and top line but the bottom line as well. We aim to **be among the top 3 global CV and domestic PV** and lastly, **deliver exciting innovations**.

There is a well defined roadmap to achieve these with a deep focus on robust processes, cost efficiencies and people management to enhance productivity and align business goals across the Company. These initiatives will help us build a faster, leaner, more agile organisation with focus on globally benchmarked design, technology and quality. Last but certainly not the least, these will be backed by a well-considered brand strategy to guide and prioritise business planning ahead.

In short, we had the start of a turnaround last year. We have an exciting journey ahead in the coming years. I am delighted to be a part of and leading this journey. With a result-oriented plan ahead, I am sure the coming year will be as fulfilling for all of us at Tata Motors as for our shareholder family.



Managing Director

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