

**INVESTOR EDUCATION NOTICE – July 22, 2014**

At the ensuing Annual General Meeting of the Company scheduled on July 31, 2014, the Company has proposed 12 resolutions which inter alia include a resolution under Item No. 12 on Invitation and Acceptance of Fixed Deposits from the Members and Public. Under the provisions of the erstwhile Companies Act, 1956, proposals relating to fixed deposits were only required to be approved by the Board of the Company. However, subsequent to the enactment of the Companies Act 2013, such proposals now require the approval of the shareholders as well and are therefore still new to shareholders of the Company. Also, foreign investors are not very familiar with the concept of raising finance through invitation and acceptance of Fixed Deposits from the shareholders and the public, which has been a popular mode of raising funds by reputed Indian Corporates.

In light of the same, although the aforesaid Notice of the Annual General Meeting and explanatory statement thereto contains all the information required to be stated therein under the provisions of Section 102 of the Companies Act, 2013, given below for the further education of investors is some additional background information in relation to fixed deposits as a mode of fund raising by Indian corporates.

Raising of funds through fixed deposits is a well regulated mode of raising funds for the requirements of Indian corporates and is often used by Indian companies of repute. This allows corporates to access funds swiftly at relatively competitive rates. Under the Companies Act, 2013, the Company can raise funds through fixed deposits upto a limit of 10% and 25% of the paid up share capital and free reserves respectively, from its shareholders and the public for tenures of up to 3 years. Further the Company is also required to make various disclosures to the statutory authorities in this regard. Through the fixed deposit scheme, the company has the ability to raise funds as and when required.

As mentioned in the Explanatory Statement to the Notice of Annual General Meeting, the funds raised through Fixed Deposit from Members and Public would be used for the ongoing funding requirements of the Company. The Company has various needs for funds for meeting its capital expenditure programmes, working capital requirements, etc. It endeavors to diversify sources of borrowings along with broad basing its borrowing through various financing modes like working capital limits with banks, rupee loans and foreign currency loans, commercial paper as well as issue of privately placed and listed non convertible debentures for various tenures. Fixed deposits are an additional mode of raising resources.

The raising of funds through fixed deposits as proposed in the notice of the Annual General Meeting would be within the overall borrowing limits of Rs.30,000 crores approved by the shareholders in early July 2014. The Company had in the past till 2010 accepted fixed deposits at rates of interest ranging upto 9% which was comparable to the Bank borrowing rate. The Company had also offered 0.25% p.a. additional interest to senior citizens, shareholders and employees. The Company's small shareholders and investors have at various forums reached out to the Company with a request to restart its fixed deposit program as it offers them an opportunity to invest in fixed return instruments issued by a reputable company. It should also be mentioned that the promoter of the Company has not participated in our fixed deposit schemes.

Whilst in the past the Board of Directors were authorised to approve of the company raising resources through fixed deposits, the Companies Act, 2013 now requires approval of the shareholders. The Board at the appropriate time after seeking shareholders' approval, would finalise and approve the terms and conditions of the Fixed Deposit Scheme.

In case of any further queries / clarifications, you may kindly get in touch with our Investor Relations Team at [ir\\_tml@tatamotors.com](mailto:ir_tml@tatamotors.com) or 91 22 6665 7258.