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ODD LOT SCHEME FOR SHAREHOLDERS FOR ORDINARY SHARES AND FRACTIONAL COUPONS TO THE WARRANTS

Having regard to the difficulties experienced by the shareholders in disposing of the physical shares held in small/odd lots and fractional coupons for the rights warrants, Tata Share Registry Ltd. has framed a scheme for the purchase of such shares/fractional coupons.

Any shareholder wishing to know the details of the scheme may kindly contact Tata Share Registry Ltd., Army Navy Building, 148, M G Road, Fort, Mumbai 400001.

Phone No.: 91-22-56568484 ext.: 239/242/243

Email: csg-unit@tatashare.com; oddlot@tatashare.com

Annual General Meeting on Thursday July 8, 2004 at Birla Matushri Sabhagar at 3.30 p.m.

Tata Motors Limited**Board of Directors :****Ratan N Tata** (*Chairman*)**N A Soonawala****J J Irani****J K Setna****V R Mehta****R Gopalakrishnan****N N Wadia****Helmut Petri****S A Naik****Ravi Kant** (*Executive Director*)**Praveen P Kadle** (*Executive Director*)**V Sumantran** (*Executive Director*)**P K M Fietzek** (*Alternate Director to Mr Helmut Petri*)**Company Secretary :****H K Sethna****Registered Office :**

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.
Tel: 91-22-56658282
Fax: 91-22-56657799

Share Registrars :

Tata Share Registry Limited,
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai 400 001.
Tel: 91-22-56568484
Fax: 91-22-56568494

Solicitors :

Mulla & Mulla and
Craigie, Blunt & Caroe
AZB & Partners

Auditors :

A F Ferguson & Co.
S B Billimoria & Co.

Works :

Jamshedpur
Pune
Lucknow
Dharwad

Bankers :

Bank of America
Bank of Baroda
Bank of India
Bank of Maharashtra
Bank of Nova Scotia
Central Bank of India
Citibank N. A.
Corporation Bank
Deutsche Bank
HDFC Bank Limited
Standard Chartered Bank
State Bank of India
The Hongkong & Shanghai
Banking Corporation Ltd.
Union Bank of India

Summarised Balance Sheet

		(Rupees crores)	
		As at March 31, 2004	As at March 31, 2003
WHAT THE COMPANY OWNED			
1	NET FIXED ASSETS	3247.80	3368.07
2	INVESTMENTS	3056.77	1271.80
3	NET CURRENT ASSETS	(959.24)	(509.16)
4	MISCELLANEOUS EXPENDITURE	22.19	30.06
5	TOTAL ASSETS (NET)	5367.52	4160.77
WHAT THE COMPANY OWED			
1	LOANS	1259.77	1458.31
2	NET WORTH	3593.60	2597.16
	Represented by:		
	Share Capital	Rs. 356.83 crores	(Previous Year Rs. 319.83 crores)
	Reserves	Rs. 3236.77 crores	(Previous year Rs. 2277.33 crores)
3	DEFERRED TAX LIABILITY (NET)	514.15	105.30
4	TOTAL FUNDS EMPLOYED	5367.52	4160.77

Summarised Profit and Loss Account

		(Rupees crores)	
		2003-04	2002-03
1	INCOME		
	SALE OF PRODUCTS AND OTHER INCOME	15552.42	10858.74
	LESS: EXCISE DUTY	2270.30	1743.79
		13282.12	9114.95
2	EXPENDITURE		
	RAW MATERIALS, STORES AND OTHER EXPENSES	10458.93	7237.13
	SALARIES, WAGES ETC.	882.49	720.37
	PRODUCT DEVELOPMENT EXPENSES	51.64	-
	DEPRECIATION / AMORTISATION	382.60	362.13
	INTEREST	161.26	278.95
	TOTAL EXPENDITURE	11936.92	8598.58
	PROFIT BEFORE EXTRAORDINARY/EXCEPTIONAL ITEMS	1345.20	516.37
	WRITE BACK OF PROVISION FOR CONTINGENCIES	-	20.00
	PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS	(48.30)	(26.00)
	EMPLOYEE SEPARATION COST	(4.56)	-
3	PROFIT BEFORE TAX	1292.34	510.37
4	TAX: i) CURRENT	(96.00)	(19.71)
	ii) DEFERRED	(386.00)	(190.55)
5	PROFIT AFTER TAX	810.34	300.11
6	BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	123.71	-
7	INVESTMENT ALLOWANCE (UTILISED) RESERVE WRITTEN BACK	-	0.90
		934.05	301.01
8	APPROPRIATIONS		
	(i) Interim Dividend	139.95	-
	(ii) Tax on Interim Dividend	17.93	-
	(iii) Proposed Dividend	142.16	127.91
	(iv) Tax on Proposed Dividend	18.21	16.39
	(v) General Reserve	250.00	33.00
	(vi) Balance carried to Balance Sheet	365.80	123.71
		934.05	301.01

Chairman's Statement

Dear Shareholder,

2003-04 has been a historic year for Tata Motors. It is a year in which the Company posted its highest-ever turnover, profits and vehicle sales volumes. A year in which the entire team has gained a tremendous sense of fulfillment, credibility—and, above all success. All of us feel a deep sense of appreciation towards you, our shareholders, who stood with us in troubled times and retained your faith in our Company's future.

The buoyancy in the Indian economy has been evident over the past two years with demand for products and services running high in most sectors. The automotive sector saw unprecedented levels of demand in both the commercial vehicle and passenger car segments. Overall vehicle sales increased by 36%. Our Company outperformed the market with total sales increasing by 43% in volumes. The Company was able to increase its market share in commercial vehicles by 3% and passenger vehicles by about 1%. But for some supply constraints, the Company could have achieved even higher levels of sales.

One of the major factors which has fueled the increase in market demand has undoubtedly been the very significant investment in the national road infrastructure, which has injected over Rs.16,600 crores into the economy by way of jobs, roadway equipment and road-building

materials. The multiplier effect from this major public works project will be evident in the years ahead.

The efforts of the past few years in reducing costs, improving product quality and providing better customer support have begun to pay dividends. Our vehicles are better accepted, perform better and interaction with our customers get better support from most of our dealers. Nevertheless far more needs to be done to meet the standards achieved by the major global auto companies. The important fact is that there is far greater commitment towards achieving these goals than ever before.

During the year, Tata Motors has been vigorously pursuing the expansion of its business overseas. The important acquisition of Daewoo Commercial Vehicles Co. Ltd. in Korea, the supply of passenger cars to MG Rover in the U.K., the development of new markets and/or assembly bases in China, South Africa, Thailand and both East and West Europe, are all part of a major initiative towards the commitment the Company has made to establish a meaningful presence in selected international markets.

It is but natural to feel proud and euphoric in the wake of this year's excellent performance but it must be recognized and accepted that the automobile sector's business cycles are volatile. As I have said before, the commercial vehicle sector is one of the barometers of the economy of a country and we have in the past seen unprecedented growth in commercial vehicles in India and other parts of the world, followed by a collapse in demand. The passenger car sector is also cyclic and while this sector is showing growth today, it was only two years ago that this growth in passenger cars was flat. The Company is addressing this

challenge by taking steps that will ensure viability even during downturns, through expansion in international markets and constant attention to holding fixed costs.

Another major concern is the significant price increase in the past year in major basic industrial materials like steel, aluminum and petroleum products. The enormous consumption of these materials and other commodities by China have resulted in global shortages and consequential price increases. The growing scarcity of coal, iron ore and fossil fuel energy resources can only intensify this price spiral. User industries will need to re-invent the way they conduct their business in order to survive. New materials, new processes and new manufacturing practices will be needed to keep user industries competitive in these changing times. Tata Motors will need to make these investments now if it is to safeguard its market position in India and to grow overseas.

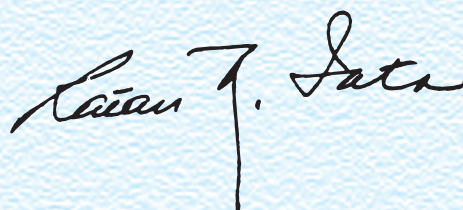
Despite the concerns one may have on the shorter-term demand trends in India, there can only be a strong sense of optimism about India's future development and in the growth in per capita income which would reflect in increased demand for goods and services.

The low-end car which the Company is endeavoring to develop, should succeed in catering to the growing demand for affordably-priced personal and family transportation. If successful, the Company would have, once again, dared to demolish the shackles of tradition by breaking new ground and exploring new frontiers.

Events and achievements have given India international visibility and prominence in the recent past. We now have a platform from which to unleash the full potential of our nation and the full, unfettered capability

of our people. We need to evolve a strong national spirit which would overshadow vested-interest agendas and create an environment of equal opportunity based on merit and ability, rather than influence, patronage and self-interest.

India's youth should be encouraged and empowered to make their contribution to the nation's development, particularly in the engineering and scientific space without being subordinated by their elders. We need to stand together, bury our communal and personal differences, consider ourselves as Indians first, and help build a strong unified nation, which will take its rightful place as a country that can stand up and be counted amongst the economically successful nations of our time.

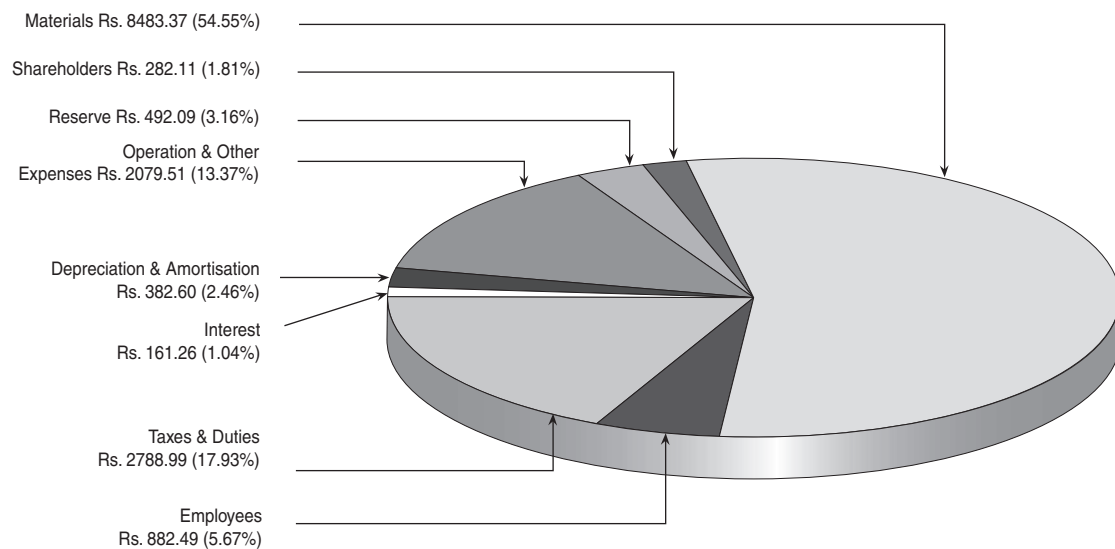
A handwritten signature in black ink, reading 'Ratan Tata'.

June 5, 2004.

Chairman

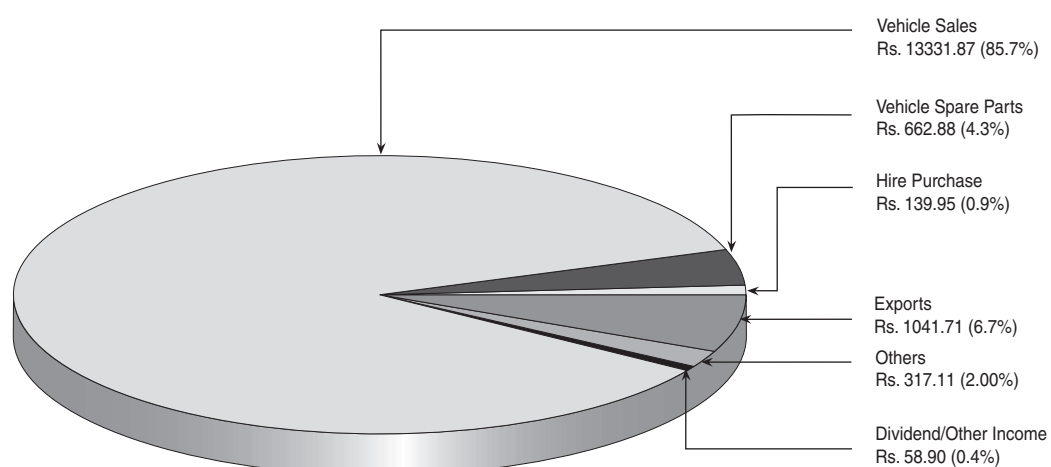
DISTRIBUTION OF REVENUE 2003-04

(Rupees in Crores)



SOURCES OF REVENUE 2003-04

(Rupees in Crores)





NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY-NINTH ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Thursday, July 8, 2004 at 3.30 p.m., at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business :-

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2004 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare a dividend on Ordinary Shares.
3. To appoint a Director in place of Mr Ratan N Tata, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr R Gopalakrishnan, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr S A Naik, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.
7. **Alteration of the Memorandum of Association of the Company**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

“RESOLVED that pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be altered as follows:-

For Clause V, substitute the following Clause:-

‘V. The Capital of the Company is Rs.400,00,00,000/- divided into 40,00,00,000 Ordinary Shares of Rs.10/- each.’”

8. **Alteration of the Articles of Association of the Company**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :-

“RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:-

For Article 5, substitute the following Article:-

‘5. The Capital of the Company is Rs.400,00,00,000/- divided into 40,00,00,000 Ordinary Shares of Rs.10/- each.’”



9. Revision in terms of remuneration of Mr Ravi Kant, Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

“RESOLVED that in partial modification of the Resolution No.7 passed at the Annual General Meeting of the Company held on August 14, 2001 and the Resolution No.5 passed at the Extraordinary General Meeting of the Company held on March 27, 2002 for the appointment and terms of remuneration of Mr Ravi Kant, Executive Director of the Company and in accordance with the provisions of Sections 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the maximum amount of salary and perquisites and allowances payable to Mr Kant (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within such maximum amount, increasing thereby proportionately, all benefits related to the quantum of salary w.e.f. April 1, 2004, for the remainder of the tenure of his contract as set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification which Agreement is hereby specifically sanctioned.”

10. Revision in terms of remuneration of Mr Praveen P Kadle, Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

“RESOLVED that in partial modification of the Resolution No.3 passed at the Extraordinary General Meeting of the Company held on March 27, 2002 for the appointment and terms of remuneration of Mr Praveen P Kadle, Executive Director of the Company and in accordance with the provisions of Sections 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the maximum amount of salary and perquisites and allowances payable to Mr Kadle (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within such maximum amount, increasing thereby proportionately, all benefits related to the quantum of salary w.e.f. April 1, 2004 for the remainder of the tenure of his contract as set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification which Agreement is hereby specifically sanctioned.”

11. Revision in terms of remuneration of Dr V Sumantran, Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

“RESOLVED that in partial modification of the Resolution No.4 passed at the Extraordinary General Meeting of the Company held on March 27, 2002 for the appointment and terms of remuneration of Dr V Sumantran, Executive Director of the Company and in accordance with the provisions of Sections 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the maximum amount of salary and perquisites and allowances payable to Dr Sumantran (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within such maximum amount, increasing thereby proportionately, all benefits related to the quantum of salary w.e.f. April 1, 2004 for the remainder of the tenure of his contract as set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification which Agreement is hereby specifically sanctioned.”

NOTES:

- (a) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under items 7 to 11 set out above and details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking re-appointment at the Annual General Meeting are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (c) The Register of Members and Transfer Books of the Company will be closed from Thursday, June 24, 2004 to Thursday, July 8, 2004, both days inclusive for the purpose of payment of dividend to those Members whose names stand on the Register of Members as on July 8, 2004. The dividend in respect of Ordinary Shares held in electronic form will be payable to the beneficial owners of the Ordinary Shares as at the end of business hours on June 23, 2004 as per the details furnished by the depositories for this purpose.
- (d) The dividend on Ordinary Shares as recommended by the Directors for the year ended March 31, 2004 will be payable on or after July 8, 2004 in accordance with the resolution to be passed by the Members of the Company.
- (e) To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents.
- (f) Members holding shares in the dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS, mandates, nominations, power of attorney, change of address/name, etc. to their depository participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
- (g) Members' attention is particularly drawn to the "Corporate Governance" section in respect of unclaimed and unpaid dividends.
- (h) As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

By Order of the Board of Directors

H K SETHNA
Company Secretary

Mumbai, May 19, 2004

Registered Office :
Bombay House
24, Homi Mody Street
Mumbai - 400 001

EXPLANATORY STATEMENTS

The following Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956 (the Act), set out all material facts relating to the business mentioned at Item Nos. 7 to 11 of the accompanying Notice dated May 19, 2004.

2. **Item Nos. 7 & 8 :** The Authorised Capital of the Company as reflected in the Memorandum and Articles of Association of the Company is Rs.400,00,00,000 divided into 35,00,00,000 Ordinary Shares of Rs.10/- each and 5,00,00,000 Unclassified Shares of Rs.10/- each.
3. Pursuant to the powers delegated to the Board of Directors under Article 7 of the Articles of Association of the Company, the Board of Directors had, at its meeting held on July 21, 2003, re-classified the 5,00,00,000 Unclassified Shares in the Authorised Share Capital of the Company into 5,00,00,000 Ordinary Shares of Rs.10/- each which are *pari passu* with the existing Ordinary Shares of the Company.
4. Alterations are being made in Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company to reflect the said re-classification of the Authorised Capital of the Company comprising of 40,00,00,000 Ordinary Shares of Rs.10/- each aggregating Rs.400,00,00,000 as indicated in the Resolution at Item Nos.7 and 8 of the Notice.
5. The Directors commend the Resolutions at Item Nos. 7 and 8 for acceptance. A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.
6. **Item Nos. 9 to 11 :** The members at the Annual General Meeting of the Company held on August 14, 2001, appointed Mr Ravi Kant as an Executive Director for a period of 5 years effective July 12, 2000. The members at the Extraordinary General Meeting held on March 27, 2002, appointed Mr Praveen P Kadle and Dr V Sumantran as Executive Directors for a period of 5 years w.e.f. October 31, 2001 and November 12, 2001 respectively and had also revised the terms of appointment of Mr Ravi Kant.
7. Taking into consideration their present salary, the improved performance and growth of the Company under their management and based on the recommendations of the Remuneration Committee, the Board of Directors at its meeting held on May 19, 2004, approved the revision in the salary as also the limits for perquisites and allowances in the terms of remuneration of the Executive Directors, subject to the approval of the Members. The Board of Directors is of the view that the increase in remuneration is commensurate with the responsibilities shouldered by the Executive Directors. The revised terms of remuneration of the Executive Directors (hereinafter referred to as "the Appointees") are as under:
 - i. Remuneration :
 - a. Salary : Upto a maximum of Rs.4,00,000/- per month with authority to the Board, which expression shall include a Committee thereof, to fix their salaries within the above maximum amount from time to time. The annual increment will be merit based and take into account the Company's performance.
 - b. Incentive Remuneration : Upto 200% of salary to be paid at the discretion of the Board annually, based on certain performance criteria.
 - c. Commission : Such remuneration by way of commission, in addition to the salary, incentive remuneration, if any, and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The specific amounts payable to the Appointees will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Members.

- d. Perquisites and allowances : In addition to the salary, incentive remuneration, if any, and commission payable, the Appointees shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical/accident insurance, leave travel concession for himself and his family; club fees and such other perquisites and allowances; in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Appointees; such perquisites and allowances will be subject to a maximum of 140% of their respective annual salaries.
 - For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
 - Provision for use of Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.
 - Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
 - ii. Minimum Remuneration : Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointees, the profits are inadequate, the Company will pay remuneration for a period not exceeding 3 years by way of salary, incentive remuneration, perquisites and allowances as specified above.
8. All other terms and conditions of the appointment of Mr Kant, Mr Kadle and Dr Sumantran as approved by the Members, will remain unchanged.
 9. In compliance with the provisions of Sections 269, 309, 310 and 311 and other applicable provisions of the Act, the revised terms of Mr Kant, Mr Kadle and Dr Sumantran as per the terms and conditions contained in Item Nos.9 to 11 of the Notice and as per the draft agreements between the Company and the Executive Director(s) are now being placed before the Members in general meeting for their approval. The Directors commend the Resolutions at Item Nos. 9 to 11 for acceptance by the Members.
 10. The draft Agreements between the Company and the Executive Director(s) are available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.
 11. Mr Kant, Mr Kadle and Dr Sumantran are concerned or interested in Item Nos. 9 to 11 respectively of the Notice.
 12. This may be treated as an abstract of the draft Agreements between the Company and the Executive Director(s) pursuant to Section 302 of the Act.

By Order of the Board of Directors

H K SETHNA
Company Secretary

Mumbai, May 19, 2004

Registered Office :
Bombay House
24, Homi Mody Street
Mumbai - 400 001

Information on Directors retiring by rotation seeking re-appointment at this Annual General Meeting

Particulars	Mr Ratan N Tata	Mr R Gopalakrishnan	Mr S A Naik
Date of Birth & Age	December 28, 1937 – 66 years	December 25, 1945 – 58 years	June 22, 1930 – 73 years
Appointed on	August 14, 1981	December 22, 1998	July 25, 2000
Qualifications	B.Sc. (Architecture) from Cornell University, USA, including 1 yr. at the Cornell Graduate School of Business Administration	B.Sc.(Physics), B. Tech (I.I.T.)	B.Sc., LLM
Expertise in specific functional areas	Eminent industrialist with wide business experience across a variety of industries.	Wide experience in Marketing and General Management.	Wide experience in the legal field.
Directorships held in other Public companies (excluding foreign and private companies)	Information Technology Park Ltd. Tata AutoComp Systems Ltd. Tata Chemicals Ltd. Tata Consultancy Services Ltd. Tata Industries Ltd. The Tata Iron and Steel Co. Ltd. Tata Sons Ltd. Tata Tea Ltd. The Bombay Dyeing & Mfg Co. Ltd. The Indian Hotels Co. Ltd. The Tata Power Co. Ltd. Videsh Sanchar Nigam Ltd.	Castrol India Ltd. ICI India Ltd. Idea Cellular Ltd. Rallis India Ltd. Sheba Properties Ltd. Tata AutoComp Systems Ltd. Tata Chemicals Ltd. Tata Honeywell Ltd. Tata Sons Ltd. Tata Technologies Ltd. Tata Teleservices Ltd. Tata Teleservices (Maharashtra) Ltd. The Tata Power Co. Ltd.	Saraf Sons (Traders) Ltd.
Memberships / Chairmanships of committees across public companies	Audit Tata Consultancy Services Ltd. Remuneration Tata AutoComp Systems Ltd. Tata Motors Ltd. Tata Chemicals Ltd. The Tata Iron & Steel Co. Ltd. Tata Sons Limited The Indian Hotels Co. Ltd. Videsh Sanchar Nigam Ltd.	Audit Castrol India Ltd. ICI India Ltd. Tata Chemicals Ltd. Remuneration Castrol India Ltd. – Chairman ICI India Ltd. Rallis India Ltd. Tata Chemicals Ltd. The Tata Power Co. Ltd. Tata Teleservices Ltd. Investors' Grievance Tata Motors Ltd.	Audit Tata Motors Ltd. Remuneration Tata Motors Ltd. Investors' Grievance Tata Motors Ltd. – Chairman

FUNDS FLOW - LAST FIVE YEARS

	2003-04	2002-03	2001-02	2000-01	(Rupees crores) 1999-00
Sources of Funds					
1 Funds generated from operations					
A. Profit/(Loss) after tax (net of prior year adjustments)	810.34	300.11	(53.73)	(500.34)	71.20
B. Depreciation / Amortisation	382.60	362.13	354.68	347.37	342.61
C. Provision for diminution in value of investments (net)	48.30	26.00	—	—	—
D. Net deferred tax charge /(credit)	386.00	190.55	(55.48)	—	—
Total Profit/(Loss)	1627.24	878.79	245.47	(152.97)	413.81
2 Proceeds from Convertible Debentures converted into Ordinary Shares and premium thereon	578.29	0.01	415.51	—	—
3 Reduction in Working Capital	450.08	515.92	143.24	636.31	610.13
4 Investments sold (net of purchases and adjustment for diminution in value of investment)	—	—	166.01	—	—
	2655.61	1394.72	970.23	483.34	1023.94
Application of Funds					
1 Capital Expenditure (net)	262.33	248.65	207.03	186.82	281.45
2 Repayment of Borrowings (net of additional borrowings)	198.54	846.65	693.92	5.38	440.97
3 Investments made (net of sales)	1833.27	107.88	—	186.44	171.36
4 Dividends (including tax thereon)	318.25	144.30	—	—	78.03
5 Deferred Revenue Expenditure (net)*	43.22	47.24	69.28	104.70	52.13
	2655.61	1394.72	970.23	483.34	1023.94

* Including utilisation of Securities Premium Account towards Premium on Redemption of Debentures, Foreign Currency Convertible Notes and Rights / Foreign Currency Convertible Notes issue expenses
Figures for the previous years have been regrouped.

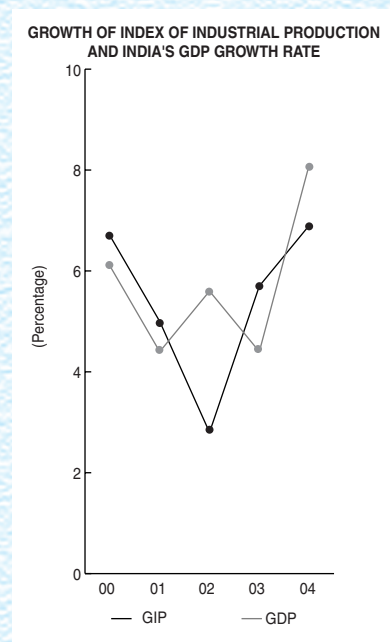
Directors' Report

TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Fifty-ninth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2004.

2 FINANCIAL RESULTS

	Financial Year	
	2003-04 (Rs. in crores)	2002-03 (Rs.in crores)
(i) Gross Revenue	15493.52	10840.70
(ii) Net Revenue (excluding excise duty)	13223.22	9096.91
(iii) Total Expenditure	11341.42	7957.50
(iv) Operating Profit	1881.80	1139.41
(v) Other Income	58.90	18.04
(vi) Profit before Interest, Depreciation & Amortization	1940.70	1157.45
(vii) Interest		
(a) Gross Interest	206.65	319.87
(b) Adjustment/Transfer to Capital Account	(45.39)	(40.92)
(c) Net Interest	161.26	278.95
(viii) Cash Profit	1779.44	878.50
(ix) Product Development Expenses	51.64	-
(x) Depreciation/Amortisation	382.60	362.13
(xi) Profit for the year before extra-ordinary/ exceptional items	1345.20	516.37
(xii) Extra-ordinary/Exceptional items	52.86	6.00
(xiii) Profit Before Tax	1292.34	510.37
(xiv) Provision for Taxation		
(a) Current (Net of Provisions written back)	96.00	19.71
(b) Deferred (includes Provisions for earlier years)	386.00	190.55
(xv) Profit After Tax	810.34	300.11
(xvi) Investment Allowance (utilized) Reserve Written Back	-	0.90
(xvii) Balance Brought Forward from Previous Year	123.71	-
(xviii) Amount Available for Appropriations	934.05	301.01
APPROPRIATIONS		
(a) General Reserve	250.00	33.00
(b) Dividend		
Interim	139.95	-
Final	142.16	127.91
(c) Tax on dividend		
Interim	17.93	-
Final	18.21	16.39
(d) Balance carried to Balance Sheet	365.80	123.71



DIVIDEND

- 3 The Directors propose payment of a final dividend of Rs. 4/- per share on 35,29,58,130 Ordinary Shares fully paid up on March 31, 2004 and any further shares that may be allotted by the Company on conversion of Notes or exercise of rights Warrants prior to June 24, 2004 (being the beginning date of book closure period for the purpose of dividend entitlement) for the year 2003-04. In view of the continued strong financial performance and keeping in mind the support and understanding of the shareholders during the Company's two most difficult years when no dividend could be paid, the Board of Directors had, at its meeting held on January 22, 2004, declared a maiden interim dividend of Rs. 4/- per share. Consequently, the total dividend for the year, (subject to approval of the final dividend by the Members at the Annual General Meeting), would be Rs. 8/- (previous year Rs. 4/-) per share.

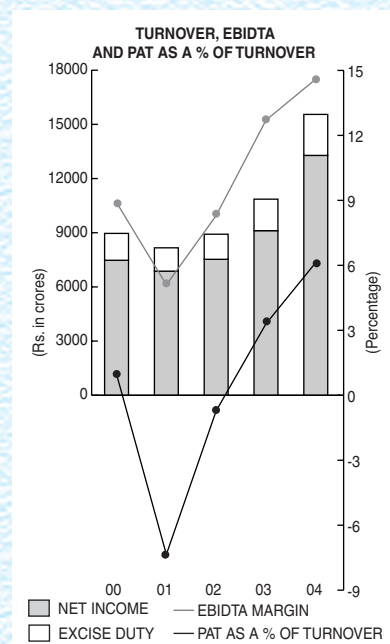
OPERATING RESULTS AND PROFITS

- 4 Strong economic growth, low interest rates and continued focus on several measures undertaken by the Company like new product introductions, aggressive marketing efforts, cost cutting and quality and process improvements have all resulted in the Company achieving its best performance yet, with sales volumes, in both domestic and international markets, and profits touching new peaks. The Company also achieved a significant landmark when it sold its 3 millionth vehicle and its 500,000th passenger vehicle during the year. It also became the first Indian automobile company to acquire an overseas vehicle manufacturing company.

Overall sales volumes at 314,259 and turnover at Rs.15,552.42 crores were both around 43% higher than in 2002-03 and the Company retained its position as the largest Indian automotive company in terms of revenues. It remained the No.1 commercial vehicle manufacturer with an enhanced market share and the No. 2 passenger vehicle manufacturer in India. Export volumes at 22,046 vehicles were 124.8% higher than the previous year and also surpassed the previous high of 16,684 vehicles achieved in 1995-96. Operating Profit at Rs.1881.80 crores, increased by 65.2% over the previous year. EBITDA margin at 14.6% was also better than 12.7% achieved in 2002-03. The Profit Before Tax was at Rs. 1,292.34 crores as compared to Rs. 510.37 crores in 2002-03 outperforming the previous high PBT of Rs.1,000.46 crores achieved in 1996-97. After providing for current and deferred taxes, the Profit After Tax was Rs. 810.34 crores, (Rs.300.11 crores) setting a new record from the previous high of Rs.762 crores achieved in 1996-97.

COMMERCIAL VEHICLES

- 5 The Company's domestic commercial vehicles sales at 152,195 vehicles grew by 44% as against an industry growth of 36%. Consequently, the Company



strengthened its market leadership with a significant market share gain to 58.5% from 55.5%. Several initiatives such as the introduction of the **EX** range of commercial vehicles, a new pickup with better fuel efficiency and higher reliability, increase in the distribution network and extensive deployment of new sales and service processes have all contributed to the Company's commercial vehicles growth during the year. Additionally, specific transportation solutions were created for the cement industry as also fully built bus business was enhanced.

The Company sold 10,953 commercial vehicles in the international markets which represented a growth of 54.3% and 6.7% of the total commercial vehicle sales for the year. After careful evaluation, a few select countries have been identified for focused marketing efforts to give a boost to the international business for commercial vehicles. Relevant products, a new organisational structure and strategic plan including service support, appropriate to the market are being put in place.

A major step towards globalisation was achieved with the acquisition by the Company of Daewoo Commercial Vehicle Company Limited (DWCV) at Gunsan in the Republic of South Korea. DWCV, a profitable company, was acquired for a total price of KRW 120.642 billion (approximately US \$ 102 million or Rs. 465 crores) which includes the perpetual, exclusive and royalty-free use of the Daewoo trademark in the Korean and overseas markets. This acquisition is expected to accelerate the introduction of commercial vehicles with higher power to weight ratio in India and international markets. The Company would also provide support to DWCV in strengthening its position in the Korean market with the introduction of medium commercial vehicles and the facilitation of increased exports from DWCV.

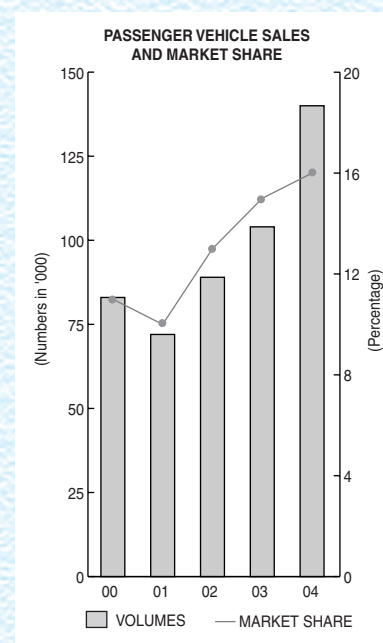
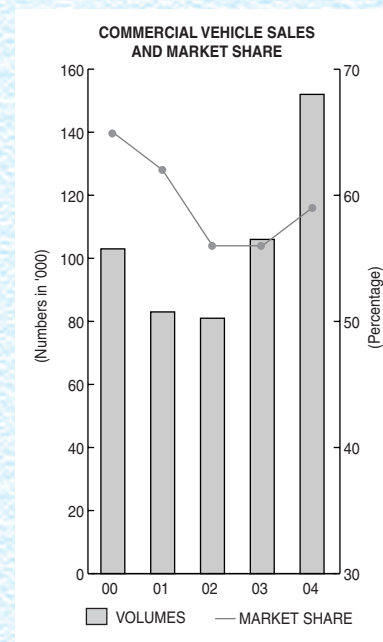
The Company has recently been focusing on its revenue generation from non-vehicular business where it entered into new areas like Reconditioning, Annual Maintenance Contracts, etc. which grew by 20% during the year.

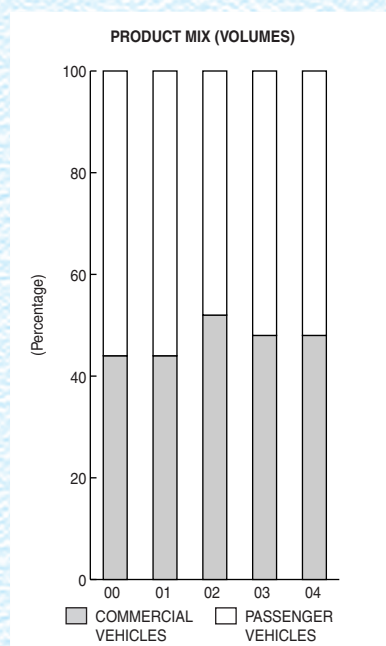
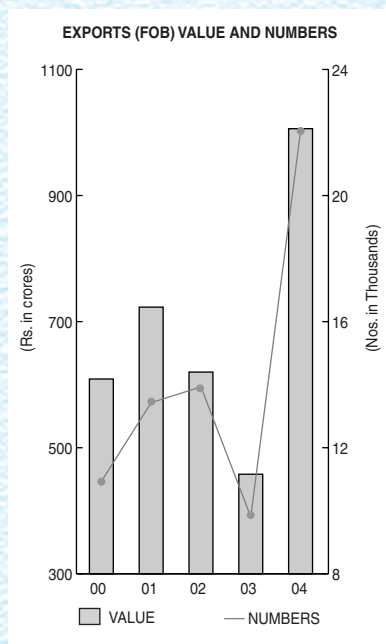
All of the Company's plants have achieved the TS16946 quality certification.

PASSENGER VEHICLES

- 6 The Company's domestic sales of passenger vehicles continued to grow achieving a volume of 140,018 cars, a growth of 34% in an industry that has grown by 27%. The Company consequently increased its market share to 15.5% from 14.7%.

The Company's achieved sales of 108,166 cars breaking the 1,00,000 cars barrier this year. The **Indigo** became the best selling car in its class in 2003 calendar year and achieved a sales volume of nearly 28,000 vehicles for 2003-04. Over 80,000 **Indicas** were sold during the year with cumulative sales crossing 3,00,000 cars. The new face lifted model of the **Indica V2** launched during the year has received an enthusiastic response from the market.





The Company's UVs also recorded their best sales in the last six years at 31,852 vehicles representing a growth of 28.4% over the previous year despite strong competition and new model launches by the competitors. With the launch of a more fuel efficient **Spacio**, the **Sumo** range grew by 29% over the previous year with a sale of over 28,000 vehicles while the **Safari** grew by 18% over last year with a sale of nearly 3,700 vehicles. Cumulative sales of the **Sumo** crossed the 2,50,000 mark during the year. The Company launched a 135 HP petrol engine **Safari** that has enhanced the appeal of the product line, and has enabled the **Safari** to top the list among UVs in the JD Power APPEAL Survey 2003.

The Company's products continued to be appreciated by auto critics and customers alike. **Indica** continues to be noted amongst the most trusted brands and was also recognised as one of the most enduring brands to have been created in the last 7 years. The Company's advertising and communication won critical acclaim in the industry.

The Company continued its efforts to improve the customer experience around its products with a strengthening of its sales and service network. Initiatives in the areas of training, institutionalization of common dealer standards and a comprehensive customer connect programme improved customer satisfaction ratings for the Company for the third consecutive year. The Company continues to offer the second largest service network in the country.

The Company exported 11,093 passenger vehicles during the year which was more than four times the previous years' volume and was 7.3% of the Company's passenger vehicles sales for the year. Pursuant to signing of the long term supply agreement with MG Rover UK, the Company commenced supplies of the CityRover car to MG Rover from September 2003. During the year, the Company exported over 6,600 CityRover cars. Direct exports of more than 1900 vehicles to various European Countries were also made during the year.

The Company's Passenger Car business was awarded the ISO 9001 certification for quality and the ISO 14001 certification for environmental management.

AUTO EXHIBITIONS & AWARDS

- 7 The Company participated at the AutoExpo 2004 in January where it launched a new facelift of the **Indica** and also unveiled a new estate version of the **Indigo - the Marina**. Commercial vehicle transportation solutions were also exhibited at the show.

Participation at international auto shows continued with the Company unveiling the **Indigo Advent**, a concept cross-over at the Geneva Auto Show in March.

The Company's passenger cars continue to receive recognition for their contribution to Indian automotive design and technology. During the year,

the Company received the CSIR Diamond Jubilee Technology Award for the development of the **Indica** and the Business World-NID design Excellence Award for design, development and productionisation of the **Indica**.

CUSTOMER FINANCING

- 8 The Company intends to expand its vehicle financing activities to capture the significant potential for the value add from this business and to support its vehicle sales. As part of its efforts in this business, the Company entered into a joint marketing arrangement has been established with Tata Finance Limited (TFL) through which the Company's Bureau of Hire Purchase and Credits (BHPC) and the asset financing division of TFL approach the market with a common marketing front under the brand of '**Tata Motors Finance**' (TMF). This has resulted in a growth of 53%, 47,553 vehicles financed during the year, and an improvement in the market share to 16.3% from 14.7%. Combined disbursements during the year at around Rs. 2,300 crores increased by 43%.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

- 9 During the year, the Company signed a 3-year Wage settlement with its Union at Pune. The wage agreement became effective from October 1, 2003 and includes payments linked to quality. This would not have been possible without the constructive role, understanding and the support of the Unions.

Cordial Industrial Relations and improvements in productivity were maintained at all of the Company's plants & offices and the management appreciates the support of the Unions in achieving this.

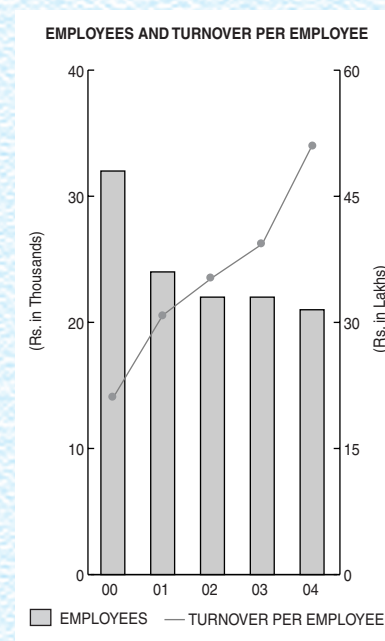
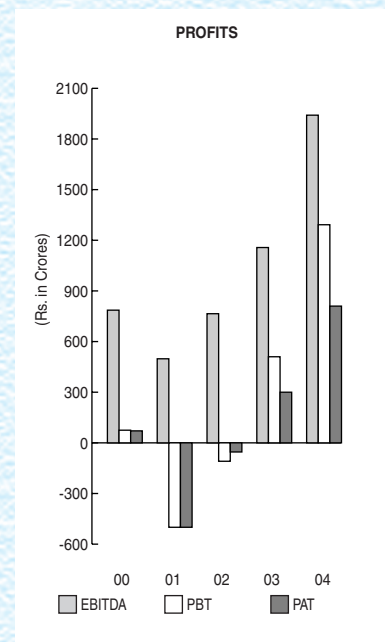
- 10 An Early Separation Schemes for the bargainable workforce, were implemented by the Company and some of its subsidiaries, consequent to which 343 employees locations and 48 employees in the subsidiaries were separated..

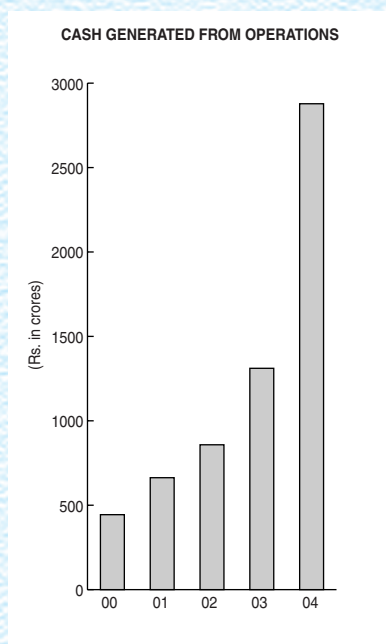
The permanent employee strength of the Company as on March 31, 2004 was 21,271 while that of the Company's subsidiaries as on March 31, 2004 was 2,184.

- 11 The Company received commendation as one of the "Best Employers" in the country in a survey carried out by Hewitt Associates & Business Today. The Company's Jamshedpur plant also received recognition from CII Eastern Region for "Best Practices in Industrial Relations".

GLOBAL COMPACT AND COMMUNITY INITIATIVES

- 12 Being a signatory to the United Nations' Global Compact, the Company has taken various community and social initiatives on human rights, labour standards and environment to ensure compliance with the principles of *The Global Compact* in letter and spirit. Through its various community centers as also jointly with the Tata Council for Community Initiatives, the Company continues its active roll in community development serving rural communities surrounding the Company's Jamshedpur, Pune and Lucknow





works. Some of the significant new initiatives taken up by the Company during the year were:

- undertaking an integrated water shed development programme covering 600 hectors for soil and moisture conservation, afforestation, wasteland development and agro-based activities benefiting residents of 12 villages in east Singhbhum, Jharkhand.
- construction of village ponds and supply of drinking water to Varale village in Maharashtra which was affected by the drought benefiting 17 villages in Maharashtra.
- Constructing community irrigation wells, drinking water wells, gobar gas plants and other basic facilities in some of the villages surrounding the works at Pune, Maharashtra.
- conducting programmes for women's empowerment where young girls and women are trained in the basics of self-defense, interpersonal relationship, personality development and other useful skills to enable them to be self-reliant at Alipur and Bibipur in Uttar Pradesh.
- promoting a new society 'Prabuddh Shram Samvida Sahkari Samiti' to encourage development of rural people in Jainabad, Uttar Pradesh.

These and other continuing initiatives have been recognized at the national level by the World Environmental Foundation in 2003, when the Company was awarded the 'Golden Peacock Environment Management Award'.

FINANCE

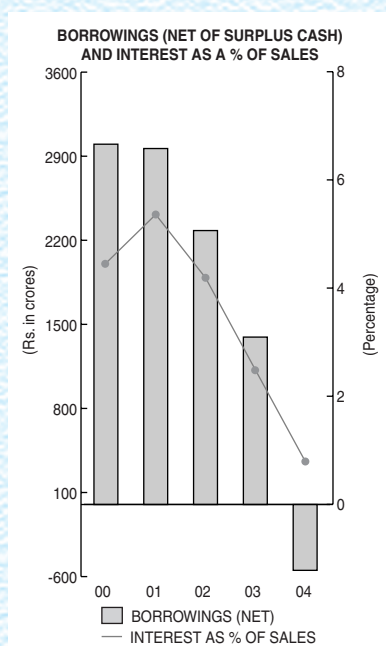
13 Convertible and Non-Convertible Debentures

The status on utilization of the Company's Rights Issue of simultaneous but unlinked Convertible Debentures (CDs) and Non-Convertible Debentures (NCDs), both with Warrants attached aggregating Rs.979 crores is given below:

Objects	Planned in the Financial year 2001-02 to 2003-04 Rs. in crores	Actual upto March 31, 2004 Rs. in crores
Capital expenditure, Product development expenditure and strategic investments	780	576
Prepayment/Repayment of borrowings	527	560
Total	1307*	1136*

* This is to be funded by proceeds of the Rights Issue to the extent of Rs. 979 crores (including Warrants proceeds of Rs. 307 crores) and the balance of Rs. 328 crores through internal accruals over the period 2001-02 to 2003-04.

The exercise of Warrants issued along with the CDs and NCDs in December 2001, commenced from June 6, 2003, at a conversion price of Rs.120/- per



warrant. As at March 31, 2004, 1,91,98,833 Warrants representing 75.1% of the total warrants have been exercised into equivalent number of shares. The last date for the exercise of the Warrants is September 30, 2004. The Company also exercised its Call Option on the NCD's and redeemed the same on December 6, 2003.

14 Foreign Currency Convertible Notes

In July 2003, the Company accessed the international financial markets through an offering of 1% Convertible Notes due 2008 for US \$90 million (with an over-allotment option of US \$10 million) which was oversubscribed. The Notes have been listed on the Luxembourg Stock Exchange. The Notes which were issued on July 31, 2003 are convertible into either Ordinary Shares or Global Depositary Shares (GDSs) representing Ordinary Shares of the Company at a price of Rs.250.745 per share. The Notes would be redeemed on July 31, 2008 at a premium of 16.824% of the outstanding principal amount plus any accrued or unpaid interest as of that date. As at March 31, 2004, US \$ 75.913 million of the aggregate amount of US \$ 100 million stands converted into shares.

A second offering of Convertible Notes was made on April 20, 2004 for an aggregate amount of US\$ 400 million in two tranches viz. (i) Zero Coupon Convertible Notes of US\$100 million due in April 2009 and (ii) 1% Convertible Notes of US\$300 million due in April 2011. The Notes have been listed on the Singapore Stock Exchange. This issue represents the first ever multi-tranche convertible offering by an Indian company, with tranche 1 having an aggressive yield structure and tranche 2 achieving highest conversion premium of 60% for an Asian convertible offering.

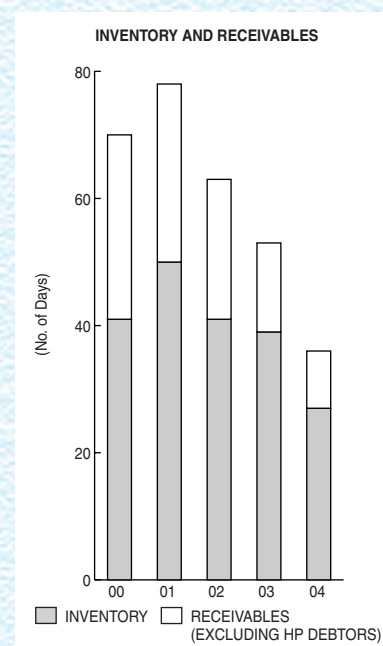
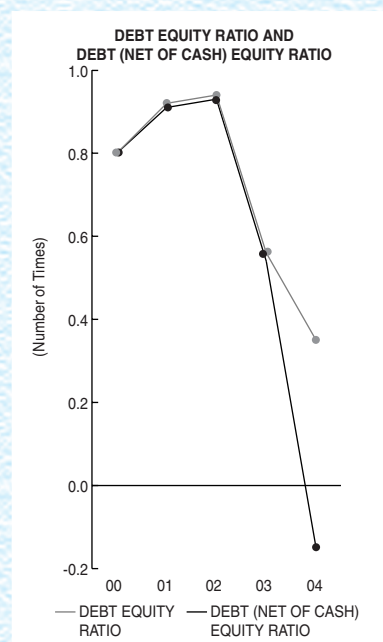
The funds raised from these two offerings would be utilized in funding international acquisitions and/or strategic alliances, including refinancing the acquisition of DWCV, and for the Company's ongoing product development and capital expenditure programmes which are expected to aggregate approximately Rs. 6,000 crores over the next five years.

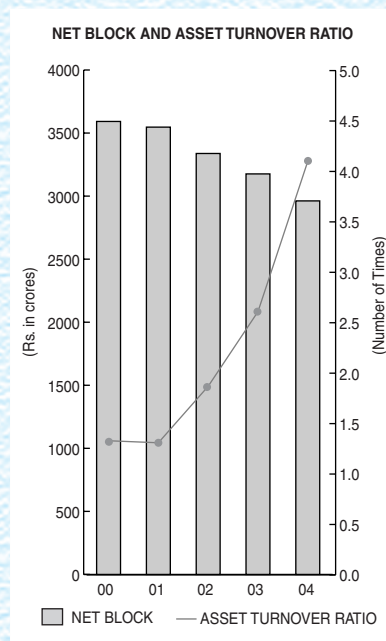
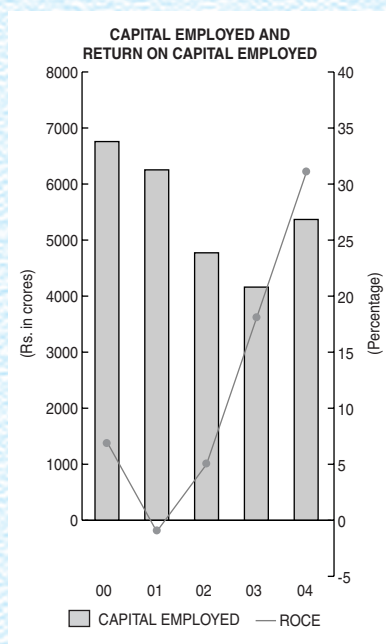
15 As a result of the conversion of Warrants and the 1% Convertible Notes (due 2008) during the year, the Share Capital of the Company has increased to Rs.356.83 crores from Rs.319.83 crores and the Securities Premium Account has increased net of deductions, to Rs. 1681.34 crores from Rs. 1191.14 crores in the previous year.

16 The Company's performance during the year and its prudent fiscal management has enabled it to improve its ratings. The rating for local currency borrowing has been upgraded from AA to AA+ by ICRA and the rating of AA from CRISIL has been maintained. The foreign currency borrowing rating of the Company stands at BB with a stable outlook (Standard and Poors) and Ba2 with a positive outlook (Moody's).

INFORMATION TECHNOLOGY INITIATIVES

17 The Company considers information technology support as a key factor to its strategy for growth. During the year, the Company upgraded its



Tata Motors Limited


SAP-ERP platform and has been utilising IT to support its customer focus through a Customer Relationship Management (CRM) which would enable the Company to better understand and service its customers and retain its important customers by building and nurturing relationships. E-sourcing was extensively deployed during the year and has become a benchmark in India as well as in the automotive industry and has contributed greatly to the Company's efforts at cost reduction.

18 SUBSIDIARY AND ASSOCIATE COMPANIES
Subsidiary companies

For the financial year ended March 31, 2004, all of the Company's subsidiaries with the exception of TAL Manufacturing Solutions Ltd. have significantly improved on their financial performance and profitability. A brief profile of the subsidiary companies and their main financial parameters for 2003-04 are provided below:

Telco Construction Equipment Company Limited (Telcon) is engaged in the business of manufacturing and sale of construction equipment and allied services in which the Company along with its subsidiary Sheba Properties Ltd. has 80% holding and Hitachi Construction Machinery Company Limited, Japan, holds 20%. With the increase in economic activity especially in the infrastructure sector, Telcon recorded its best performance to date, having sold 1,989 units (1488 machines in 2002-03) with a turnover of Rs. 730.73 crores (Rs. 556.52 crores) and a Profit After Tax of Rs. 20.67 crores (Rs. 4.13 crores). The Board of Telcon declared a maiden dividend of Rs.0.50 per share.

Tata Technologies Limited (TTL) is a wholly owned subsidiary company in which the Company holds 95.38% shares and its wholly owned subsidiary **Tata Technologies, USA**, (TTUS) are in the business of computer based designed and engineering solutions to the manufacturing sector in general, and the automotive industry in particular, and providing information technology services. TTL recorded a turnover of Rs. 132.94 crores (Rs. 93.16 crores) and a Profit After Tax of Rs. 6.88 crores (Rs. 7.70 crores). The turnover of TTUS was US \$ 9.1 million or Rs.41.49 crores (US \$2.9 million or Rs.14.32 crores) and a PAT of US \$247950 or Rs.1.05 crores (Loss of US \$ 917867 or Rs. 4.39 crores)

TAL Manufacturing Solutions Limited (TAL) which is a 100% owned subsidiary of the Company is engaged in the business of providing factory automation solutions and design and manufacture of a wide range of machine tools. Due to the continued cheaper import of capital goods, the performance of TAL continues to be disappointing and losses in this company have not been arrested. During the year, TAL recorded a turnover of Rs.76.51 crores (Rs. 63.01 crores) and a loss of Rs. 33.19 crores (Loss of Rs.28.20 crores). Due to the continued losses of TAL, the Company has now made a further provision of Rs. 49 crores during the current financial year.

While the management of TAL is taking steps for its revival, the Company is also looking at various options in restructuring of TAL so that its losses can be quickly arrested.

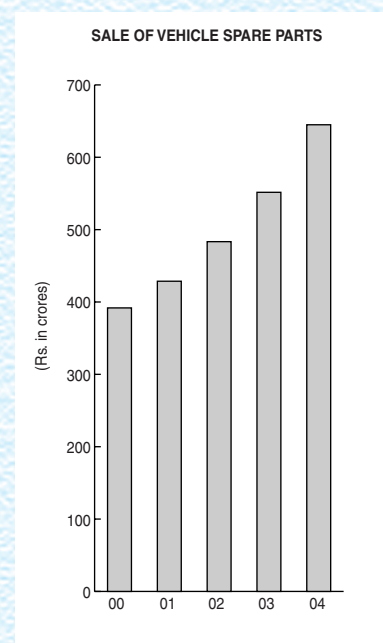
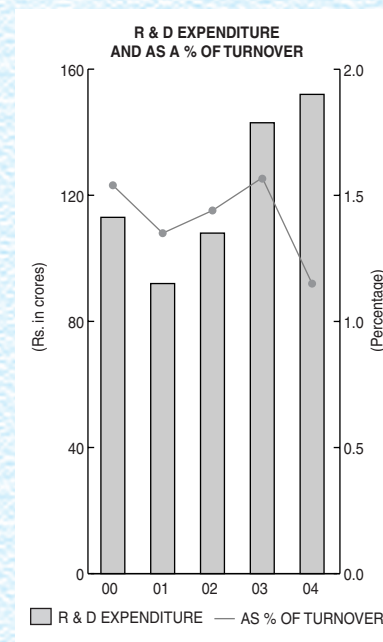
HV Transmissions Limited (HVTL) and **HV Axles Limited (HVAL)** are 100% subsidiary companies engaged in the business of manufacture of Gear Boxes and Axles respectively for Heavy and Medium Commercial Vehicle applications. With the Company's M/HCV sales, HVTL and HVAL have recorded significant improvement in their financial and operational performance. During the year, both the companies undertook a financial restructuring whereby, pursuant to the Orders dated November 7, 2003 of the High Court having Jurisdiction at Mumbai, the balance of Miscellaneous Expenditure and the debit balance of the Profit and Loss Account as on April 1, 2004 aggregating to Rs. 35.56 crores of HVTL and Rs.23.54 crores for HVAL was set off against their respective Securities Premium Account. With this, HVTL and HVAL would be able to more appropriately reflect their future earnings and performance and also enhance shareholder returns. HVTL recorded a turnover of Rs.106.82 crores (previous year Rs. 90.93 crores) and a PAT of Rs.17.33 crores (Rs.4.65 crores). HVAL recorded a turnover of Rs.117.63 crores (Rs. 99.09 crores) and a PAT of Rs. 29.69 crores (Loss of Rs.0.15 crores). The Boards of both HVTL and HVAL have declared maiden dividends of Rs. 1.50 per share for these Companies.

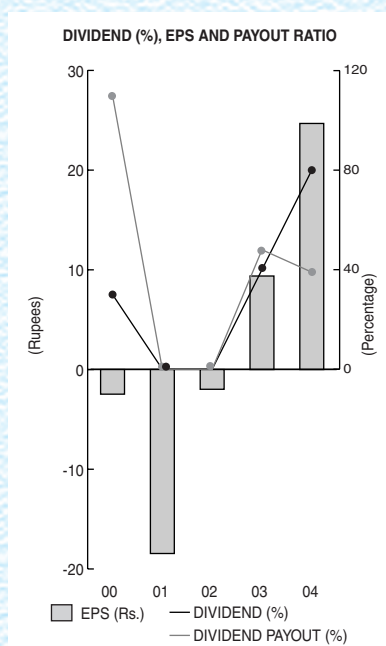
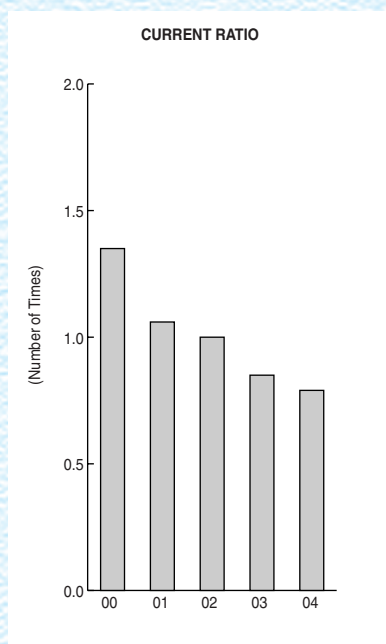
Sheba Properties Limited is a 100% owned investment company. The income of the company was Rs. 1.90 crores (Rs.4.63 crores) and PAT was Rs. 1.37 crores (Rs. 0.70 crores).

Telco Dadajee Dhackjee Limited (TDDL) is a subsidiary in which the Company along with its subsidiary Sheba Properties Limited held 81.04% owns a property in South Mumbai which is being developed as a Showroom. The income of TDDL was Rs.1.11 crores (Rs.1.65 crores) and PAT was Rs.0.62 crores (Rs. 0.92 crores)

Minicar (India) Limited, a 100% subsidiary, owns a property in Central Mumbai which has been developed as a Service Centre for the Company's vehicles. Minicar recorded an income of Rs. 0.87 crores (Rs. 0.83 crores) and a PAT of Rs.0.46 crores (Rs.0.41 crores). Minicar and Concorde Motors Limited, (Concorde) an associate of the Company which runs dealerships for the Company's passenger vehicles, have entered into a Scheme of Arrangement whereby, the name of Minicar would be changed to Concorde Motors (India) Limited and the sales and service business of Concorde would be demerged into Minicar. As the petition of these companies is currently pending with the High Courts having Jurisdiction at Mumbai and Delhi, the financial performance of Minicar does not reflect the effect of the proposed demerger.

Daewoo Commercial Vehicle Company Limited (DWCV), of South Korea, became a 100% subsidiary of the Company with effect from March 30, 2004. DWCV, which was established in November 2002 under a





Corporate Reorganisation Plan was under the Receivership of the Incheon District Court prior to its acquisition and, is engaged in the business of manufacturing heavy vehicles such as cargo trucks, dump trucks, tractor trailers and special purpose vehicles mixers between 15T GVW and 45 T GCW. It is Korea's second largest heavy truck manufacturer, with a market share of 26% in this segment. For the year ended December 31, 2003, DWCV recorded a turnover of KRW 265.545 billion (US \$ 221.7 million or approximately Rs. 969 crores) and a PAT of KRW 6.476 billion (US \$ 5.41 million or approximately Rs. 24 crores).

Associate Companies

As on March 31, 2004 the Company had the following associate companies:

Tata Cummins Ltd., in which the Company has 50% shareholding along with Cummins Engine Co. Inc. USA which holds the balance, is engaged in the manufacture and sale of high horse power engines used in the Company's range of M/HCVs.

Tata AutoComp Systems Ltd. (TACO) is a holding company for promoting domestic and foreign Joint Ventures in auto components and systems and is also engaged in engineering services, supply chain management and after market operations for the auto industry. The Company's shareholding in TACO is 50%.

Tata Precision Industries Pte. Ltd., Singapore, in which the Company has 49.99% shareholding is engaged in the manufacture and sale of high precision tooling and equipment for the computer and electronics industry.

Concorde Motors Ltd. in which the Company holds 49% equity, is engaged in the retailing and after-sales service and spares of passenger vehicles manufactured by the Company.

Nita Co. Ltd., Bangladesh, in which the Company holds 40% equity is engaged in the assembly of TATA vehicles for the Bangladesh market.

Tata International Limited in which the Company alongwith its subsidiary Sheba Properties Limited holds 20.34% equity is the exporting arm of the Tata Group and is also engaged in the leather business.

Tata Finance Limited is a Non-Banking Finance Company in which the Company alongwith its subsidiary Sheba Properties Limited had a shareholding of 29.67% till October 6, 2003 when it ceased to be an associate company.

In accordance with the Statement of Accounting Standard on Consolidated Financial Statements (AS 21) and the Accounting Standard on Accounting for Investments in Associates (AS 23) issued by the Institute of Chartered Accountants of India, the above mentioned subsidiaries and associates have been considered in the Consolidated Financial Statements of the Company. As may be seen from the consolidated statements, the consolidated turnover for the year ended March 31, 2004 is Rs. 16,341.04 crores (Rs. 11,448.01 crores) and Profit for the Year is Rs. 915.29 crores (Rs. 297.12 crores).

The Company has applied to the Central Government under Section 212(8) of the Companies Act, 1956, seeking an exemption from attaching a copy of the Balance Sheet, Profit and Loss Account, Director's Report and Auditors' Report of the subsidiary companies and other documents required to be attached under Section 212(1) of the Act to the Balance Sheet of the Company and the said approval is expected shortly. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the Subsidiaries is contained in the report. The Annual Accounts of the subsidiary companies (with the exception of DWCV whose financial year end on December 31, 2003 when it was not a subsidiary of the Company) are open for inspection by any member/investor and the Company will make available these documents/details upon request by any Member of the Company or its subsidiaries interested in obtaining the same.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

- 19 Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as an Annexure to the Directors' Report.

DIRECTORS

- 20 In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ratan N Tata, Mr. R Gopalakrishnan and Mr. S A Naik are liable to retire by rotation and are eligible for re-appointment.

CORPORATE GOVERNANCE

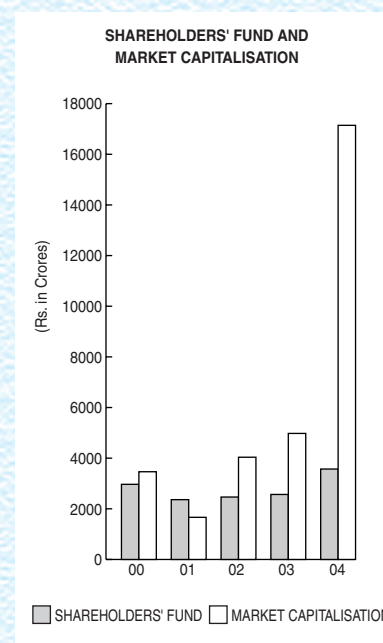
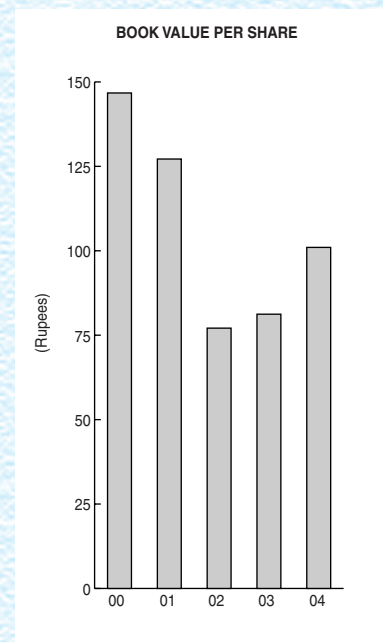
- 21 A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the listing agreement is included in the Annual Report.

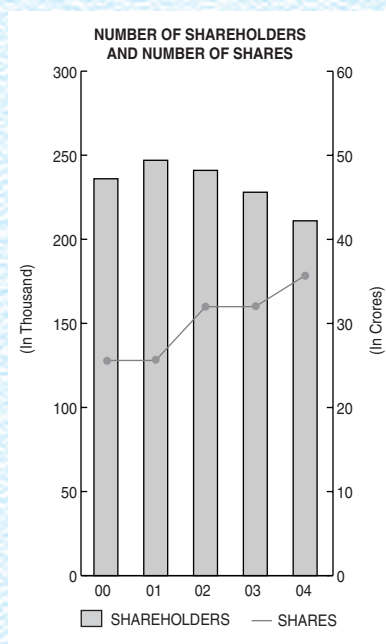
PARTICULARS OF EMPLOYEES

- 22 Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended March 31, 2004, is also given as an Annexure to this Report.

AUDIT

- 23 Messrs A.F. Ferguson & Company and Messrs S.B. Billimoria & Company, who are the Statutory Auditors of the Company hold office until the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for the Financial Year 2004-05. Messrs A.F.Ferguson & Co. and Messrs S. B. Billimoria & Co. have, under Section 224(1) of the Companies Act, 1956, furnished certificates of their eligibility for re-appointment.



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Cost Audit

- 24 As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956, the Company carries out an audit of cost accounts relating to motor vehicles every year. Subject to the approval of the Central Government, the Company has appointed M/s Mani & Co. to audit the cost accounts relating to motor vehicles for the Financial Year 2004-05.

25 **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the Operating Management, confirm that:-

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

- 26 The Directors wish to convey their appreciation to all of the Company's employees and the employees' Unions for their enormous personal efforts as well as their collective contribution to the Company's record performance. The Directors would also like to thank, shareholders, customers, dealers, suppliers, bankers, and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

On behalf of the Board of Directors

RATAN N. TATA

Chairman

Mumbai, May 19, 2004

Annexure to the Director's Report

(Additional information given in terms of Notification 1029 of 31-12-1988 issued by the
Department of Company Affairs)

A. Conservation of Energy

The Company has always been conscious about the need for conservation of energy. Energy conservation measures include installation of an intermediate controller for compressed air networks, use of additive fuels and installation of removable insulation covers for valves replacement of paper dielectric capacitors with all polypropylene capacitors at furnace. These measures have resulted in cost savings for the Company.

B. Technology Absorption

The Company has initiated a program to transform its range of its Commercial Vehicles to meet the future needs of the evolving market by providing a strong value proposition for its customers. As a part of this program a new range of cabins is being designed with contemporary styling features benchmarked against international manufacturers and reflecting the Company's brand identity. The Company has taken up the styling of the cabins in association with a reputed design firm M/s Stile Bertone, Italy.

All of the Company's CV engines are compliant with Bharat Stage II (equivalent to Euro II) emission norms and are being upgraded to meet the more stringent Bharat Stage III (equivalent to Euro III) emission levels that have been mandated for introduction in April 2005 in select cities in the country.

Petrol and diesel engines for the **Indica** platform with enhanced performance meeting Euro III with EOBD (European On-Board Diagnostics) have been developed. Further work has been taken up for meeting Euro IV emission norms with common rail technology for diesel engines. In case of petrol engines, additional projects are underway to meet Euro IV emission norms.

The Company's engines for genset applications have been upgraded and productionised to meet newly introduced Central Pollution Control Board emission norms that became effective from January 1, 2004.

During the year the Company spent Rs. 151.88 crores on Research and Development activities which was 0.98% of its turnover (net of excise)

Technology Imported during the last five years

Technology for	Imported from	Year of Import	Status
(a) Design & Styling of Sedan/ Estate variants of passenger car platform	Institute of Development in Automotive Engineering, S.p.A, Italy	2000-01	Production commenced for Sedan. New Estate ready for production and launch.
(b) Design and Development of modular Cabs for Commercial vehicles	Stile Bertone, Italy	2002-03	Under implementation
(c) Design & Development of passenger vehicles S.p.A, Italy	Institute of Development in Automotive Engineering, S.p.A, Italy	2003-04	Under implementation
(d) Direct injection Common Rail Euro IV engines for passenger vehicles	AVL List GmbH, Austria Delphi Diesel System, France	2003-04	Under implementation

C. Foreign Exchange Earnings and Outgo

	Rs. in crores
Earnings in foreign exchange	1016.64
Expenditure in foreign currency (including dividend remittance)	490.39

MANAGEMENT DISCUSSION AND ANALYSIS

I. Business Overview

The Company is in the automotive business and is the only manufacturer in India making a comprehensive range of automobiles viz. Heavy, Medium and Light Commercial Vehicles, Utility Vehicles and Passenger cars.

With all economic fundamentals of the country recording significant growth during 2003-04, the automotive industry has been in high gear with all categories of vehicles registering robust year-on-year growth. The Indian four-wheeler industry entered the select band of countries that have crossed an annual volume of a million units. With the road and other infrastructure poised for accelerated development as well as penetration of personalised transport poised to increase with increasing disposable incomes and lower cost of funds, the potential of growth for the automobile industry is considered good.

The Company, with its record performance of 314,259 units now contributes to almost a quarter of the country's four wheeler sales as tabulated below:

Category	Industry sales (including Exports) (Nos.)			Company sales (including Exports) (Nos.)			Company share (including Exports) %	
	2003-04	2002-03	% growth	2003-04	2002-03	% growth	2003-04	2002-03
Commercial Vehicles	277,572	202,937	36.8	163,148	112,997	44.4	58.8	55.7
Passenger Vehicles	10,30,068	779,203	32.2	151,111	106,862	41.4	14.7	13.7
Total	13,07,640	982,140	33.1	314,259	219,859	42.9	24.0	22.4

Source : Society of Indian Automobile Manufacturers Flash Data : March 2004 and Company Analysis

II. Industry Structure and Developments

Commercial Vehicles

The domestic growth in commercial vehicles in 2003-04 can be attributable to buoyant market conditions arising from strong economic growth, including robust industrial growth, lower interest rates, road and infrastructure development, good agricultural production, realignment of the industry and good replacement demand. The industry eclipsed the then five year best sales of 2002-03 with a 36.5% growth. The Company outperformed the industry registering a growth of 43.7% and gained market share at 58.5%.

The industry performance during 2003-04 and the Company's share is tabulated below:

Category	Industry domestic sales (Nos.)			Company domestic sales (Nos.)			Company domestic share %	
	2003-04	2002-03	% growth	2003-04	2002-03	% growth	2003-04	2002-03
M/HCVs	161,414	115,711	39.5	103,169	73,375	40.6	63.9	63.4
LCVs	98,931	74,971	32.0	49,026	32,525	50.7	49.6	43.4
Total CVs	260,345	190,682	36.5	152,195	105,900	43.7	58.5	55.5

Source : Society of Indian Automobile Manufacturers Flash Data : March 2004 and Company Analysis

While growth of goods carriers still remains dominant with nearly 80% of the commercial vehicles sold during the year for goods applications, the proportion of passenger application is expected to increase with the improvement and expansion of roads. The Company's share of M/HCV trucks was 66.3% for the

year as compared to 66.1% in 2002-03. With its enhanced focus on buses the Company has also maintained its share of buses at 50.7%. The shift that had been noticed towards Multi-axle vehicles (MAVs) and tractor-trailers continued through 2003-04 and has been primarily driven by the Golden Quadrilateral project. The industry is expected to continue to move towards the MAV's and tractor-trailers as transporters look for faster turnaround time and higher payloads. The country is now ranked the fifth largest market behind China, Japan, USA and Germany for this category of vehicles.

The Company believes that the future growth in the commercial vehicle market would be through offering transportation solutions rather than only products. Towards this end, it has been focussing on the sectoral promotion of its goods application vehicles. A complete logistics solution on the Company's trucks for cement transportation was developed and provided to major cement manufacturing companies. This has resulted in market share gain in this segment.

Development of a range of buses from 12-60 seater in standard, deluxe and luxury versions for school, city and inter city movement is in progress. These buses are expected to be introduced in 2004-05 after their exhibition at the recently concluded Auto Expo where they received a very enthusiastic response.

The Company's introduction of the **207DI** pick-up segment has enabled it to significantly improve its market share in LCVs. It ended 2003-04 with a share of 36.2% of the pickup market as compared to 16.7% achieved in the previous year.

Passenger Vehicles

The domestic passenger vehicle market grew by 27% to its highest ever peak of over 900,000 vehicles after two moderate years. Inclusive of exports, sales crossed the one million mark. Thirteen manufacturers of whom nine are global car majors, eight of them privately held, compete with over fifty five models across nine segments of the market. 80% of the market is for vehicles below Rs. 5 lacs. The Company increased its domestic share to 15.5% and remained the second largest player in the domestic passenger vehicle market for the third year in succession.

The industry performance during 2003-04 and the Company's share is tabulated below:

Category	Industry domestic sales (Nos.)			Company domestic sales (Nos.)			Company domestic share %	
	2003-04	2002-03	% growth	2003-04	2002-03	% growth	2003-04	2002-03
Cars	696,207	541,491	28.6	108,166	79,344	36.3	15.5	14.7
UVs	144,981	113,620	27.6	31,852	24,806	28.4	22.0	21.8
MPVs	59,564	52,087	14.4	-	-	-	-	-
Total PVs	900,752	707,198	27.4	140,018	104,150	34.4	15.5	14.7

Source : Society of Indian Automobile Manufacturers Flash Data : March 2004 and Company Analysis

The growth was due to higher disposable incomes, lower interest rates and availability of credit, an excise duty led price reduction, new product launches, price cuts in various segments and sustained wholesale and retail incentives by many manufacturers. Net realization came under pressure due to rising input costs especially of steel which the industry has not been in a position to pass on to the market.

The compact segment, in which the **Indica** competes with seven other models from four manufacturers, is the largest in the passenger vehicles industry with a share of nearly 41%. It is amongst the most competitive of segments with more entrants, most likely at the high-end, lined up for future entry. Taken along with the mini segment, small cars constitute 60% of the total market. The **Indica** has a 22% share of the compact segment and is amongst the top three selling cars in passenger vehicles.

Fifty-ninth annual report 2003-04

Tata Motors Limited

The entry-mid size segment grew by nearly 47%, mainly due to the Indigo launch, and constitutes 12% of the market. It is the next most competitive segment in which the Indigo has acquired leadership position since its launch in December 2002. The Indigo enjoys a 26% share of the mid-size segment amongst 7 manufacturers offering 11 models.

The UV segment grew by 28% and at 16% share of the market, is the third largest segment, after the compact and the mini segments. Various premium SUVs were launched during the year garnering 2% share of the segment. The segment is dominated by 3 major players including the Company which maintained its market share at 22% despite new competition at the low and mid price end of the segment. The Company had its best year in sales in the last six years and the third best ever based on growing **Sumo** and **Safari** sales.

III. Outlook

Input costs remain a concern with global steel prices having risen abnormally over the last eighteen months and further increase in steel prices may affect the margins of the entire industry. The Union Budget is likely to be announced in July. The Company is hopeful that the road and infrastructure development programmes would continue to maintain the growth momentum, and implementation of the Draft Auto Policy statement would be vigorously pursued, to encourage a vibrant auto industry. Emanating from this backdrop, the Company's outlook for 2004-05 revolves around sustaining its performance achieved in the current fiscal.

IV. Financial Performance

A. Financial performance as a measure of Operational Performance

The following table sets forth the Company's key expense items as a percentage of net revenues for 2002-03 and 2003-04 and provides a view of the operational efficiencies achieved during the year driven primarily by the overall increase in volumes and also through the Company's continuing efforts at cost control.

	Percentage of turnover	
	Year ended March 31, 2004	2003
Turnover net of excise duty	100.0%	100.0%
Expenditure:		
Material (including change in stock)	66.8	64.4
Employee Cost	6.6	7.9
Manufacturing and other expenses (net)	12.0	15.0
Total Expenditure	85.4	87.3
Profit before Amortization, Depreciation, Interest, Extraordinary/Exceptional Items and Tax	14.6	12.7
Depreciation/Amortisation	2.9	4.0
Interest (Net)	1.2	3.1
Profit before Extraordinary Items and Tax	10.1	5.6

Turnover, net of excise duties, increased 45.7% to a record high of Rs.13,282.12 crores from Rs.9,114.95 crores in 2002-03. This increase resulted primarily from a record sale of 314,259 units as compared to 219,859 units. Domestic sales increased by 39.1% to 292,213 units from 210,050 units in 2002-03 while exports increased by 124.8% to 22,046 units from 9809 units and 111.2% in value terms to Rs. 1006.32 crores from Rs. 476.43 crores in 2002-03.

Expenditure increased by 42.5% to Rs. 11,341.42 crores from Rs.7,957.50 crores in 2003-04, primarily as a result of higher unit sales volume, increases in the price of raw materials especially increases in the price of steel, and other costs which were in line with general inflation in the country. The Company's continuing cost control efforts in variable, fixed and financial costs have been able to offset part of the absolute increases in expenditure during the year.

Profit before amortization, depreciation, interest, extraordinary and exceptional items and tax increased 67.7% to Rs. 1940.70 crores in from Rs.1,157.45 crores in 2002-03. Consequently Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) margin improved to 14.6% from 12.7% in 2002-03.

In accordance with Accounting Standard 26 (AS26) on Accounting for Intangible Assets, which became effective from April 1, 2003, expenditure on Product Development, which was classified as Miscellaneous Expenditure in earlier periods, is accounted, with effect from April 1, 2003, in accordance with the said Standard. Product Development costs, including technical knowhow on new vehicle platforms, variants on existing platforms and new vehicle aggregates, are recognised as Intangible Assets and included under Fixed Assets. Product Development expenditure relating to minor product enhancement, facelifts, upgrades etc. (including the cost of incomplete development) amounting to Rs. 51.64 crores (including Rs. 30.06 crores incurred as at March 31, 2003) has been charged off during the year. Depreciation and amortisation increased 5.7% to Rs. 382.60 crores from Rs.362.13 crores. The general decline in interest rates, the Company's continued efforts to prepay its costly debts and low cost borrowing from the international financial markets, coupled with its ongoing efforts at prudent fiscal management resulting in negative working capital has enabled it to reduce its interest burden by 42.2% to Rs. 161.26 crores from Rs. 278.95 crores in 2002-03. The Company has taken a charge of Rs. 4.56 crores towards the Employee Separation Cost for the year. On account of the continuing losses of its subsidiary TAL Manufacturing Solutions Limited and write back of a previous provision of another investment, the Company has made a net provision of Rs. 48.30 crores towards diminution in the value of its investments as compared to a provision of Rs. 26 crores and a write-back of contingencies of Rs. 20 crores in the 2002-03. After accounting for these charges, the Company's Profit Before Tax (PBT) was Rs. 1,292.34 crores which was an improvement by 153.2% over the PBT of Rs. 510.37 crores in 2002-03.

After making a provision of Rs. 482.00 crores towards current and deferred taxes as compared to Rs. 210.26 crores in 2002-03, the Company's Profit After Tax was Rs. 810.34 crores, which was 170% higher than Rs. 300.11 crores in 2002-03.

B. Liquidity and Capital Resources

During the year, the Company has been able to further restructure its debt portfolio. Towards this end, the Company prepaid Rs. 581.00 crores of costly debt and has restructured Rs. 40.00 crores of debt at a lower interest rate. During the year, in view of the easy access to cheaper foreign borrowing, the Company in July 2003 issued 1% Convertible Notes due in 2008 aggregating to US \$100 million. As of March 31, 2004, US \$75.913 million of these Notes have already been converted into the Company's Ordinary Shares or GDSs and only US \$24.09 million are outstanding. Consequently, as at March 31, 2004, the foreign currency loans of the Company stand at US \$ 161 million as compared to US \$ 80 million a year ago. The Company's borrowing as at March 31, 2004 stands at Rs. 1259.77 crores as compared to Rs. 1458.31 crores on March 31, 2003. Considering the investible surplus of approximately Rs. 1797 crores of the Company on March 31, 2004, the Company has become a net debt free company. The Company continues to have a negative Net Working capital (NWC) of Rs. 959.24 crores as at March 31, 2004 (negative NWC of Rs. 509.16 crores as at March 31, 2003).

Capital expenditure during the year focused on new product development, upgrading existing products and platforms, capacity expansion for all its product lines to cater to the improved demand, major IT initiatives in the ERP and CRM domains to make the installation base of global scale and size, as well as for ongoing quality improvement and modernisation.

The Company generated cash from its operating activities of Rs. 2717.53 crores for the year ended March 31, 2004 as compared to Rs.1375.51 crores in the previous year.

As a result of its overall improvement in financial as well as operational performance, the Company continued to receive upgrades on its local and foreign currency debt ratings.

V Risks and Concerns*Input Costs*

In 2003-04, raw materials and components formed approximately 68.5% of the Company's manufacturing and other expenses. Over the last eighteen months steel prices have been abnormally high and seem to continue this trend. Similarly the cost of certain other inputs like rubber products are also on the rise. The Company has been partly countering such increases through long term contracts, identification of alternative sources and through cost reduction in other areas. However, if these input costs continue to increase, margins and results of operations of the automobile industry would be adversely affected and the demand for vehicles would be impacted by any price increases that the industry would need to make.

Fuel prices

In recent months, the international price of crude oil have risen to its highest levels of over \$40 per barrel. If the price of crude continues to remain at such high levels, domestic prices of fuel would be greatly affected and could have an impact on the auto industry demand and the Company's sales.

Exchange rate fluctuation

Between April 1, 2003 and March 31, 2004, the value of the rupee appreciated approximately 8% against the US\$. In recent times, the rupee has depreciated against the US\$. An appreciation of the value of the rupee can adversely impact the Company's exports and depreciation of the value of the rupee can influence the cost of borrowings denominated in currencies other than rupees and increases the cost of imports. As of March 31, 2004, approximately 57% of the Company's borrowings were denominated in non-rupee currencies. In 2003-04, 2.4% of the Company's total raw material consumption was from that were incurred in non-rupee currencies, and 6.5% of turnover was derived from exports. While the Company manages these exposures through currency hedging, any significant fluctuation in exchange rates may have an adverse effect on its financial condition.

Integration of mergers and acquisitions

The Company recently acquired Daewoo Commercial Vehicle Co. Ltd., (DWCV), Korea. Mergers and acquisitions involve risks, including:

- unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or acquisition is finalized;
- integration and management of the operations and systems;
- retention of personnel;
- co-ordination of sales and marketing efforts;
- management of a larger business; and
- diversion of management's attention from other ongoing business concerns.

While the Company would take adequate steps to mitigate the above risks, should it be unable to successfully integrate and manage DWCV, its growth plans may not be met and profitability may decline.

VI Internal Control Systems and their adequacy

The Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use or losses, and ensuring reliability of financial and operational information. The Company has continued its efforts to align all its processes and controls with global best practice.

Some significant features of the internal control systems are:

- clear delegation of power with authority limits for incurring capital and revenue expenditure;
- corporate policies on accounting and capital acquisition;
- well-defined processes for formulating and reviewing annual and long term business plans;
- preparation and monitoring of annual budgets for all operating and service functions;
- state-of-the-art SAP – ERP and value chain management systems to connect its different locations, dealers and vendors for efficient information exchange;
- bi-monthly meeting of the management committee at apex level to review operations and plans in key business areas;
- a well established multidisciplinary Internal Audit team which reviews and reports to management and audit committee regularly the adequacy and compliance with internal controls across the organization, follows up the progress of implementation as well helps in identifying opportunities for cost reduction and better use of resources; and
- an Audit Committee of the Board of Directors comprising of independent directors, which is functional since August 1988, reviews regularly the audit plans, significant audit findings, adequacy of internal controls as well as compliance with Accounting Standards.

In order to adhere to high standards of business ethics and corporate governance, the Company administers an ongoing program for re-enforcement of business ethics guided by its core values and the documented Tata Code of Conduct. All employees of the Company including senior management are regularly exposed to such programs to facilitate compliance with business principles contained in the code of conduct.

The Company has continued its initiatives to promote risk awareness in business controls and business decision through structured risk management process implemented in two formats: (i) Risk management through control self-assessment (RM-CSA) and (ii) Risk management through self-assessment questionnaire (RM-SAQ), with ownership vesting in operating managers. Internal Audit acts as facilitator in driving these initiatives.

A comprehensive information security policy has been put in place. The policy spells out the roles and responsibilities for safeguarding information assets of the Company including business continuity plans and oversight of security compliance across all locations.

VII Material Developments in Human Resources/Industrial Relations

Industrial relations at all the Works remained cordial throughout the year. During the year, the Company signed a 3-year Wage settlement with its Union at Pimpri Pune. This Agreement would run through August 31, 2006. The Company also administered an Early Separation Scheme for its blue-collar and supervisory workforce during the year which resulted in the reduction of 343 employees.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As part of the Tata group, Tata Motors' philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place before they were mandated. The Corporate Governance philosophy has been further strengthened with the adoption, a few years ago, by the Company of the Tata Business Excellence Model, the Tata Code of Conduct and the adoption of the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges. In its endeavor to safeguard the interests of the investors, the Company had adopted the Tata Code of Conduct for Prevention of Insider Trading as also the Code of Corporate Disclosure Practices in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations. The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement with the Stock Exchanges.

BOARD OF DIRECTORS

The Board of Directors comprises 12 Directors out of which 9 Directors are Non-Executive Directors. The Company has a Non-Executive Chairman and more than one third of the total strength of the Board comprises of independent Directors. The day-to-day operations of the Company are being overseen by Mr Ratan N Tata as a member of the Committee of Directors, comprising himself and Mr R Gopalakrishnan. None of the Directors on the Company's Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a Director.

During the year under review, 9 Board Meetings were held on April 22, 2003, May 27, 2003, July 21, 2003, September 30, 2003, October 29, 2003, November 28, 2003, December 19, 2003, January 22, 2004 and March 8, 2004. The required information as enumerated in Annexure I to clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board meetings. The composition of the Board, attendance at Board meetings (BM) held during the financial year under review and at the last Annual General Meeting (AGM) and number of Directorships and memberships/chairmanships in public companies (including the Company) are given below:-

Name of the Director	Category	FY 2003-04 Attendance at		As on May 19, 2004		
		BM	Last AGM	No. of Directorships @	Member ♦	Chairman
Ratan N Tata	Non-Executive Chairman, Promoter	9	Yes	13	8	-
N A Soonawala	Non-Executive, Promoter	9	Yes	10	7	3
J J Irani ©	Non-Executive, Promoter	8	Yes	15	9	1
J K Setna	Non-Executive, Independent	8	Yes	9	5	2
V R Mehta †	Non-Executive, Independent	7	Yes	8	6	3
R Gopalakrishnan	Non-Executive, Promoter	8	Yes	14	9	1
N N Wadia	Non-Executive, Independent	5	Yes	11	3	1
Helmut Petri ▲	Non-Executive, Independent	0	No	2	-	-
S A Naik	Non-Executive, Independent	8	Yes	2	2	1
Ravi Kant	Executive Director	9	Yes	5	1	-
Praveen P Kadle	Executive Director	9	Yes	9	7	1
V Sumantran	Executive Director	9	Yes	3	-	1
Peter K M Fietzek - Alternate director to H Petri	Non-Executive, Independent	2	No	1	-	-

© excludes Directorships in foreign companies
♦ Member does not include Chairman
© Representative of the Tata Iron and Steel Co. Ltd.

† Institutional Representative of UTI as an investor
▲ Daimler Chrysler AG Representative

Messrs. Ratan N Tata, R Gopalakrishnan and S A Naik are liable to retire by rotation and are eligible for re-appointment. Information as required under clause 49 (VI) of the Listing Agreement is annexed to the Notice of the AGM.

AUDIT COMMITTEE

The Audit Committee of Directors comprises 3 independent Directors, all of whom have relevant finance and audit exposure. During the period under review, 13 Audit Committee meetings were held on May 26, 2003, May 27, 2003, June 17, 2003, July 21, 2003, July 22, 2003, September 26, 2003, September 30, 2003, October 28, 2003, November 3, 2003, January 9, 2004, January 21, 2004, March 25, 2004 and March 26, 2004 and 2 circular resolutions were passed.

The composition of the Audit Committee and their attendance at its meetings is given hereunder :-

Composition	V R Mehta Chairman	J K Setna	S A Naik
Number of meetings attended	13	13	13

The scope of the Committee includes:-

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible;
- b. Recommending the appointment/removal of external auditors, fixing audit fees and approving payments for any other services;
- c. Approving fees for non-audit consulting / services provided by the firms of Statutory Auditors;
- d. Reviewing with the management the periodic financial statements before submission to the Board, focusing primarily on :
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgement by management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Compliance with stock exchange and legal requirements concerning financial statements; and
 - Any related party transactions i.e. transactions of the Company of material nature, with the promoters or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large;
- e. Reviewing with the management, external and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- g. Discussing with internal auditor any significant findings and follow-up thereon;
- h. Reviewing the findings of any internal investigations by the internal auditor into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- i. Discussing with external auditors before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any areas of concern;
- j. Reviewing the Company's financial and risk management policies; and
- k. Initiating investigations into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Tata Motors Limited

In these meetings, *inter alia*, the Committee considered 161 audit reports covering operational, financial and other business risk related areas. The Audit Committee meetings are held at the Corporate Headquarter or at the Company's plants and are usually attended by the Executive Director(s), the Chief Internal Auditor, the Statutory Auditors and the Cost Auditors. The Operation Heads are invited to the meetings, as required. The Company Secretary acts as the Secretary of the Audit Committee. All the members of the Audit Committee were present at the last Annual General Meeting of the Company.

MANAGERIAL REMUNERATION**a. Remuneration Committee**

The Remuneration Committee of the Company is empowered to review the remuneration of whole-time directors, retirement benefits to be paid to them under the Retirement Benefit Guidelines adopted by the Board and dealing with matters pertaining to Employees' Stock Option Scheme. The Company has not issued any stock options to its directors/employees. The Remuneration Committee comprises 3 Independent (including the Chairman of the Committee) and 2 Non-Executive Directors: Messrs. N N Wadia, Chairman, Ratan N Tata, N A Soonawala, V R Mehta and S A Naik.

During the year under review, two Remuneration Committee meetings were held on May 27, 2003 and December 19, 2003. The composition of the Remuneration Committee and attendance at its meetings is given hereunder :-

Composition	N N Wadia Chairman	Ratan N Tata	N A Soonawala	V R Mehta	S A Naik
Number of meetings attended	1	2	2	1	2

The Chairman of the Remuneration Committee was present at the last Annual General Meeting. The Company has complied with all the non-mandatory requirements under Clause 49 regarding the Remuneration Committee.

b. Remuneration Policy

The remuneration of the whole-time director(s)/appointee(s) is decided by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record of the whole-time director(s)/ appointee(s), Macro Economic Review on remuneration packages of Heads of Organisations and is reported to the Board of Directors. In the last few years, efforts have been made to link the annual variable pay of senior managers with the performance of the Company in general and their individual performance for the relevant year measured against specific Major Performance Areas which are closely aligned to the Company's objectives.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and commission (variable components) to its whole-time directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from 1st April annually. The Remuneration Committee decides on the Commission payable to the whole-time directors on determination of profits for the financial year, within the ceilings on net profits prescribed under Sections 198 and 309 of the Companies Act, 1956 (the Act) as also the incentive remuneration.

The remuneration by way of commission to the non-whole-time directors is decided by the Board of Directors, and distributed to them based on their attendance and contribution at the Board and certain Committee meetings, as well as time spent on operational matters other than at the meetings. The Members had at the AGM held on July 21, 2003 approved the payment of remuneration by way of commission to the non-Whole-time directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act, for a further period of five years commencing April 1, 2003. The commission for the financial year 2003-04 will be distributed amongst all or some of the said directors in accordance with the directives given by the Board.

A sitting fee of Rs.5,000/- for attendance at each meeting of the Board, Audit Committee, Remuneration Committee, Investors' Grievance Committee, Committee of Board, Ethics & Compliance Committee and Finance Committee is paid to its Members (excluding Executive Directors). During the year, the said sitting fees have been increased to Rs.10,000/- per meeting of the Board, Audit Committee and Committee of the Board. The sitting fees paid/payable to the non-Whole-time directors is excluded while calculating the above limits in accordance with Section 198 of the Act. The Company also reimburses out of pocket expenses to outstation Directors attending meetings in Mumbai, as also to the other Directors for attending meetings outside Mumbai.

c. Remuneration to Directors

In respect of the financial year 2003-04, the following remuneration and sitting fees were paid/payable to the Directors:-

➤ *Non-whole-time Directors :*

(Rs. in lakhs)

Name	Commission for FY 03-04*	Sitting Fees paid during FY 03-04
Ratan N Tata	27.00	1.8
N A Soonawala	13.50	1.8
J J Irani	5.00	0.95
J K Setna	11.00	2.15
V R Mehta	11.00	1.5
R Gopalakrishnan	19.00	1.65
N N Wadia	5.00	0.70
Helmut Petri	-	-
S A Naik	7.50	1.95
Peter K M Fietzek	1.00	0.20

*payable in FY 04-05

➤ *Executive Directors:*

(in Rupees '000)

Name	Salary	Perquisites & Allowances	Commission*	Incentive Remuneration	Stock Options
Ravi Kant	20.40	18.58	75.00	Nil	Nil
Praveen P Kadle	19.20	22.37	70.00	Nil	Nil
V Sumantran	20.40	15.67	60.00	Nil	Nil

*payable in FY 04-05

d The salient terms of appointment of the Executive Directors as approved by the Members, at the Extraordinary General Meeting held on March 27, 2002 are:-

Period of Appointment	5 years effective from:-	Ravi Kant	-	July 12, 2000
		Praveen P Kadle	-	October 31, 2001
		V Sumantran	-	November 12, 2001
Remuneration	<ul style="list-style-type: none"> - Salary Scale - Incentive Remuneration - Commission - Perquisites and allowances (excluding Company's contribution to provident, superannuation & gratuity fund and leave encashment) - Minimum remuneration in case of inadequacy of profits during any financial year 			
	Rs.70,000 p.m. – Rs.2,00,000 p.m. Upto 200% of salary to be paid at the discretion of the Board annually At the discretion of the Board annually within the stipulated limits under the Act Upto 125% of salary Salary, incentive remuneration, perquisites and allowances as mentioned above but excluding commission			
Notice period on either side	Six months			
Severance fees payable by the Company for terminating employment	Six months' salary			

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The attention of the Members is invited to the notice of the Annual General Meeting wherein it is proposed to revise the terms of remuneration of Executive Directors.

INVESTORS' GRIEVANCE COMMITTEE

The Investors' Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share/debenture transfers, non-receipt of annual reports, interest/ dividend payments, issue of duplicate certificates, transmission (with and without legal representation) of shares and debentures and other miscellaneous complaints. During the year under review, 3 Investors' Grievance Committee meetings were held on April 10, 2003, July 17, 2003 and December 4, 2003. Besides, the Committee also passed a resolution by circulation.

The composition of the Investors' Grievance Committee and attendance at its meetings is given hereunder:-

Composition	S A Naik (Chairman) Independent	R Gopalakrishnan Non-Executive Director	Ravi Kant Executive Director	Praveen P Kadle Executive Director
Number of meetings attended	3	2	3	3

Mr H K Sethna, Company Secretary, who is the Compliance Officer can be contacted at :

Bombay House,	Tel: 5665 8282, 5665 7824
24, Homi Mody Street,	Fax : 5665 7799
Mumbai – 400 001	Email : inv_rel@tatamotors.com

The status of the total number of Complaints received during the year is as follows:-

Sr. No.	Description	Nos. Received				Total Received	Total Replied	Total Pending
		QT1	QT2	QT3	QT4			
A	Letters received from Statutory Bodies	1	4	5	12	22	22	0
	SEBI	1	3	4	10	18	18	0
	Stock Exchanges	0	1	1	2	4	4	0
	DCA	0	0	0	0	0	0	0
	NSDL/CDSL	0	0	0	0	0	0	0
B	Legal Matters	341	605	1	1	948	945	3
	Loss of securities	229	474	0	0	703	703	0
	Court / Consumer Forum Matters	112	131	1	1	245	242	3
C	Dividends	0	137	131	122	390	375	15
	Non receipt of dividend/interest warrants (pending recon at the time of receipt of letters)	0	137	131	122	390	375	15
	Fraudulent Encashment of dividend/interest warrants	0	0	0	0	0	0	0
D	Letters in the nature of reminders/ complaints	0	1	14	8	23	23	0
	Total Correspondence Statistics	342	747	151	143	1383	1365	18

The correspondence identified as investor complaints are letters received through Statutory/Regulatory bodies and those related to loss of securities, Court / Consumer forum matters, fraudulent encashment and non receipt of dividend amounts (where reconciliation of the payment was in progress at the time of receipt of the letters) for the period April 1, 2003 to March 31, 2004 and identified as complaints for reporting under Clause 41 for all the Quarters in FY 03-04.

18 complaints were unresolved at the end of the year (these were lodged in the last two weeks of March 2004 and have subsequently been processed).

➤ **Special Passenger Vehicle Finance Offer - 2003**

On the repeated requests of the members and the commitment made by the Chairman at the Company's Annual General Meeting, the Company on October 16, 2003 announced the Special Shareholders' Passenger Vehicle Finance Offer – 2003.

The above Scheme offered a special finance package to shareholders for purchase of the Company's passenger vehicles viz., Indica, Indigo, Sumo and Safari at an all-in-cost of 5.9% p.a. (on a reducing balance method), depending upon the amount of the loan and the type of product purchased. The Scheme was valid till January 31, 2004. The Company received a positive response to the Scheme wherein 350 shareholders availed of the benefits under the Scheme.

➤ **Action required regarding non-receipt of dividends, proceeds of unclaimed matured deposits and redeemed debentures and interest thereon**

In case of non receipt/non encashment of the dividend warrants, Members are requested to write / get in touch with the Company's Registrars / the Registrar of Companies as mentioned hereunder:

Dividend for FY	Contact Office	Action to be taken
2003-04 (Interim Dividend)	Tata Share Registry Ltd.	Letter on plain paper.
2002-03	Tata Share Registry Ltd.	Letter on plain paper.
2000-01 and 2001-02	Not Applicable due to non declaration of dividend	-
1996-97 to 1999-2000	Tata Share Registry Ltd.	Letter on plain paper. In respect of dividend for FY 1996-97, the Members are requested to apply before August 1, 2004.
1978 to 1994-95	Office of the Registrar of Companies CGO Complex, 'A' Wing, 2 nd floor, Next to RBI, CBD – Belapur, Navi Mumbai 400 614 Maharashtra ☎ 2757 6802	Claim in Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the unpaid dividends, matured deposits, redeemed debentures and interest accrued thereon remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Given below are the due dates for transfer of unclaimed and unpaid dividend to the IEPF by the Company:-

Financial Year	Dividend payment date	Proposed Date for transfer to IEPF*
1996-97	July 31, 1997	September 16, 2004
1997-98	July 29, 1998	September 14, 2005
1998-99	August 3, 1999	September 19, 2006
1999-2000	July 26, 2000	September 12, 2007
2002-03	July 22, 2003	August 18, 2010
2003-04 (interim)	February 20, 2004	March 20, 2011

* Indicative dates, actual dates may vary.

It may be noted that no claims will lie against the Company or the IEPF in respect of the said unclaimed amounts transferred to the Fund.

➤ **Amount transferred to IEPF**

The following amounts have been transferred to the IEPF of the Central Government as of March 31, 2004:-

Particulars	Amount in Rs.
Unpaid dividend account	49,21,955
Application money received for allotment of securities and due for refund	31,351
Unpaid / unclaimed matured deposits	47,54,000
Unpaid matured debentures	3,37,74,053
Interest accrued on the amounts referred to above	1,09,28,175
Total	5,44,09,534

COMMITTEE OF DIRECTORS

In addition to the above committees, the Board has constituted the following committees :-

- 1. Finance Committee of Directors** to look into matters pertaining to finance and banking, including Company's fund raising and treasury operations, property matters, investments, all related risk management and policy matters and other day-to-day operations in these areas. During the year under review, fourteen Finance Committee meetings were held on April 10, 2003, May 19, 2003, June 19, 2003, July 8, 2003, July 22, 2003, July 23, 2003, August 14, 2003, September 10, 2003, September 17, 2003, November 17, 2003, November 28, 2003, December 16, 2003, January 14, 2004 and February 20, 2004 and 2 circular resolutions were passed.

The composition of the Finance Committee of Directors and attendance at its meetings is given hereunder :-

Composition	Ratan N Tata Chairman	N A Soonawala	J K Setna	R Gopalakrishnan	Praveen P Kadle
Number of meetings attended	13	13	11	9	14

- 2. Committee of Board** to review revenue and capital expenditure budgets, long term business strategies and organisational structure of the Company. During the year under review, five Committee meetings were held on April 22, 2003, July 15, 2003, September 29, 2003, October 24, 2003 and March 17, 2004.

The composition of the Committee of Board and attendance at its meetings is given hereunder :-

Composition	Ratan N Tata Chairman	N A Soonawala	J J Irani	R Gopalakrishnan	N N Wadia
Number of meetings attended	5	5	5	5	4

- 3. Ethics and Compliance Committee** to formulate policies relating to the implementation of the Tata Code of Conduct for Prevention of Insider Trading (the Code), take on record the monthly reports on dealings in securities by the "Specified Persons", and to decide penal action in respect of violations of the Regulations/the Code. Mr Praveen P Kadle, Executive Director acts as the Compliance Officer under the said Code. During the year under review, the Committee met twice on July 17, 2003 and December 4, 2003.

The composition of the Ethics and Compliance Committee and attendance at its meetings is given hereunder :-

Composition	S A Naik Chairman	R Gopalakrishnan
Number of meetings attended	2	2

4. Apart from the above, the Board of Directors also constitutes committee(s) of directors with specific terms of reference as it may deem fit.

GENERAL BODY MEETINGS

➤ Location and time of General Meetings

Year	Type	Date	Venue	Time
2002-2003	AGM	July 21, 2003	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg Mumbai – 400 020	3.30 p.m.
2001-2002	AGM	July 26, 2002		3.30 p.m.
2001-2002	EGM	March 27, 2002		10.00 a.m.
2001-2002	Meeting of the holders of 7% Fully Convertible Debentures	March 27, 2002		11.30 a.m.
2000-2001	AGM	August 14, 2001		3.30 p.m.

All resolutions moved at the last Annual General Meeting were passed by a show of hands by requisite majority of members attending the meeting.

A special resolution on raising the limit of investments by Foreign Institutional Investors from 24% to 35% of the paid-up Ordinary Share Capital of the Company was passed by the shareholders vide postal ballot on January 22, 2004. Whilst the said resolution was not required to be passed by postal ballot, the Company as a matter of good corporate governance conducted a postal ballot for obtaining the shareholders' approval.

Ms Shirin Bharucha, was appointed as the Scrutinizer to conduct and oversee the voting through postal ballot. Ms Bharucha carried out the scrutiny of all the postal ballot forms received upto the close of business hours on January 19, 2004 and the following results were announced on January 22, 2004, as also released in prominent newspapers on the next day:-

	Particulars	No of postal ballots	No of Votes/Shares (in'000)	Percentage
A	Valid postal ballots in favour of the Resolution	18231	185367	99.69
B	Valid postal ballots against the Resolution	804	581	0.31
C	Total valid postal ballot forms received	19035	185948	100.00
	Invalid postal ballots	716	207	-

Accordingly, the Special Resolution set out in the Notice dated December 16, 2003 was duly approved by the requisite majority of the shareholders.

OTHER DISCLOSURES

- During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with its promoters, directors, management and subsidiaries that had a potential conflict with the interest of the Company at large.
- The Company has complied with various rules and regulations prescribed by stock exchanges, SEBI or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

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Tata Motors Limited

MEANS OF COMMUNICATION

Half-yearly report sent to each household of shareholders	Yes
Quarterly and half yearly results	Published in Indian Express and Loksatta (Marathi)
Any website, where displayed	www.tatamotors.com
Whether it displays official news releases and presentations made to institutional investors or to the analysts	Yes
Whether MD&A is a part of the Annual Report	Yes

GENERAL INFORMATION FOR MEMBERS

Annual General Meeting

Date and Time	: July 8, 2004 at 3.30 p.m.	
Venue	: Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	
Dividend Payment Date	: July 9, 2004, the Dividend Warrants will be posted on or after July 9, 2004	
Date of Book Closure	: June 24, 2004 to July 8, 2004 (both days inclusive)	
Financial Calendar	: Financial reporting for the quarter ending June 30, 2004	Last week of July 2004
	Financial reporting for the quarter ending September 30, 2004	Last week of October 2004
	Financial reporting for the quarter ending December 31, 2004	Last week of January 2005
	Financial reporting for the quarter ending March 31, 2005	Last week of May 2005
	Annual General Meeting for the year ended March 31, 2005	Last week of July 2005

Listing:

The Company's securities are listed on following Stock Exchanges:

(1) The Stock Exchange, Mumbai (BSE)	(8) Pune Stock Exchange Limited
(2) National Stock Exchange of India Limited (NSE)	(9) The Ludhiana Stock Exchange Association
(3) Madhya Pradesh Stock Exchange Limited	(10) The Stock Exchange, Ahmedabad
(4) Madras Stock Exchange Limited	(11) Cochin Stock Exchange Limited
(5) The Calcutta Stock Exchange Association Limited	(12) Hyderabad Stock Exchange Limited
(6) The Uttar Pradesh Stock Exchange Association Limited	(13) Bangalore Stock Exchange Limited
(7) The Delhi Stock Exchange Association Limited	

Notes:

- Pursuant to the shareholders' approval at their meeting held on July 21, 2003, the Company had applied for delisting of its Ordinary Shares from the Stock Exchanges mentioned at (3) to (13) above.*
- The Company's Ordinary Shares have been delisted from the exchanges mentioned at (6) to (13) above. The Company has made an application for delisting of Ordinary Shares from the exchanges mentioned at (3) to (5) above and active follow up is being made with the said stock exchanges.*
- Warrants issued along with rights securities would continue to be listed on all the said stock exchanges up till September 30, 2004 being the period upto which the Warrants can be exercised.*
- The rights 11% Non-Convertible Debentures were redeemed on December 6, 2003 pursuant to the call option exercised by the Company and hence the same are not tradable or listed on any of the above exchanges.*

The Company has paid listing fees, as applicable, to the respective stock exchanges for the financial year 2001-02, 2002-03, and 2003-04 and 2004-05 in respect of its listed securities.

The 1% Convertible Notes (due 2008) are listed on the Luxembourg Stock Exchange. The Zero Coupon Convertible Notes (due 2009) and 1% Convertible Notes (due 2011) are listed on the Singapore Stock Exchange.

Other details:

The ISIN Nos. for the Company's Ordinary Shares and the detachable Warrants are INE155A01014 and INE155A13019 respectively. The Stock codes of the Company's Ordinary Shares at the BSE is '500570' (rolling settlement) and at the NSE is 'TELCO EQ'.

The Global Depositary Shares (GDSs) underlying the Global Depositary Receipts (GDRs) issued by the Company in the International Market are listed on the Luxembourg Stock Exchange. The GDSs underlying the GDRs issued by the Company in the U.S. Markets are eligible for restricted trading through the Automated Linkages Market of The Nasdaq Stock Market, Inc. Given below are the stock codes of the Company's GDRs/ Ordinary Shares:-

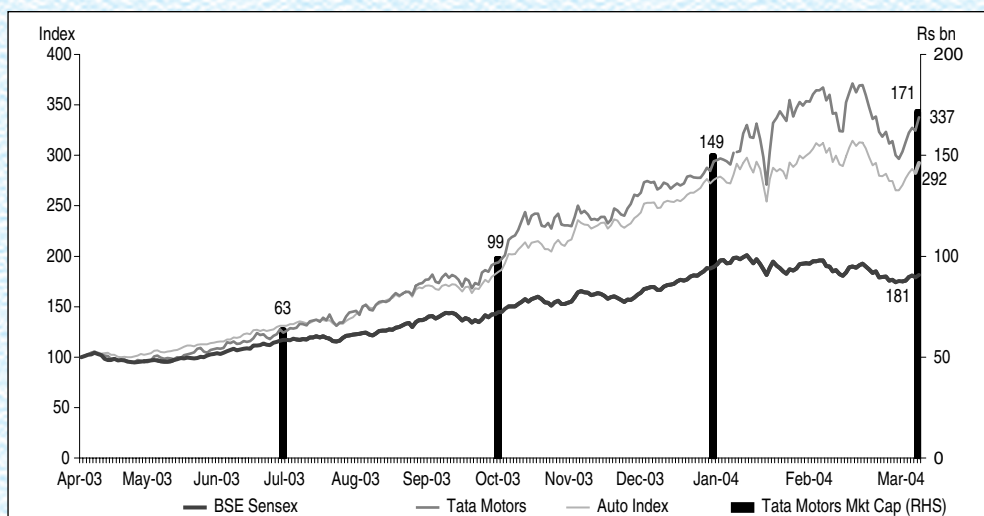
Ticker	Type	Description	Currency	Cusip	Sedol
TENKY	ADR	GDRs 144A	-	876568106	2882693
TENHF	ADR	GDR-REP	USD	Y85740127	4875732
		1 Ord INR 10 Reg S			
Y85740101	Common	INR 10	INR	Y85740101	6875558
876568304	ADR	GDR new 144A	-	876568304	
Y85740143	Common	INR 10	-	Y85740143	6101509

➤ **Market Information:-**

Market price data - monthly high/low and trading volumes during the last financial year on the BSE / NSE depicting liquidity of the Company's Ordinary Shares on the said exchanges is given hereunder :-

Stock Exchange	The Stock Exchange, Mumbai				National Stock Exchange of India Ltd.			
Month	High (Rs.)	Low (Rs.)	No. of Shares traded	Turnover (Rs. in Lakhs)	High (Rs.)	Low (Rs.)	No. of Shares traded	Turnover (Rs. in Lakhs)
April 2003	167.40	150.20	5492087	8667.11	167.25	149.5	21207570	33337.59
May 2003	173.15	150.95	13644945	22468.71	173.20	150.85	42599890	70038.15
June 2003	202.45	172.10	15489910	29114.98	203.15	172.05	57141538	107786.27
July 2003	231.90	199.95	24262862	52571.64	232.30	199.95	92206087	199942.52
August 2003	280.10	232.55	25479957	64194.36	281.05	231.65	82143214	206683.92
September 2003	307.35	266.45	25360063	72325.46	307.45	267.10	85809509	244220.86
October 2003	385.95	312.90	72582854	255476.28	386.55	313.35	177181224	647142.07
November 2003	408.90	364.30	63646111	244970.07	408.55	365.30	140846399	542742.47
December 2003	452.30	413.95	34773224	148286.69	452.05	414.65	81090704	345858.66
January 2004	528.25	416.80	58945176	290433.02	528.90	422.30	115333995	564743.83
February 2004	563.25	496.55	56555986	299685.09	563.50	496.45	121554013	644336.78
March 2004	536.95	428.85	53651281	257050.96	537.05	431.80	107764138	519529.40

➤ **The performance of Company's Stock Price and Market Capitalisation vis-à-vis Sensex and Auto Index**



➤ **The monthly high and low of the Company's GDRs during the last financial year**
(in US\$)

Month	High	Low	Month	High	Low
April 2003	3.55	3.16	October 2003	8.50	6.70
May 2003	3.68	3.20	November 2003	9.05	8.05
June 2003	4.34	3.65	December 2003	10.00	9.10
July 2003	4.94	4.24	January 2004	11.75	9.45
August 2003	6.20	4.92	February 2004	12.50	10.83
September 2003	6.65	5.75	March 2004	11.90	9.45

Source: Citibank N.A., New York as Depository

➤ **Registrar and Transfer Agents:-**

Members are requested to correspond with the Company's Registrar & Transfer Agents - Tata Share Registry Limited quoting their folio no. at the following addresses :-

(i) For transfer lodgement, delivery and correspondence :-

Tata Share Registry Limited
Unit: Tata Motors Limited
Army & Navy Bldg.,
148, Mahatma Gandhi Road,
Fort, Mumbai – 400 001

Tel. : 5656 8484, Fax : 5656 8494
E-mail : csg-unit@tatashare.com
website : www.tatashare.com

(ii) For the convenience of Members based at the following cities, transfer documents and letters will also be accepted at the following branches / agencies of Tata Share Registry Limited:-

Branches

1 503, Barton Centre, 5th Floor
84, Mahatma Gandhi Road
Bangalore - 560 001
Tel : 080- 25320321, Fax : 080-25580019
e-mail : tsrlbang@tatashare.com

2 Bungalow No.1, "E" Road
Northern Town, Bistupur
Jamshedpur – 831 001
Tel: 0657 – 2426616, Fax: 0657 – 2426937
email : tsrljsr@tatashare.com

3 Tata Centre, 1st Floor,
43, Jawaharlal Nehru Road
Kolkata – 700 071
Tel : 033 – 22883087, Fax : 033 – 22883062
e-mail : tsrlcal@tatashare.com

4 Plot No.2/42, Sant Vihar
Ansari Road, Daryaganj
New Delhi – 110 002
Tel : 011 – 23271805, Fax : 011 – 23271802
e-mail : tsrlidel@tatashare.com

Agent

1 Shah Consultancy Services Limited
Sumatinath Complex, 2nd Dhal, Pritam Nagar, Ellisbridge, Ahmedabad – 380 006
Telefax : 079 – 2657 6038, email : shahconsultancy@hotmail.com

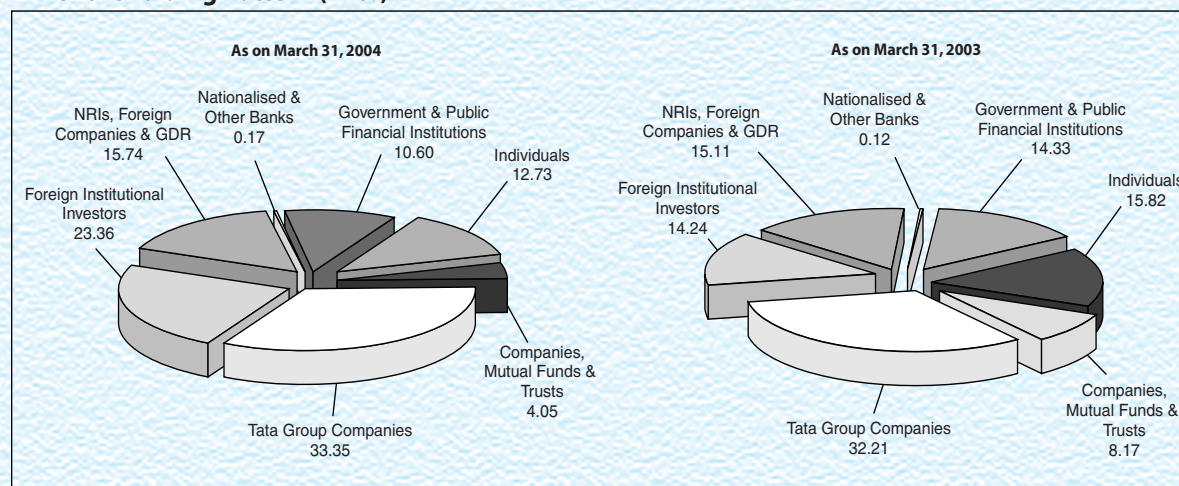
➤ Share Transfer System:-

- Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within 15 days. Senior Executives of the Company are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 30 days.
- Pursuant to Clause 47(c) of the Listing Agreement with the stock exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialisation of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

➤ Distribution of shareholding as on March 31, 2004:-

Range of Ordinary Shares	Shares held in				No. of Holders			
	Physical	% to Capital	Electronic	% to Capital	Physical	% to Holders	Electronic	% to Holders
1 to 100	2469058	4.17	2758726	0.94	63575	62.91	57648	52.28
101 to 500	6857231	11.58	9386544	3.19	30392	30.08	38178	34.63
501 to 1000	3229521	5.46	5982489	2.04	4662	4.61	8339	7.56
1001 to 5000	4122798	6.97	10009032	3.41	2297	2.27	5224	4.74
5001 to 10000	596205	1.01	2696759	0.92	89	0.09	380	0.34
Above 10000	41909717	70.81	262940050	89.50	36	0.04	493	0.45
TOTAL	59184530	100.00	293773600	100.00	101051	100.00	110262	100.00

➤ Shareholding Pattern (in %)



Dematerialisation of shares:-

Electronic holding by Members comprises 83.23% (previous year – 82.29%) of the paid up Ordinary Share Capital of the Company held through the National Securities Depository Limited - 82.57% (previous year – 81.04%) and Central Depository Services (India) Limited - 0.66% (previous year – 1.25%) as on March 31, 2004.

➤ Outstanding Securities:-

- **Two-way Fungibility of Global Depositary Receipts (GDRs)** - On August 23, 2002, the Company signed an agreement with Citibank N.A., New York, Depository for GDR holders pursuant to which, the Company offers foreign investors the facility for conversion of Ordinary Shares into GDRs within the limits permissible for Two-way Fungibility as announced by the Reserve Bank of India vide its circular dated February 13, 2002.
- **GDRs** – Out of 5,30,09,215 GDRs issued, outstanding number of GDRs as on March 31, 2004 is 2,51,11,228. Each GDR represents one underlying Ordinary Share. There were no ADRs outstanding on that date.
- **Foreign Currency Convertible Notes:**
 - 24087 – 1% Convertible Notes (due 2008) of US \$ 1000 each may at the option of the Note holder be converted into 44,34,242 GDSs/shares at Rs.250.745 per share at anytime upto July 1, 2008.
 - 1,00,000 - Zero Coupon Convertible Notes (due 2009) of US \$ 1000 each, aggregating US\$ 100 million issued in April 2004 may at the option of the Note holders be converted into 76,51,289 Ordinary Shares at Rs.573.106 per share at any time between June 7, 2004 and March 28, 2009.
 - 3,00,000 - 1% Convertible Notes (due 2011) of US \$ 1000 each, aggregating US\$ 300 million issued in April 2004 may at the option of the Note holders be converted into 168,56,740 Ordinary Shares at Rs.780.400 per share at any time between June 7, 2004 and March 28, 2011.
- **Warrants** – The holders of 63,63,928 warrants and fractional coupons for 6,951 warrants issued on the convertible and non-convertible debentures on a rights basis are entitled to apply for 1 Ordinary Share of Rs.10/- each per warrant at a premium of Rs.110/- at any time upto September 30, 2004.
- **Securities held in abeyance** – Out of the Rights Issue of Convertible and Non-convertible Debentures as on March 31, 2004, 36,030 Ordinary Shares (arising out of conversion of CDs), 26,131 Detachable Warrants on the CDs / NCDs, being the entitlement on Ordinary Shares which are the subject matter of various suits filed in the courts/forums by third parties for which final order is awaited, are held in abeyance pursuant to Section 206A of the Act.

➤ Plant Locations:-

Plant Location	Range of Products Produced
Pimpri and Chikhali, Pune – 410 018	Medium and Heavy Commercial Vehicles (M&HCVs), Light Commercial Vehicles (LCVs), Utility Vehicles (UVs) and Cars
Jamshedpur Town Post Office, Jamshedpur – 831 010	M&HCVs & LCVs
Chinhat Deva Road, Lucknow – 227 105	M&HCVs, LCVs & UVs
KIADB Block – 2, Belur Industrial Area, Dharwad – 580 007	Project under construction/formulation

➤ Address for Correspondence:-

Tata Motors Limited
Bombay House
24 Homi Mody Street
Mumbai 400 001

CERTIFICATE

**TO THE MEMBERS OF
TATA MOTORS LIMITED
(Formerly Tata Engineering and Locomotive Company Limited)**

We have examined the compliance of the conditions of Corporate Governance by **TATA MOTORS LIMITED** for the year ended on March 31, 2004, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that based on the report given by the Registrars of the Company to the Investors' Grievance Committee, as on March 31, 2004, there were no investor grievance matters against the Company remaining unattended/ pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For A. F. FERGUSON & CO.
Chartered Accountants

For S. B. BILLIMORIA & CO.
Chartered Accountants

A K MAHINDRA
Partner

N VENKATRAM
Partner

Mumbai, May 19, 2004

Fifty-ninth annual report 2003-04

Tata Motors Limited
FINANCIAL STATISTICS

Year	CAPITAL ACCOUNTS (Rs.in lakhs)						REVENUE ACCOUNTS (Rs.in lakhs)						RATIOS		
	Capital	Reserves and Surplus	Borrowings	Gross Block	Depreciation	Net Block	Turn-over	Depreciation	Profit/(Loss) Before Taxes	Taxes	Profit/(Loss) After Taxes	Dividend	PAT to Sales	Earnings Per Share* (Rs.)	Net Worth Per Share* (Rs.)
1945-46	100	1	—	31	2	29	12	2	1	0	1	0	8.3%	0.07	10
1946-47	198	1	—	74	12	62	17	9	1	1	0	0	0.0%	0.05	10
1947-48	200	4	—	106	18	88	10	7	3	0	3	0	30.0%	0.13	10
1948-49	200	5	23	155	28	127	133	11	1	0	1	0	0.8%	0.05	10
1949-50	200	11	94	233	44	189	167	15	11	5	6	0	3.6%	0.03	10
1950-51	350	17	150	397	70	327	188	28	10	4	6	0	3.2%	0.18	10
1951-52	450	20	221	563	131	432	253	65	2	0	2	0	0.8%	0.08	11
1952-53	500	24	330	647	215	432	342	84	4	0	4	0	1.2%	0.13	11
1953-54	500	27	412	731	270	461	321	97	3	0	3	0	0.9%	0.11	11
1954-55	627	27	481	792	303	489	445	35	0	0	0	0	0.0%	0.00	11
1955-56	658	120	812	1010	407	603	1198	105	125	32	93	59	7.8%	1.32	12
1956-57	700	149	1382	1352	474	878	2145	70	116	27	89	44	4.1%	1.64	13
1957-58	700	117	1551	1675	668	1007	2694	129	99	6	93	52	3.5%	1.72	12
1958-59	1000	206	1245	2050	780	1270	2645	113	155	13	142	56	5.4%	1.68	12
1959-60	1000	282	1014	2201	940	1261	2825	161	222	93	129	108	4.6%	1.50	13
1960-61	1000	367	1263	2593	1118	1475	3735	180	313	122	191	126	5.1%	2.26	14
1961-62	1000	432	1471	2954	1336	1618	4164	220	378	188	190	124	4.6%	2.28	15
1962-63	1000	450	1758	3281	1550	1731	4364	223	327	185	142	124	3.3%	1.68	15
1963-64	1198	630	2470	3920	1802	2118	5151	260	404	200	204	144	4.0%	1.97	16
1964-65	1297	787	3275	4789	2144	2645	6613	345	479	208	271	157	4.1%	2.39	17
1965-66	1640	995	3541	5432	2540	2892	7938	398	477	189	288	191	3.6%	2.20	18
1966-67	1845	1027	4299	6841	3039	3802	9065	505	620	192	428	235	4.7%	2.80	17
1967-68	1845	1121	5350	7697	3608	4089	9499	572	395	66	329	235	3.5%	2.10	18
1968-69	1845	1295	5856	8584	4236	4348	10590	630	582	173	409	235	3.9%	2.66	19
1969-70	1845	1333	6543	9242	4886	4356	9935	662	274	0	274	221	2.8%	1.72	19
1970-71	1845	1516	6048	10060	5620	4440	13624	749	673	270	403	251	3.0%	2.49	20
1971-72	1949	2020	6019	10931	6487	4444	15849	758	885	379	506	273	3.2%	3.04	23
1972-73	1949	2194	5324	12227	7491	4736	15653	820	832	360	472	266	3.0%	2.87	24
1973-74	1949	2394	6434	13497	8471	5026	16290	902	1007	450	557	180	3.4%	3.43	26
1974-75	1949	2827	9196	15838	9593	6245	22510	1134	677	136	541	266	2.4%	3.32	28
1975-76	2013	3691	9399	18642	10625	8017	27003	1054	855	91	764	276	2.8%	4.60	33
1976-77	2328	3833	11816	20709	11685	9024	28250	1145	1056	0	1056	323	3.7%	5.38	30
1977-78	2118	4721	11986	22430	12723	9707	28105	1101	1044	0	1044	313	3.7%	5.37	35
1978-79	3151	5106	11033	24900	13895	11005	37486	1200	1514	0	1514	467	4.0%	5.36	27
1979-80	3151	6263	17739	28405	15099	13306	44827	1300	1762	0	1762	605	3.9%	5.96	31
1980-81	3151	8095	15773	33055	16496	16559	60965	1616	2437	0	2437	605	4.0%	8.27	38
1981-82	4320	10275	25476	38819	18244	20575	79244	1993	4188	0	4188	839	5.3%	10.18	35@
1982-83	4226	12458	23361	43191	20219	22972	86522	2187	3481	460	3021	827	3.5%	7.34	40
1983-84	5421	14103	25473	46838	23078	23760	85624	2923	2163	235	1928	923	2.3%	3.61	37@
1984-85	5442	15188	30226	52819	26826	25993	93353	3895	2703	390	2313	1241	2.5%	4.32	39
1985-86	5452	16551	44651	61943	29030	32913	102597	3399	1832	215	1617	1243	1.6%	3.00	41
1986-87	5452	15886	53476	68352	30914	37438	119689	2157	293	0	293	552	0.2%	0.51	40
1987-88	6431	17491	44406	75712	34620	41092	140255	3822	3205	510	2695	1356	1.9%	4.25	38@
1988-89	10501	30740	32396	83455	38460	44995	167642	4315	8513	1510	7003	2444	4.2%	6.74	40@
1989-90	10444	37870	48883	91488	43070	48418	196910	4891	14829	4575	10254	3126	5.2%	9.87	47
1990-91	10387	47921	48323	100894	48219	52675	259599	5426	23455	9250	14205	4154	5.5%	13.69	56
1991-92	11765	61863	105168	123100	54609	68491	317965	6475	20884	7800	13084	4389	4.1%	12.45	67@
1992-93	12510	64207	144145	153612	61710	91902	309156	7456	3030	26	3004	3642	1.0%	2.47	63
1993-94	12867	70745	141320	177824	70285	107539	374786	9410	10195	20	10175	5020	2.7%	7.91	65
1994-95	13694	128338	115569	217084	81595	135489	568312	11967	45141	13246	31895	8068	5.6%	23.29	104
1995-96	24182	217400	128097	294239	96980	197259	790967	16444	76072	23070	53002	14300	6.7%	21.92	100
1996-97	25588	339169	253717	385116	117009	268107	1012843	20924	100046	23810	76236	22067	7.5%	29.79	143
1997-98	25588	349930	330874	487073	141899	345174	736279	25924	32880	3414	29466	15484	4.0%	11.52	147
1998-99	25590	350505	344523	569865	165334	404531	659395	28132	10716	970	9746	8520	1.5%	3.81	147
1999-00	25590	349822	300426	581233	182818	398415	896114	34261	7520	400	7120	7803	0.8%	2.78	147
2000-01	25590	299788	299888	591427	209067	382360	816422	34737	(50034)	0	(50034)	0	—	(18.45)	127
2001-02	31982	214524	230772	591006	243172	347834	891806	35468	(10921)	(5548)	(5373)	0	—	(1.98)	77@
2002-03	31983	227733	145831	608114	271307#	336807	1085874	36213#	51037	21026	30011	14430	2.76%	9.38	81
2003-04	35683	323677	125977	627149	302369#	324780	1555242	38260#	129234	48200	81034	31825	5.21%	24.68	102@

Notes :

@ On increased capital base due to conversion of Bonds/Convertible Debentures/Warrants into shares.

\$ On increased capital base due to issue of Bonus Shares, Net Worth excludes ordinary dividends.

* Equivalent to a face value of Rs. 10/- per share.

Including amortisation