



November 6, 2008

Ratan N Tata
Chairman

All GCC members
All MDs/CEO's of Tata Companies

Dear Colleague,

The present global financial crisis has proved to have far reaching effects on several businesses in many geographies. Some of our companies with substantial foreign operations or those which have made substantial acquisitions are already facing major problems in raising capital or establishing lines of credit for their operations. In India also, many of our companies already are or will soon face major problems in their access to credit due to the lack of liquidity in the domestic market, as also their inability to effectively raise equity due to the depression in the stock market and the erosion of investor confidence.

While one hopes that various governments will infuse funds into their respective economies, one must assume that liquidity will continue to be a major problem, accompanied by a depression in consumer demand. This state of affairs is not likely to improve substantially over the next twelve months. Accordingly, I believe that each of our companies needs to undertake a critical review of their cash flow requirements business plans with defined strategies needed to operate in this difficult period. Failure to manage this crisis could result in irretrievable positions.

Under the circumstances I consider it essential that each of our companies should consider:

- the conservation of cash to the maximum extent possible
- draw down all loans / lines of credits from banks and institutions to the maximum extent possible
- expeditiously finalise pending loan and funding agreements, even if they involve accepting higher interest rates

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Companies should also take finite steps to:

- improve operational efficiency
- aggressively implement restructuring of internal cost framework
- drastically reduce operating expenditure
- defer non-essential capital expenditure and capacity expansion
- put on hold any plans for acquisitions unless considered strategically critical.

I strongly urge the managements of each of our companies and their subsidiaries to form a small management task force to put such a plan in place by early January with stated time bound tasks and targets to face the difficult months ahead. I trust you share my concerns and concur that the current scenario requires urgent action.

With regards,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ratan N. Tata'.

Ratan N. Tata