



HAPPY New Year 2025

Dear Colleagues,

We reach the end of another unpredictable year. Globally, 2024 was defined by geopolitical instability and a slight brightening of the macro-economic outlook. Military conflicts in Ukraine, Gaza and Sudan raged on, exacerbating humanitarian crises in Europe, the Middle East and Africa. We also witnessed citizen-led movements in Bangladesh and South Korea.

As the year draws to a close, political changes and disruptions continue to shape domestic and foreign policy—especially with regards to immigration, technology and global trade. Tariffs are once again at the forefront of leaders' minds.

But aside from these momentous global events and trends, 2024 will always hold a deeper and more personal resonance for me and for everyone associated with our Group. This was the year we lost Mr. Ratan Tata—a man whose personality, integrity and strategic vision shaped our business for a generation.

There isn't room in this letter to capture fully what he meant to us, not even amongst the many tributes we have seen across the world. So I will simply say again that our Group has lost an irreplaceable role model and leader. And I have lost a cherished mentor and friend. I know many of you feel the same.

News from across the Group

Though it is difficult to begin a new year without Mr. Tata, there is comfort in knowing that the business he devoted his life to continues to thrive. Big strategic bets, made with his encouragement, are bearing fruit, particularly in hi-tech industries and manufacturing where our footprint continues to expand.

Ground-breaking ceremonies and construction began at over seven new manufacturing plants, including India's first semiconductor fab in Dholera, Gujarat and a brand new semiconductor OSAT plant in Assam. There is the electronics assembly plant in Narasapura, Karnataka, an automotive plant in Panapakkam, Tamil Nadu and new MRO facilities in Bengaluru, Karnataka. We also have new battery cell manufacturing factories in Sanand, Gujarat, and in Somerset, UK. We inaugurated the C295 final assembly line (FAL) in Vadodara, Gujarat, and began solar module production in Tirunelveli, Tamil Nadu.

TCS and Tejas Networks delivered our first indigenous 4G mobile telecom stack for BSNL, and stand poised for 5G. Our retail companies continue to scale up. Air India has brought together four airlines to create one integrated airline group to serve India and the world. And Indian Hotels' Taj brand continues to be the world's strongest hotel brand.

Sustainability remains a focus of our growth plans. In Bhutan, we began our hydroelectric power initiative, with a commitment to developing five GW renewable capacity. With the UK government we announced £1.25 billion of investment in the transition to high-quality, low-CO₂ steel production in South Wales.

I'm thrilled that our companies are beginning to make the most of data, digital and AI. For example, Tata Motors recently revealed a model to predict real-world range of EVs, using data from connected vehicles along with traffic, road infrastructure and user driving patterns.

While we are making good progress, global uncertainty and rapid change require us to stay focused on delivering world class performance with strong emphasis on execution, customer satisfaction, technology and safety.

At the Tata Group, we believe progress holds little value if it doesn't enhance human wellbeing. I'm particularly excited by two areas where economic opportunity and social progress converge: AI and manufacturing.

A science and technology role reversal

Let's begin with AI and technology. A fundamental reversal is taking place. Historically, scientific progress has predominantly fueled technological progress. Consider how breakthroughs in quantum mechanics led to the digital age. Today, however, the opposite is happening: advancements in technology are leading to scientific discoveries. This year the Nobel Prize for chemistry went to developers of an AI model that predicts protein structures—a glimpse of how computational tools will revolutionize drug discovery. Previously, determining the 3D structure of a single protein typically took a year or more. Now AI tools can predict these shapes with remarkable accuracy in minutes.

AI can transform healthcare in other profound ways, not only enhancing how we understand and treat diseases but also how we diagnose them. Machine learning is being used more in environmental research, while large language models hold the potential to significantly expand access to clinical care.

We will continue to see significant acceleration in the use of AI in fields like healthcare and mobility.

A new manufacturing golden age for India

While AI-led breakthroughs in healthcare and mobility can help the whole of humanity, manufacturing has the potential to transform our economy in India. Global supply chains continue to shift in India's favour as the world's largest businesses strike a new balance between resilience and efficiency. What might have seemed like a short-term reaction to the pandemic has proved much more enduring. Amid relentless geopolitical instability, the equation has tilted firmly toward resilience—and India, with our vast talent pool and growing manufacturing capacity, is poised to benefit.

Our Group plans to create 500,000 manufacturing jobs over the next half decade. These will come in part from the aforementioned investments in facilities across India—factories and projects that will produce batteries, semiconductors, electric vehicles, solar equipment and other critical hardware destined to play a central role in the economy of tomorrow. This is in addition to the many services jobs we expect to introduce across retail, tech services, airlines, and hospitality, among other sectors.

Such moves are exciting for our Group and for India, but more importantly, they give hope to the one million young people who enter our workforce each month. Thankfully, manufacturing has powerful multiplier effects; indirect employment opportunities from sectors such as semiconductor manufacturing are substantial.

So, after a year marked by loss, it is with a sense of hope and optimism that I look ahead to 2025. India's economy is strong and the great trends of the age are in our favour. In this new technological age, and this new era of Indian manufacturing, our enormous pool of young talent will not only contribute to our nation's future—they will build it, literally, with their hands and with their minds.

Thank you so much for your hard work and dedication this year.

I wish your family members and you a Happy new year.

Warmest regards,
Chandra