NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/92029

October 27, 2016

Company Secretary
Tata Motors Limited
Bombay House, 24, Homi Mody Street,
Fort, Mumbai 400 001.

Kind Attn: Mr. H K Sethna,

Dear Sir,

Sub: Verification of news appeared in the media

This has reference to the letter dated October 25, 2016 purported to be written by Mr. Cyrus Mistry to the Directors of Tata Sons Limited which is being circulated in the media (enclosed) having specific statements about financial status of various Tata group companies including your company and your letter dated October 27, 2016.

1. The letter points out following deficiencies:

- Before 2013, in order to shore up sales and market share, Tata Motors Finance extended credit with lax risk assessment. As a result, the NPAs mounted to being in excess of Rs. 4,000 crores. Historically, the company had employed aggressive accounting to capitalize substantial proportion of the product development expenses, creating a future liability. Beyond this, the Nano product development concept called for a car below Rs. 1 lakh, but the costs were always above this. This product has consistently lost money, peaking at Rs. 1,000 crores. As there is no line of sight to profitability for the Nano, any turnaround strategy for the company requires to shut it down. Emotional reasons alone have kept us away from this crucial decision. Another challenge in shutting down Nano is that it would stop the supply of the Nano gliders to an entity that makes electric cars and in whichMr. Tata has a stake.
- If we look at the aggregate data between 2011 and 2015 and limit the analysis largely to the legacy hotspots (IHCL, Tata Motors PV, Tata Steel Europe, Tata Power Mundra. and Teleservices), it will show that the capital employed in those companies has risen from Rs. 132,000 crores to Rs. 196,000 crores (due to operational losses, interest and capex). This figure is close to the networth of the group which is at Rs. 174,000 crores. A realistic assessment of the fair value these businesses could potentially result in a write down over time of about Rs.118,000 crores.

2. Therefore, question arises on whether:
   a. Risk Committee, if any, has considered all the risks involved in investment / acquisitions etc. in which your company is involved directly or indirectly. If yes, whether views of Risk Committee were communicated to shareholders?
   b. Whether directors have discharged their roles at expected levels as stated in Regulations 4(2)(f) of Listing Obligations and Disclosure Requirements, Regulation 2015 (LODR).
   c. Your attention is invited to Schedule III Part B (c) of LODR Regulation 2015 regarding disclosure with respect to major development in business. Kindly confirm that such

development that would have occurred from time to time were disclosed to the Exchange.

3. You are also requested to place the matter before the Risk Committee since the letter points towards financial risks of investments etc., if not already considered by the Risk Committee.

4. You are requested to place this enclosed letter before your Whistle blower / Vigilance Committee and offer their comments at the earliest possible.

5. Currently, as per the latest Corporate Governance report submitted by you, Mr. Cyrus Mistry is Chairperson & Non-executive Director in your Board. Post his replacement from Chairmanship in M/s. Tata Sons Limited, you are requested to kindly confirm the current designation of Mr. Cyrus Mistry in your company and if there has been any changes in his status.

This letter seeking clarification and your clarification will be placed on the website in accordance with Regulation 30 (10) of LODR Regulation 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Chief Manager