



December 7, 2016

*Dear Shareholder,*

As you are aware, the Tata Group has a proud and rich history of 149 years, a very successful heritage of consistently creating wealth for all our stakeholders, including our shareholders and the community. We have constantly endeavoured to pioneer new businesses over a century and have set benchmarks in work practices, corporate governance and high ethical standards.

We now seek your support of the resolution that Tata Sons has moved in the forthcoming Extraordinary General Meetings (EGM) of our companies, for the removal of Mr. Cyrus Mistry as Director. Mr. Cyrus Mistry was replaced as the Chairman of Tata Sons, after four years in that role, on October 24, 2016, because the Board of Tata Sons lost confidence in him and in his ability to lead the Tata Group in the future. As you would expect, this deliberated action by the Tata Sons Board was taken after the relationship with Mr. Mistry steadily deteriorated, and several attempts to remediate went unheeded. As a final step, he was offered an opportunity to step down voluntarily from the chairman position, which he rejected, and said that it should be taken up at the Board. This was done and he was formally replaced. Since Mr. Mistry was appointed as a Director of various Tata Group companies only as a corollary to his being the Chairman of Tata Sons, the right step would have been for him to resign as Director. Unfortunately, he has not yet done so, and his continued presence as a Director is a serious disruptive influence on these Company Boards, which can make the company dysfunctional, particularly given his open hostility towards the primary promoter, Tata Sons.

Even as we seek your support for this resolution, we want to address some of the doubts that have been raised in the minds of shareholders and assure you the following –

- As the promoter, Tata Sons constantly evaluates new business opportunities and invests in creating new enterprises. Some of these investments have been hugely successful (e.g. TCS, Jaguar Land Rover) while some others (like Tata Steel Europe) have taken time to be profitable. Our approach has been to support and fund these businesses during their development and growth phases. We exit the business only when we believe it is unviable. In every situation, our capital

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allocation decisions are always based on maximizing long-term shareholder returns, viz. return on capital employed, return on equity and free cash flows. So, there has always been, and will continue to be, a strong alignment of interests between us and the minority shareholders.

- Tata Group companies are respected for promoting and practising the best corporate governance standards. Tata Group companies have always been led by professional management teams under the direction of their respective Boards of Directors, composed of competent and well-respected Independent and non-Independent Directors. The managements of these companies have enjoyed the operational freedom to develop and execute the right strategy as guided by their respective Boards.
- Tata Group companies are supported by Tata Sons transparently in multiple ways – such as through licensed use of the Tata brand, which is India's most trusted name and one of the most respected names globally; and through direct and indirect financial support. In addition, wherever required by the companies' Boards of Directors and management, Tata Sons provides Group companies with strategic advice and support for acquisitions, divestments, large investments, business collaborations and leadership talent development.

We are proud of the fine institutions and companies we have built in the Tata Group over the past several decades. If the current situation has caused you uncertainty in recent weeks, it is our firm resolve to focus the Group on growth through the induction of new leadership which is currently underway. As a long-standing partner in the Tata Group companies, we seek your support of the EGM resolutions to enable our companies to continue on the path of growth and value creation, as they have done over their long-standing past history.

Thanking you for your continued support,

Yours sincerely,

  
Ratan N. Tata