

TATA MOTORS



63rd Annual Report 2007-2008

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ATTENTION

Shareholders please note that pursuant to recent changes in applicable laws and regulations, in order to receive and participate in all corporate actions of the Company, you are requested to:-

- Inform our Registrar/Depository Participants, if not already done earlier, for updating details of your PAN number. Non-submission of PAN number is a cause of rejection especially by shareholders holding securities in physical form.
- Inform your Depository Participant to reactivate your account for credit actions. Frozen Demat Accounts may lead to non-credit/delayed credit of securities allotted to your account.
- Update your address with Registrar/Depository Participants to ensure timely receipt of shareholder communication.

Annual General Meeting on Thursday, July 24, 2008 at Birla Matushri Sabhagar at 3.00 p.m.

Rs. 1 crore = Rs. 10 million

Board of Directors

Ratan N Tata
Chairman

N A Soonawala

J J Irani

V R Mehta

R Gopalakrishnan

N N Wadia

S M Palia

R A Mashelkar

Ravi Kant
Managing Director

P M Telang
Executive Director

Registered Office

Bombay House
24, Homi Mody Street
Mumbai 400 001
Tel: +91-22-6665 8282
Fax: +91-22-6665 7799
Email: inv_rel@tatamotors.com
Website: www.tatamotors.com

Management Team

Ravi Kant, *Managing Director*
P M Telang, *Executive Director (Commercial Vehicles)*
Rajiv Dube, *President (Passenger Cars)*
C Ramakrishnan, *Chief Financial Officer*
S N Ambardekar, *Plant Head (CVBU, Pune)*
S B Borwankar, *Head (Jamshedpur - Plant)*
A M Mankad, *Head (Car Plant)*
U K Mishra, *Vice President (ADD and Materials-CVBU)*
S Krishnan, *Vice President (Commercial - PCBU)*
P Y Gurav, *Vice President (Corp. Finance - A/c and Taxation)*
S J Tambe, *Vice President (Human Resources)*
R Pisharody, *Vice President (Sales and Marketing - CVBU)*
A Gajendragadkar, *Chief Internal Auditor*

Company Secretary

H K Sethna

Share Registrars

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011
Tel: +91-22-6656 8484 Fax: +91-22-6656 8494
Email: csg-unit@tsrdarashaw.com

Solicitors

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

Auditors

Deloitte Haskins & Sells

Works

Jamshedpur, Pune, Lucknow, Dharwad, Pantnagar

Bankers

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

Corporate Identity Number (CIN)

L28920MH1945PLC004520

Board of Directors

Ratan N Tata
Chairman

N A Soonawala

J J Irani

V R Mehta

R Gopalakrishnan

N N Wadia

S M Palia

R A Mashelkar

Ravi Kant
Managing Director

P M Telang
Executive Director

Registered Office

Bombay House
24, Homi Mody Street
Mumbai 400 001
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Fax: +91-22-6665 7799
Email: inv_rel@tatamotors.com
Website: www.tatamotors.com

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P M Telang, *Executive Director (Commercial Vehicles)*
Rajiv Dube, *President (Passenger Cars)*
C Ramakrishnan, *Chief Financial Officer*
S N Ambardekar, *Plant Head (CVBU, Pune)*
S B Borwankar, *Head (Jamshedpur - Plant)*
A M Mankad, *Head (Car Plant)*
U K Mishra, *Vice President (ADD and Materials-CVBU)*
S Krishnan, *Vice President (Commercial - PCBU)*
P Y Gurav, *Vice President (Corp. Finance - A/c and Taxation)*
S J Tambe, *Vice President (Human Resources)*
R Pisharody, *Vice President (Sales and Marketing - CVBU)*
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Works

Jamshedpur, Pune, Lucknow, Dharwad, Pantnagar

Bankers

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

Corporate Identity Number (CIN)

L28920MH1945PLC004520

Summarised Balance Sheet

| | (Rs. in crores) | |
|---------------------------------|----------------------------|------------------------------------|
| | As at March 31, 2008 | As at March 31, 2007 |
| WHAT THE COMPANY OWNED | | |
| 1. NET FIXED ASSETS | 10452.27 | 6394.58 |
| 2. INVESTMENTS | 4910.27 | 2477.00 |
| 3. NET CURRENT ASSETS | (272.85) | 2784.05 |
| 4. MISCELLANEOUS EXPENDITURE | 6.05 | 10.09 |
| 5. TOTAL ASSETS (NET) | 15095.74 | 11665.72 |
| WHAT THE COMPANY OWED | | |
| 1. LOANS | 6280.52 | 4009.14 |
| 2. NET WORTH | 7839.50 | 6869.75 |
| Represented by : | | |
| Share Capital | Rs. 385.54 crores | (Previous Year Rs. 385.41 crores) |
| Reserves | Rs. 7453.96 crores | (Previous Year Rs. 6484.34 crores) |
| 3. DEFERRED TAX LIABILITY (NET) | 975.72 | 786.83 |
| 4. TOTAL FUNDS EMPLOYED | 15095.74 | 11665.72 |

Summarised Profit and Loss Account

| | 2007-2008 | 2006-2007 |
|---|-----------|-----------|
| 1. INCOME | | |
| SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS | 33093.93 | 31819.48 |
| LESS : EXCISE DUTY | 4363.11 | 4349.45 |
| | 28730.82 | 27470.03 |
| DIVIDEND AND OTHER INCOME | 483.18 | 245.19 |
| | 29214.00 | 27715.22 |
| 2. EXPENDITURE | | |
| RAW MATERIALS / COMPONENTS, MANUFACTURING AND OTHER EXPENSES | 24093.93 | 22789.57 |
| EMPLOYEE COST | 1544.57 | 1368.09 |
| PRODUCT DEVELOPMENT EXPENDITURE | 64.35 | 85.02 |
| DEPRECIATION | 652.31 | 586.29 |
| INTEREST | 282.37 | 313.07 |
| TOTAL EXPENDITURE | 26637.53 | 25142.04 |
| 3. PROFIT BEFORE TAX | 2576.47 | 2573.18 |
| 4. TAX : (i) CURRENT | (146.01) | (482.50) |
| (ii) DEFERRED | (401.54) | (177.22) |
| 5. PROFIT AFTER TAX | 2028.92 | 1913.46 |
| 6. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR | 1013.83 | 776.76 |
| | 3042.75 | 2690.22 |
| 7. APPROPRIATIONS | | |
| (i) Proposed Dividends | 578.43 | 578.07 |
| (ii) Tax on Proposed Dividends | 81.25 | 98.25 |
| (iii) Residual dividend paid for the year 2005-06 (including tax) | — | 0.07 |
| (iv) General Reserve | 1000.00 | 1000.00 |
| (v) Balance carried to Balance Sheet | 1383.07 | 1013.83 |
| | 3042.75 | 2690.22 |

Chairman's Statement

Dear Shareholder,

The Indian economy continued to register impressive GDP growth, although the rate of growth declined marginally over the previous year, reflecting inflationary trends driven by the increase in the cost of energy and raw materials. The level of industrial activity has also begun to decline as a result of fiscal constraints imposed on money supply and the raising of interest rates.

Investment flows into India increased by 20% to a record level of about Rs. 120,000 Crores. Investment and consequent growth could have been even greater but for the roadblocks to major investments arising from ideological differences, state-center conflicts and vested interests. Some of these self-serving obstacles delayed major projects, depriving the country the opportunity to bridge the gap in infrastructure, energy, power generation, utilization of the country's vast natural resources and finally, to improve the quality of life of its people.

The Indian automotive sector grew by 10% overall during the year with substantial growth in the Light Commercial Vehicles sector and new passenger car introductions. In the country 499,978 new commercial vehicles were sold during the year and passenger car sales grew to 1.53 million vehicles this year. Tata Motors registered a growth of 5.5% over the previous year in commercial vehicles but lost market share. The Company introduced several new models and variants of commercial vehicles during the year but was unable to exploit its full market potential due to inadequate deliveries of powertrains and components from major suppliers. The Company also entered a new market segment through the introduction of a new mini van and mini people's carrier which are expected to see substantial growth in the years ahead. Sales of Tata Daewoo Commercial Vehicles increased by 38% and its market share in Korea improved from 26% in 2006-07 to 33% in 2007-08.

In the passenger car segment, delays of the mainstream line of the new Indica and Indigo passenger cars contributed to the decline in sales and market share of the Company in their product segments. It is expected that this loss in market share will be regained following the introduction of the New Indica range which is expected to be launched shortly. The market introduction of Sumo Grande towards the end of the year was well received and its true potential will be realized in the current year.

Perhaps the two most significant events during the year which have had a momentous impact on the scale of the Company's operations and its global image were:

- The Unveiling of the **"NANO"** Company's new low cost car
- The acquisition of the **Jaguar and Land Rover** from Ford

These deserve elaboration.

The "NANO"

As shareholders are aware, the Company embarked on a path-breaking project of developing a 'peoples' car' about 4 years ago to provide, safe, all-weather personal and family transport at an affordable price of Rs. 1 lakh. The goal was considered to be unachievable by many global manufacturing and industry commentators at that time.

The goal was however achieved and the "NANO" was unveiled at the Auto Expo in Delhi in January 2008. It attracted unprecedented global attention and catapulted Tata Motors onto the world stage. The customer response in India was also unprecedented, and enormous interest in the car was shown by certain foreign countries. Several international manufactures are also now planning to be in the ultra low cost segment and many of them are looking at India as a possible location for manufacturing such a vehicle.

The Company's new plant for the NANO in Singur, West Bengal, is expected to go into operation in the last quarter of this calendar year. These manufacturing facilities would be expanded to meet the demand in the domestic and international markets in the future. New variants of the NANO are also currently under development to meet the new

Tata Motors Limited

environmental and fuel price challenges, as also the market requirement of several international markets.

Jaguar and Land Rover

During the year, the Company expressed its interest in participating in the Ford Motor Company's intended sale of Jaguar and Land Rover on a going concern basis. Both brands are highly regarded and have a long heritage in their respective segments. Jaguar has been a prestigious maker of high performance passenger cars with a racing history, and Land Rover has always been the 'Gold Standard' for off road vehicles.

Several international private equity firms and one other Indian automotive manufacturer participated in the process. After a protracted negotiation through the year, Tata Motors was considered by Ford for focused discussion, with the full support of the unions and the work force. The two enterprises were formally transferred on June 2, 2008 at a signing ceremony at the Jaguar and Land Rover head quarters in West Midlands, when history was made and these two globally-renowned brands became Indian-owned.

In these brands, Tata Motors has acquired impressive engineering capabilities, substantial manufacturing facilities, (which reflect the major investments by both Ford and BMW in past years), and enormous goodwill amongst the dealer network and the Jaguar owners' community. There is a need to introduce a greater number of attractive products for both brands, and to re-kindle Jaguar's past image connected with its sports car heritage. Both brands have tremendous unfulfilled market potential and a significant global presence.

To fund the acquisition of Jaguar and Land Rover, Tata Motors is raising Rs.7200 crores on a rights basis and US\$500/600 million through an international offering of equity and/or cost effective quasi equity instruments.

Looking ahead

The year ahead will be a year of major challenges. Higher fuel prices will negatively impact both commercial vehicles and passenger car sales.

There will be an enormous and unprecedented increase in material costs in steel, tyres, and the like, and there will be the impact of tighter money supply with higher interest rates. In addition, the Company will have to manage the completion of the Singur plant and introduction of the new NANO in the market. While dealing with these challenges in India, the Tata Motors' operations will also have to absorb the cost of the JLR acquisition, and deal with its integration.

These challenges appear daunting, but to the people in Tata Motors, the year ahead will be no more daunting than the challenges they have faced in difficult years in the past. No words would ever adequately recognize the spirit, dedication and commitment of the people in Tata Motors who have faced adversity and major crises, delivered products which were not considered possible and repeatedly found solutions for situations which have thwarted many an organization. I therefore feel confident that the same spirit, dedication and commitment will enable them to face the challenges ahead and find solutions to ensure the sustainability of Tata Motors' long term future growth and viability.

Despite the challenges mentioned, Tata Motors will have an exciting future. Apart from its own growth domestically in both the commercial vehicle and passenger car areas, for which it has ambitious plans, the high volumes of the NANO range will dramatically change Tata Motors' market position, reach and visibility. Internationally the Jaguar and Land Rover brands will add global scale, profits and visibility to Tata Motors, enabling it to take its place in the global auto industry as a credible international automobile company.



Chairman

Mumbai, June 17, 2008

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY-THIRD ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Thursday, July 24, 2008 at 3.00 p.m., at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2008 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. 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 Auditors and fix their remuneration.

Special Business

6. Appointment of Dr R A Mashelkar as a Director

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

"RESOLVED that Dr R A Mashelkar who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 28, 2007 and who holds office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

7. Commission to non-Whole-time Directors

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 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), a sum not exceeding one per cent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, be paid to and distributed amongst the non-Whole-time Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five financial years commencing from April 1, 2008."

8. Revision in the terms of remuneration of Mr Ravi Kant, Managing 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 Resolution No. 8 passed at the Annual General Meeting of the Company held on July 11, 2006 and pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby accords its approval to the revision in the terms of remuneration of Mr Ravi Kant, Managing Director of the Company by way of an increase in the maximum amount of his salary (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 or a Committee thereof to fix his salary within

such maximum amount, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from April 1, 2008, for the remainder of the tenure of his appointment i.e., upto and including June 1, 2009, as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

“RESOLVED FURTHER that the Board of Directors or a Committee thereof of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

NOTES:

- a. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos.6 to 8 set out above and details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/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. The Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.
- c. Only registered Members of the Company may attend and vote at the Annual General Meeting. The holders of the American Depositary Receipts (the ‘ADRs’) of the Company shall not be entitled to attend the said Annual General Meeting. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said meeting through the Depository, to give or withhold such consents, to receive such notice or to otherwise take action to exercise their rights with respect to such underlying shares represented by each such American Depositary Share. A brief statement as to the manner in which such voting instructions may be given would be sent to the ADR holders by the Depository.
- d. The Register of Members and Transfer Books of the Company will be closed from Wednesday, June 18, 2008 to Thursday, June 26, 2008 both days inclusive, for the purpose of payment of dividend to those Members whose names stand on the Register of Members as on June 26, 2008. 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 17, 2008, as per the details furnished by the depositories for this purpose.
- e. The dividend on Ordinary Shares as recommended by the Directors for the year ended March 31, 2008 will be payable on or after July 24, 2008 in accordance with the resolution to be passed by the Members of the Company.
- f. 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 the 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.
- g. Members holding shares in 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.
- h. Members’ attention is particularly drawn to the “Corporate Governance” section in respect of unclaimed and unpaid dividends.
- i. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
- j. 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 28, 2008

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

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 (the Act), sets out all material facts relating to the business mentioned at Item nos. 6 to 8 of the accompanying Notice dated May 28, 2008.

Item No. 6: The Board of Directors of the Company appointed Dr R A Mashelkar as an Additional Director of the Company with effect from August 28, 2007 pursuant to Section 260 of the Act and Article 132 of the Articles of Association of the Company. Under Section 260 of the Act, Dr Mashelkar ceases to hold office at this Annual General Meeting but is eligible for appointment as a Director. A notice under Section 257 of the Act has been received from a Member signifying his intention to propose his appointment as a Director.

A Ph.D in Chemical Engineering, Dr. Mashelkar had served as the Director General of Council of Scientific and Industrial Research (CSIR) for over eleven years. Dr Mashelkar is presently the President of India National Science Academy (INSA), Global Research Alliance, a network of publicly founded R & D institutes from Asia Pacific, Europe and USA with over 60,000 scientists, the National Innovation Foundation and the Institution of Chemical Engineers (IChemE), UK. Dr Mashelkar has been a fellow/associate of various international associations like Royal Society, London, National Academy of Science, USA (2005), US National Academy of Engineering (2003), Royal Academy of Engineering, U.K. (1996), World Academy of Art & Science, USA (2005), National Academy of Engineering (2003), Royal Academy of Engineering, U.K. (1996) and World Academy of Art and Science, USA (2000). Twenty-six universities have honoured Dr Mashelkar with honorary doctorates, including universities of London, Salford, Pretoria, Wisconsin and Delhi.

Dr Mashelkar has won over 50 awards and medals in the field of science and technology and was honoured by the President of India with a Padmashri (1991) and a Padmabhushan (2000) in recognition of his contribution to nation building.

Brief information of Dr Mashelkar is given in the Annexure attached to the Notice.

The Board considers it desirable that the Company should continue to avail itself of the services of Dr Mashelkar and accordingly commends the Resolution at Item No. 6 for approval by the Members.

Dr Mashelkar is concerned or interested in Item No.6 of the Notice.

Item No. 7: The Members had, at the Annual General Meeting held on July 21, 2003 approved, under the provisions of Section 309 of the Act, 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.

Taking into account the responsibilities of the Directors, it is proposed that in terms of Section 309(4) of the Act, the non-Whole-time Directors be paid for each of the five financial years of the Company commencing from April 1, 2008, remuneration not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

Accordingly, a fresh approval of the Members is sought by way of a Special Resolution for payment of commission to the non-Whole-time Directors for a period of five years commencing from April 1, 2008 as set out in the Resolution at Item No.7 of the Notice.

All the Directors of the Company except the Managing Director and the Whole-time Director of the Company may be deemed to be concerned or interested in the Resolution mentioned at Item No. 7 of the Notice to the extent of the remuneration that may be received by them.

Item No.8: At the Annual General Meeting of the Company held on July 11, 2006, the Members of the Company had approved the appointment and terms of remuneration of Mr Ravi Kant as the Managing Director of the Company, including *inter alia* the maximum amount of salary of Rs.5,00,000/- p.m. Taking into consideration the increased business activities of the Company and the responsibilities cast on the Managing Director, it is proposed that with effect from April 1, 2008, the maximum amount of salary of Mr Kant be revised from

Rs.5,00,000/- p.m. to Rs.6,50,000/- p.m., with proportionate increases in the benefits related to his salary. The Board of Directors or a Committee thereof would fix the salary of Mr Kant within the above maximum amount.

All other terms and conditions relating to the appointment of Mr Kant as approved by the Members of the Company will remain unchanged.

In compliance with the provisions of Sections 269, 309, 310 and other applicable provisions of the Act, the revised terms of remuneration of Mr Kant as Managing Director as specified above are now being placed before the Members for their approval.

The Directors commend the resolution at Item No. 8 of the Notice for the approval of the Members of the Company.

Mr Kant is concerned or interested in Item No.8 of the Notice.

This may be treated as an abstract of the draft Agreement between the Company and Mr Kant, pursuant to Section 302 of the Act.

By Order of the Board of Directors

H K SETHNA

Company Secretary

Mumbai, May 28, 2008

Registered Office:

Bombay House
24, Homi Mody Street
Mumbai 400 001

DETAILS OF DIRECTORS RETIRING BY ROTATION SEEKING RE-ELECTION AND APPOINTMENT OF DIRECTOR AT THIS ANNUAL GENERAL MEETING

| Particulars | Mr Ratan N Tata | Mr R Gopalakrishnan | Dr R A Mashelkar |
|--|--|---|---|
| Date of Birth & Age | December 28, 1937 – 70 years | December 25, 1945 – 62 years | January 1, 1943 – 65 years |
| Appointed on | August 14, 1981 | December 22, 1998 | August 28, 2007 |
| 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.) | Chemical Engineering Scientist, Ph.D from Bombay University. |
| 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 and renowned knowledge in Scientific Areas. |
| Directorships held in other public companies (excluding foreign, private and Section 25 companies) | Tata AutoComp Systems Ltd. Tata Chemicals Ltd. Tata Consultancy Services Ltd. Tata Industries Ltd. Tata Steel Ltd. Tata Teleservices Ltd. Tata Teleservices (Mah) Ltd. Hindustan Aeronautics Ltd. Tata Sons Ltd. Tata Tea Ltd. The Bombay Dyeing & Mfg Co. Ltd. The Indian Hotels Co. Ltd. The Tata Power Co. Ltd. | ICI India Ltd. The Tata Power Co. Ltd. Tata Teleservices Ltd. Rallis India Ltd. Tata Technologies Ltd. Tata Sons Ltd. Tata AutoComp Systems Ltd. Tata Chemicals Ltd. Castrol India Ltd. | Reliance Industries Ltd. Thermax Ltd. Piramal Life Sciences Ltd. Hindustan Unilever Ltd. |
| Memberships / Chairmanships of committees across public companies | Nil | Audit Castrol India Ltd ICI India Ltd. Tata Chemicals Ltd. Investors' Grievance Tata Motors Ltd. | Audit Tata Motors Ltd. |
| Shareholding | 53288 | 3750 | 0 |

Sixty-third annual report 2007-08

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 (Basic)* (Rs.) | Dividend Per Share*# (Rs.) | Net Worth Per Share* (Rs.) |
| 1945-46 | 100 | 1 | — | 31 | 2 | 29 | 12 | 2 | 1 | — | 1 | — | 8.3% | 0.07 | — | 10 |
| 1949-50 | 200 | 11 | 94 | 233 | 44 | 189 | 167 | 15 | 11 | 5 | 6 | — | 3.6% | 0.03 | — | 10 |
| 1953-54 | 500 | 27 | 412 | 731 | 270 | 461 | 321 | 97 | 3 | — | 3 | — | 0.9% | 0.11 | — | 11 |
| 1954-55 | 627 | 27 | 481 | 792 | 303 | 489 | 445 | 35 | — | — | — | — | — | — | — | 11 |
| 1955-56 | 658 | 120 | 812 | 1010 | 407 | 603 | 1198 | 105 | 125 | 32 | 93 | 59 | 7.8% | 1.32 | 0.60 | 12 |
| 1956-57 | 700 | 149 | 1382 | 1352 | 474 | 878 | 2145 | 70 | 116 | 27 | 89 | 44 | 4.1% | 1.64 | 0.80 | 13 |
| 1957-58 | 700 | 117 | 1551 | 1675 | 668 | 1007 | 2694 | 129 | 99 | 6 | 93 | 52 | 3.5% | 1.72 | 0.90 | 12 |
| 1958-59 | 1000 | 206 | 1245 | 2050 | 780 | 1270 | 2645 | 113 | 155 | 13 | 142 | 56 | 5.4% | 1.68 | 0.90 | 12 |
| 1959-60 | 1000 | 282 | 1014 | 2201 | 940 | 1261 | 2825 | 161 | 222 | 93 | 129 | 108 | 4.6% | 1.50 | 1.25 | 13 |
| 1960-61 | 1000 | 367 | 1263 | 2593 | 1118 | 1475 | 3735 | 180 | 313 | 122 | 191 | 126 | 5.1% | 2.26 | 1.45 | 14 |
| 1961-62 | 1000 | 432 | 1471 | 2954 | 1336 | 1618 | 4164 | 220 | 378 | 188 | 190 | 124 | 4.6% | 2.28 | 1.45 | 15 |
| 1962-63 | 1000 | 450 | 1758 | 3281 | 1550 | 1731 | 4364 | 223 | 327 | 185 | 142 | 124 | 3.3% | 1.68 | 1.45 | 15 |
| 1963-64 | 1198 | 630 | 2470 | 3920 | 1802 | 2118 | 5151 | 260 | 404 | 200 | 204 | 144 | 4.0% | 1.97 | 1.45 | 16 |
| 1964-65 | 1297 | 787 | 3275 | 4789 | 2144 | 2645 | 6613 | 345 | 479 | 208 | 271 | 157 | 4.1% | 2.39 | 1.45 | 17 |
| 1965-66 | 1640 | 995 | 3541 | 5432 | 2540 | 2892 | 7938 | 398 | 477 | 189 | 288 | 191 | 3.6% | 2.20 | 1.45 | 18 |
| 1966-67 | 1845 | 1027 | 4299 | 6841 | 3039 | 3802 | 9065 | 505 | 620 | 192 | 428 | 235 | 4.7% | 2.80 | 1.45+ | 17 |
| 1967-68 | 1845 | 1121 | 5350 | 7697 | 3608 | 4089 | 9499 | 572 | 395 | 66 | 329 | 235 | 3.5% | 2.10 | 1.45 | 18 |
| 1968-69 | 1845 | 1295 | 5856 | 8584 | 4236 | 4348 | 10590 | 630 | 582 | 173 | 409 | 235 | 3.9% | 2.66 | 1.45 | 19 |
| 1969-70 | 1845 | 1333 | 6543 | 9242 | 4886 | 4356 | 9935 | 662 | 274 | — | 274 | 221 | 2.8% | 1.72 | 1.35 | 19 |
| 1970-71 | 1845 | 1516 | 6048 | 10060 | 5620 | 4440 | 13624 | 749 | 673 | 270 | 403 | 251 | 3.0% | 2.49 | 1.45 | 20 |
| 1971-72 | 1949 | 2020 | 6019 | 10931 | 6487 | 4444 | 15849 | 758 | 885 | 379 | 506 | 273 | 3.2% | 3.04 | 1.50 | 23 |
| 1972-73 | 1949 | 2194 | 5324 | 12227 | 7491 | 4736 | 15653 | 820 | 832 | 360 | 472 | 266 | 3.0% | 2.87 | 1.50 | 24 |
| 1973-74 | 1949 | 2394 | 6434 | 13497 | 8471 | 5026 | 16290 | 902 | 1007 | 450 | 557 | 180 | 3.4% | 3.43 | 0.93 | 26 |
| 1974-75 | 1949 | 2827 | 9196 | 15838 | 9593 | 6245 | 22510 | 1134 | 677 | 136 | 541 | 266 | 2.4% | 3.32 | 1.50 | 28 |
| 1975-76 | 2013 | 3691 | 9399 | 18642 | 10625 | 8017 | 27003 | 1054 | 855 | 91 | 764 | 276 | 2.8% | 4.60 | 1.50 | 33 |
| 1976-77 | 2328 | 3833 | 11816 | 20709 | 11685 | 9024 | 28250 | 1145 | 1056 | — | 1056 | 323 | 3.7% | 5.38 | 1.50+ | 30 |
| 1977-78 | 2118 | 4721 | 11986 | 22430 | 12723 | 9707 | 28105 | 1101 | 1044 | — | 1044 | 313 | 3.7% | 5.37 | 1.50 | 35 |
| 1978-79 | 3151 | 5106 | 11033 | 24900 | 13895 | 11005 | 37486 | 1200 | 1514 | — | 1514 | 467 | 4.0% | 5.36 | 1.60+ | 27 |
| 1979-80 | 3151 | 6263 | 17739 | 28405 | 15099 | 13306 | 44827 | 1300 | 1762 | — | 1762 | 605 | 3.9% | 5.96 | 2.00 | 31 |
| 1980-81 | 3151 | 8095 | 15773 | 33055 | 16496 | 16559 | 60965 | 1616 | 2437 | — | 2437 | 605 | 4.0% | 8.27 | 2.00 | 38 |
| 1981-82 | 4320 | 10275 | 25476 | 38819 | 18244 | 20575 | 79244 | 1993 | 4188 | — | 4188 | 839 | 5.3% | 10.18 | 2.00+ | 35 |
| 1982-83 | 4226 | 12458 | 23361 | 43191 | 20219 | 22972 | 86522 | 2187 | 3481 | 460 | 3021 | 827 | 3.5% | 7.34 | 2.00 | 40 |
| 1983-84 | 5421 | 14103 | 25473 | 46838 | 23078 | 23760 | 85624 | 2923 | 2163 | 235 | 1928 | 923 | 2.3% | 3.61 | 2.00 | 37@ |
| 1984-85 | 5442 | 15188 | 30226 | 52819 | 26826 | 25993 | 93353 | 3895 | 2703 | 390 | 2313 | 1241 | 2.5% | 4.32 | 2.30 | 39 |
| 1985-86 | 5452 | 16551 | 44651 | 61943 | 29030 | 32913 | 102597 | 3399 | 1832 | 215 | 1617 | 1243 | 1.6% | 3.00 | 2.30 | 41 |
| 1986-87 | 5452 | 15886 | 53476 | 68352 | 30914 | 37438 | 119689 | 2157 | 293 | — | 293 | 552 | 0.2% | 0.51 | 1.00 | 40 |
| 1987-88 | 6431 | 17491 | 44406 | 75712 | 34620 | 41092 | 140255 | 3822 | 3205 | 510 | 2695 | 1356 | 1.9% | 4.25 | 2.30 | 38@ |
| 1988-89 | 10501 | 30740 | 32396 | 83455 | 38460 | 44995 | 167642 | 4315 | 8513 | 1510 | 7003 | 2444 | 4.2% | 6.74 | 2.50 | 40@ |
| 1989-90 | 10444 | 37870 | 48883 | 91488 | 43070 | 48418 | 196910 | 4891 | 14829 | 4575 | 10254 | 3126 | 5.2% | 9.87 | 3.00 | 47 |
| 1990-91 | 10387 | 47921 | 48323 | 100894 | 48219 | 52675 | 259599 | 5426 | 23455 | 9250 | 14205 | 4154 | 5.5% | 13.69 | 4.00 | 56 |
| 1991-92 | 11765 | 61863 | 105168 | 123100 | 54609 | 68491 | 317965 | 6475 | 20884 | 7800 | 13084 | 4389 | 4.1% | 12.45 | 4.00 | 67@ |
| 1992-93 | 12510 | 64207 | 144145 | 153612 | 61710 | 91902 | 309156 | 7456 | 3030 | 26 | 3004 | 3642 | 1.0% | 2.47 | 3.00 | 63 |
| 1993-94 | 12867 | 70745 | 141320 | 177824 | 70285 | 107539 | 374786 | 9410 | 10195 | 20 | 10175 | 5020 | 2.7% | 7.91 | 4.00 | 65 |
| 1994-95 | 13694 | 128338 | 115569 | 217084 | 81595 | 135489 | 568312 | 11967 | 45141 | 13246 | 31895 | 8068 | 5.6% | 23.29 | 6.00 | 104 |
| 1995-96 | 24182 | 217400 | 128097 | 294239 | 96980 | 197259 | 790967 | 16444 | 76072 | 23070 | 53002 | 14300 | 6.7% | 21.92 | 6.00 | 100 |
| 1996-97 | 25588 | 339169 | 253717 | 385116 | 117009 | 268107 | 1012843 | 20924 | 100046 | 23810 | 76236 | 22067 | 7.5% | 30.40 | 8.00 | 143 |
| 1997-98 | 25588 | 349930 | 330874 | 487073 | 141899 | 345174 | 736279 | 25924 | 32880 | 3414 | 29466 | 15484 | 4.0% | 11.51 | 5.50 | 147 |
| 1998-99 | 25590 | 350505 | 344523 | 569865 | 165334 | 404531 | 659395 | 28132 | 10716 | 970 | 9746 | 8520 | 1.5% | 3.81 | 3.00 | 147 |
| 1999-00 | 25590 | 349822 | 300426 | 581233 | 182818 | 398415 | 896114 | 34261 | 7520 | 400 | 7120 | 7803 | 0.8% | 2.78 | 2.50 | 147 |
| 2000-01 | 25590 | 299788 | 299888 | 591427 | 209067 | 382360 | 816422 | 34737 | (50034) | — | (50034) | — | — | (18.45) | — | 127 |
| 2001-02 | 31982 | 214524 | 230772 | 591006 | 243172 | 347834 | 891806 | 35468 | (10921) | (5548) | (5373) | — | — | (1.98) | — | 77@ |
| 2002-03 | 31983 | 227733 | 145831 | 608114 | 271307 | 336807 | 1085874 | 36213 | 51037 | 21026 | 30011 | 14430 | 2.8% | 9.38 | 4.00 | 81 |
| 2003-04 | 35683 | 323677 | 125977 | 627149 | 302369 | 324780 | 1555242 | 38260 | 129234 | 48200 | 81034 | 31825 | 5.2% | 24.68 | 8.00 | 102@ |
| 2004-05 | 36179 | 374960 | 249542 | 715079 | 345428 | 369651 | 2064866 | 45016 | 165190 | 41495 | 123695 | 51715 | 6.0% | 34.38 | 12.50& | 114@ |
| 2005-06 | 38287 | 515420 | 293684 | 892274 | 440151 | 452123 | 2429052 | 52094 | 205338 | 52450 | 152888 | 56778 | 6.3% | 40.57 | 13.00 | 145@ |
| 2006-07 | 38541 | 648434 | 400914 | 1128912 | 489454 | 639458 | 3206467 | 58629 | 257318 | 65972 | 191346 | 67639 | 6.0% | 49.76 | 15.00 | 178@ |
| 2007-08 | 38554 | 745396 | 628052 | 1589579 | 544352 | 1045227 | 3357711 | 65231 | 257647 | 54755 | 202892 | 65968 | 6.0% | 52.64 | 15.00 | 203@ |

Notes :

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

Includes Interim Dividend where applicable.

+ Including on Bonus Shares issued during the year.

& Includes a special dividend of Rs. 2.50 per share for the Diamond Jubilee Year.

DIRECTORS' REPORT

TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Sixty-Third Annual Report and the Audited Statement of Accounts for the year ended March 31, 2008.

1. FINANCIAL RESULTS

| | Financial Year (Rs. in crores) | |
|---|--|-----------|
| | 2007-2008 | 2006-2007 |
| (i) Gross Revenue | 33093.93 | 31819.48 |
| (ii) Net Revenue (excluding excise duty) | 28730.82 | 27470.03 |
| (iii) Total Expenditure | 25638.50 | 24157.66 |
| (iv) Operating Profit | 3092.32 | 3312.37 |
| (v) Other Income | 483.18 | 245.19 |
| (vi) Profit before Depreciation Interest and Tax | 3575.50 | 3557.56 |
| (vii) Interest and Discounting Charges | | |
| (a) Gross Interest and Discounting Charges | 541.56 | 389.86 |
| (b) Transfer to Capital Account/Interest Received | (259.19) | (76.79) |
| (c) Net Interest and Discounting Charges | 282.37 | 313.07 |
| (viii) Product Development Expenses | 64.35 | 85.02 |
| (ix) Depreciation | 652.31 | 586.29 |
| (x) Profit Before Tax | 2576.47 | 2573.18 |
| (xi) Tax Expense | 547.55 | 659.72 |
| (xii) Profit After Tax | 2028.92 | 1913.46 |
| (xiii) Balance Brought Forward from Previous Year | 1013.83 | 776.76 |
| (xiv) Amount Available for Appropriation | 3042.75 | 2690.22 |
| APPROPRIATIONS | | |
| (a) General Reserve | 1000.00 | 1000.00 |
| (b) Dividend (including tax) | 659.68 | 676.32 |
| (c) Residual dividend paid for 2005-06(including tax) | - | 0.07 |
| (d) Balance carried to Balance Sheet | 1383.07 | 1013.83 |

Note : Figures for the previous year have been regrouped/reclassified where necessary

2. DIVIDEND

Considering the Company's financial performance and growth plans, the Directors have recommended payment of a dividend of Rs.15/- per share on 38,56,18,723 Ordinary Shares fully paid up for the Financial Year 2007-08 (previous year – Rs.15/- per share).

Tata Motors Limited**3. OPERATING RESULTS AND PROFITS**

The year 2007-08 was a historic year for the Company marked with two significant events viz., the unveiling of Tata Nano - the world's least expensive car and the signing of the definitive agreement with Ford Motor Company for purchase of Jaguar and Land Rover, which has since been completed on June 2, 2008.

During the year, the Company recorded its highest ever sale of 5,85,649 vehicles and grew its turnover to Rs. 33,094 crores to remain as India's largest automobile company by revenue. The Company maintained its leadership position in the commercial vehicle segment and was among the top three players in the passenger vehicle segment, although it lost some market share. A number of new products were launched during the later half of the fiscal year which would help the Company regain its lost market share.

The Company's margins were under pressure during the year due to rising interest rates, constraints in availability of vehicle financing from outside sources and unprecedented increase in prices of raw materials. The EBITDA margin at 10.8% was lower than last year as increase in input costs could only be partially absorbed by the market. The Profit Before Tax at Rs. 2,576 crores was 0.1% higher than last year. The Profit After Tax at Rs. 2,029 crores, was 6.1% higher than last year.

4. COMMERCIAL VEHICLES

The commercial vehicle industry (including exports) witnessed a moderation in growth in FY 07-08. The domestic market which accounts for nearly 90% of total commercial vehicle sales was impacted by reduction in economic activity, poor credit availability, hardening of interest rates and increase in fuel prices. It grew by 6.9% as compared to 33% growth in the previous year.

The Company reported a total sale of 3,52,785 commercial vehicles in the domestic and overseas markets representing a growth of 5.5% over last fiscal. However, the Company's market share in the domestic commercial vehicle market declined by 1.3% to 62.7% due to non availability of certain components/parts in the earlier part of the year and constraints in the availability of vehicle finance from banks and NBFCs. Though in-house vehicle financing was strengthened, the Company was unable to fully offset the decrease in credit availability from outside sources.

In the M&HCV segment, the Company revamped its commercial vehicles portfolio and introduced a wide range of new products such as multi axle and heavy duty trucks, tractor trailers and fully built solutions like tip trailers, customised factory built load bodies etc. in the second half of the year. These introductions helped the Company to gain market share in the tractor trailer and multi axle vehicle sub-segments and the full potential of these new products would be realized going forward. The Company also developed new products for the M&HCV passenger carrier sub-segment and displayed in the Auto Expo 2008, a 28 seater bus and an air conditioned low floor bus developed through its joint venture - Tata Marcopolo Motors Limited.

In the LCV segment, the Company introduced two new products – Magic and Winger, which hold a strong potential to shape the future of commercial passenger transportation in India. Magic is expected to emerge as a safe and comfortable mode of public transport in urban and rural areas. Alongwith the goods carrier version, Magic helped the Company to achieve a sale of over 1,00,000 vehicles on the Ace platform in a year for the first time since the inception of Ace. Winger, India's only maxi van offering could become the preferred mode for intra-city and long distance passenger transportation in coming years. The Company also unveiled the 1 Ton and CNG variant of Ace, Cargo Panel van, Xenon XT - a lifestyle pickup truck and Winger Executive office concept vehicle in the Auto Expo 2008 and commenced production of TATA Ace from its manufacturing facility at Uttarakhand. Though the Company's market share in the LCV segment declined by 1.1% to 64.3%, introduction of new products would help the Company to grow its market share in the coming years.

The Company showcased its new range of tactical and armoured vehicles for military and para-military forces in the Defence Expo 2008. These include TATA Light Specialist Vehicle, Light Armoured Troop Carrier, TATA 8x8 HMV and the armoured TATA Safari.

The Company's commercial vehicle exports grew by 11.8% to 39,850 vehicles. M&HCV exports accounting for 35% of the Company's total commercial vehicle exports grew by 13%. In March'08, the Company

introduced TATA Xenon- 1 Ton pickup truck in Thailand through its subsidiary Tata Motors (Thailand) Ltd. This vehicle is assembled in Thailand and is distributed through a network of over 20 authorised dealers. The Company's non-vehicular business recorded a 32% growth in revenues mainly due to growth in the spare parts business. The Company's Commercial Vehicle Pune plant received Rajiv Gandhi National Quality Award for the year 2007.

5. PASSENGER VEHICLES

In a challenging year for the Company, sales declined by 5.4% after six consecutive years of growth. The Company recorded a sale of 2,32,864 vehicles (including 3,297 Fiat cars) in the domestic and overseas markets and continued to be amongst the top three players in the Indian passenger vehicle market with a market share of 14.2%. The market share declined from 16.6% in the previous year mainly on account of launch of several new introductions by competition (the Car Industry volumes, infact, declined by 4.4%, excluding new products introduced) and the delays in the introduction of the Company's new Indica, which is now due for launch later this year. The Company's passenger vehicle exports at 14,809 nos. declined by 16.9% over the previous year mainly due to softening of some key markets. However, the year 2007-08 was a milestone year for the car business as the one millionth passenger car rolled off from the Indica platform in the ninth year since commencement of production.

The TATA Indica sales at 1,35,642 nos. declined marginally over the previous year due to the car being in the mature phase of its life cycle and new launches by competition. Despite its maturity, the Indica remained the second largest selling car in the industry. During the year, the Company expanded the Indica range by introducing a new variant of the current Indica with dual airbags and ABS (Anti lock Braking System) and adding a DICOR (Direct Injection Common Rail) diesel engine variant. The Company displayed the next generation Indica in the Auto Expo 2008 which received an exciting response.

The TATA Indigo range witnessed the introduction of the Indigo XL Classic variant and the Indigo CS (Compact Sedan). The Indigo CS is a sub 4 meter sedan with a foot print and price point of a large hatchback but the appeal of a sedan and has been received very well in the market post its launch in the last quarter of the year. The TATA Indigo range with a total sale of 31,416 nos. continued as the highest selling brand in the entry mid size segment in its sixth year of launch, despite new launches from competition, although it continued to decline in a slow segment.

The new products to be launched in the Indica and Indigo range have been delayed, whilst the Indigo CS and the XL Classic Variant were launched in the last quarter of the year, the new Indica is being introduced in FY 2008-09.

The TATA Safari and TATA Sumo recorded a sale of 47,700 nos. during the year. The Company expanded its Utility Vehicle range by launching a new 2.2L Safari DICOR, Sumo Victa DI and the Sumo Grande during the year. Safari, achieved its highest ever sale of 19,078 vehicles during the year.

The Company's sales of Fiat branded products increased by 148.3% to 3,297 vehicles aided by the launch of the facelifted Palio and later the multijet diesel version in the last quarter. In October'07, the Company concluded its joint venture with Fiat for the manufacture of passenger cars, engines and transmission. The venture has planned a total investment of over Rs 4,000 crores. The Company took the lead in supporting the Magic India Discovery Drive initiative of Ferrari alongwith other TATA companies and Fiat.

The Company continued to figure as the most trusted car company for the third year in succession in the Readers' Digest survey. The Indica and the Sumo continue to stand out among the 'Most Trusted Brands' in the annual survey of the Economic Times Brand Equity. The Passenger Car Business Unit of the Company was conferred the 'Handa Golden Key Award 2007' for the 'Best Value Engineering Organization' by the Indian National Value Engineering Society.

6. TATA NANO

The Company unveiled the TATA Nano, the world's least expensive car to an overwhelming response at the Auto Expo 2008 in New Delhi. Subsequently, the car was also unveiled at the Geneva Motor Show and received international acclaim. The development of the TATA Nano has given the Tata Group the 6th rank

Tata Motors Limited

in the Business Week-B&G 2008 listing of the world's 25 most innovative Companies. The construction of a manufacturing facility for the Tata Nano at Singur is in progress.

7. ACQUISITION OF JAGUAR AND LAND ROVER

On June 2, 2008, Tata Motors completed the acquisition of businesses of Jaguar and Land Rover (part of Premier Automotive Group of Ford Motor Co.) for US\$ 2.3 billion (on a cash free, debt free basis). Both are iconic British brands purchased by Ford in 1989 and 2000 respectively. Out of the purchase consideration paid to Ford, Ford has contributed around US\$ 600 million into the Jaguar Land Rover pension schemes (in UK).

Jaguar and Land Rover (JLR) are in the business of development, manufacture and sale of high end luxury cars and SUVs respectively. JLR has 3 manufacturing plants, 1 component manufacturing facility and 2 state of the art design and engineering centers in the UK, with 16,000 employees across the world, sales in more than 100 countries and have over 2,200 dealers. Their combined volume for the calendar year 2007 was around 288,000 vehicles. JLR achieved revenues of US\$ 14.94 billion for the year ended December 31, 2007 with a PBIT (excluding special items) of US\$ 650 million. For the quarter ended March 31, 2008, with the launch of the acclaimed XF model by Jaguar in January 2008, JLR business achieved revenues of US\$ 4.15 billion (against revenues of US\$ 3.54 billion for the corresponding period in 2007) and PBIT (excluding special items) of US\$ 417 million (as against PBIT of US\$ 289 million for the corresponding period in 2007).

Acquisition of JLR provides the Company with a strategic opportunity to acquire iconic brands with a great heritage and global presence, and increase the Company's business diversity across markets and product segments.

8. TATA MOTOR FINANCE - CUSTOMER FINANCING INITIATIVES

Tata Motors Finance Limited and the Vehicle financing division of the Company which operate under the brand name "Tata Motorfinance (TMF)" financed 1,77,437 new vehicles, a growth of 7.3% over 1,65,376 in the previous year. With disbursements of Rs. 9,620 crores, a growth of 2.2% over Rs. 9,415 crores in the previous year, TMF emerged as the second largest commercial vehicle financier in the domestic market.

During the year, TMF extended support to the Company's vehicle sales by financing 34% of the total domestic sales, compared to 31.4% in the previous year. Given this growth, TMF is on course to become a strong captive financing arm to support the vehicle sales business as well as to de-risk the cyclical revenue stream of the automotive business. The extensive network of TMF will also complement the dealer network of vehicles sales, thus widening the reach of the Company. In the Commercial vehicle financing, TMF achieved a market share of 34%, with total disbursements at Rs. 6,300 crores, recording a 2.9% growth and financed 1,07,668 units, an increase of 7.6% over the previous year. In the Passenger Vehicle financing segment, TMF achieved a market share of 32.5%, with total disbursements at Rs. 2,228 crores, recording a 7.8% growth and financed 69,769 units, an increase of 6.9% over the previous year. With a view to focus on its core business of financing of TATA commercial and passenger vehicles, the Construction Equipment financing activity together with loan portfolio was sold by the Company in September, 2007.

9. HUMAN RESOURCES & INDUSTRIAL RELATIONS

During the year, the Company entered into a three year wage settlement with its unions at Jamshedpur and Pune, Passenger Car Business. The negotiation for wage settlement at Lucknow plant is underway and is expected to be signed shortly. Company's cordial industrial relations were maintained at all of the Company's plants and offices. There has been consistent improvement in productivity across all the plants.

The permanent employees' strength of the Company as on March 31, 2008 was 23,230, while that of the Company's subsidiaries was 9,972. Recruitments across all levels, extensive training and skill enhancement activities were carried out especially at the new locations, in line with the Company's expansion and growth plans.

The Company was given the award of India's Best Managed Company for 2007-08 in the automotive sector by Business Today based on a study conducted by Ernst and Young.

10. FINANCE

With significant increase in the Company's capital expenditure programmes and the growing business requirement, the overall borrowings of the Company stood at Rs. 6,280.52 crores at a Debt : Equity ratio of 0.80:1.

During the year, the Company successfully raised US\$ 490 million via the issue of Convertible Alternate Reference Securities which is an innovative convertible instrument and would enable the Company to offer the investors a right to convert these into differential voting shares and/or other qualifying securities.

The Company has managed the currency risks on exports amidst sharp appreciation of the Rupee in 07-08. Due to the appreciation of the rupee, the net foreign exchange gain on revaluation of foreign currency borrowings, deposits and loans given stood at Rs. 137.61 crores for FY 07-08 as against Rs.65.21 crores in the previous year.

JLR is being acquired through special purpose vehicles incorporated in UK and Singapore and the acquisition cost is being financed upfront through a syndicated bridge loan facility of US\$ 3 billion. The Company has issued a Corporate Guarantee in favour of its said UK SPV for this purpose. The repayment of the said facility is proposed to be undertaken through a long term funding plan involving, amongst others, a right issue of equity/equity related instrument to its shareholders, and issue of securities in the international market. The Company is undertaking a Postal Ballot to obtain the approval of the members to enable the Company to raise these resources, the details of which are included in the Corporate Governance Report.

Post the JLR announcement and subsequently, the Company's rating for foreign currency borrowings was revised by Standard & Poor from BB +/Stable to BB/Negative and by Moodys' from Ba1 to Ba2. For borrowing in local currency the rating was revised from AA+/Stable to AA Negative/Stable by Crisil and from LAA+/Stable to LAA/Negative by ICRA.

11. INFORMATION TECHNOLOGY AND RESEARCH AND DEVELOPMENT INITIATIVES

The Company continued to strengthen the IT capabilities in all areas of its business which were used extensively in design, manufacturing and customer interface functions. The Company used Digital Product Development, Digital Manufacturing Solutions and better integration with vendors in order to improve significantly its product development processes and capabilities. During the year the ERP system-SAP was also deployed in some of its subsidiaries and the Fiat joint venture. Significant improvements and use of analytics were also incorporated in the Company's CRM/Dealer Management Systems.

The Company continued to pursue research and development initiatives in product development, environmental technology and vehicle safety areas. The Company widened the scope of its research and development activity from inhouse product and technology development to managing research and development process across various internal and external agencies, including its research and development centres in Korea, Spain and the United Kingdom, as well as at various aggregate parts suppliers and outsourcing partners. The Company's research and development initiatives include developing vehicles running on alternative fuels, including CNG, LPG and bio-diesel and pursuing alternative fuel options such as ethanol blending and development of vehicles fuelled by hydrogen. The Company is also pursuing various initiatives in engine management systems, vehicle network architecture, vehicle tracking and telematics.

12. SUBSIDIARY AND ASSOCIATE COMPANIES

SUBSIDIARY COMPANIES

For the Financial Year ended March 31, 2008, the Company's subsidiaries, on an aggregate basis, have significantly improved on their financial performance. A brief profile of the subsidiary companies and their main financial parameters for 2007-08, are provided in the Annexure hereto. Brief details of the Company's existing subsidiaries are given below. In respect of foreign subsidiary companies, figures in Rupees are converted from applicable respective foreign currencies at appropriate rates at the year end.

Concorde Motors (India) Limited (CMIL), a 100% subsidiary of the Company engaged in sales and

Tata Motors Limited

service of TATA and FIAT passenger cars recorded a turnover of Rs.625.20 crores (Previous year : Rs.623.27 crores) and Profit After Tax of Rs.5.33 crores (Previous year:Rs. 11.76 crores).CMIL has declared a dividend of Rs. 2.50 per share for the FY 2007-08 (previous year Rs. 7.50 per share) and Rs. 7/- per share for the FY 2007-08 on the 7% Cumulative Redeemable Preference Shares.

HV Transmissions Limited (HVTL) and HV Axles Limited (HVAL), 85% subsidiary companies of the Company, are engaged in the business of manufacture of gear boxes and axles for Heavy & Medium commercial vehicles (M&HCV), with production facilities and infrastructure based at Jamshedpur. Major capacity expansion and modernisation initiatives have been undertaken at HVTL and HVAL to meet the growing demand for gear boxes and axles for M&HCVs over the years. Both HVTL and HVAL have manufactured new variants of gear boxes and axles during the year for application in the Company's new products.

HVTL recorded a turnover of Rs.191.98 crores (an increase of 9.39%), a PAT of Rs.47.44 crores (an increase of 5.53%) and has declared a dividend of Rs.5/- per share for the FY 2007-08 (previous year Rs. 5/- per share). HVAL recorded a turnover of Rs. 203.24 crores (an increase of 3.34%), a PAT of Rs.63.41 crores (an increase of 9.52%) and has declared a dividend of Rs. 5/- per share for the FY 2007-08 (previous year Rs.5/- per share).

During the year, the Company divested 15% of its stake in HVTL and HVAL to Tata Capital Limited for an aggregate consideration of Rs. 164.25 crores and also sold the Intellectual Property Rights (IPR) for technology/design to HVTL and HVAL, which will facilitate these companies in pursuing their strategic growth through further development of technology and products for the Company and other customers in a focused manner.

Sheba Properties Limited is a 100% owned investment Company. The income of the Company was Rs. 21.37 crores (Previous Year: Rs.19.97 crores) and Profit After Tax was Rs.16.22 crores (Previous Year: Rs.13.50 crores).

TAL Manufacturing Solutions Limited (TAL) is a 100% subsidiary of the Company engaged in the business of Machine tools, Equipments, Material handling systems and Fluid power solutions. During the year, it has ventured into the Aerospace business by signing an agreement with Boeing Corporation, USA for manufacturing structural components for Boeing's 787 Dreamliner airplane program at a state-of-the-art manufacturing facility being set-up in Nagpur, India. In one of its key achievement of the year, TAL has signed sales and service agreement with HELLER, Germany, a global renowned manufacturer of high-end Machining centers. During the year, TAL recorded a turnover of Rs. 220.58 crores (Previous Year: Rs.143.94 crores) and a Profit after Tax of Rs.12.02 crores (Previous Year: Rs. 8.31 crores), a growth of 45%. TAL has wiped out its accumulated losses during the year and carried forward a profit of Rs.1.05 crores.

Tata Daewoo Commercial Vehicle Company Limited (TDCV), Korea, a 100% subsidiary of the Company is the second largest manufacturer of heavy and medium commercial vehicles in Korea. During the year under review, TDCV registered further growth both in the domestic market and exports. In volume terms, sales of 11,899 units in FY 07-08 were higher by 38% compared to that of 8,588 units in FY 06-07. This enabled TDCV to improve its market share from 24.3% to 32.3% in the HCV segment and from 28.2% to 34.8% in the MCV segment. TDCV exported 3,000 units of HCVs in FY 08 (2,715 units previous year) and continued to be the largest exporter from Korea in this segment.

TDCV recorded a turnover of Rs.2,865.02 crores which was higher by 45% compared to Rs. 2,248.81 crores for the previous year. The Profit before Tax at Rs. 212.03 crores registered an increase of 81% compared to Rs.133.31 crores. After providing for tax, the profit was Rs. 153.11 crores against Rs.97.46 crores in the previous year, an increase of 78%. In March 2008, TDCV paid an interim dividend at 20% on common shares. This was followed by a final dividend at 80% on common shares for FY 2007-08.

Tata Marcopolo Motors Ltd. (TMML) is engaged in the business of manufacture and sale of fully built buses and coaches in which the Company has a 51% holding with the balance 49% being held by Marcopolo S. A., Brazil. The Company started its commercial production from November 2007 and has sold 190 low entry CNG buses. TMML recorded a net turnover of Rs. 6.57 crores and loss after tax is Rs.3.83 crores.

Tata Motors (SA) Proprietary Limited (TMSA), a joint venture company was incorporated during the year in which the Company holds 60% with the balance 40% being held by the Tata Africa Holdings (SA) (Pte.) Limited. TMSA has been formed for manufacturing and assembly operations of the Company's Light and Heavy Commercial Vehicles and Passenger Cars in South Africa. TMSA is yet to start operations.

Tata Motors (Thailand) Limited (TMTL) is a 70:30 joint venture between the Company and Thonburi Automotive Assembly Plant Co., for manufacture, assembly and marketing pickup trucks. The joint venture enables the Company to address the ASEAN and Thailand markets, the later being the second largest pickup market in the world after the USA. While TMTL has begun setting up operations in the FY 2007-08, the manufacturing of vehicles began only during March '08 with revenues from sales and other income at Thai Baht 7 million (equivalent to Rs. 0.90 crore) for the period ended March 31, 2008.

Tata Motors European Technical Centre plc. (TMETC), a 100% subsidiary of the Company is engaged in the business of design engineering and development of products for the automotive industry. Working synergistically with the Company, TMETC provides it with design engineering support and development services, complementing and strengthening the Company's skill sets and providing European standards of delivery to the Company's passenger vehicles. During the year ended March 31, 2008, TMETC earned gross revenues of Rs. 127.95 crores (2006-07: Rs. 60.34 crores) and an operating profit of Rs. 11.43 crores (2006-07: Rs. 7.08 crores).

Tata Motors Finance Limited (TMFL), a wholly owned subsidiary of the Company, is registered with RBI under Section 45-IA of the RBI Act 1934, as a Non-Banking Finance Company and has been classified as an "Asset Finance Company". The name of TMFL was changed from "TML Financial Services Limited" to "Tata Motors Finance Limited" with effect from August 28, 2007. Total Income at Rs. 836.95 crores during the year under review was 423% higher than in 2006-07 and Profit Before Tax at Rs. 50.26 crores was 150% more than the previous period. As commencement of the operations started from September 1, 2006, these figures are not comparable. With a view to focus on its core business of financing of Tata Commercial and Passenger Vehicles, TMFL transferred its activities pertaining to construction equipment financing and small and medium enterprises financing.

Tata Motors Insurance Broking & Advisory Services Limited (TMIBASL), [formerly known as Tata Motors Insurance Services Limited], a 100% subsidiary of the Company, proposes to undertake the business of direct insurance broking. TMIBASL has received a License from the Insurance Regulatory and Development Authority (IRDA) to act as a Direct Broker under the IRDA Act on May 13, 2008. In compliance with the regulations of the IRDA, its name was changed to "Tata Motors Insurance Broking & Advisory Services Ltd." on April 30, 2008. Pending the issue of license by the IRDA and other formalities relating thereto, no business activity was carried out during the period from October 2005 to March 2008. For the year under review, TMIBASL earned revenues of Rs. 0.10 crore (2006-07: Rs. 0.08 crore) and recorded a Loss of Rs. 0.04 crore (2006-07: loss of Rs. 0.16 crore).

Tata Technologies Limited (TTL), in which the Company has a 81.71% holding, provides through its operating companies, INCAT and Tata Technologies iKS, specialized Engineering & Design Services (E&D), Product Lifecycle Management (PLM) and product-centric IT services to leading global manufacturers. It responds to customers' needs through its 13 subsidiary companies in three continents and through its three offshore development centers. Its customers are among the world's premier automotive, aerospace and consumer durable manufacturers. The year marks an important milestone in the growth history of the Company with consolidated revenues crossing the Rs. 1000 crores threshold.

INCAT is the world's leading independent provider of E&D, Product & Information Lifecycle Management, Enterprise Solutions and Plant Automation. INCAT's services include product design, analysis and production engineering, Knowledge Based Engineering, PLM, Enterprise Resource Planning and Customer Relationship Management systems. INCAT also distributes, implements and supports PLM products from leading solution providers in the world such as Dassault Systèmes, UGS and Autodesk. With a combined global work force of more than 3,000 employees, INCAT has operations in the United States (Novi, Michigan), Germany (Stuttgart) and India (Pune).

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Tata Technologies iKS is a global leader in engineering knowledge transformation technology. For over 15 years, iKS has enabled engineering knowledge transformation through 'i get it', which is the only web application in the world offering 1,00,000 hours of engineering knowledge for AutoCAD, INVENTOR, Solid Works, Solid Edge, UG/NX, Teamcenter, COSMOS Works, and CATIA on a single delivery platform application.

TTL had 13 subsidiary companies as at March 31, 2008. A few companies out of these subsidiaries are being wound-up, liquidated or merged as also various restructuring initiatives are being taken with the objective of bringing in operating efficiencies by sharpening focus on its services and product business, fixing territorial responsibility for top and bottom line growth and establishing a global delivery centre supporting the overall business. The consolidated revenue for the TTL Group was Rs. 1100 crores, an increase of 15% against Rs. 957 crores in the previous year. The profit before tax was Rs. 51 crores as against Rs. 25 crores in the previous year, recording a growth of 104%. The profit after tax was Rs. 30 crores against Rs. 16.28 crores in the previous year.

Telco Construction Equipment Company Limited (Telcon) is engaged in the business of development, manufacture and sale of construction equipment and allied services in which the Company has a 60% holding with the balance 40% being held by Hitachi Construction Machinery Company Limited, Japan. With the increase in economic activity especially in the infrastructure sector, Telcon recorded its best performance to date having sold 7,698 machines (5,360 machines in 2006-07) with a gross revenue of Rs. 2,735 crores (Previous Year: Rs.1,828 crores), a Profit After Tax of Rs.324 crores (Previous Year: Rs.184 crores), an increase of 76% and declared an interim dividend of Rs. 5/- per share and a final dividend of Rs. 3/- per share (Previous Year: Final dividend of Rs. 4/- per share). In April 2008, Telcon acquired two Spanish Companies, namely Serviplem S.A and Comoplesa Lebrero S.A by acquiring 79% and 60% shares of the respective companies.

TML Distribution Company Limited (TDCL), a 100% subsidiary of the Company incorporated on March 28, 2008 would be engaged in the business of dealing and providing logistics support for distribution of the Company's products throughout the Country. TDCL is yet to start operations.

ASSOCIATE COMPANIES

As on March 31, 2008, the Company had the following major associate companies:

Automobile Corporation of Goa Limited (ACGL) in which the Company has a 37.79% shareholding, was incorporated in 1980, jointly with EDC Limited (a Government of Goa enterprise). ACGL is a listed company engaged in manufacturing sheet metal components, assemblies and bus coaches and is the largest supplier of buses (mainly for exports) to the Company.

Fiat India Automobiles Private Limited (FIAPL), is a Joint Venture with Fiat Auto S.p.A., Italy, to manufacture Fiat and Tata cars and powertrains at Ranjangaon. The new facility was inaugurated on April 2, 2008 and is one more step towards confirming the strong motivation and understanding between the partners towards developing new opportunities in India and abroad.

Hispano Carrocera S.A. (HC), a well-known Spanish bus manufacturing company, in which the Company had acquired a 21% stake in March 2005 was another major step in the Company's plans for globalization. Hispano has two manufacturing units, one in Spain which caters to the European market and the other one in Casablanca which caters to the Moroccan and other North African markets. HC is present in both the 'city bus' and 'coach market' segment in both the geographies. HC reported a production of 375 buses during the fiscal year 2007 on a consolidated basis.

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

Tata AutoComp Systems Limited (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 Cummins Limited (TCL), in which the Company has a 50% shareholding, with Cummins Engine Co. Inc., USA holding the balance. TCL is engaged in the manufacture and sale of high horse power engines used in the Company's range of M/HCVs.

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

13. In accordance with the Statement of Accounting Standard on Consolidated Financial Statements (AS 21), Accounting Standard on Accounting for Investments in Associates (AS 23) and Accounting Standard on Accounting for Joint Ventures (AS 27), issued by the Institute of Chartered Accountants of India (ICAI), the above mentioned subsidiaries, associates and Joint Venture have been considered in the Consolidated Financial Statements of the Company. As may be seen from the consolidated statements, the consolidated revenue (net of excise) was Rs. 35,651.48 crores, an increase of 10.2% as against Rs. 32,361.20 crores in the previous year. The Profit Before Tax was Rs. 3,086.29 crores as against Rs. 3,088.00 crores in the previous year. The consolidated Profit After Tax, after considering an amount of Rs. 851.54 crores (Previous Year: Rs. 883.21 crores) towards current and deferred tax, adjustment for share of minority interest and profit in associate companies, was Rs. 2,167.70 crores as against Rs. 2,169.99 crores in the previous year.
14. On an application made by the Company under Section 212(8) of the Companies Act 1956, the Central Government exempted the Company from attaching a copy of the Balance Sheet and the Profit and Loss Account of the subsidiary companies and other documents from being attached to the Annual Report of the Company. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the subsidiary companies is contained in the report. The Annual Accounts of the subsidiary companies 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 to any investor of its subsidiary companies who may be interested in obtaining the same. Further, the annual accounts of the subsidiary companies will also be kept for inspection by any investor at Registered Office of the Company and at the Head Offices of the subsidiary company concerned.

15. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

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.

16. DIRECTORS

Mr Praveen P Kadle, who was the Executive Director (Finance & Corporate Affairs) of the Company, relinquished office on September 18, 2007, in view of his appointment as the Managing Director of Tata Capital Limited, a company promoted by Tata Sons Limited in the financial services space. Mr Kadle joined the Company as Sr. Vice President (Finance & Corporate Affairs) in October 1996 and was inducted on the Board of the Company in October 2001. Mr Kadle was also a Member of various Board Committees of the Company as also a representative of the Company on the Boards of some of the subsidiaries, associates and joint ventures. The Directors place on record their appreciation of the significant contributions made by Mr Kadle during his tenure as Executive Director (Finance & Corporate Affairs), the strategic direction he provided in the management of financial, IT and other Corporate matters and his role in the turnaround and growth of the Company.

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

Dr R A Mashelkar was appointed as an Additional Director, effective August 28, 2007. In accordance with the provisions of the Companies Act, 1956, Dr Mashelkar, in his capacity as an Additional Director, will cease to hold office at the forthcoming Annual General Meeting and is eligible for appointment.

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Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting and the Explanatory Statement thereto.

17. CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the Indian Stock Exchanges is included in the Annual Report.

18. PARTICULARS OF EMPLOYEES

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, 2008, is also given as an Annexure to this Report.

19. AUDIT

Messrs Deloitte Haskins & Sells (DHS), 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 2008-09. DHS have, under Section 224(1) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment.

Cost Audit

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 2008-09.

20. 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:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures there from;
- 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;
- 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;
- they have prepared the annual accounts on a going concern basis.

21. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's record performance. The Directors would also like to thank the employee unions, 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, June 3, 2008

ANNEXURE TO THE DIRECTORS' 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 of the need for conservation of energy and has been steadily making progress towards this end. Energy conservation measures have been implemented at all the Plants and offices of the Company and special efforts are being put on undertaking specific Energy Conservation Projects like installation of various Energy Efficient Pumps, Blowers, LED lamps, Wind Ventilators, Natural Draft Cooling Towers, etc. These changes have resulted in cost savings for the Company, aggregating approximately to Rs.23.38 crores. The Company's Jamshedpur Plant was awarded National Energy Management Award by CII and declared "Energy Efficient Unit 2007". The Jamshedpur Plant has also won a Trophy & Certificate for Outstanding Performance by CII – ER Energy Conservation (ENCON) Award 2007-08 contest. The Company's endeavour for tapping wind energy has also made significant contributions. The Company undertook a CDM Wind Power project of capacity 20.58 MW which was successfully registered with UNFCCC in September, 2007 resulting in issue of 1.67 lacs Carbon Emission Reductions (CERs), which were later auctioned for Rs 14.45 crores.

B Technology Absorption

The Company has continued its endeavor to absorb best of the technologies for its product range to meet the requirements of globally competitive markets. All of the Company's vehicles and engines are compliant with prevalent regulatory norms in India as also in the countries to which the vehicles are exported. The Company has also undertaken programmes for development of vehicles which would run on alternate fuels like CNG, LPG, bio-diesel, electric traction etc.

Major technology absorption projects undertaken in the last year include the following:-

| Technology for | Technology Provider | Status |
|----------------------------|----------------------------|------------|
| Development of body panels | IAV, Germany | Completed |
| Vehicle Styling | TRILIX, Italy | In process |
| Vehicle NVH | LMS International, Belgium | In process |
| Transmission technology | TOROTRACK, UK | In process |
| Engine Development | FEV, Germany | In process |

In keeping with the requirement of technological upgradation of its Engines' development facility, the Company has added facilities such as Transient Dynamometers with state of the art low emission measurement facility for full flow and partial flow measurement, engine port flow characterization equipment, combustion analysers etc. For crash and safety test set up, the Company has installed a pendulum impact test facility and a Hydraulic sled decelerator. The Company has set up a HVAC Bench Test Facility for evaluating cooling and heating performance, power consumption by AC compressor and measuring performance of automotive HVAC (Heating Ventilation and Air Conditioning) system. The Company has developed and is in the implementation phase of the following new technology for its passenger cars and commercial vehicles: a) CAN based in vehicle networking system b) Transponder & encrypted technology based anti-theft system. The Company has gained significant advantage in rapid prototyping by deploying Nylon Vacuum Casting Facility. During the year, the Company has filed 175 patent applications. 11 patents were granted to the Company for application filed in earlier years.

Technology imported during the last five years:

| Technology for | Imported from | Year of Import | Status |
|--|---|----------------|----------------------|
| Design and Development of modular cabs for commercial vehicles | Stile Bertone, Italy | 2002 – 03 | Under Implementation |
| Design and Development of Passenger vehicles | Institute of Development in Automotive Engineering S.p.A, Italy | 2003 – 04 | |
| Direct Inject Common Rail Euro IV Engines for passenger vehicles | AVL List GmbH, Austria; Delphi Diesel System, France | 2004 – 05 | |
| Design & Development of passenger vehicles | Institute of Development in Automotive Engineering S.p.A, Italy | 2004 – 05 | |
| Safety and NVH Integration in Passenger Vehicles | MIRA Ltd, UK | 2004 – 05 | |
| Design and development of New Generation Engine | Ricardo UK Ltd, UK | 2006 – 07 | |
| Design & Development of new generation engine for ICV/MCV | AVL List GmbH, Austria; Delphi Diesel System, France | 2007 – 08 | |
| Design and Development of Infinitely Variable Transmission based on Full Toroidal Traction- Drive Variators for various vehicle platforms. | M/s Torotrak (Holding) Limited, UK | 2007 – 08 | |
| Design and Development, of "Flush Sliding Window/Plug in Window" | Wagon SAS, France | 2007 – 08 | |

The Company spent Rs. 1,195.97 crores on Research and Development activities including expenditure on capital assets purchased for Research and Development which was 4.2% of the net turnover.

C. Foreign Exchange Earnings and Outgo

| | Rs. in crores |
|---|---------------|
| Earnings in foreign exchange | 2844.12 |
| Expenditure in foreign currency (including dividend remittance) | 3244.42 |

Information as per Section 217(2A) of the Companies Act 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming a part of the Directors Report for the year ended Mar 31, 2008

| Sr. No. | Name | Age (Years) | Designation / Nature of duties | Gross Remuneration (Rs.) | Net Remuneration (Rs.) | Qualifications | Experience (Years) | Date of Joining | Last Employment. Designation/Period |
|---------|--------------------------------|-------------|--|--------------------------|------------------------|---|--------------------|-----------------|--|
| 1 | Acharya Mukesh | 58 | Deputy Divisional Manager (Strategic Sourcing) | 25,65,007 | 16,63,556 | B.Sc., MBA (Management) | 31 | 06.02.1981 | IDL Chemicals Limited – 3 years |
| 2 | Acharya Nishu | 57 | General Manager (Supply Chain & Logistics) | 25,65,007 | 16,63,556 | B.Sc., MBA (Management) | 30 | 26.02.1984 | — |
| 3 | Aanawala Bheeru | 59 | General Manager (C&I, Civil & World Trade) | 34,17,436 | 21,49,744 | BE (Electrical), AMIE (Mech.) | 37 | 09.02.1971 | — |
| 4 | Agrar Ravindra | 53 | Assistant General Manager (P-5) | 14,66,153 | 9,49,744 | Bachelor Equivalent (Industrial) Diploma (Mechanical) | 39 | 05.10.1973 | Kriloskar Pneumatic Co.Ltd., – 3 years |
| 5 | Ahluwalia Prashant | 43 | General Manager (Human Resource) | 23,17,446 | 20,49,968 | BE (Civil), PGDMM (HR Management) | 19 | 02.05.2006 | Thermax Ltd./HR / PSD / Safety / (HR /PH) – 4 years |
| 6 | Adoor R | 51 | General Manager (Corporate Finance) | 39,43,850 | 24,96,823 | B.Com., CA, ICWA Inter | 35 | 04.01.1993 | Grindwell Norton Ltd., Finance / Price Panel – 4 years |
| 7 | Ahluwalia Prashant | 43 | General Manager (Human Resource) | 23,17,446 | 20,49,968 | B.Com., CA, ICWA Inter | 35 | 04.01.1993 | — |
| 8 | Ahluwalia Prashant | 43 | General Manager (Human Resource) | 23,17,446 | 20,49,968 | B.Com., CA, ICWA Inter | 35 | 04.01.1993 | — |
| 9 | Ahluwalia Prashant | 43 | General Manager (Human Resource) | 23,17,446 | 20,49,968 | B.Com., CA, ICWA Inter | 35 | 04.01.1993 | — |
| 10 | Anantpur Purnashant* | 51 | Plant Head - COBU Pune | 81,54,742 | 51,07,134 | BE (Mechanical) | 36 | 05.08.1972 | Director of Tech. Education – 6 years |
| 11 | Anantpur Purnashant* | 51 | Manager (Production) | 8,45,244 | 6,61,351 | SSC/NAC / NCVT /ITI | 48 | 21.01.1974 | CSR – 1 year |
| 12 | Arya Gan | 58 | Deputy General Manager (Vehicle Perf. - ETC) | 25,24,921 | 16,55,206 | PhD (Others), ME (Mechanical) | 28 | 01.01.1982 | HAL General Manager – 27 years |
| 13 | Arya Gan | 58 | President Heavy & Medium Commercial Vehicle) | 39,10,978 | 61,39,183 | B.Sc. Engg (Mechanical) MS (Mfg.) | 38 | 10.07.1966 | Chennai General Manager – 5 years |
| 14 | Babji Nalin | 59 | General Manager (Supply Chain & Logistics) | 34,17,436 | 21,49,744 | B.Sc., MBA (Management) | 30 | 26.02.1984 | Chennai General Manager – 5 years |
| 15 | Babji Nalin | 59 | General Manager (Supply Chain & Logistics) | 34,17,436 | 21,49,744 | B.Sc., MBA (Management) | 30 | 26.02.1984 | — |
| 16 | Balaji Prasad* | 49 | Assistant General Manager (Auto Prodtn) | 24,48,822 | 15,42,674 | BE Diploma (Business Management) | 26 | 1.01.1986 | Bajaj Auto Limited – 4 years |
| 17 | Balaji Prasad* | 49 | Assistant General Manager (Auto Prodtn) | 24,48,822 | 15,42,674 | BE Diploma (Business Management) | 26 | 1.01.1986 | — |
| 18 | Balasubramanian Venkataratnam* | 55 | Executive Head (TMT Tech)Central's office | 14,61,441 | 9,57,771 | PGDM (IR),BBA (Business Management) | 29 | 03.03.1978 | — |
| 19 | Balasubramanian Venkataratnam* | 55 | Senior General Manager (Passenger Cars B/C) | 6,127,085 | 34,00,468 | BE (Metallurgy) | 37 | 09.07.1997 | — |
| 20 | Balasubramanian Venkataratnam* | 55 | Senior General Manager (Passenger Cars B/C) | 6,127,085 | 34,00,468 | BE (Metallurgy) | 37 | 09.07.1997 | — |
| 21 | Balasubramanian Venkataratnam* | 55 | Senior General Manager (Passenger Cars B/C) | 6,127,085 | 34,00,468 | BE (Metallurgy) | 37 | 09.07.1997 | — |
| 22 | Banerjee Bala* | 58 | Divisional Manager (Sales) PCBU Int Business | 5,120,783 | 8,98,948 | BE (Mechanical), PG Diploma in Management | 3 | 18.07.2003 | North Devon District Hospital |
| 23 | Banerjee Bala* | 58 | Head-Internal Audit (Supply Chain & Mfg.) | 1,308,355 | 31,35,555 | BE (Mechanical), PG Diploma in Management | 3 | 18.07.2003 | Medical Services & Surgical Registrar – 1 year 6 months |
| 24 | Bapat S | 50 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | Brooke Bond India Ltd., Manager (Mgmt Services) – 7 years & 5 months |
| 25 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 26 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 27 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 28 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 29 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 30 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 31 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 32 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 33 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 34 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 35 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 36 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 37 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 38 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 39 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 40 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 41 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 42 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 43 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 44 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 45 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 46 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 47 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 48 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 49 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 50 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 51 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 52 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 53 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 54 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 55 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 56 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 57 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 58 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 59 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 60 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 61 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 62 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 63 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 64 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 65 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 66 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 67 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 68 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 69 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 70 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 71 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 72 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 73 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 74 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 75 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 76 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 77 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 78 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 79 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 80 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 81 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |
| 82 | Bhatnagar Bheendra | 52 | Assistant General Manager (Finance) | 2,457,732 | 16,11,633 | B.Tech (Electrical), (CSI) FCMA, | 37 | 01.01.1982 | — |

| Sl. No. | Name | Age (Years) | Designation / Nature of duties | Gross Remuneration (Rs.) | Net Remuneration (Rs.) | Qualifications | Experience (years) | Date of Joining | Last Employment, Designation/Period |
|---------|---------------------|-------------|--|--------------------------|------------------------|--|--------------------|-----------------|--|
| 44 | Gangadhar V | 44 | Assistant General Manager (Srv. Mktg. Cust. Supp.) | 26,27,638 | 17,43,333 | BE (Mechanical), PG Diploma in Mgmt (Marketing) | 33 | 18.11.1985 | - |
| 45 | Manoj Kulkarni | 45 | Assistant General Manager (Wt. Mgmt.) | 26,20,329 | 16,45,610 | BE (Mechanical), PG Diploma in Mgmt (Marketing) | 26 | 05.03.1982 | - |
| 46 | Gadgaide Baban* | 60 | Welder-Cum-Gas Cutter | 2,03,272 | 1,76,018 | NAC / NCVT /ITI | 33 | 19.02.1974 | - |
| 47 | Ghose Ashok | 56 | Deputy General Manager (Human Resource) | 27,23,972 | 17,68,112 | B.Sc (Chemistry), IMA (Economics), PGDM (Personnel) | 35 | 19.09.1996 | Ases Brown Boverly Ltd., Senior Manager (HR) – 5 years |
| 48 | Ghosh Subhas Kumar | 57 | General Manager (Manufacturing) | 32,60,261 | 20,63,401 | B.Sc (Mechanical), MMS | 32 | 01.10.1975 | Associated Bearings Co. Ltd., – 2 years |
| 49 | Ghurnare Barkat* | 56 | Chief Legal Counsel | 2,28,395 | 2,08,465 | BA (Economics & Sanskrit), BA Laws, Bachelor of General Laws | 27 | 22.02.1980 | Little & Co. Legal – 1 year |
| 50 | Gill Nimra* | 45 | Vice President (Lucknow Works & FBV) | 46,48,627 | 29,96,715 | B.Tech (Mechanical), ME (Production Engg.) | 35 | 14.01.1981 | WILtd. – Mgr. Prod Engg. 1 year |
| 51 | Girga Kulbusham* | 60 | Deputy General Manager (Wt. Mgmt.) | 87,34,494 | 51,26,249 | BE (Mechanical), DBM | 35 | 12.10.1977 | APS ID Co. Ltd. |
| 52 | Giri Anand* | 55 | Deputy General Manager (Srv. Mktg. Cust. Supp.) | 25,48,358 | 16,22,980 | B.Tech (Electrical) | 31 | 01.07.1977 | - |
| 53 | Gokhale Gopal | 54 | Deputy General Manager (Electronics) | 25,32,687 | 16,03,274 | B.Tech (Electrical) | 31 | 01.07.1977 | - |
| 54 | Gowindam Srinivasan | 52 | Assistant General Manager (Auto Mats) | 29,57,179 | 18,39,774 | B.Sc. LLB | 32 | 01.08.1980 | Greaves Lombardini Limited, – 3 years |
| 55 | Goyal Parul* | 45 | General Manager (Pkg & Srv) P E | 31,92,023 | 20,00,791 | B.Sc Engg. (Mechanical) | 38 | 13.04.1970 | - |
| 56 | Goyal Pradeep* | 59 | General Manager (Parts & Mgmt. CVBU) | 32,29,298 | 20,00,791 | B.Sc Engg. (Mechanical) | 38 | 13.04.1970 | - |
| 57 | Gupta Anup* | 59 | Senior Consultant (Orthopaedics) | 32,29,298 | 20,00,791 | B.Sc Engg. (Mechanical) | 38 | 13.04.1970 | - |
| 58 | Gupta Anup* | 59 | Senior General Manager (Auto Projects) | 17,44,243 | 11,85,900 | MBBS (Medicine) / M.S (Orthopaedics) | 27 | 09.04.1982 | Indian Steel & Wire Product, Medical Services – 3 years |
| 59 | Gupta Alok | 59 | Deputy General Manager (Office Equip) | 55,86,213 | 35,28,781 | BE (Mech), PGDM (Management) | 36 | 08.12.1972 | Bharti Telecom – 5 months |
| 60 | Gupta Avinash | 59 | Head Customer Service (Office Equip) | 15,97,696 | 9,57,696 | BE (Mech), PGDM (Management) | 35 | 14.07.1983 | Cescent Iron & Steel Corps – Management Trainee – 6 months |
| 61 | Gupta Suresh* | 57 | Deputy General Manager (Strategic Sourcing) | 24,57,815 | 15,74,254 | B.Com. CWA, MBA (International Business) | 28 | 02.06.1980 | Ruston & Hornsby India Ltd., – 1 year |
| 62 | Gupta Suresh* | 57 | Vice President (Corp. Fin. - A/C & Taxation) | 29,19,338 | 18,49,661 | BE (Mechanical) | 31 | 08.11.1980 | Fluox Cables Ltd., C.F.O. – 1 year |
| 63 | Gurav Arvind | 54 | Deputy General Manager (General Mgmt.) | 76,49,622 | 48,09,419 | Diploma in Management, Diploma (Electrical) | 39 | 08.11.1977 | Foras Pvt Srvs/ Maint/ Constr. – 4 year |
| 64 | Gurav Prakash | 54 | Divisional Manager (Power Supply) | 15,51,546 | 9,13,453 | BE (Mechanical), DBM | 37 | 18.11.1977 | Foras Pvt Srvs/ Maint/ Constr. – 4 year |
| 65 | Haque Ehtisham* | 50 | General Manager (Wt. Mgmt.) | 40,48,166 | 26,16,176 | BE (Mechanical), DBM | 34 | 02.08.1974 | Foras Pvt Srvs/ Maint/ Constr. – 4 year |
| 66 | Hedrick Jagdish | 50 | General Manager (Wt. Mgmt.) | 78,24,120 | 41,68,328 | BE (Mechanical), DBM | 39 | 02.08.1974 | - |
| 67 | Hodliwalla Cyrus | 56 | Senior General Manager (Projects) - PCBU | 32,12,791 | 20,15,954 | BE (Mechanical), DBM | 34 | 02.08.1974 | - |
| 68 | Hodliwalla Cyrus | 56 | Head (Quality Assurance) | 10,83,613 | 7,65,354 | NAC / NCVT /ITI | 38 | 21.10.1970 | Krikoskar Oil Engine Limited – 1 year |
| 69 | Hodliwalla Cyrus | 56 | General Manager (NPI) | 28,70,715 | 18,10,261 | B.Tech (Electrical) | 30 | 01.07.1978 | - |
| 70 | Jadhav Manik* | 60 | Divisional Manager (Dev) | 28,00,037 | 13,79,440 | SSC, NAC / NCVT /ITI (Draughtsman) | 41 | 01.09.1967 | EATON Vickers, Log / Purch / MM / Vendor Dev – 1 year |
| 71 | Jadhav Ashok* | 35 | Manager (Wt. Mgmt.) | 21,30,737 | 15,79,797 | Diploma (Mech), B.Tech (Mechanical), DBM | 12 | 01.10.2005 | - |
| 72 | Jadhav Ashok* | 35 | Manager (Wt. Mgmt.) | 24,08,733 | 17,97,797 | Diploma (Mech), B.Tech (Mechanical), DBM | 12 | 01.10.2005 | - |
| 73 | Jadhav Ashok* | 35 | Manager (Wt. Mgmt.) | 24,08,733 | 17,97,797 | Diploma (Mech), B.Tech (Mechanical), DBM | 12 | 01.10.2005 | - |
| 74 | Jadhav Ashok* | 35 | Manager (Wt. Mgmt.) | 24,08,733 | 17,97,797 | Diploma (Mech), B.Tech (Mechanical), DBM | 12 | 01.10.2005 | - |
| 75 | Jadhav Ashok* | 35 | Manager (Wt. Mgmt.) | 24,08,733 | 17,97,797 | Diploma (Mech), B.Tech (Mechanical), DBM | 12 | 01.10.2005 | - |
| 76 | Jadhav Ashok* | 35 | Manager (Wt. Mgmt.) | 24,08,733 | 17,97,797 | Diploma (Mech), B.Tech (Mechanical), DBM | 12 | 01.10.2005 | - |
| 77 | Jadhav Ashok* | 35 | Manager (Wt. Mgmt.) | 24,08,733 | 17,97,797 | Diploma (Mech), B.Tech (Mechanical), DBM | 12 | 01.10.2005 | - |
| 78 | Jadhav Ashok* | 35 | Manager (Wt. Mgmt.) | 24,0 | | | | | |

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Tata Motors Limited

| Sr. No. | Name | Age (Years) | Designation / Nature of duties | Gross Remuneration Rs. | Net Remuneration Rs. | Qualifications | Experience (years) | Date of Joining | Last Employment, Designation/Period |
|---------|----------------------|-------------|--|------------------------|----------------------|--|--------------------|-----------------|--|
| 175 | Melan Gurvinder | 47 | Assistant General Manager (Sales Co-Ordination) | 25,55,189 | 16,51,309 | BE (Mechanical) | 26 | 02.07.1982 | — |
| 176 | Meha Acharya | 57 | Head - CBU Finance | 27,27,474 | 17,37,893 | BE (Electrical), MBA (Mgmt) | 36 | 01.03.1971 | — |
| 177 | Mishra Anand | 57 | Regional Sales Manager (Petro Mfg.) - EPC | 22,32,588 | 17,37,893 | BE (Electrical & Electronics), PG Diploma in Business Management | 36 | 01.07.1977 | — |
| 178 | Mishra Sanjay | 39 | Regional Sales Manager (Light Trucks) - West | 30,51,211 | 19,87,758 | BE (Electrical & Electronics), PG Diploma in Business Management | 17 | 06.11.1974 | — |
| 179 | Mishra Uday | 56 | Vice President (Add and Materials - CVBU) | 34,21,257 | 24,66,713 | B.Sc. Engg. (Mechanical), PGDGM | 33 | 06.11.1974 | — |
| 180 | Misra Anupam | 43 | President - Concorde Motors (India) Ltd. | 34,58,646 | 23,22,166 | B.Com., MBA | 20 | 19.04.2002 | Bajaj Tempo Pune - Divisional Manager - 14 years |
| 181 | Mishra Prabhat | 60 | Assistant General Manager (Information Technology) | 24,34,367 | 15,62,464 | B.Com., MBA | 38 | 07.09.1970 | — |
| 182 | Mishra Rajendra | 60 | Assistant General Manager (QA) | 24,34,367 | 15,62,464 | B.Com., MBA | 38 | 07.09.1970 | — |
| 183 | Mukherjee Chandrappa | 60 | Assistant General Manager (QA) | 27,98,446 | 16,28,210 | B.Sc. Engg. (Mechanical) | 36 | 11.09.1973 | Hindustan Motors Ltd. - 2 years |
| 184 | Mukherjee Chandrappa | 39 | Manager (Civil) | 8,44,230 | 6,92,173 | BE (Civil) | 0 | 12.02.2008 | — |
| 185 | Mukherjee Chandrappa | 47 | Head (CVBU Business Planning - Corporate) | 25,85,236 | 17,20,924 | M.Com., CA, F.W.A.C.S. | 25 | 07.06.2001 | SAIL Bokaro Steel Plant, Deputy Chief Finance Manager - 18 years |
| 186 | Mukherjee Chandrappa | 47 | Head (CVBU Business Planning - Corporate) | 25,85,236 | 17,20,924 | M.Com., CA, F.W.A.C.S. | 25 | 07.06.2001 | SAIL Bokaro Steel Plant, Deputy Chief Finance Manager - 18 years |
| 187 | Mukherjee Chandrappa | 60 | Deputy General Manager (New Projects) | 23,43,757 | 13,25,271 | BE (Mechanical) | 37 | 12.10.1970 | — |
| 188 | Nagajani R* | 60 | Assistant General Manager (Finance) | 17,71,559 | 8,34,391 | SSC | 45 | 07.11.1962 | Kosmek Plastics Manufacturing Limited - 6 years |
| 189 | Nagarkar Shrikant | 60 | Assistant General Manager (Finance) | 13,69,883 | 9,98,053 | BE (Mechanical) | 38 | 02.05.1975 | — |
| 190 | Nagarkar Shrikant | 38 | Divisional Manager (Auto Projects) | 27,09,092 | 24,75,092 | BE (Mechanical) | 37 | 01.07.1990 | — |
| 191 | Nagarkar Shrikant | 60 | Master - Craftsman | 2,44,356 | 2,44,356 | NCVT Tool Maker, SSC | 47 | 01.07.1966 | — |
| 192 | Nagarkar Shrikant | 60 | Assistant General Manager (Finance) | 12,46,589 | 9,96,776 | BE (Mechanical) | 37 | 01.07.1990 | — |
| 193 | Naik Ashok | 57 | Assistant General Manager (Auto Projects) | 16,60,301 | 16,60,301 | BE (Mechanical) | 36 | 01.12.1975 | Cooper Engineering Limited - 3 years |
| 194 | Naik Dilip | 51 | General Manager (NPI - SCV & Aggregates) | 43,13,962 | 27,52,660 | BE (Mechanical), DBM | 28 | 01.05.1981 | Bajaj Tempo Limited - Jr. Engg. - 1 year |
| 195 | Naik Shashi | 60 | Assistant General Manager (Auto Prod'n) | 24,34,367 | 15,62,464 | BE (Mechanical) | 36 | 15.10.1976 | Bajaj Auto Limited - 5 years |
| 196 | Naik Shashi | 60 | Assistant General Manager (Auto Prod'n) | 24,34,367 | 15,62,464 | BE (Mechanical) | 36 | 15.10.1976 | Bajaj Auto Limited - 5 years |
| 197 | Narayan Ravi* | 47 | Assistant General Manager (Sales & Mktg.) PCBUIB | 24,93,941 | 15,77,876 | B.Sc. (Mechanical) Engg. | 26 | 12.07.1982 | — |
| 198 | Narohia V | 51 | Head (Defence Business) | 38,10,921 | 24,14,159 | BE (Mechanical) | 24 | 01.07.1979 | — |
| 199 | Olha Chitta* | 60 | Junior Officer | 3,17,201 | 3,17,201 | SSC | 42 | 01.01.1965 | — |
| 200 | Pai Anand | 58 | Head Organisation & Dealer Development | 28,57,578 | 18,85,118 | PGDGM | 35 | 01.01.1965 | Tata Finance Ltd. Finance / P.C. Finance - 5 years |
| 201 | Pai Anand | 58 | Head Organisation & Dealer Development | 28,57,578 | 18,85,118 | PGDGM | 35 | 01.01.1965 | Tata Finance Ltd. Finance / P.C. Finance - 5 years |
| 202 | Padiya Shantam* | 39 | Head (Marketing) - LCs | 30,08,017 | 19,42,218 | DMIE (P&B), AMIE - (1978), DBM (1988), MIE (1993) | 39 | 18.03.1981 | Bajaj Tempco Ltd. - 3 months |
| 203 | Padiya Suresh | 57 | Assistant General Manager (P/P & A) | 5,50,689 | 4,52,808 | Diploma in Mechanical Engg. - BE (Mechanical) | 16 | 26.12.2002 | Mahindra Gujarat Tractor Ltd. - DGM (Marketing) - 11 years |
| 204 | Pai Anand | 59 | Senior General Manager (PP Serv. Pdr't & CR) | 28,89,978 | 18,20,722 | MA Diploma (Mechanical) | 38 | 10.06.1974 | Sanes Varcon Pvt. Ltd. - 2 years |
| 205 | Pai Anand | 59 | Senior General Manager (PP Serv. Pdr't & CR) | 51,67,702 | 31,74,125 | BE (Mechanical), PGDGM CWA | 37 | 18.05.1971 | — |
| 206 | Pandey J. K.* | 55 | Chief Financial Officer | 35,75,509 | 23,11,305 | BE (Electrical), MBBS MD (Paediatrician) | 34 | 02.08.1974 | — |
| 207 | Pandey J. K.* | 60 | Junior Officer | 3,00,191 | 2,88,484 | SSC | 32 | 01.10.1975 | — |
| 208 | Pandit Vijay | 58 | Deputy General Manager (Prod'n) PE | 30,42,040 | 19,32,248 | BE (Mechanical) | 38 | 12.10.1970 | Krikorak Cummins Pune - 3 weeks |
| 209 | Pandit Vijay | 51 | Head Bus - Customer Care | 28,33,294 | 18,61,566 | B.Sc. B.Tech (Automobile) | 27 | 02.01.1981 | — |
| 210 | Pandit Vijay | 58 | Head Bus - Customer Care | 28,33,294 | 18,61,566 | B.Sc. B.Tech (Automobile) | 27 | 02.01.1981 | — |
| 211 | Parag Mohan* | 60 | Senior General Manager (Corporate HR) | 1,10,72,441 | 62,18,255 | MA Social Work | 38 | 05.03.1974 | Tata Relief Committee, HR / PSD / Safety / IR - 1 year |
| 212 | Parag Mohan* | 60 | Manager (Production) | 10,04,954 | 6,53,399 | BA Economics, NAC / NCVT / ITI (Milling) | 39 | 15.04.1968 | — |
| 213 | Parashram Anil | 55 | Deputy General Manager (B.E.S.) | 21,98,225 | 21,98,225 | BE (Metallurgy), DBM | 32 | 01.09.1976 | New Standard Engg. Co. Ltd. - 1 year |
| 214 | Parashram Anil | 52 | Chief Strategic Sourcing (Auto Production) | 59,68,246 | 37,77,444 | BE (Metallurgy), PGDGM | 29 | 10.05.1980 | K.S. Diesels Ltd. CEI - 6 months |
| 215 | Parashram Anil | 52 | Chief Strategic Sourcing (Auto Production) | 59,68,246 | 37,77,444 | BE (Metallurgy), PGDGM | 29 | 10.05.1980 | — |
| 216 | Parashram Anil | 40 | Assistant General Manager (Mfg.) - Weld Shop | 21,94,667 | 1,76,875 | DHMMMS (Financial) EE (Mechanical) | 19 | 01.07.1989 | Vehicle Research & Development - 1 year |
| 217 | Pathak Uma* | 60 | Manager (CEM - Materials) | 11,43,674 | 7,64,597 | Diploma (Mechanical) | 41 | 04.01.1966 | — |
| 218 | Pathak Vinay | 39 | Chief Operating Officer (TMMIL) | 30,30,825 | 19,29,560 | B.Tech (Metallurgy) | 16 | 01.07.1992 | — |
| 219 | Pathak Vinay | 39 | Chief Operating Officer (TMMIL) | 30,30,825 | 19,29,560 | B.Tech (Metallurgy) | 16 | 01.07.1992 | — |
| 220 | Pathak Vinay | 60 | Miller Manufacturing Operations | 72,60,397 | 41,59,438 | BE (Mechanical) | 34 | 29.01.1973 | Hindustan Aeronautics Ltd. Fresh Graduate - 1 year |
| 221 | Pathardhan Dilip* | 57 | Manager (QA) | 12,21,952 | 8,44,586 | SSC | 35 | 26.04.1972 | — |
| 222 | Pavani Thendakkar* | 57 | General Manager (Corporate Finance) | 33,92,048 | 21,90,140 | B.Sc. (Physics), CA, MBA (Mgmt), PGDGM | 30 | 26.04.1972 | Tata Iron & Steel Co. Ltd. - Senior Divisional Manager - 19 years |
| 223 | Pavani Thendakkar* | 60 | Manager (Materials) | 8,04,477 | 5,39,634 | FTA (Turning) | 35 | 01.01.1966 | — |
| 224 | Pavani Thendakkar* | 60 | Assistant General Manager (Systems) | 1,10,72,441 | 62,18,255 | MA Social Work | 38 | 05.03.1974 | — |
| 225 | Pavani Thendakkar* | 37 | Head (Shared Services) | 2,44,445 | 2,44,445 | MBA (Mgmt) | 14 | 23.09.1994 | — |
| 226 | Phalke Abhy | 51 | Head (Shared Services) | 52,56,918 | 33,28,239 | B.Com., MBA (Mgmt) | 29 | 25.07.1979 | — |
| 227 | Pillai M* | 60 | Area Service Manager (Kochi) | 11,72,902 | 7,11,179 | FTA (Mechanical) | 42 | 01.01.1966 | BP Singapore Pre Ltd. - Global Marketing Manager - 3 years |
| 228 | Pillai Krishnan* | 60 | Divisional Manager (QA) | 18,37,408 | 10,55,354 | Diploma (Mechanical) | 37 | 09.04.1970 | — |
| 229 | Pillai Krishnan* | 60 | Divisional Manager (QA) | 18,37,408 | 10,55,354 | Diploma (Mechanical) | 37 | 09.04.1970 | — |
| 230 | Prasad Krishna* | 54 | General Manager (Auto Production) | 37,67,04 | 23,72,426 | B.Tech (Mechanical) | 34 | 02.08.1974 | — |
| 231 | Prasad Krishna* | 60 | Manager (Maintenance) | 10,79,637 | 7,11,179 | Diploma (Mech.) | 41 | 01.01.1966 | — |
| 232 | Prasad P V S | 52 | Deputy General Manager (Finance) | 32,09,971 | 20,75,800 | M.Com. (Taxation Law), Diploma (Mgmt.) | 17 | 15.04.1991 | Hindustan Lever Ltd., Hyderabad - Accounts Officer - 1 year |
| 233 | Prasad P V S | 52 | Head Aggregate Business | 27,24,551 | 17,88,823 | B.Tech (Mechanical), MBA (Marketing) | 17 | 24.05.1991 | — |
| 234 | Prasad P V S | 52 | Head Aggregate Business | 27,24,551 | 17,88,823 | B.Tech (Mechanical), MBA (Marketing) | 17 | 24.05.1991 | — |
| 235 | Prasad P V S | 42 | Deputy General Manager (NPI) FBV | 31,15,064 | 20,14,771 | M.Tech - Tools Design | 19 | 04.07.1989 | — |
| 236 | Puri A | 48 | Deputy General Manager (Legal) | 27,47,123 | 17,85,666 | B.Com., LLB | 29 | 04.01.1985 | Collectorate of Central Excise & Customs, Pune - Inspector - 3 years |
| 237 | Puri A | 53 | Senior General Manager (Govt Affairs & Collab) | 27,47,123 | 17,85,666 | B.Com., LLB | 29 | 04.01.1985 | — |
| 238 | Radhakrishnan K | 53 | Assistant General Manager (Govt Affairs & Collab) | 44,81,384 | 27,18,143 | B.Tech (Electrical) | 33 | 01.08.1975 | Hindustan Motors Limited - 5 years |
| 239 | Radhakrishnan K | 53 | Assistant General Manager (Govt Affairs & Collab) | 44,81,384 | 27,18,143 | B.Tech (Electrical) | 33 | 01.08.1975 | — |
| 240 | Rajna Sunil | 48 | Assistant General Manager (QA) | 25,16,251 | 16,3,281 | B.Sc. Engg. (Automobile Engg.) | 25 | 05.12.1994 | — |
| 241 | Rajna Sunil | 48 | Assistant General Manager (QA) | 25,16,251 | 16,3,281 | B.Sc. Engg. (Automobile Engg.) | 25 | 05.12.1994 | — |
| 242 | Rajna Sunil | 59 | Deputy General Manager (Materials) | 26,26,887 | 16,63,797 | B.Sc. BE (Mechanical) | 34 | 14.07.1983 | — |
| 243 | Raja Rao Manohar* | 60 | Vice President (Manufacturing) Pune | 1,10,32,997 | 59,39,565 | BE (Metallurgy) | 38 | 01.10.1974 | — |
| 244 | Raja Rao Manohar* | 52 | Deputy General Manager (Human Resources) | 32,45,161 | 21,12,161 | B.Com., Master Equivalent (Labour & Welfare) | 34 | 13.04.1970 | Consolidated Pneumatic Tool Company, Pers & Welfare Officer - 3 years |
| 245 | Ramakrishnan C | 52 | Chief Financial Officer | 1,10,25,259 | 66,68,279 | B.Com., CA, ICAI | 28 | 02.01.2001 | Bahner Lawrie & Co. Trainee - 1 year |
| 246 | Ramakrishnan R | 44 | Head - Sales & Mktg (Med & Heavy Trucks) | 48,82,167 | 30,31,702 | Diploma (Business Management) | 23 | 08.11.1985 | Tata Finance Ltd. - General Manager (Remedial Measures) - 13 years |
| 247 | Rao Paleem* | 60 | Senior Manager (Mktg) | 8,89,600 | 1,67,983 | B.Tech (Mechanical) | 35 | 22.09.1972 | Hindustan Lever Ltd. - P. & Mass Comm - Corp Comm Manager - 15 years |
| 248 | Rao Paleem* | 54 | Assistant General Manager (Finance & Accounts) | 49,05,669 | 30,93,958 | MA (Arts) | 33 | 02.07.1972 | Coventry Area Health Authority/UK - Registrar - 6 months |
| 249 | Rao Paleem* | 54 | Assistant General Manager (Finance & Accounts) | 49,05,669 | 30,93,958 | MA (Arts) | 33 | 02.07.1972 | P. Mulherjee & Co. Finance Partner - 1 year |
| 250 | Rao Paleem* | 43 | Head (Corporate Communications) | 42,22,772 | 26,53,793 | MA (Arts) | 23 | 01.07.1985 | — |
| 251 | Rao Paleem* | 59 | General Manager (Medical Services) | 36,07,662 | 22,57,260 | MBBS, FRC (Medicine) | 34 | 01.10.1986 | — |
| 252 | Rao Paleem* | 60 | Deputy General Manager (Jr. Fin, Busi. Plg. & Team.) | 27,25,551 | 15,41,796 | B.Sc., LLB, CA | 34 | 31.10.1980 | — |
| 253 | Rao Paleem* | 48 | Deputy General Manager (HR & PS&S) | 30,59,384 | 19,32,436 | BE (Mechanical), M.Tech (Industrial & Mgmt. Engineering) | 37 | 20.07.1981 | — |
| 254 | Rao Paleem* | 48 | Deputy General Manager (HR & PS&S) | 30,59,384 | 19,32,436 | BE (Mechanical), M.Tech (Industrial & Mgmt. Engineering) | 37 | 20.07.1981 | — |
| 255 | Rao Paleem* | 57 | General Manager - Quality Assurance | 32,24,957 | 17,46,499 | B.Tech (Metallurgy), PGDGM (Business Management) | 34 | 24.09.1973 | — |
| 256 | Rao Paleem* | 55 | General Manager (Finance) | 32,78,889 | 20,94,232 | B.Sc., CA, PGDGM | 29 | 28.11.1979 | Lovebeck & Lewis - Assistant - 4 months |
| 257 | Rao Paleem* | 54 | Deputy General Manager (Auto Production) | 24,22,586 | 16,07,934 | BE (Mechanical) | 31 | 01.07.1977 | M.S. Spheroidal Castings, Chennai - Works Superintendent - 9 months |
| 258 | Rao Paleem* | 54 | Deputy General Manager (Auto Production) | 24,22,586 | 16,07,934 | BE (Mechanical) | 31 | 01.07.1977 | — |
| 259 | Rao Paleem* | 60 | General Manager (Manufacturing) | 39,77,995 | 22,19,371 | BA PGDM (IR) | 37 | 13.04.1970 | Catholic Relief Services - Field Officer - 3 years & 6 months |
| 260 | Rao Paleem* | 60 | General Manager (Manufacturing) | 39,77,995 | 22,19,371 | BA PGDM (IR) | 37 | 13.04.1970 | ESI Hospital Govt of Orissa - Paediatric Specialist - 3 years & 4 months |
| 261 | Sahoo Bhanu* | 52 | Senior Consultant (Prod.) | 11,25,388 | 8,77,180 | MBBS, MD (Paediatrician) | 23 | 30.11.1987 | — |
| 262 | Sait Zahir* | 60 | Vice President (Technical Services) | 32,75,351 | 20,91,874 | B.Tech (Mechanical), PGDGM | 37 | 17.05.1980 | — |
| 263 | Sait Zahir* | 60 | Vice President (Technical Services) | 32,75,351 | 20,91,874 | B.Tech (Mechanical), PGDGM | 37 | 17.05.1980 | — |
| 264 | Saidan David | 46 | Head (European Operations) PCBUIB | 33,54,919 | 20,91,874 | B.Com., LLB (General), DTM | 38 | 01.01.1987 | — |
| 265 | Saidan David | 57 | Assistant General Manager (Defence Contract Admn.) | 24,19,390 | 15,26,819 | B.Com., LLB (General), DTM | 37 | 03.11.1969 | Titan International Mktg. Ltd., London - 16 years |
| 266 | Samanta Lalitendu | 42 | Head - Human Resources | 27,37,504 | 18,30,068 | PGHRM | 22 | 06.04.2005 | MINDA - Head HR - 18 years |

| Sr. No. | Name | Age (Years) | Designation / Nature of duties | Gross Remuneration Rs. | Net Remuneration Rs. | Qualifications | Experience (Years) | Date of Joining | Last Employment, Designation/Period |
|---------|-----------------------|-------------|---|------------------------|----------------------|---------------------------------------|--------------------|-----------------|---|
| 267 | Sasthivaram Jayindran | 45 | General Manager (Strategic & Business Png.) | 40,52,379 | 25,97,189 | BE (Metallurgy)/ MBA, IIB | 25 | 01.07.1983 | Indian Iron & Steel Co. |
| 268 | Sastri Praturi | 53 | Assistant General Manager (Finance) | 26,50,413 | 17,26,452 | B.Com., CWA | 31 | 19.03.1981 | Tata Precision Industries Pvt. Ltd., Manuf/ Prodn/ Operations - 8 years |
| 269 | Sinha Shreedeen | 53 | Chief Operating Officer | 29,02,555 | 18,77,326 | BE (Mechanical), MMS (Management) | 33 | 07.08.1986 | |
| 270 | Sinha Subhan | 51 | Plant Head - Lucknow | 29,02,555 | 18,77,326 | BE (Mechanical), I.O.A. | 33 | 07.08.1986 | |
| 271 | Savena A | 51 | General Manager (Materials & Supply Chain) | 37,68,626 | 37,68,626 | BE (Mechanical), I.O.A. | 32 | 02.07.1976 | |
| 272 | Saxena Prashant | 51 | Plant Head - Lucknow | 26,97,815 | 17,07,120 | B.Sc. (Mathematics), BE (Metallurgy) | 28 | 01.07.1980 | |
| 273 | Sengupta S | 47 | Head (TSS Delhi) | 28,47,969 | 18,65,881 | BE (Mechanical) | 27 | 02.11.1981 | |
| 274 | Sen Kesab | 60 | Manager (Maintenance - Forge) | 13,39,468 | 8,19,533 | B.Sc. Engg. (Mechanical) | 43 | 05.11.1964 | |
| 275 | Sen Kesab | 60 | Manager (Maintenance - Forge) | 13,39,468 | 8,19,533 | B.Sc. Engg. (Mechanical) | 43 | 05.11.1964 | |
| 276 | Sengupta B | 35 | Regional Manager - Customer Care (South) | 29,08,315 | 17,38,057 | BE (Mechanical), M.Tech. (Mechanical) | 25 | 14.07.1983 | |
| 277 | Sengupta B | 35 | Regional Manager (SARC & Myanmar) | 26,92,384 | 17,38,057 | BE (Mechanical) | 16 | 01.07.1992 | Hindustan Motors Ltd., HR / PSD / Safety / IR - 2 years |
| 278 | Sengupta Dilip | 46 | General Manager (Small Car - HR & Admin.) | 26,92,384 | 17,38,057 | BE (Mechanical) | 16 | 01.07.1992 | |
| 279 | Sethi H | 40 | General Manager (Small Car - HR & Admin.) | 39,50,664 | 25,79,825 | B.Sc. (Science), CWA, IR | 33 | 03.07.1995 | Tata Oil Mills. Co. Ltd. - Company Secretary - 15 years |
| 280 | Sethi H | 44 | Company Secretary | 41,02,901 | 25,79,825 | B.Com., LL.B. CS | 23 | 03.07.1995 | |
| 281 | Shah Hetal* | 30 | Senior Manager (QA) | 3,30,223 | 2,72,940 | BE (Electrical) | 8 | 07.07.1999 | Accurate Engineering Company Pvt. Ltd., - 7 years |
| 282 | Shah Hetal* | 30 | Senior Manager (QA) | 3,30,223 | 2,72,940 | BE (Electrical) | 8 | 07.07.1999 | |
| 283 | Shah Hetal* | 30 | Senior Manager (QA) | 3,30,223 | 2,72,940 | BE (Electrical) | 8 | 07.07.1999 | |
| 284 | Shankar R | 45 | Regional Manager (CUBU - South) | 32,42,033 | 20,48,840 | B.Tech. (Mechanical), PGDM | 24 | 19.04.2004 | Eicher Goodearth Ltd., Sales & Marketing - 12 years |
| 285 | Sharma Ashish | 46 | Assistant General Manager (Sup. Chain & Sourcing) FBV | 25,90,027 | 16,62,190 | BE (Mechanical), PGDM | 14 | 01.06.1994 | Hindustan Motors - Senior Manager - 10 years |
| 286 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | Exports Limited - 2 years |
| 287 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 288 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 289 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 290 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 291 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 292 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 293 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 294 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 295 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 296 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 297 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 298 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 299 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 300 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 301 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 302 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 303 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 304 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 305 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 306 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 307 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 308 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 309 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 310 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 311 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 312 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 313 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 314 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 315 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 316 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 317 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 318 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 319 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 320 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 321 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 322 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 323 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 324 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 325 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 326 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 327 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 328 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 329 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 330 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 331 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 332 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 333 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 334 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 335 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 336 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 337 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 338 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 339 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 340 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 341 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 342 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
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| 344 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
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| 348 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
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| 352 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 353 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 354 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 355 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 356 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 357 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
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| 361 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 362 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 363 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 364 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 365 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 366 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
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| 371 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 372 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 373 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 374 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 375 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 376 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 377 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 378 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 379 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 380 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 381 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 382 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 383 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | 06.07.1974 | |
| 384 | Sharma Arun | 57 | Assistant General Manager (Design) PE | 33,02,447 | 20,61,024 | HSC | 37 | | |

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Overview

The Indian economy remained in high growth phase but witnessed moderation in GDP growth to 9% in FY 07-08 as compared to over 9% growth achieved in the previous two years. The commercial vehicle industry which grew by over 33% in FY 06-07 was impacted by moderation in economic growth as well as substantial reduction in vehicle financing and posted a 8.1% growth this fiscal. The passenger vehicle industry also witnessed a slowdown but managed to grow by 11.1% by increasing discounts on mature products, launching new models and due to reduction in excise duty announced by the government in Budget during February'08. Vehicle exports also grew, albeit at a slightly lower rate of 11.9% as compared to 14.8% witnessed in the previous year.

The Company recorded a sale of 5,85,649 vehicles, a growth of 0.9% over last year. Introduction of a new range of products and impressive performance of TATA Ace helped the Company to grow by 5.5% in commercial vehicles. In passenger vehicles, the Company witnessed a 5.4% decline due to ageing of some products and increase in the intensity of competition in the car segment. The Company's vehicle exports grew by 2.2% to 54,659 vehicles during the year.

The industry performance during FY 07-08 and the Company's share is given below:-

| Category | Total Industry Sales (Nos.) | | | Total Company Sales (Nos.) | | | Company Market Share (%) | |
|----------------------|-----------------------------|------------------|--------------|----------------------------|-----------------|-------------|--------------------------|--------------|
| | 2007-08 | 2006-07 | Growth | 2007-08 | 2006-07 | Growth | 2007-08 | 2006-07 |
| Commercial Vehicles* | 5,58,977 | 5,17,327 | 8.1% | 3,52,785 | 3,34,238 | 5.5% | 63.2% | 64.7% |
| Passenger Vehicles | 17,50,347 | 15,75,235 | 11.1% | 2,32,864 | 2,46,042 | -5.4% | 13.3% | 15.6% |
| Total | 23,09,324 | 20,92,562 | 10.4% | 5,85,649 | 5,80,280 | 0.9% | 25.4% | 27.8% |

* including Magic & Winger sales

Source: Society of Indian Automobile Manufacturers report and Company Analysis

2. Industry Structure and Developments

a. Commercial Vehicles

The domestic commercial vehicle industry grew by 6.9% as compared to over 33% growth achieved in the last fiscal. The commercial vehicle sales were impacted by slowdown in economic growth, poor credit availability for purchasing vehicles, hardening of interest rates and increase in fuel prices.

The industry performance during FY 07-08 and the Company's share is given below:-

| Domestic Category | Industry Sales (Nos.) | | | Company Sales (Nos.) | | | Company Market Share (%) | |
|----------------------|-----------------------|-----------------|-------------|----------------------|-----------------|-------------|--------------------------|--------------|
| | 2007-08 | 2006-07 | Growth | 2007-08 | 2006-07 | Growth | 2007-08 | 2006-07 |
| M&HCV | 2,70,994 | 2,75,556 | -1.7% | 1,65,619 | 1,72,842 | -4.2% | 61.3% | 62.9% |
| LCV* | 2,28,984 | 1,92,234 | 19.1% | 1,47,316 | 1,25,744 | 17.2% | 64.3% | 65.4% |
| Total CV | 4,99,978 | 4,67,790 | 6.9% | 3,12,935 | 2,98,586 | 4.8% | 62.7% | 64.0% |

* including Magic & Winger sales

Source: Society of Indian Automobile Manufacturers report and Company Analysis

The Company achieved an all time high commercial vehicle sale of 3,12,935 vehicles, an increase of 4.8% over the previous year.

The M&HCV segment witnessed contraction due to adverse economic trend, lack of financing as mentioned above and due to depletion of one time demand created last year by strict enforcement of overloading restrictions. The Company, being the largest player in this segment, was impacted by these factors and constraints in supply of certain components/parts in the earlier part of the year. Strengthening of in-house vehicle financing by the Company could not fully offset the decrease in credit availability from outside sources. The Company launched many new M&HCV products during the year which would enable the Company to improve its position going forward. In the LCV segment, the continuing strong performance of the TATA Ace, launch of 1Ton and CNG versions in the goods carrier segment and introduction of two new passenger carrier products – Magic and Winger helped the Company to grow its sales by 17.2%.

The Company is enhancing its production capabilities at its 3 existing plants and is setting up capacities at Uttarakhand for Ace as also through joint ventures with international partners-Marcopolo SA, Brazil (new plant at Dharwad) and Thornburi (plant at Thailand). The sales and service network set-up, which is the largest in India today, is also been expanded in line with product requirements.

b. Passenger Vehicles

Amidst moderation in economic growth, a high interest rate regime and tightening of the liquidity position, the domestic passenger vehicle industry was able to grow by 11.3% to an all time high of over 1.5 million vehicles, albeit at a lower growth rate than 21% of the last fiscal. The Industry's growth rate in fact fell to single digit in the last four months of the fiscal. Growth was primarily driven by new launches and discounts on existing volume models. Along with two wheelers, entry level cars (price point below Rs 3 lacs) declined by 2%. The luxury segment however doubled in size to over 5,000 vehicles and was immune to the slowing market conditions. Of over 90 models in the industry, the top 10 constitute 65% of the industry sales.

The industry performance during FY 07-08 and the Company's share is given below:-

| Domestic Category | Industry Sales (Nos.) | | | Company Sales* (Nos.) | | | Company Market Share* (%) | |
|----------------------------------|-----------------------|------------------|--------------|-----------------------|-----------------|--------------|---------------------------|-------------|
| | 2007-08 | 2006-07 | Growth | 2007-08 | 2006-07 | Growth | 2007-08 | 2006-07 |
| Small car (Mini + Compact) | 9,28,690 | 8,32,172 | 11.6% | 1,38,916 | 1,46,018 | -4.9% | 15.0 | 17.5 |
| Entry Midsize car | 97,033 | 88,056 | 10.2% | 31,439 | 34,310 | -8.4% | 32.4 | 39.0 |
| Utility Vehicle/SUV | 2,37,724 | 2,16,960 | 9.6% | 47,700 | 47,892 | -0.4% | 20.1 | 22.1 |
| Total Passenger Vehicles# | 15,31,929 | 13,76,783 | 11.3% | 2,18,055 | 2,28,220 | -4.5% | 14.2 | 16.6 |

including all segments

* including Fiat branded cars

Source: Society of Indian Automobile Manufacturers report and Company Analysis

After six years of consecutive growth, the Company's passenger vehicle sales decreased marginally by 4.5% to 2,18,055 vehicles (including 3,297 Fiat branded vehicles) and the Company had a 14.2% share in the passenger vehicle market between TATA and Fiat branded vehicles.

The number of models in the Small car segment nearly doubled with several new launches to a play of 14 models and grew by 11.6%. It continues to hold over 60% of share of the industry. All incumbent models which saw no product intervention registered decline in volume and market share, including the Indica, whose sales declined by 6.3%. The segment benefited from a reduction in excise duty by the Government from 16% to 12%. Indica's market share at 14.6% was augmented by an increase in Fiat Palio's share to 0.4% in the segment. The Company's position weakened on account of delay in the actual launching of its new hatchback which is due to be introduced in the current financial year.

The Entry mid size segment which had seen decline for two years grew by 10.2%, aided by new launches by competition. The Indigo range held on to a 32.4% of the market and continued in a leadership position despite a decline in sales of 8.4%, which has been arrested in the last quarter.

The Utility Vehicle segment witnessed a 9.6% growth to 2,37,724 vehicles this year. The Company's Utility Vehicle sales were flat at 47,700 vehicles and could have been higher but for constraints of initial production ramp up of the Sumo Grande. The Company ended with a 20.1% market share in the year. Safari sales grew by 20.6% to an all time high of 19,078 nos. during the year due to an encouraging response to the new Indigo CS.

The Company unveiled TATA Nano - the world's least expensive car to the Indian and the International Audience in 2008. The production facility at Singur, West Bengal is under construction and is expected to commence commercial production in the last quarter of 2008. The Company will introduce several products from its own portfolio as well as from the Fiat stable in the coming years to address the market demand and consolidate its position.

3. Opportunities and Threats

a) Opportunities

Road development: Continued improvement in road infrastructure in coming years is expected to have a positive effect on automobile sales. The Golden Quadrilateral road project was 97% complete as on March

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31, 2008. The North South East West (NSEW) road corridors are expected to be completed by December 2009. Rural connectivities are expected to correspondingly improve which would expand significantly the population/markets/supply sources participating in the overall economic growth. Improvement in road infrastructure would facilitate faster transportation of goods and passengers, and would in turn create demand for safer, reliable and faster vehicles. The Company is poised to benefit from the same as it has a wide range of goods and passenger transportation vehicles ranging from 0.7 Ton load carrier to large haulage tractors (49T) for goods movement, buses and coaches for public transportation and passenger cars and utility vehicles for personal transportation.

Car penetration in India: The reduction in excise duty on 'Small cars' announced in the Budget is expected to increase the penetration of cars in the country from 7 per 1,000 people as compared to a higher penetration level in developed and developing markets for example, Germany 550, France 495, Malaysia 253, South Korea 219, Brazil 96 and Thailand 51 cars per 1000 people. India and China (with a car penetration of 6 per 1,000 people) are perceived as highly attractive markets for the global automotive industry. Due to growth in urbanization and expansion of cities, the outlook for growth in passenger car sales remains positive.

Increase in income levels: A growing middle income level population, rise in their average income levels, moderation in income tax rates and the recently announced increase in compensation for government employees, all augur well for the automotive industry, both in terms of personal transportation requirements as well as freight movement.

Large two wheeler parc/market: India has a 60 million two wheeler parc and an annual sale of over 7.2 million two wheelers. The Company believes that the gap between two wheeler prices and the current entry level car prices offer a huge opportunity for an affordable, safe and comfortable small car with appealing design and features. It is hoped that the TATA Nano would address this huge potential in demand.

International business: India continues to be a cost effective source for the automotive industry globally, both for vehicles and components. India's manufacturing base will benefit from these scale economies and technology/quality improvements. The Company's exports currently constitute 9.8% of the total sales value and has opportunities to increase significantly, particularly with the new and contemporary product offerings in commercial vehicles and passenger cars. The Company is also setting up / exploring manufacturing footprint overseas that would combine these advantages with local operations and sourcing in these markets.

Growing consumer culture: The demand for a better lifestyle has enhanced consumption levels and rapid growth in several areas like retail chains, cellular phones and cable and satellite television. The Company, with its wide portfolio is expected to benefit from improvement in lifestyle and higher aspiration levels in passenger cars and potential growth in freight movement.

b) Threats

Credit unavailability: Further tightening of liquidity position and reduction in exposure to vehicle financing by banks/NBFCs would have an adverse impact on the automotive industry. Though in-house vehicle financing has been strengthened by the Company, it would be a challenge for the Company to fully offset the decrease in credit availability from outside sources.

Interest rates hardening and other inflationary trends: Further hardening of consumer interest rates could have an adverse impact on the automotive industry. Increase in inflation could also have a negative impact on automobile sales in the domestic market.

Fuel Prices: The international crude prices witnessed steep increase from price levels of \$62 per barrel at the beginning to \$100-110 per barrel towards the end of the fiscal. Further hardening of fuel prices would adversely impact the automotive sales.

Input Costs: Prices of commodity items like steel, non-ferrous and precious metals and rubber witnessed an upward movement, which was partially offset by the Company's cost reduction initiatives. The price of steel, in particular, has increased by 30% – 35% in the last 24 months and is expected to further increase significantly in the coming year. Whilst the Company continues to pursue cost reduction initiatives,

increase in price of input materials could have a negative impact on the demand in the domestic market and/or could severely impact the Company's profitability to the extent that the same are not absorbed by the market through price realisation.

Government Regulations: Stringent emission norms and safety regulations could bring new complexities and cost increases for automotive industry, impacting the Company's business. WTO, Free Trade Agreements and other similar policies could make the market more competitive for local manufacturers.

Global Competition: India continues to be an attractive destination for the global automotive players. The global automotive manufacturers present in India have been expanding their product portfolio and enhancing their production capacities. To counter the threat of growing global competition, the Company has planned to bridge the quality gap between its products and foreign offerings while maintaining its low cost product development/sourcing advantage.

Growing consumer awareness: Growing awareness amongst consumers is driving up expectations from automobile companies in terms of providing world class features and technology for which adequate price realization is not always possible.

Growth in Mass Transit Systems: The domestic passenger vehicle demand could be impacted by the growth of road and rail based mass transit systems. However, the Company would benefit from the road based mass transit system due to its wide range of commercial passenger carriers.

4. Outlook

Fiscal 2007-08, the first year of 11th Five Year Plan saw a marginal fall in GDP growth rate of 9%. In view of the slow down in economy, increase in inflation, poor credit availability, hardening of interest rates, rise in prices of input materials, proposed increase in fuel prices and volatility in foreign exchange rates, the commercial and passenger vehicle industry has a challenging year ahead, with pressure on volumes and margins.

In this background, the Company has initiated various marketing activities to improve its market share in various segments. In commercial vehicles, the Company has planned growth by introducing new products in M&HCV and LCV segments. A wide range of products were introduced in the latter half of FY07-08 and more would be introduced in the coming year. In passenger vehicles, the Company introduced new products in a few segments in FY 07-08 and has planned to introduce the next generation Indica and the Nano in this year. The Company has also planned to further strengthen the in-house vehicle financing to make up for the lack of finance from external sources. The Company has also planned various cost reduction measures to offset, atleast partially, the increase in price of input materials.

5. Financial Performance as a measure of Operational Performance

In a challenging environment, the Company has been able to marginally grow its revenues and profits. Whilst the Company's profit after tax improved to Rs. 2,028.92 crores from Rs. 1,913.46 crores in the previous year, the margins were under pressure mainly due to the rising input costs and lower volume growth. The following table sets forth the breakup of the Company's expenses as part of the net revenue.

| | Percentage of turnover | |
|---|------------------------|----------------|
| | March 31, 2008 | March 31, 2007 |
| Turnover net of excise duty | 100 | 100 |
| Expenditure: | | |
| Material (including change in stock and processing charges) | 73.4 | 72.3 |
| Employee Cost | 5.4 | 5.0 |
| Manufacturing and other expenses (net) | 10.5 | 10.7 |
| Total Expenditure | 89.2 | 87.9 |
| Other Income | 1.7 | 0.9 |
| Profit before Depreciation, Interest and Tax | 12.4 | 13.0 |
| Depreciation (including product development expenditure) | 2.5 | 2.4 |
| Interest and Discounting Charges (Net) | 1.0 | 1.1 |
| Profit before Tax | 9.0 | 9.4 |

Turnover, net of excise duties increased by 4.6% to another record high of Rs. 28,730.82 crores from Rs. 27,470.03 crores in FY 2006-07. The total number of vehicles sold during the year increased by 0.9% to

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585,649 units from 580,280 units in FY 2006-07. The domestic volumes increased by 0.8% to 530,990 units from 526,806 units in FY 2006-07, while export volumes increased by 2.22% to 54,659 units in FY 2007-08 from 53,474 units in FY 2006-07.

Net Raw Material consumption inclusive of processing charges increased by 6.2% to Rs.21,082.10 crores in FY 2007-08, from Rs. 19,849.04 crores in FY 2006-07. Material Cost as a % of net turnover has increased to 73.4% from 72.3% for the last year. This was largely a result of increase in prices of steel, aluminum, nickel, copper and natural rubber. However, the Company managed to lower the impact through its on going cost reduction programme with initiatives like global sourcing, vendor rationalization and value engineering.

Employee Cost increased by 12.9% during the year to Rs. 1,544.57 crores from Rs. 1,368.09 crores registered in the previous year mainly inline with trends in industry and economy. The manpower increased marginally to 23,230 from 22,349 with increases also in flexible manpower.

Manufacturing and Other Expenses increased by 2.4% to Rs. 3,011.83 crores in FY 2007-08 from Rs. 2,940.53 crores in FY 2006-07. These were 10.5% of net turnover for the year as compared to 10.7% for the previous year.

Profit before depreciation, interest and tax increased by 0.5% to Rs. 3,575.50 crores from Rs.3,557.56 crores in FY 2006-07. The margin decreased to 12.4% from 13% in FY 2006-07.

Depreciation (including product development expenditure) for 2007-08 increased by 6.8% to Rs. 716.66 crores from Rs. 671.31 crores in FY 2006-07 on account of increase in fixed assets. It represents 2.5% of net turnover as compared to 2.4% for FY 2006-07.

Net interest cost decreased to Rs. 282.37 crores in FY 2007-08 from Rs. 313.07 crores in FY 2006-07. Despite increase in interest rates and increase in capital expenditure, the reduction was mainly on account of significant reduction in the Company's vehicle financing portfolio (on account of securitisation), better working capital management, interest earnings and larger capitalisation of interest in line with the increase in capital expenditure.

Profit Before Tax (PBT) of the Company increased by 0.13% to Rs. 2,576.47 crores from Rs. 2,573.18 crores in FY 2006-07.

Profit After Tax (PAT) increased by 6.03% to Rs. 2,028.92 crores from Rs. 1,913.46 crores in FY 2006-07. This was mainly on account of a lower tax provision owing to the increase in spend on Research and Development and income from capital gains, which is subject to a lower tax rate. Basic Earning Per Share (EPS) increased by 5.79% to Rs.52.64 as compared to Rs. 49.76 last year.

Balance Sheet size of the Company increased to Rs. 15,095.74 crores in FY 2007-08 from Rs. 11,665.72 crores in FY 2006-07. This increase is attributed to significant capital expenditure incurred by the Company on new products and programmes and strategic investments. As on March 31, 2008, the Ordinary Share Capital of the Company stood at Rs.385.54 crores as compared to Rs.385.41 crores as on March 31, 2007.

Gross debt (total of secured and unsecured loans) increased to Rs. 6,280.52 crores as on March 31, 2008 as compared to Rs. 4,009.14 crores as on March 31, 2007 as a consequence of higher capital expenditure and investments.

Net debt (gross debt reduced by available cash and bank balances and in mutual fund investments) stood at Rs.3,616.99 crores as on March 31, 2008 as compared to Rs. 3,545.99 crores as on March 31, 2007.

Fixed Assets including Capital Work in Progress increased to Rs. 10,452.27 crores in FY 2007-08 from Rs. 6,394.58 crores in FY 2006-07.

Investments increased to Rs. 4,910.27 crores in FY 2007-08 from Rs. 2,477.00 crores in FY 2006-07. During the year, the Company continued to make additional long term and strategic investments. The Company further invested Rs. 600 crores in its 100% subsidiary Tata Motors Finance Limited to further strengthen the vehicle financing activities. The Company also invested Rs. 601.59 crores in Fiat India Automobiles Private Limited for manufacturing Fiat and Tata cars and Fiat powertrains. The Company invested Rs.179.50 crores in the rights issue of securities of Tata Steel Limited. The amount invested in various mutual funds

as at March 31, 2008 was Rs. 790.79 crores as against Rs. 51.99 crores as at March 31, 2007 representing surplus cash parked for future use.

Net Current Assets decreased to (Rs.272.85 crores) as at March 31, 2008 from Rs. 2,784.05 crores as at March 31, 2007. The Current assets, loans and advances have decreased by Rs. 128.27 crores as compared as at March 31, 2007. The increase in Sundry debtors and Cash and Bank balances, due to higher year end sale and parking of short funds pending utilization, respectively, has been offset by reduction in finance receivables. The Current liabilities have increased by Rs. 2,928.63 crores due to higher volumes at the year end, change in the credit period and increase in the provision for premium for redemption of securities issued during the year.

The cash generated from operations before working capital changes and before considering the deployment in the vehicle financing business was Rs. 2,760.15 crores as compared to Rs. 3,152.53 crores in the previous year. After considering the impact of working capital changes and inflows on account of securitisation of financing loan portfolio (net of deployment), the net cash generated from operations was Rs. 6,174.50 crores as compared to Rs. 2,210.13 crores in the previous year.

6. Risks and concerns

Interest rates and credit availability: Consumer interest rates witnessed an upward movement in the second half of FY 07-08. Further tightening of the liquidity position, non-availability of vehicle finance and firming up of interest rates would affect vehicle demand, which could impact the Company's revenues and profits.

Exchange rates: The Company's exports constitute 9.8% of the turnover and imports constitute 4.6% of material consumption. Further, the Company has large foreign currency borrowings in the form of foreign currency convertible securities. Movements in exchange rates and volatility in the foreign exchange markets could significantly impact profits.

Freight Rates: Moderation in industrial activity, slowdown in freight movement and increase in fuel price would adversely impact vehicle operators' margins to the extent not recovered through increase in freight rates. This would have an adverse impact on commercial vehicle demand.

Railways: Railways' renewed focus on cement and steel movement and container movement and planned nationwide rail freight corridor connecting major cities could impact the demand of commercial vehicles for goods transportation. However, it is expected that with the growth in road infrastructure and increase in vehicle penetration and with product offerings suitable for different applications, road transport would continue to have a dominant role and offer flexible, speedy and point-to-point service.

Domestic market: The commercial vehicle industry due to its strong linkages with the economy would be impacted by slowdown in economic growth. The Company has strengthened its less cyclical businesses like passenger carriers, small and light trucks and passenger cars as well as its spare parts and other service offerings to counter moderation in demand. The increasing trend of offering price discounts in the market could also affect the Company's margins.

Overseas markets: In the overseas markets, many of which have stricter norms of vehicle regulations related to emission, safety, noise, technology, etc., the Company competes with international players which have global brand image, larger financial capability and multiple product platforms. These factors may impact the demand of the Company's products in overseas markets.

Manufacturing: The Company manufactures its products at multiple locations and its operations could be affected by disruption in its supply chain due to any natural calamities and work stoppages at its suppliers' end due to load shedding, labour problems, etc.

New Competition: Intensity of competition has increased in almost all the segments of the Indian automotive market due to entry of new players and expansion plans of existing ones. The Company is aware of the increasing competition and is taking measures to remain competitive in the market place.

New projects: The Company is undertaking a variety of new projects ranging from the launch of a small car to the development of a new truck model. These projects are in various stages of execution. Though the Company employs sophisticated techniques and processes to forecast the demand of new products, yet the same is subject to margin of error. Timely introduction of new products, their acceptability in the

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market place and managing complexity of operations across various manufacturing locations would be the key to sustain competitiveness.

7. Internal Control Systems and their adequacy

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Some significant features of the internal control systems are:

- Corporate policies on accounting and major processes;
- 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 ERP, Supplier Relations Management and Customer Relations Management, connect its different locations, dealers and vendors for efficient and seamless information exchange;
- An on-going program for reinforcement of the Tata Code of Conduct. The Code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns. All employees of the Company are regularly exposed to communications under this program;
- 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 the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks;
- Audit Committee of the Board of Directors, comprising independent directors, which is functional since August 1988, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any;
- A comprehensive information security policy and continuous upgrades to IT system;
- Documenting major business processes and testing thereof including financial closing, computer controls and entity level controls as part of compliance with Sarbanes-Oxley Act;
- Anti-fraud programme.

The Board takes responsibility for the total process of risk management in the organisation. The Audit Committee reviews reports covering operational, financial and other business risk areas. Through an Enterprise Risk Management programme, each Business Unit addresses opportunities and the attendant risks through an institutionalized approach that is aligned to the Company's objectives. This is also facilitated by internal audit. The business risks is managed through cross functional involvement and intense communication across businesses. Results of the risk assessment and residual risks are presented to the senior management.

8. Material Developments in Human Resources/Industrial Relations

A cordial industrial relations environment prevailed at all the manufacturing units of the Company during the year. The Company entered into a three year wage settlement with its Unions at Jamshedpur and Passenger Car Business, Pune. The permanent employees strength of the Company as on March 31, 2008 was 23,230.

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.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- 1.1. As part of the Tata group, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Board, being elected by the shareholders, is their representative and a bridge between them and the executive management. Since shareholders are residual claimants, the value creation and sustainability of all the other stakeholders viz. customers, creditors, employees, vendors, community and the Government (of countries in which the Company operates) are of paramount significance to the Company and its shareholders. The Board would therefore have a fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board alongwith its Committees endeavours to strike the right balance with its various stakeholders.
- 1.2. The Corporate Governance philosophy has been further strengthened with the implementation, a few years ago, by the Company of the Tata Business Excellence Model, the Tata Code of Conduct applicable to the Company, its subsidiaries and Directors and employees. The Company is in full compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Indian Stock Exchanges. The Company's Depository Programme being listed on the New York Stock Exchange, the Company also complies with US regulations as applicable to Foreign Private Issuers (non-US listed companies) which cast upon the Board of Directors and the Audit Committee, onerous responsibilities to improve the Company's operating efficiencies. Risk management and internal control functions have been geared up to meet the progressive governance standards.

2. BOARD OF DIRECTORS

- 2.1. The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board of Directors presently comprises of 10 Directors, out of which 8 are Non-Executive Directors. The Company has a Non-Executive Chairman and the 4 Independent Directors comprise more than one third of the total strength of the Board. The Company has taken initiatives to comply with the recent amendment of Clause 49 of the Listing Agreement pertaining to composition of directors for induction of independent directors.
- 2.2. None of the Directors on the Company's Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 15 companies.
- 2.3. The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the declaration made by the Managing Director and the Executive Director regarding compliance with all applicable laws on a quarterly basis, as also the Board Minutes of all its subsidiary companies.
- 2.4. During the year under review, 10 Board Meetings were held on May 18, 2007, June 15, 2007, July 17, 2007, July 31, 2007, September 28, 2007, October 31, 2007, January 4, 2008, January 31, 2008, March 11, 2008 and March 24, 2008. The maximum time-gap between any 2 consecutive meetings did not exceed 4 months. The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting, number of directorships, memberships/chairmanships in public companies (including the Company) and the directors shareholding as on March 31, 2008 in the Company are as follows:

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| Name of the Director | Category | No. of Board Meetings held during the year | Attendance at the AGM held on July 9, 2007 | Directorships ⁽¹⁾ | | Committee positions ⁽²⁾ | | Share holding |
|--------------------------------|----------------------------------|--|--|------------------------------|--------|------------------------------------|--------|---------------|
| | | | | Chairman | Member | Chairman | Member | |
| Ratan N Tata | Non-Executive Chairman, Promoter | 8 | Yes | 12 | 2 | - | - | 53288 |
| N A Soonawala | Non-Executive, Promoter | 9 | Yes | 1 | 5 | 3 | - | 0 |
| J J Irani ⁽³⁾ | Non-Executive, Promoter | 9 | Yes | 3 | 8 | - | 2 | 1850 |
| V R Mehta | Non-Executive, Independent | 10 | Yes | - | 6 | 3 | 2 | 0 |
| R Gopalakrishnan | Non-Executive, Promoter | 6 | Yes | 1 | 9 | - | 4 | 3750 |
| N N Wadia | Non-Executive, Independent | 5 | No | 4 | 5 | - | - | 0 |
| S A Naik ⁽⁴⁾ | Non-Executive, Independent | 2 | Yes | - | 2 | 1 | 1 | 1310 |
| S M Palia | Non-Executive, Independent | 7 | Yes | - | 9 | 5 | 3 | 200 |
| R A Mashelkar ⁽⁵⁾ | Non-Executive, Independent | 5 | No | - | 4 | - | 1 | 0 |
| Ravi Kant | Managing Director | 10 | Yes | 3 | 3 | - | 1 | 0 |
| Praveen P Kadle ⁽⁶⁾ | Executive Director | 4 | Yes | 3 | 7 | - | 7 | 1227 |
| P M Telang | Executive Director | 9 | Yes | 2 | 6 | 3 | 1 | 1120 |

⁽¹⁾ excludes Directorships in associations, private, foreign and Section 25 companies

⁽²⁾ Includes only Audit and Investors' Grievance Committees

⁽³⁾ Tata Steel Representative

⁽⁴⁾ upto July 9, 2007

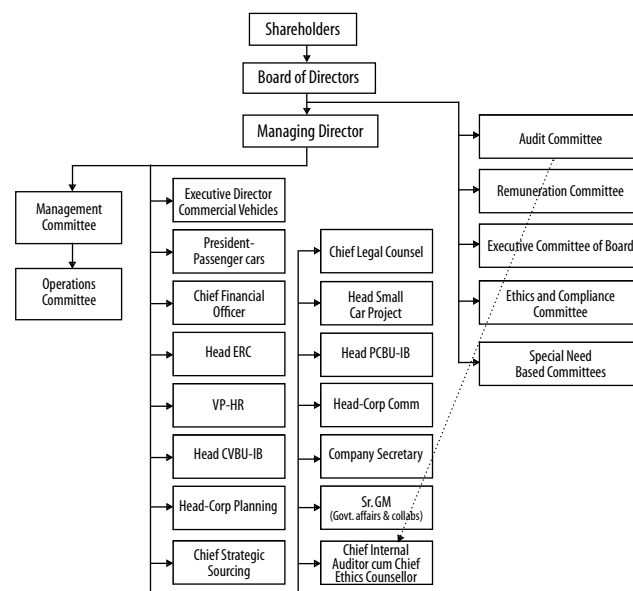
⁽⁵⁾ appointed w.e.f. August 28, 2007

⁽⁶⁾ upto September 18, 2007

- 2.5. Code of Conduct: Whilst the Tata Code of Conduct is applicable to all Whole-time Directors and employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, both of which are available on the Company's web-site. All the Board members and senior management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended March 31, 2008. A Declaration to this effect, duly signed by the Managing Director (CEO) is annexed hereto.

3. COMMITTEES

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set by them as agreed with the management are reviewed periodically and mid-course corrections are also carried out. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. The relationship between the Board, the Committees and the senior management functions is illustrated alongside.



4. AUDIT COMMITTEE

- 4.1. The Audit Committee functions according to its Charter that defines its powers, scope and role in accordance with the Companies Act, 1956, listing requirements and US regulations applicable to the Company and is reviewed from time to time. Whilst, the full Charter is available on the Company's website, given below is a gist of the scope of the Audit Committee:

- a. Reviewing the quarterly financial statements before submission to the Board, focusing primarily on:
 - Compliance with accounting standards and changes in accounting policies and practices;
 - Major accounting entries involving estimates based on exercise of judgment by Management;
 - Audit Qualifications and significant adjustments arising out of audit;
 - Analysis of the effects of alternative GAAP methods on the financial statements;
 - Compliance with listing and other legal requirements concerning financial statements;
 - Review Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
 - Overseeing the Company's financial reporting process and disclosure of its financial information, including earnings press release to ensure that the financial statements are correct, sufficient and credible;
 - Disclosures made under the CEO and CFO certification and related party transactions to the Board and Shareholders.
 - b. Reviewing with the management, external auditor and internal auditor, adequacy of internal control systems and recommending improvements to the management.
 - c. Recommending the appointment/removal of the statutory auditor, fixing audit fees and approving non-audit/consulting services provided by the statutory auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications and independence.
 - d. Reviewing the adequacy of internal audit function, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.
 - e. Discussing with the internal auditor and senior management significant internal audit findings and follow-up thereon.
 - f. Reviewing the findings of any internal investigation into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
 - g. Discussing with the external auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.
 - h. Reviewing the Company's financial and risk management policies.
 - i. Reviewing the functioning of the Whistle-Blower and the legal compliance mechanism.
 - j. Reviewing the financial statements and investments made by subsidiary companies.
- 4.2. During the year, the Committee reviewed 128 audit reports covering operational, financial and compliance areas. Key Management personnel presented their risk mitigation plan to the Committee. It also reviewed the internal control system in subsidiary companies, status on compliance of the Committees' obligations under the Charter and confirmed that it fulfilled its duties and responsibilities.
- 4.3. The Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee meetings.
- 4.4. The Committee comprises of 3 Independent Directors, all of whom are financially literate and have relevant finance and/or audit exposure. Mr S M Palia is the financial expert. The quorum of the Committee is two members or one-third of its members, whichever is higher. During the period under review, 10 Audit Committee meetings were held on May 17, 2007, June 15, 2007, July 30, 2007, August 22, 2007, September 24, 2007, October 29, 2007, November 29, 2007, January 30, 2008, February 14, 2008 and March 18, 2008.

The composition of the Audit Committee and attendance at its meetings is as follows:

| Composition | V R Mehta (Chairman) | S A Naik * | S M Palia * | R A Mashelkar * | N N Wadia* |
|-------------------|----------------------|------------|-------------|-----------------|------------|
| Meetings attended | 10 | 2 | 9 | 4 | 1 |

* part of the year

Tata Motors Limited

- 4.5. The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.
- 4.6. The Committee meetings are held at the Company's Corporate Headquarters or at its plant locations and are usually attended by the Managing Director, the Executive Director, the Chief Internal Auditor, the Statutory Auditor and the Cost Auditor. The Business and Operation Heads are invited to the meetings, as required. The Company Secretary acts as the Secretary of the Audit Committee. The Internal Audit function headed by the Chief Internal Auditor, reports to the Audit Committee to ensure its independence.
- 4.7. The Committee relies on the expertise and knowledge of management, the internal auditors and the independent Statutory Auditor in carrying out its oversight responsibilities. It also uses external expertise, if required. Management is responsible for the preparation, presentation and integrity of the Company's financial statements including consolidated statements, accounting and financial reporting principles. Management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal control.
- 4.8. Deloitte Haskins & Sells (Deloitte), the Company's independent Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

5. REMUNERATION COMMITTEE

- 5.1. The Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director and the Executive Director, retirement benefits to be paid to them under the Retirement Benefit Guidelines approved by the Board and deal with matters pertaining to Employees' Stock Option Scheme.
- 5.2. The Remuneration Committee comprises of 2 Independent Directors (including the Chairman of the Committee) and 2 Non-Executive Directors. During the year under review, 1 Remuneration Committee meeting was held on May 18, 2007. The composition of the Remuneration Committee and attendance at its meeting is as follows:

| Composition | N N Wadia (Chairman) | Ratan N Tata | N A Soonawala | V R Mehta | S A Naik * |
|--------------------|-----------------------------|---------------------|----------------------|------------------|-------------------|
| Meeting attended | 1 | 1 | 1 | 1 | 1 |

** part of the year*

- 5.3. The Chairman of the Remuneration Committee was not present at the last Annual General Meeting due to some prior urgent commitments.

5.4. Remuneration Policy

- a. The remuneration of the Managing and the Executive Director is recommended 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, macro economic review on remuneration packages of heads of other organisations and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing and Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1, annually.
- b. 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 contribution and attendance 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 Annual General Meeting 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 period of 5 years commencing April 1, 2003. The said commission is distributed amongst the said Directors in accordance with the directives given by the Board. The Attention of the Members is invited to the Notice, wherein approval is sought by way of a Special resolution for payment of commission to the non-Whole-time Directors for a further period of five years. Other than sitting fees and commission paid to Non Executive Directors there were no material pecuniary relationship or transactions by the Company with the Non Executive Directors.

- c. A sitting fee of Rs.20,000/- for attendance at each meeting of the Board, Audit Committee, Executive Committee and Remuneration Committee and Rs.5,000/- for Investors' Grievance Committee and Ethics & Compliance Committee is paid to its Members (excluding Managing and Executive Director). The sitting fees paid/payable to the non-Whole-time Directors is excluded whilst calculating the above limits of remuneration in accordance with Section 198 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside.
 - d. The components of the total remuneration vary for different grades of employees and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives. Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives.
- 5.5. The Directors' remuneration and sitting fees paid/payable in respect of the Financial Year 2007-08, is given below:-

5.5.1. Non-Executive Directors

(Rs. in Lacs)

| Name | Commission ⁽¹⁾ | Sitting Fees | Name | Commission ⁽¹⁾ | Sitting Fees |
|------------------|---------------------------|--------------|------------------------------|---------------------------|--------------|
| Ratan N Tata | 160 | 2.20 | N N Wadia | 15 | 1.60 |
| N A Soonawala | 43 | 2.70 | S A Naik ⁽²⁾ | 5 | 0.60 |
| J J Irani | 18 | 2.50 | S M Palia | 26 | 2.60 |
| V R Mehta | 48 | 3.40 | R A Mashelkar ⁽²⁾ | 10 | 1.80 |
| R Gopalakrishnan | 25 | 2.40 | | | |

⁽¹⁾ payable in FY 08-09 ⁽²⁾ Part of the year

5.5.2. Managing and Executive Directors

(Rs. in Lacs)

| Name | Salary | Perquisites & Allowances | Commission ⁽¹⁾ | Retirement Benefits ⁽²⁾ |
|-----------------------------------|--------|--------------------------|---------------------------|------------------------------------|
| Mr Ravi Kant | 51.60 | 41.97 | 210 | 13.93 |
| Mr Praveen P Kadle ⁽³⁾ | 20.04 | 19.20 | 90 | 5.41 |
| Mr P M Telang ⁽³⁾ | 28.22 | 17.61 | 140 | 7.62 |

⁽¹⁾ payable in FY 08-09 ⁽²⁾ excludes provision for encashable leave and gratuity as separate actuarial valuation is not available

⁽³⁾ part of the year

5.5.3. The Company has not issued any stock options to its Directors/employees.

Tata Motors Limited
5.6. Service Contracts, Severance Fees and Notice Period

| Terms of Agreement | Mr Ravi Kant Managing Director | Mr P M Telang ⁽¹⁾ Executive Director | Mr P P Kadle ⁽¹⁾ Executive Director |
|---|--|--|---|
| Period of Contract | July 29, 2005 to June 1, 2009 | May 18, 2007 to May 17, 2012 | July 11, 2006 to July 10, 2011 |
| Remuneration - Salary upto a maximum of | Rs. 6,50,000/- p.m. ⁽²⁾ | Rs. 6,00,000/- p.m. | Rs. 4,00,000/- p.m. |
| Severance fees | The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of Severance fees. | | |

⁽¹⁾ part of the year

⁽²⁾ Approval is sought in this meeting for increase of salary limit.

5.7. Retirement Policy for Directors

On the recommendation of Tata Sons Ltd., the Board of the Company has in October 2005, adopted the Revised Guidelines for retirement age wherein Managing and Executive Directors retire at the age of 65 years whilst all the Non-Executive Directors retire at the age of 75 years. The Company has also adopted a Retirement Policy for Managing and Executive Directors which offers special retirement benefits including pension, ex-gratia, medical and other benefits. In addition to the above, the retiring Managing Director is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring director and is payable at the discretion of the Board in each individual case on the recommendation of the Remuneration Committee. The said Retirement Policy has also been approved by the Members at their Annual General Meeting held on September 11, 1995.

6. INVESTORS' GRIEVANCE COMMITTEE

6.1. 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.

6.2. Compliance Officer

Mr H K Sethna, Company Secretary, who is the Compliance Officer, can be contacted at:-
Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai – 400 001, India
Tel: 91 22 6665 8282, 91 22 6665 7824 | Fax : 91 22 6665 7260 | Email : inv_rel@tatamotors.com
Complaints or queries can be forwarded to our Registrars at csg-unit@tsrdarashaw.com

6.3. The status on the total number of complaints received during the FY 2007-08, is as follows:-

| | Description | Received | Replied | Pending |
|----------|--|-----------|-----------|----------|
| A | Letters received from Statutory Bodies | | | |
| | Securities and Exchange Board of India | 7 | 7 | 0 |
| | Ministry of Company Affairs | 0 | 0 | 0 |
| | Stock Exchanges | 2 | 2 | 0 |
| | Depositories | 4 | 4 | 0 |
| B | Legal Matters | | | |
| | Court/Consumer Forum Matters | 0 | 0 | 0 |
| C | Dividends | | | |
| | Non-receipt of dividend/interest warrants (pending reconciliation at the time of receipt of letters) | 59 | 59 | 0 |
| | Fraudulent encashment of dividend/Interest warrants | 0 | 0 | 0 |
| D | Letters in the nature of reminders/ complaints | 0 | 0 | 0 |
| | Total Correspondence | 72 | 72 | 0 |

6.4. There were no pending share transfers pertaining to the Financial Year ended March 31, 2008. The correspondence identified as investor complaints are letters received through Statutory/Regulatory bodies and those related to Court/Consumer forum matters (where the Company/Registrar is involved and is accused of deficiency in service), fraudulent encashment and non-receipt of dividend amounts.

- 6.5. The Investors' Grievance Committee comprises of an Independent Director as the Chairman, a Non-Executive Director and the Managing Director. During the year under review, 2 Investors' Grievance Committee meetings were held on July 9, 2007 and November 30, 2007. The composition of the Investors' Grievance Committee and attendance at its meetings is given hereunder:-

| Composition | S M Palia (Chairman) * | R Gopalakrishnan | Ravi Kant | Praveen P Kadle * | S A Naik * |
|-------------------|---------------------------|------------------|-----------|-------------------|------------|
| Meetings attended | 1 | 2 | 2 | 1 | 1 |

* part of the year

- 6.6. On recommendations of the Investors' Grievance Committee, the Company has taken various investor friendly initiatives like sending reminders to investors who have not claimed their dues, launching an odd lot scheme, sending nominations forms, launching a shareholders discount scheme, arranging factory visits, etc. Critical feedback, complaints and suggestions received from investors are considered and addressed appropriately.

7. OTHER COMMITTEES

- 7.1. **The Executive Committee of Board** reviews capital and revenue budgets, long-term business strategies and plans, the organizational structure of the Company, real estate and investment transactions, allotment of shares and/or debentures, borrowing and other routine matters. The Committee also discusses the matters pertaining to legal cases, acquisitions and divestment, new business forays and donations. During the year under review, 7 Committee meetings were held on May 3, 2007, June 28, 2007, September 17, 2007, September 28, 2007, October 5, 2007, November 30, 2007 and March 18, 2008.

- 7.2. The composition of the Committee of Board and attendance at meetings, is given hereunder:-

| Composition | Ratan N Tata (Chairman) | N A Soonawala | J J Irani | R Gopalakrishnan | N N Wadia | Ravi Kant | Praveen P Kadle * |
|-------------------|----------------------------|---------------|-----------|------------------|-----------|-----------|-------------------|
| Meetings attended | 5 | 7 | 6 | 7 | 3 | 7 | 3 |

* part of the year

- 7.3. The Executive Committee of the Board formed a **Donations Committee** in September 2003 and a **Corporate Social Responsibility (CSR) Committee** in January 2006, comprising of the Managing Director and the Senior Management which meets from time to time to fulfill the community and social responsibilities of its stakeholders.
- 7.4. **The Nominations Committee of the Board** was constituted with the objective of identifying independent directors to be inducted on the Board from time to time and to take steps to refresh the constitution of the Board from time to time. The members of this Committee are - Mr N N Wadia (Chairman), Mr Ratan N Tata, Mr N A Soonawala and Mr S M Palia. During the year under review, there were no meetings of the Nominations Committee.
- 7.5. **The Ethics and Compliance Committee** was constituted 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 decide penal action in respect of violations of the applicable regulations/the Code. During the year under review, 2 meetings of the Committee were held on July 9, 2007 and November 30, 2007. The composition of the Ethics and Compliance Committee and attendance at its meetings is given hereunder:-

| Composition | S M Palia (Chairman) | S A Naik * | R Gopalakrishnan |
|-------------------|-------------------------|------------|------------------|
| Meetings attended | 1 | 1 | 2 |

* part of the year

- 7.6. Mr C Ramakrishnan, Chief Financial Officer, acts as the Compliance Officer under the said Code.
- 7.7. Apart from the above, the Board of Directors also constitutes Committee(s) of directors with specific terms of reference, as it may deem fit.

Tata Motors Limited**8. SUBSIDIARY COMPANIES**

- 8.1. The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company. The Audit Committee also reviews the financial statements of the Subsidiary Companies. The Board and Audit Committee also reviewed investments made by the Company's non-listed subsidiaries during the year under review.
- 8.2. The minutes of all the subsidiaries are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

9. GENERAL BODY MEETINGS

- 9.1. Location and time of General Meetings

| Date | Year | Type | Venue | Time |
|----------------|-----------|------------------------|--|-----------|
| July 9, 2007 | 2006-2007 | Annual General Meeting | Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020 | 3:00 p.m. |
| July 11, 2006 | 2005-2006 | Annual General Meeting | | 3:00 p.m. |
| July 11, 2005 | 2004-2005 | Annual General Meeting | | 3.30 p.m. |
| April 26, 2005 | 2005-2006 | Court Convened Meeting | | 4:00 p.m. |

- 9.2. All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting.
- 9.3. The following are the Special Resolutions passed at the General Meetings held in the past 3 years:

| AGM/EGM held on | Summary |
|----------------------|---|
| July 9, 2007 | Change in place of keeping registers/records |
| July 11, 2006 | Raising of additional long term resources not exceeding Rs.3000 crores or its equivalent of incremental funds of the Company. |
| July 11, 2005 | No Special Resolution was passed in this meeting. |
| April 26, 2005 (EGM) | Court convened meeting for approving the Scheme of Re-organisation and Amalgamation of Tata Finance Limited with the Company. |

- 9.4. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

10. DISCLOSURES

- 10.1. Besides the transactions mentioned elsewhere in the Annual Report, there were no other materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- 10.2. The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.
- 10.3. The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the Financial Year ended March 31, 2008.
- 10.4. The Audit Committee and the Board have adopted a Whistle-Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no employee of the Company has been denied access to the Audit Committee.
- 10.5. All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- 10.6. **The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:-**
- **Chairman of the Board:** Being the Group Chairman, the Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's office.

- **Remuneration Committee:** Details are given under the heading 'Remuneration Committee'.
- **Shareholder Rights:** A half yearly declaration of financial performance, including summary of significant events in the last six months, is sent to all the shareholders. The Quarterly/Annual Financial Results are also put up on the Company's website, besides being available on the SEBI's website [www.sebidifar.nic/Corporate Filing and Dissemination System \(CFDS\)](http://www.sebidifar.nic/Corporate Filing and Dissemination System (CFDS)).
- **Audit Qualifications:** During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- **Training of Board Members:** The Directors interact with the management in a very free and open manner on information that may be required by them on orientation and factory visits. The Independent Directors are encouraged to attend training programmes that may be of relevance and interest to the Directors in discharging their responsibilities to the Company's stakeholders.
- **Mechanism for evaluating non-executive Board Members:** The performance evaluation of non-executive members is done by the Board annually based on criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at Meetings.
- **Whistle Blower Mechanism:** The Company has adopted a Whistle-Blower Policy. Please refer to disclosure given above.

11. MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in Indian Express, Financial Express and Loksatta (Marathi). These results are simultaneously posted on the Company's web-site - www.tatamotors.com. The information regarding the performance of the Company is shared with the shareholders every six months through a half yearly communiqué and the Annual Report. The official news releases and presentations made to institutional investors/analysts are also posted on the Company's website.

The 'Investor Relations' section serves to inform the investors by providing key and timely information like details of Directors, Financial Results, Annual Reports, Shareholding Pattern, presentations made to Analysts etc. Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the 'Investor Relations' section.

The Annual Report, quarterly results, shareholding pattern of the Company were also posted on the SEBI EDIFAR website www.sebidifar.nic.in till the quarter ended December 31, 2007, after which the same was replaced with Corporate Filing and Dissemination System (CFDS). The CFDS portal is a single source to view information filed by listed companies. From the quarter beginning October 1, 2007, all disclosures and communications to BSE and NSE are filed electronically through the CFDS portal. Hard copies of the said disclosures and correspondence are also filed with the Stock Exchanges.

12. GENERAL INFORMATION FOR MEMBERS

12.1. Annual General Meeting

| | |
|------------------------------|---|
| Date and Time | Thursday, July 24, 2008 at 3:00 p.m. |
| Venue | Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 |
| Date of Book Closure | June 18, 2008 to June 26, 2008 (both days inclusive) |
| Dividend Payment Date | July 25, 2008. The dividend warrants will be posted on or after July 25, 2008 |

12.2. Postal Ballot

The Company is in the process of conducting the Postal Ballot for obtaining shareholders approval for the following resolutions:

| Item No. | Description of Resolution |
|----------|---|
| 1 | Ordinary Resolution to accord the consent of the Company for increase in the Authorised Share Capital and alteration of the Capital Clause in the Memorandum of Association of the Company. |
| 2 | Special Resolution to accord the consent of the Company for alteration of the Articles of Association. |
| 3 | Special Resolution to accord the consent of the Company for raising of additional long term resources. |
| 4 | Ordinary Resolution to accord the consent of the Company for increase in borrowing limits. |
| 5 | Ordinary Resolution to accord the consent of the Company for creation of charges. |

The results of the Postal Ballot will be noted and taken on record at the forthcoming Annual General Meeting of the Company.

Tata Motors Limited
12.3. Financial Calendar

| | |
|--|---------------------------|
| Financial reporting for the quarter ending June 30, 2008 | Last week of July 2008 |
| Financial reporting for the quarter ending September 30, 2008 | Last week of October 2008 |
| Financial reporting for the quarter ending December 31, 2008 | Last week of January 2009 |
| Financial reporting for the quarter year ending March 31, 2009 | Last week of May 2009 |
| Annual General Meeting for the year ended March 31, 2009 | Mid July 2009 |

12.4. Listing

The Company's securities are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Pursuant to the shareholders' approval at their meeting held on July 21, 2003, the Company had applied for delisting of its Ordinary Shares from various Stock Exchanges. The Company has delisted its securities from the Madhya Pradesh Stock Exchange Limited (MPSE) with effect from October 18, 2007.

12.5. International Listing

The Company's Depositary Receipts Programme was listed on the New York Stock Exchange (NYSE) w.e.f September 27, 2004 through the conversion of its existing International Global Depositary Shares (GDSs) into American Depositary Shares (ADSs). Please also refer to the section on 'Outstanding Securities' for details pertaining to international listing of Foreign Currency Convertible Notes.

12.6. Other details

The ISIN Nos. for the Company's Ordinary Shares is INE155A01014. The Stock codes of the Company's Ordinary Shares at BSE is '500570' (rolling settlement) and at NSE is 'TATAMOTORS'. The following are the relevant details of the ADRs listed on NYSE:-

| Type | Ticker Symbol | Description | Currency | ISIN | CUSIP | SEDOL |
|------|---------------|---------------|----------|--------------|-----------|-----------|
| ADR | TTM | Common Shares | INR | US8765685024 | 876568502 | B02ZP96US |

12.7. Two-way Fungibility of Depositary Receipts

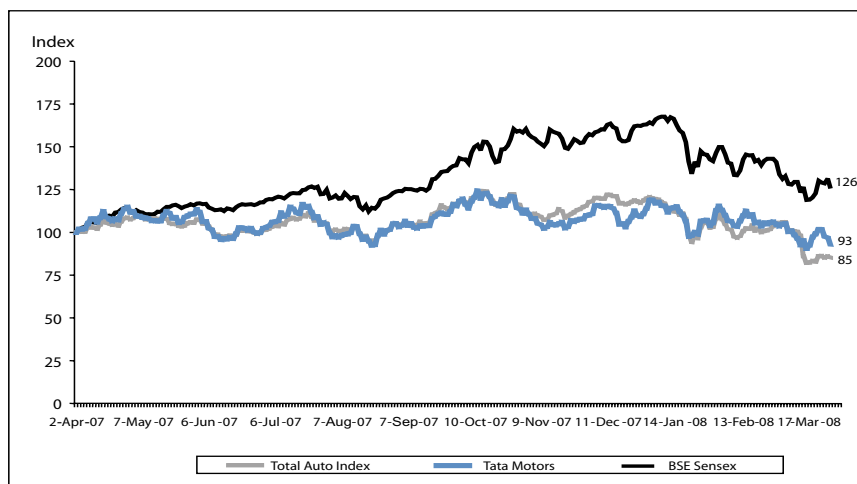
The Company offers foreign investors the facility for conversion of Ordinary Shares into ADRs within the limits permissible for two-way Fungibility, as announced by the Reserve Bank of India vide its circular dated February 13, 2002.

12.8. Market Information

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

| Month | Bombay Stock Exchange Limited | | | National Stock Exchange of India Limited | | |
|---------|-------------------------------|-----------|---------------|--|-----------|---------------|
| | High (Rs.) | Low (Rs.) | No. of Shares | High (Rs.) | Low (Rs.) | No. of Shares |
| Apr '07 | 766.90 | 669.25 | 8694248 | 766.60 | 670.90 | 35133629 |
| May '07 | 757.50 | 707.95 | 7149921 | 755.70 | 708.00 | 29592865 |
| Jun '07 | 747.15 | 641.35 | 6601634 | 747.95 | 641.20 | 35411306 |
| Jul '07 | 778.05 | 684.05 | 7674826 | 776.75 | 682.20 | 33718919 |
| Aug '07 | 701.85 | 618.95 | 11932623 | 701.75 | 619.50 | 35804584 |
| Sep '07 | 778.15 | 685.35 | 4858388 | 776.90 | 684.75 | 22139145 |
| Oct '07 | 830.40 | 757.70 | 7893094 | 830.55 | 757.85 | 33215965 |
| Nov '07 | 755.20 | 684.95 | 3541130 | 754.80 | 684.35 | 19237331 |
| Dec '07 | 775.45 | 691.10 | 3294581 | 775.45 | 690.70 | 17201680 |
| Jan '08 | 794.25 | 653.55 | 6534123 | 793.55 | 650.90 | 30245983 |
| Feb '08 | 769.95 | 692.90 | 3043441 | 770.00 | 693.90 | 15872964 |
| Mar '08 | 702.65 | 606.35 | 5516242 | 704.35 | 609.40 | 21487862 |

12.9. The Performance of the Company's Stock Price vis-à-vis Sensex and Auto Index:



All figures rebased to April 2, 2007 = 100

12.10. The monthly high and low of the Company's ADRs is given below:

(in US \$)

| Month | High | Low | Month | High | Low |
|---------------|-------|-------|--------------|-------|-------|
| April '07 | 19.09 | 15.94 | October '07 | 20.85 | 19.30 |
| May '07 | 18.64 | 17.33 | November '07 | 18.70 | 16.75 |
| June '07 | 18.78 | 16.00 | December '07 | 19.59 | 17.37 |
| July '07 | 19.09 | 16.64 | January '08 | 19.95 | 17.68 |
| August '07 | 17.16 | 15.56 | February '08 | 19.83 | 17.52 |
| September '07 | 19.14 | 16.84 | March '08 | 17.60 | 14.98 |

12.11. Registrar and Transfer Agents:-

Members are requested to correspond with the Company's Registrar and Transfer Agents TSR Darashaw Limited quoting their folio no. at the following addresses:-

i. For transfer lodgement, delivery and correspondence:

TSR Darashaw Limited, Unit: Tata Motors Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011. Tel: 022-6656 8484; Fax: 022 - 6656 8494; e-mail : csg-unit@tsrdarashaw.com; website: www.tsrdarashaw.com

ii. For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Limited:-

- 503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road, Bangalore - 560 001
Tel : 080- 25320321, Fax : 080-25580019, e-mail : tsrdlbang@tsrdarashaw.com
- Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001
Tel : 0657 – 2426616, Fax : 0657 – 2426937, e-mail : tsrdljsr@tsrdarashaw.com
- Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071
Tel : 033 – 22883087, Fax : 033 – 22883062, e-mail : tsrdlcal@tsrdarashaw.com
- Plot No.2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002
Tel : 011 – 23271805, Fax : 011 – 23271802, e-mail : tsrdldel@tsrdarashaw.com

Agent: Shah Consultancy Services Limited Sumatinath Complex, 2nd Dhal, Pritam Nagar, Ellisbridge, Ashram Road, Ahmedabad - 380 006 Telefax: 079-2657 6038, e-mail: shahconsultancy@hotmail.com

Tata Motors Limited
12.12.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 dematerialization 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.

12.13.Secretarial Audit

- 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.
- A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for dematerialization 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.

12.14. Shareholding Pattern

| Category | As on March 31, 2008 | | As on March 31, 2007 | | % Variance 08 v/s 07 |
|---|----------------------|-------|----------------------|-------|-------------------------|
| | No. of shares | % | No. of shares | % | |
| Promoters | 128819405 | 33.42 | 128827405 | 33.43 | 0.01 |
| Mutual Funds and Unit Trust of India | 10160944 | 2.63 | 20531036 | 5.33 | 2.7 |
| Government Companies, Financial Institutions, Banks and Insurance companies | 57079243 | 14.81 | 42716106 | 11.08 | (3.73) |
| Foreign Institutional Investors | 65388543 | 16.96 | 76461953 | 19.84 | 2.88 |
| NRIs, Foreign companies and ADRs | 79068379 | 20.51 | 72515080 | 18.82 | (1.69) |
| Others | 44987440 | 11.67 | 44322305 | 11.50 | (0.17) |

12.15. Distribution of shareholding as on March 31, 2008

| Range of Shares | Shares held in | | | | No. of Holders | | | |
|-----------------|-----------------|--------------|------------------|--------------|----------------|--------------|---------------|--------------|
| | Physical | % to Capital | Electronic | % to Capital | Physical | % to Holders | Electronic | % to Holders |
| 1 – 100 | 1732318 | 0.45 | 5129112 | 1.33 | 51486 | 17.63 | 162119 | 55.5 |
| 101 - 500 | 4180212 | 1.08 | 9966320 | 2.59 | 18673 | 6.39 | 40979 | 14.03 |
| 501 - 1000 | 1953958 | 0.51 | 6084789 | 1.58 | 2818 | 0.96 | 8538 | 2.92 |
| 1001 - 5000 | 2444419 | 0.63 | 9893592 | 2.57 | 1362 | 0.47 | 5217 | 1.79 |
| 5001 - 10000 | 403015 | 0.10 | 2465494 | 0.64 | 60 | 0.02 | 355 | 0.12 |
| Above 10000 | 26437791 | 6.86 | 314812934 | 81.66 | 27 | 0.01 | 463 | 0.16 |
| Total | 37151713 | 9.63 | 348352241 | 90.37 | 74426 | 25.48 | 217671 | 74.52 |

12.16. Top shareholders (holding in excess of 1% of capital) as on March 31, 2008

| Name of Shareholder | No. of shares held | % to paid-up capital |
|---|--------------------|----------------------|
| Tata Sons Ltd. | 84487717 | 21.92 |
| Citibank NA as Depository for ADR holders | 48912955 | 12.69 |
| Tata Steel Ltd. | 32378410 | 8.40 |
| Life Insurance Corporation of India | 37878751 | 9.83 |
| Daimler Chrysler AG | 25596476 | 6.64 |
| HSBC Global Inv Funds A/c HSBC Global Investment Funds Mauritius Ltd. | 7942466 | 2.06 |
| Tata Industries Ltd. | 7734255 | 2.01 |
| FID Fund (Mauritius) Limited | 5928309 | 1.54 |
| Europacific Growth Fund | 5872644 | 1.52 |
| The New India Assurance Co. Ltd. | 5281110 | 1.37 |
| First Eagle Funds A/c First Eagle Global Fund | 4362480 | 1.13 |

12.17. Dematerialisation of shares

Electronic holding as on March 31, 2008 by Members comprises 90.37% (previous year-90.09%) of the paid-up Ordinary Share Capital of the Company held through the National Securities Depository Limited- 88.90% (Previous Year – 88.69%) and Central Depository Services (India) Limited – 1.47% (Previous Year- 1.40%). 74.52% of the number of shareholders hold shares in dematerialised form (previous year 65.99%).

12.18. Outstanding securities

Foreign Currency Convertible Notes

- 60-1% Convertible Notes (due 2008) of US\$ 1000 each, aggregating US\$ 100 million issued in July 2003 may, at the option of the Note holders, be converted into 11045 ADSs/Ordinary Shares at Rs.250.745 per share at anytime upto July 1, 2008.
- 2910 -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 2,22,678 Ordinary Shares/ADSs at Rs.573.106 per share at any time upto 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/ADSs at Rs.780.400 per share at any time upto March 28, 2011.
- 1176 - Zero Coupon Convertible Notes (due 2011) of JP¥ 10,000,000 each aggregating JP¥ 11,760,000,000 (equivalent US\$ 100 million) issued in March 2006 may, at the option of the Note holders, be converted into 44,14,916 Ordinary Shares/ADSs at Rs.1001.39 per share at any time upto February 19, 2011.
- 4900 - Zero Coupon Convertible Alternative Reference Securities (due 2012) of US\$ 100,000 each aggregating US\$ 490 million issued in July 2007 may, at the option of the Note holders, be converted into 2,06,97,115 Ordinary Shares/Qualified Securities/ADSs at Rs.960.96 per share at any time upto June 12, 2012.

The following are the relevant details of the notes:

| Type | Description | Currency | Cusip | ISIN Nos. | Listing at |
|------------------------------|-------------|----------|-----------|--------------|---------------------------|
| 1% Notes (due 2008) | Rule 144A | US\$ | 876568AD8 | US876568AD85 | Luxembourg Stock Exchange |
| 1% Notes (due 2008) | Reg S | US\$ | Y8548TAD3 | USY8548TAD38 | |
| Notes (due 2009) | Reg S | US\$ | Y8548TAE1 | USY8548TAE11 | Singapore Stock Exchange |
| 1% Notes (due 2011) | Reg S | US\$ | Y8548TAF8 | USY8548TAF85 | |
| Zero Coupon Notes (due 2011) | Reg S | JP ¥ | 024521788 | XS0245217889 | |
| Zero Coupon Notes (due 2012) | Reg S | US\$ | 030788176 | XS0307881762 | |

Tata Motors Limited
12.19. Plant Locations

| Plant Location | Range of Products Produced |
|--|--|
| Pimpri, Pune - 411 018; Chikhali, Pune – 410 501 | Medium and Heavy Commercial Vehicles (M&HCVs), Light Commercial Vehicles (LCVs), Utility Vehicles (UVs) and Cars |
| Chinchwad, Pune – 411 033 | |
| Jamshedpur, Jamshedpur – 831 010 | M&HCVs |
| Chinhat Industrial Area, Lucknow - 226 019 | M&HCVs and LCVs |
| Plot No.1, Section 11, I.I.E., Pantnagar, District Udham Singh Nagar, Uttarakhand - 263145 | LCVs |
| P.S. Singur, District Hooghly, West Bengal - 712409 | Project under construction / implementation |
| KIADB Block II, Belur Industrial Area, Mummigatti Post, Dharwad - 580007 | Project under construction / implementation |

12.20 Address for correspondence

Tata Motors Limited, Bombay House, 24 Homi Mody Street, Mumbai - 400 001, India.

12.21 Action required regarding non-receipt of dividends, proceeds of matured deposits and redeemed debentures and interest thereon:-

- Pursuant to Sections 205A and 205C of the Act, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits pertaining to the Company and erstwhile Tata Finance Limited (TFL) remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.
- In case of non receipt/non encashment of the dividend warrants, Members are requested to correspond with the Company's Registrars/the Registrar of Companies, as mentioned hereunder:

| Dividend for | Whether it can be claimed | Contact Office | Action to be taken |
|----------------------|---------------------------|---|---|
| 2002-03 to 2006-07 | Yes | TSR Darashaw Limited | Letter on plain paper. |
| 2000-01 and 2001-02 | N.A. | - | Not Applicable due to non declaration of dividend |
| 1995-96 to 1999-2000 | No | TSR Darashaw Limited | None. Already transferred to IEPF. |
| 1978-79 to 1994-95 | Yes | Office of the Registrar of Companies, CGO Complex, 'A' Wing, 2nd floor, Next to RBI, CBD – Belapur, Navi Mumbai - 400614. Maharashtra Tel.: 91 22 2757 6802 | Claim in Form No.II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. |

- Following table gives information relating to outstanding dividend accounts and dates when due for transfer to IEPF:-

| Financial Year | Dividend / Payment Date | Proposed Date for transfer to IEPF * |
|-------------------|-------------------------|--------------------------------------|
| 2002-03 | July 22, 2003 | August 18, 2010 |
| 2003-04 (Interim) | February 20, 2004 | March 20, 2011 |
| 2003-04 (Final) | July 8, 2004 | August 16, 2012 |
| 2004-05 | July 12, 2005 | August 20, 2013 |
| 2005-06 | July 12, 2006 | August 20, 2014 |
| 2006-07 | July 10, 2007 | August 18, 2015 |

* Indicative dates and actual dates may vary.

- (iv) While the Company's Registrar has already written to the Members, Debenture holders and Depositors informing them about the due dates of transfer to IEPF for these payments, attention of the stakeholders is again drawn to this matter through the Annual Report.
- (v) Investors of the Company and of the erstwhile TFL who have not yet encashed their unclaimed/unpaid amounts are requested to do so at the earliest.

12.22. Other facilities of interest to shareholders holding shares in physical form

- **Nomination facility:** Shareholders who hold shares in single name and wish to make/change the nomination in respect of their shares as permitted under Section 109A of the Act, may submit to the Registrars and Transfer Agents, the prescribed Form 2B.
- **Bank details:** Shareholders are requested to notify/send the following to the Company's Registrars and Share Transfer Agents to facilitate better services:-
 - a. Any change in their address/mandate/bank details, and
 - b. Particulars of the bank account in which they wish their dividend to be credited, in case they have not been furnished earlier.

Shareholders are advised that respective bank details and address as furnished by them to the Company will be printed on their dividend warrants as a measure of protection against fraudulent encashment.
- **Odd lot facility:** Having regard to the difficulties experienced by shareholders in disposing off the shares held by them in odd lots, the Company's Registrars and Transfer Agents have framed a scheme for the purchase of such shares. Interested shareholders may contact the Registrars for further details.

Tata Motors Limited**DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2008.

For Tata Motors Limited

RAVI KANT

Managing Director

Mumbai, June 3, 2008

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**TO THE MEMBERS OF
TATA MOTORS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Tata Motors Limited for the year ended on March 31, 2008, 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 was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of 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 the above mentioned Listing Agreement.

We 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 Deloitte Haskins & Sells
Chartered Accountants

M S DHARMADHIKARI

Partner

Membership No.30802

Mumbai, June 3, 2008

Details of Subsidiary Companies

| Sr. No. | Name of the Subsidiary Company | Reporting Currency# | Capital (including advances towards capital where applicable) | Reserves and Surplus (adjusted for debt balance in P & L Account, where applicable) | Total Assets (Fixed Assets + Current Assets + Misc exp) | Total Liabilities and Provisions (Debits + Current Liabilities + Def tax Liability + Provisions) | Investments | Total Income (including excise duty where applicable) | Profit / (Loss) Before Tax | Provision for Tax/(Write Back) | Profit/(Loss) after Tax | Proposed Dividend and Tax thereon (including preference dividend where applicable) |
|---------|--|---------------------|---|---|---|--|-------------|---|----------------------------|--------------------------------|-------------------------|--|
| 1 | Tata Daewoo Commercial Vehicle Co. Ltd. | KRW | 61.04 | 812.92 | 1641.77 | 767.80 | - | 3069.68 | 220.06 | 61.17 | 158.89 | 56.16 + |
| 2 | Telco Construction Equipment Company Ltd. | INR | 100.00 | 541.80 | 1097.49 | 612.75 | 157.05 | 2734.96 | 490.94 | 167.32 | 323.62 | 35.10 |
| 3 | Tata Technologies Ltd. | INR | 37.10 | 291.10 | 178.71 | 69.41 | 218.91 \$ | 279.84 | 43.31 | 14.90 | 28.41 | - |
| 4 | HV Axles Ltd. | INR | 45.00 | 168.93 | 373.62 | 185.78 | 26.09 | 202.71 | 86.15 | 22.74 | 63.41 | 7.90 |
| 5 | HV Transmissions Ltd. | INR | 40.00 | 100.60 | 322.62 | 182.02 | - | 192.29 | 72.46 | 25.02 | 47.44 | 7.02 |
| 6 | TAL Manufacturing Solutions Ltd. | INR | 65.00 | 1.05 | 178.17 | 112.12 | - | 257.88 | 13.94 | 1.92 | 12.02 | - |
| 7 | Tata Motors Insurance Services Ltd. | INR | 0.50 | 0.63 | 1.26 | 0.13 | - | 0.01 | (0.04) | - | (0.04) | - |
| 8 | Concorde Motors(India) Ltd. | INR | 26.80 | 22.48 | 151.88 | 102.61 | - | 625.21 | 8.39 | 3.07 | 5.33 | 2.71 |
| 9 | Tata Motors European Technical Centre Plc. | GBP | 4.02 | 12.86 | 56.69 | 39.82 | - | 131.36 | 11.24 | (1.70) | 12.93 | - |
| 10 | Sheba Properties Ltd. | INR | 75.00 | 52.21 | 71.75 | 16.31 | 71.77 | 19.47 | 17.25 | 1.03 | 16.22 | - |
| 11 | Tata Motors Finance Ltd. (formerly known as TML Financial Services Ltd.) | INR | 750.00 | 457.57 | 6605.54 | 5412.48 | 14.51 | 832.76 | 50.26 | 5.49 | 44.77 | - |
| 12 | Tata Marcopolo Motors Ltd. | INR | 60.00 | (4.26) | 115.20 | 59.46 | - | 19.75 | (3.69) | 0.14 | (3.83) | - |
| 13 | Tata Motors (Thailand) Ltd. | THB | 64.00 | (11.98) | 105.31 | 53.29 | - | 0.93 | (11.98) | - | (11.98) | - |
| 14 | Tata Motors (SA) (Proprietary) Ltd.** | ZAR | - | - | - | - | - | - | - | - | - | - |
| 15 | Tata Technologies Pte. Ltd., Singapore | SGD | 254.21 | 213.41 | 470.85 | 3.23 | - | 13.57 | 7.61 | - | 7.61 | - |
| 16 | INCAT (Thailand), Ltd. (formerly known as Tata Technologies (Thailand) Ltd.) | THB | 4.52 | (2.88) | 5.32 | 3.68 | - | 4.94 | (0.77) | - | (0.77) | - |
| 17 | INCAT International Plc. | GBP | 1.94 | 40.56 | 52.27 | 9.77 | - | 1.53 | (0.77) | - | (0.77) | - |
| 18 | INCAT Systems Inc. | USD | 178.94 | (342.15) | 147.58 | 310.79 | - | 537.79 | 16.83 | 6.32 | 10.50 | - |
| 19 | Tata Technologies iKS Inc. (formerly known as iKnowledge Solutions Inc.) | USD | * | (4.54) | 1.88 | 6.42 | - | 8.49 | (2.45) | 0.66 | (3.11) | - |
| 20 | INCAT K.K. Japan | YEN | 1.21 | (2.88) | 0.47 | 2.15 | - | 1.05 | (1.05) | 0.01 | (1.06) | - |
| 21 | INCAT Ltd., UK | GBP | 0.08 | 12.47 | 59.91 | 47.35 | - | 154.10 | (0.35) | 0.03 | (0.38) | - |
| 22 | INCAT GmbH | EURO | 1.04 | 16.93 | 42.53 | 24.56 | - | 88.01 | (1.63) | (0.40) | (1.23) | - |
| 23 | INCAT SAS | EURO | 0.44 | (3.27) | 17.31 | 20.14 | - | 39.53 | (3.59) | - | (3.59) | - |
| 24 | INCAT Holdings BV | EURO | 0.11 | (0.11) | 0.04 | 0.03 | - | 1.48 | 1.46 | - | 1.46 | - |
| 25 | Integrated Systems Technologies de Mexico, S.A. de C.V. | USD | 0.62 | 2.32 | 5.19 | 2.25 | - | 10.78 | 0.38 | 0.11 | 0.27 | - |
| 26 | INCAT Solutions of Canada Inc. | USD | * | (0.83) | (0.43) | 0.40 | - | 3.41 | (1.53) | (0.37) | (1.16) | - |
| 27 | Lemmerpoort BV @ | EURO | - | - | - | - | - | - | - | - | - | - |

The financials statements of subsidiaries whose reporting currency are other than INR are converted into Indian Rupees on the basis of appropriate exchange rate.

@ Company is under liquidation and hence the control doesn't exist with the holding company now. Consequently, has not been consolidated.

* Value less than Rs. one Lakh

** The first financial year of the subsidiary will be March 31, 2009; hence no details given.

+ The Company has subsequently proposed dividend.

\$ Represents investments in subsidiary companies.

FUNDS FLOW - LAST FIVE YEARS

| | | (Rs. in crores) | | | | |
|-----------------------------|--|-----------------|-----------|-----------|-----------|-----------|
| | | 2007-2008 | 2006-2007 | 2005-2006 | 2004-2005 | 2003-2004 |
| Sources of Funds | | | | | | |
| 1. | Funds generated from operations | | | | | |
| A. | Profit / (Loss) after tax | 2028.92 | 1913.46 | 1528.88 | 1236.95 | 810.34 |
| B. | Depreciation (including Lease Equalisation) | 647.82 | 582.51 | 522.48 | 450.16 | 382.60 |
| C. | (Reversal) / Provision for diminution in value of investments (net) | (62.93) | 1.09 | (9.69) | 9.67 | 48.30 |
| D. | Net deferred tax charge | 401.54 | 164.29 | 142.15 | 51.13 | 386.00 |
| E. | Adjustment in General Reserve for difference in opening liability for Employee Benefits (net of tax) | — | (14.19) | — | — | — |
| | | 3015.35 | 2647.16 | 2183.82 | 1747.91 | 1627.24 |
| 2. | Proceeds from FCCN, Warrants and Convertible Debentures converted into Ordinary Shares and premium thereon | 6.90 | 96.38 | 371.39 | 132.06 | 578.29 |
| 3. | (a) Decrease in Working Capital | 1348.30 | — | — | 588.93 | 977.81 |
| | (b) Decrease in Finance Receivables | 2227.41 | — | — | — | — |
| 4. | Increase in Borrowings (net of repayments) | 2271.38 | 1072.30 | 441.42 | 1235.65 | — |
| 5. | Decrease in short term deposits with banks | — | 508.72 | 1075.29 | — | — |
| 6. | Investments sold (net of purchases and adjustment for diminution in value of investments) | — | — | 906.60 | 135.04 | — |
| 7. | Effect of amalgamation of TFL, TDDL and SCFL (2004-05 : spare parts division of TMISL) | — | — | 123.58 | 0.48 | — |
| | | 8869.34 | 4324.56 | 5102.10 | 3840.07 | 3183.34 |
| Application of Funds | | | | | | |
| 8. | Capital Expenditure (net) | 4705.95 | 2456.30 | 1347.63 | 898.87 | 262.33 |
| 9. | Repayment of Borrowings (net of additional borrowings) | — | — | — | — | 198.54 |
| 10. | Investments made (net of sales) | 2370.34 | 462.94 | — | — | 1833.27 |
| 11. | Increase in short term deposits with banks | 1122.40 | — | — | 1343.69 | 240.50 |
| 12. | (a) Increase in Working Capital | — | 728.26 | 288.50 | — | — |
| | (b) Increase in Finance Receivables | — | 4.61 | 2791.98 | 1041.91 | 288.76 |
| 13. | Dividends (including tax thereon) | 659.68 | 676.39 | 567.78 | 517.15 | 318.25 |
| 14. | Arrears of preference dividend (including tax) pertaining to erstwhile Tata Finance Ltd. | — | — | 19.94 | — | — |
| 15. | Deferred Tax Assets (net) taken over on amalgamation | — | — | 84.89 | — | — |
| 16. | Miscellaneous Expenditure (to the extent not written off or adjusted) and utilisation of Securities Premium Account [Note (a) below] | 10.97 | (3.94) | 1.38 | 38.45 | 41.69 |
| | | 8869.34 | 4324.56 | 5102.10 | 3840.07 | 3183.34 |
| Notes : | | | | | | |
| (a) | Utilisation of Securities Premium Account includes FCCN / CARS Right issue expenses and premium on redemption of Debentures | 15.01 | 0.09 | 5.41 | 42.48 | 49.56 |
| (b) | The Sources and Application of funds does not include provision for premium on redemption of CARS / FCCN | 675.19* | 284.25 | 298.20 | 293.60 | 1.53 |
| (c) | Figures for the previous years have been regrouped wherever necessary. | | | | | |

* net of deferred tax

AUDITORS' REPORT

TO THE MEMBERS OF

TATA MOTORS LIMITED

1. We have audited the attached Balance Sheet of **TATA MOTORS LIMITED** as at March 31, 2008, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M.S. Dharmadhikari
Partner
Membership No.: 30802

Mumbai: May 28, 2008

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme for physical verification of fixed assets in accordance with which the fixed assets have been physically verified during the year by the Management. In our opinion, the frequency of physical verification is reasonable. Having regard to the size of the operations of the Company and on the basis of explanations received, in our opinion, the net discrepancies found on physical verification were not material.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) (a) As explained to us, the stocks of finished goods (other than a significant part of the spare parts held for sale) and work in progress in the Company's custody have been physically verified by the Management as at the end of the financial year, before the year-end or after the year end, and in respect of stocks of stores and spares, the aforesaid spare parts held for sale, and raw materials in the Company's custody, there is a perpetual inventory system and a substantial portion of the stocks have been verified during the year. In our opinion, the frequency of verification is reasonable. In the case of materials and spare parts held for sale lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held during the year or at the year-end.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, clauses (iii)(b), (iii)(c) and (iii)(d) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, clauses (iii)(f) and (iii)(g) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there exist an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system of the Company.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the period covered by our audit report. In respect of unclaimed deposits matured in earlier years that are outstanding during the year, the Company has complied with the provisions of Sections 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to the manufacture of motor vehicles pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for any other products of the Company.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. We are informed by the Company that the Employees' State Insurance Act, 1948 is applicable only to certain locations of the Company. With regard to the contribution under the Employees' Deposit Linked Insurance Scheme, 1976 (the Scheme), we are informed that the Company has its own Life Cover Scheme, and consequently, an application has been made seeking an extension of exemption from contribution to the Scheme, which is awaited. Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to the Company were in arrears, as at March 31, 2008 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, details of dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute are given below:

| Particulars | Financial years to which the matter pertains | Forum where dispute is pending | Amount (Rs. in crores) |
|-------------|---|--------------------------------|------------------------|
| Income tax | 1994-95, 1996-97 and 1997-98 | Appellate Tribunal | 14.03 |
| | 2002-2003, 2003-2004, 2004-2005 and 1997-98 | Commissioner (Appeals) | 167.79 |
| Sales tax | 1986-87, 1987-88, 1988-89, 1989-90, 1990-91, 1992-93, 1994-96 | High Court | 12.90 |
| | 1989-90, 1992-93, 1994-95, 1995-96, 1996-97, 1999-2000, 2000-2001, 2004-05 | Appellate Tribunal | 11.18 |
| | 1987-93, 1995-97, 1998-99, 2000-02, 2004-05 | Commissioner | 53.63 |
| | 1984-86, 1989-94, 1996-2004, 2004-05, 2006-07 | Joint Commissioner | 150.45 |
| | 1964-67, 1971-76, 1979-80, 1982-83, 1986-89, 1991-98, 1998-99, 99-00, 00-01, 2001-02, 2004-2006 | Deputy Commissioner | 48.26 |
| | 1988-89, 1989-90, 1991-92, 92-93, 1995-96, 1997-98 | Additional Commissioner | 21.60 |
| | 1984-86, 1986-87, 1988-89, 1990-91, 1995-96, 1997-98 | Assistant Commissioner | 0.04 |
| | 1986-87, 1990-92, 1993-94, 1996-98, 1999-00, 2002-03 | Trade Tax Officer | 1.94 |
| | | | |
| Excise duty | 1989-90, 1991-92, 1993-94, 1996-1998, 2002-07 | Appellate Tribunal | 54.48 |
| | 1984-85, 1987-1996, 2001-05, 2006-07 | Commissioner (Appeals) | 2.09 |
| | 1990-93, 1993-94 | Additional Commissioner | 0.32 |

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause (xv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilisation of the funds for the intended use.
- (xvii) In our opinion and according to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we report that generally no funds raised on short term basis have been used for long term investment by the Company.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) In our opinion and according to the information and explanations given to us, during the period covered by our audit report, the Company has issued debentures and the security or charge has been created in respect of debentures issued.
- (xx) As informed to us, during the period covered by our audit report, the Company has not raised any money by public issues.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

M.S. Dharmadhikari

Partner

Membership No.: 30802

Mumbai: May 28, 2008

Tata Motors Limited
Balance Sheet as at March 31, 2008

| | Schedule | Page | | (Rs. in crores) As at March 31, 2007 |
|--|----------|------|-----------------|---|
| SOURCES OF FUNDS | | | | |
| 1. SHAREHOLDERS' FUNDS | | | | |
| (a) Share Capital | 1 | 63 | 385.54 | 385.41 |
| (b) Reserves and Surplus | 2 | 63 | 7453.96 | 6484.34 |
| | | | 7839.50 | 6869.75 |
| 2. LOAN FUNDS | | | | |
| (a) Secured | 3 | 64 | 2461.99 | 2022.04 |
| (b) Unsecured | 4 | 64 | 3818.53 | 1987.10 |
| | | | 6280.52 | 4009.14 |
| 3. DEFERRED TAX LIABILITY (NET) [Note A(3)(a), page 77] | | | 975.72 | 786.83 |
| 4. TOTAL FUNDS EMPLOYED | | | 15095.74 | 11665.72 |
| APPLICATION OF FUNDS | | | | |
| 5. FIXED ASSETS | 5 | 65 | | |
| (a) Gross Block | | | 10830.83 | 8775.80 |
| (b) Less - Depreciation | | | 5443.52 | 4894.54 |
| (c) Net Block | | | 5387.31 | 3881.26 |
| (d) Capital Work-in-Progress | | | 5064.96 | 2513.32 |
| | | | 10452.27 | 6394.58 |
| 6. INVESTMENTS | 6 | 66 | 4910.27 | 2477.00 |
| 7. CURRENT ASSETS, LOANS AND ADVANCES | | | | |
| (a) Interest accrued on investments | | | 0.86 | 5.94 |
| (b) Inventories | 7 | 70 | 2421.83 | 2500.95 |
| (c) Sundry Debtors | 8 | 70 | 1130.73 | 782.18 |
| (d) Cash and Bank Balances | 9 | 70 | 2397.31 | 826.76 |
| (e) Loans and Advances | 10 | 71 | 4433.05 | 6396.22 |
| | | | 10383.78 | 10512.05 |
| 8. CURRENT LIABILITIES AND PROVISIONS | | | | |
| (a) Current Liabilities | 11 | 72 | 8667.20 | 6363.68 |
| (b) Provisions | 12 | 72 | 1989.43 | 1364.32 |
| | | | 10656.63 | 7728.00 |
| 9. NET CURRENT ASSETS [(7) LESS (8)] | | | (272.85) | 2784.05 |
| 10. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | 13 | 72 | 6.05 | 10.09 |
| 11. TOTAL ASSETS (NET) | | | 15095.74 | 11665.72 |
| 12. SIGNIFICANT ACCOUNTING POLICIES | | 73 | | |
| 13. NOTES TO BALANCE SHEET | 14 | 76 | | |

As per our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

Mumbai, May 28, 2008

For and on behalf of the Board

RATAN N TATA
Chairman
N A SOONAWALA
J J IRANI
V R MEHTA
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
Directors

RAVI KANT
Managing Director

P M TELANG
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary
Mumbai, May 28, 2008

Profit and Loss Account for the year ended March 31, 2008

| | | | | (Rs. in crores) |
|---|----------|--------|------------------|-----------------|
| | | | | 2006-2007 |
| INCOME | | | | |
| 1. SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS | A (1) | 59 | 33093.93 | 31819.48 |
| LESS : EXCISE DUTY | | | 4363.11 | 4349.45 |
| | | | 28730.82 | 27470.03 |
| 2. DIVIDEND AND OTHER INCOME | A (2) | 59 | 483.18 | 245.19 |
| | | | 29214.00 | 27715.22 |
| EXPENDITURE | | | | |
| 3. MANUFACTURING AND OTHER EXPENSES | B | 60 | 26769.90 | 24734.71 |
| 4. EXPENDITURE TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS | | | (1131.40) | (577.05) |
| | | | 25638.50 | 24157.66 |
| PROFIT BEFORE DEPRECIATION, INTEREST AND TAX | | | | 3575.50 |
| 5. PRODUCT DEVELOPMENT EXPENDITURE | | | 64.35 | 85.02 |
| 6. DEPRECIATION | 5 | 65 | 652.31 | 586.29 |
| 7. INTEREST AND DISCOUNTING CHARGES [Note B(4), page 83] | | | 282.37 | 313.07 |
| PROFIT BEFORE TAX | | | | 2576.47 |
| 8. TAX EXPENSE [Note A(3)(c), page 77] | | | (547.55) | (659.72) |
| PROFIT AFTER TAX | | | | 2028.92 |
| 9. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR | | | 1013.83 | 776.76 |
| AMOUNT AVAILABLE FOR APPROPRIATION | | | | 3042.75 |
| 10. APPROPRIATIONS | | | | |
| (a) Proposed Dividend | | | 578.43 | 578.07 |
| (b) Tax on Proposed Dividend | | | 81.25 | 98.25 |
| (c) Residual dividend paid for year 2005-06 (including tax) | | | - | 0.07 |
| (d) General Reserve | | | 1000.00 | 1000.00 |
| (e) Balance carried to Balance Sheet | | | 1383.07 | 1013.83 |
| | | | 3042.75 | 2690.22 |
| 11. EARNINGS PER SHARE (a) Basic | | Rupees | 52.64 | 49.76 |
| [Note B (7), page 85] (b) Diluted | | Rupees | 48.28 | 47.24 |
| 12. SIGNIFICANT ACCOUNTING POLICIES | | 73 | | |
| 13. NOTES TO PROFIT AND LOSS ACCOUNT | 14 to 18 | 83 | | |

As per our report attached to the Balance Sheet

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

Mumbai, May 28, 2008

For and on behalf of the Board

RATAN N TATA
Chairman
N A SOONAWALA
J J IRANI
V R MEHTA
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
Directors

RAVI KANT
Managing Director

P M TELANG
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, May 28, 2008

Sixty-third annual report 2007-08

Tata Motors Limited

Cash Flow Statement for the year ended March 31, 2008

| | 2007-2008 | (Rs. in crores) 2006-2007 |
|---|------------------|------------------------------|
| A. Cash flow from Operating Activities | 2028.92 | 1913.46 |
| Profit after tax | | 582.51 |
| Adjustments for: | | (14.64) |
| Depreciation (including Lease Equalisation adjusted in income) | 647.82 | (35.48) |
| Profit on sale of assets (net) | (20.56) | – |
| Profit on sale of investments (net) | (168.62) | 1.09 |
| Income from transfer of Technology | (62.93) | – |
| (Reversal of provision) / Provision for diminution in value of investments (net) | (62.93) | – |
| Provision for inter corporate deposits (net) | (0.77) | – |
| Gain on transfer of activity relating to financing of Construction Equipment | (30.00) | 0.65 |
| Wealth tax | (0.30) | 659.72 |
| Tax expense | 547.55 | 103.36 |
| Interest / Dividend (net) | 30.74 | (62.17) |
| Exchange differences | (46.34) | 4.03 |
| Employee Separation Cost | 4.04 | – |
| | 731.23 | 1239.07 |
| Operating Profit before Working Capital changes | 2760.15 | 3152.53 |
| Adjustments for: | | |
| Trade and other receivables | (490.87) | (377.38) |
| Inventories | 79.12 | (488.71) |
| Trade and other payables | 2076.32 | 592.19 |
| | 1664.57 | (273.90) |
| Vehicle loans and hire purchase receivables | 2046.80 | (178.11) |
| | 3711.37 | (452.01) |
| Cash generated from operations | 6471.52 | 2700.52 |
| Direct taxes refund / (paid) (net) | (297.02) | (490.39) |
| Net Cash from Operating Activities | 6174.50 | 2210.13 |
| B. Cash Flow from Investing Activities | (4411.26) | (2461.19) |
| Purchase of fixed assets | 39.32 | 95.15 |
| Sale of fixed assets | 169.40 | – |
| Proceeds from transfer Technology | 210.61 | – |
| Proceeds from transfer of activity relating to financing of Construction Equipment | (53.34) | – |
| Loans to associates and subsidiaries | (0.05) | – |
| Advance against investments in subsidiary company | (664.44) | (561.64) |
| Investments in subsidiary companies | (91.91) | – |
| Investments in associate companies | (601.59) | – |
| Investments in joint venture | (682.72) | 137.17 |
| Investments in Mutual Fund (made)/ sold (net) | 14.26 | (28.66) |
| Decrease / (Increase) in Investments in retained interests in securitisation transactions | (421.26) | (6.75) |
| Investments - others | 164.25 | – |
| Sale of investments in subsidiary companies | 18.39 | – |
| Sale of investments in associate company | 106.37 | 34.50 |
| Sale / redemption of investments - others | 128.18 | 41.20 |
| Interest received | 144.67 | 207.63 |
| Dividend / Income on investments received | 26.92 | – |
| Receipt of Long Term Inter-corporate deposits | 182.34 | (262.51) |
| Decrease / (Increase) in short term Inter-corporate deposits | (5721.86) | (2805.10) |
| Net Cash used in Investing Activities | | |
| C. Cash Flow from Financing Activities | 1969.99 | – |
| Proceeds from issue of Convertible Alternative Reference Securities (CARS) (net of issue expenses) | (0.01) | (0.09) |
| Stamp duty on FCCN conversion | 2827.70 | 1783.92 |
| Proceeds from long term borrowings | (2831.24) | (814.26) |
| Repayment of long term borrowings | – | (3.07) |
| Payment of premium on long term forward contracts | 405.48 | 273.80 |
| Increase in short term loans (net) | (674.91) | (566.70) |
| Dividend paid (including Dividend tax) | | |
| Interest paid [including discounting charges paid, Rs. 276.09 crores (2006-07 Rs. 161.93 crores)] | (564.55) | (370.02) |
| Net Cash from Financing Activities | 1132.46 | 303.58 |
| Net Increase / (Decrease) in Cash and cash equivalents | 1585.10 | (291.39) |
| Cash and cash equivalents as at March 31, (Opening Balance) | 826.76* | 1119.43* |
| Less : Exchange fluctuation on FCCN / CARS proceeds kept out side India and on foreign currency bank balances | (14.55) | (1.28) |
| Cash and cash equivalents as at March 31, (Closing Balance) # | 2397.31* | 826.76* |

*Includes Cash Collateral of **Rs. 524.59 crores** (as at March 31, 2007 Rs. 290.80 crores, as at March 31, 2006 Rs. 282.87 crores)
Includes unutilised proceeds from CARS' issue (including interest thereon) **Rs. 1122.40 crores** (2006-07 Rs. Nil)
Previous year's figures have been restated, wherever necessary, to conform to this year's classification.

As per our report attached to the Balance Sheet

For **DELOITTE HASKINS & SELL**
Chartered Accountants

M S DHARMADHIKARI
Partner

RATAN N TATA
Chairman
N A SOONAWALA
J J IRANI
V R MEHTA
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
Directors

For and on behalf of the Board

RAVI KANT
Managing Director

P M TELANG
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Schedules forming part of the Profit and Loss Account

| | | (Rs. in crores) | |
|---|--|-----------------|-----------|
| "B" [Item No. 3] | | 2007-2008 | 2006-2007 |
| MANUFACTURING AND OTHER EXPENSES | | | |
| 1. | Purchase of products for sale etc. [Note B(1), page 83] | 1598.11 | 1459.20 |
| 2. | Consumption of raw materials and components (Schedule 18, page 91) | 18592.08 | 17915.73 |
| 3. | Processing charges | 851.43 | 823.79 |
| 4. | Payments to and provisions for employees : (Refer Note B(5), page 84) | | |
| | (a) Salaries, wages and bonus | 1208.22 | 1038.94 |
| | (b) Contribution to provident and other funds | 171.20 | 176.51 |
| | (c) Workmen and staff welfare expenses [Note B(i), page 61] | 165.15 | 152.64 |
| | | 1544.57 | 1368.09 |
| 5. | Expenses for manufacture, administration and selling : | | |
| | (a) Stores, spare parts and tools consumed | 701.14 | 504.63 |
| | (b) Freight, transportation, port charges, etc. | 543.20 | 479.04 |
| | (c) Repairs to buildings [Note B(ii), page 61] | 25.87 | 23.49 |
| | (d) Repairs to plant, machinery, etc. [Note B(iii), page 61] | 53.52 | 49.16 |
| | (e) Power and fuel | 325.19 | 327.41 |
| | (f) Rent | 41.87 | 19.96 |
| | (g) Rates and taxes | 16.64 | 32.51 |
| | (h) Insurance | 46.48 | 30.56 |
| | (j) Publicity | 286.77 | 251.54 |
| | (k) Incentive / Commission to dealers | 347.11 | 332.65 |
| | (l) Works operation and other expenses [Note B(iv), page 61] | 1900.53 | 1455.85 |
| | | 4288.32 | 3506.80 |
| 6. | Exchange gain (net) on revaluation of foreign currency borrowings, deposits and loans given | (137.61) | (65.21) |
| 7. | Excise Duty on Stock-in-trade | (7.48) | 75.99 |
| 8. | Changes in Stock-in-trade and Work-in-progress : | | |
| | A Opening Stock | | |
| | (i) Work-in-progress | 301.32 | 286.31 |
| | (ii) Stock-in-trade | 1103.02 | 768.35 |
| | | 1404.34 | 1054.66 |
| | B Closing Stock | | |
| | (i) Work-in-progress | 296.00 | 301.32 |
| | (ii) Stock-in-trade | 1067.86 | 1103.02 |
| | | 1363.86 | 1404.34 |
| | | 40.48 | (349.68) |
| | | 26769.90 | 24734.71 |

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

"B" [Item No. 3] (contd.)

NOTES :

| | 2007-2008 | 2006-2007 |
|---|---------------|-----------|
| (i) Item 4 (c) : Workmen and staff welfare expenses include provisions for other employee benefit schemes | 14.28 | 26.63 |
| (ii) Item 5 (c) : Repairs to buildings exclude amounts charged to other revenue accounts | 8.16 | 8.96 |
| (iii) Item 5 (d) : Repairs to plant, machinery, etc. exclude amounts charged to other revenue accounts | 142.96 | 123.63 |
| (iv) Item 5 (l) : Works operation and other expenses include : | | |
| (1) Loss on assets scrapped / written off | 0.25 | 1.25 |
| (2) Commission and Brokerage on sales | 2.40 | 5.33 |
| (3) Provisions and write off for sundry debtors, vehicle loans and advances (net) | 362.86 | 165.74 |
| (4) Securitisation expenses for Hire purchase / Loan contracts | 45.95 | 62.95 |

Schedules forming part of the Profit and Loss Account

| | (Rs. in crores) | |
|--|------------------|-----------|
| "B" [Item No. 3] (contd.) | 2007-2008 | 2006-2007 |
| MANAGERIAL REMUNERATION : | | |
| 1. Managerial remuneration for directors (excluding provision for encashable leave and gratuity as separate actuarial valuation for whole-time directors is not available) [Note below] | 9.96 | 6.77 |
| 2. The above is inclusive of : | | |
| (a) Estimated expenditure on perquisites | 0.24 | 0.24 |
| (b) Contribution to provident / superannuation funds | 0.27 | 0.21 |
| (c) Commission to directors | 7.90 | 5.20 |
| 3. Directors' sitting fees | 0.20 | 0.12 |
| 4. Commission to directors : | | |
| (a) Profit after tax as per profit and loss account | 2028.92 | 1913.46 |
| (b) Add: (i) Managerial remuneration | 9.96 | 6.77 |
| (ii) Directors' sitting fees | 0.20 | 0.12 |
| (iii) Tax expense | 547.55 | 659.72 |
| (iv) Provision for diminution in value of investments | - | 1.09 |
| (v) Depreciation as per books | 652.31 | 586.29 |
| | 1210.02 | 1253.99 |
| | 3238.94 | 3167.45 |
| (c) Less: (i) Capital profit : | | |
| (a) Sale of assets | (8.74) | (8.24) |
| (b) Sale of investments | (168.62) | (35.48) |
| (c) Gain on transfer of activity relating to financing of Construction Equipment | (30.00) | - |
| (d) Income from transfer of Technology | (169.40) | - |
| (ii) Write back of provision for diminution in value of investments | (62.93) | - |
| (iii) Depreciation as per Section 350 of the Companies Act, 1956 | (652.31) | (586.29) |
| | (1092.00) | (630.01) |
| Net Profit as per Section 349 / 350 of the Companies Act, 1956 | 2146.94 | 2537.44 |
| (d) Commission to whole-time directors - 10% of net profit | 214.69 | 253.74 |
| Commission payable | 4.40 | 3.00 |
| (e) Commission to non-whole-time directors - 1% of net profit | 21.47 | 25.37 |
| Commission payable | 3.50 | 2.20 |
| Notes : | | |
| Excludes retirement benefits relating to former whole-time Directors | 0.50 | 0.37 |

Schedules forming part of the Balance Sheet

| | | (Rs. in crores) | |
|--|---|----------------------------|----------------------------|
| | | "1" [Item No. 1(a)] | |
| | | As at March 31, 2008 | As at March 31, 2007 |
| SHARE CAPITAL [Note (A) 1, page 76] | | | |
| Authorised: | | | |
| 45,00,00,000 | Ordinary shares of Rs. 10 each (as at March 31, 2007: 45,00,00,000 shares) | 450.00 | 450.00 |
| Issued and subscribed: | | | |
| 38,55,03,954 | Ordinary shares of Rs. 10 each (as at March 31, 2007: 38,53,73,885 shares) | 385.50 | 385.37 |
| Less: Calls in arrears | | 0.01 | 0.01 |
| | | 385.49 | 385.36 |
| | | 0.05 | 0.05 |
| | | 385.54 | 385.41 |
| Share Forfeiture | | | |

| | | "2" [Item No. 1(b)] | | | |
|----------------------------------|---------------------------|----------------------------|----------------|---------------|----------------------------|
| | | As at March 31, 2007 | Additions | Deductions | As at March 31, 2008 |
| RESERVES AND SURPLUS | | | | | |
| (a) Securities Premium Account | [Note (i) and (ii) below] | 1936.40 | 34.38 | 433.56 | 1537.22 |
| | | 1828.70 | 107.79 | 0.09 | 1936.40 |
| (b) Capital Redemption Reserve | | 2.28 | - | - | 2.28 |
| | | 2.28 | - | - | 2.28 |
| (c) Debenture Redemption Reserve | | 334.35 | - | - | 334.35 |
| | | 334.35 | - | - | 334.35 |
| (d) Amalgamation Reserve | | 0.05 | - | - | 0.05 |
| | | 0.05 | - | - | 0.05 |
| (e) Special Reserve | | 55.05 | - | - | 55.05 |
| | | 55.05 | - | - | 55.05 |
| (f) Revaluation Reserve | [Note (iii), page 64] | 25.95 | - | 0.44 | 25.51 |
| | | 26.39 | - | 0.44 | 25.95 |
| (g) General Reserve | [Note (iv), page 64] | 3116.43 | 1000.00 | - | 4116.43 |
| | | 2130.62 | 1000.00 | 14.19 | 3116.43 |
| | | 5470.51 | 1034.38 | 434.00 | 6070.89 |
| | | 4377.44 | 1107.79 | 14.72 | 5470.51 |
| (h) Profit and Loss Account | | | | | 1383.07 |
| | | | | | 1013.83 |
| | | | | | 7453.96 |
| | | | | | 6484.34 |

Notes:-

- (i) The opening and closing balances of Securities Premium Account are net of calls in arrears of Rs. 0.03 crore
- (ii) **Changes in Securities Premium Account**
- (a) Premium on shares issued on conversion of Foreign Currency Convertible Notes (FCCN) and on shares issued which were held in abeyance out of Right issue of shares
- (b) Provision for premium on redemption of Convertible Alternative Reference Securities (CARS) (net of tax of **Rs. 215.52 crores**)
- (c) CARS issue expenses [net of tax of **Rs. 7.72 crores**]
- (d) Exchange difference on provision for premium on redemption of FCCN / CARS [net of tax **Rs. 2.87 crores** (2006-07 Rs. Nil)] [including credit for reversal upon conversion of FCCN **Rs. Nil** (2006-07 Rs. 6.95 crores)]
- (e) Stamp Duty charges on conversion of FCCN

| 2007-2008 | | 2006-2007 | |
|--------------|---------------|-----------|------------|
| Additions | Deductions | Additions | Deductions |
| 6.77 | - | 93.84 | - |
| - | 418.55 | - | - |
| - | 15.00 | - | - |
| 27.61 | - | 13.95 | - |
| - | 0.01 | - | 0.09 |
| 34.38 | 433.56 | 107.79 | 0.09 |

contd.

Schedules forming part of the Balance Sheet

(Rs. in crores)

"2" [Item No. 1(b)] (contd.)

| | 2007-2008 | | 2006-2007 | |
|---|-----------|------------|-----------|------------|
| | Additions | Deductions | Additions | Deductions |
| (iii) Changes in Revaluation Reserve : Depreciation on revalued portion of assets taken over on amalgamation of Telco Dadajee Dhackjee Ltd | - | 0.44 | - | 0.44 |
| (iv) Changes in General Reserve : | | | | |
| (a) Difference in opening liability upon implementation of Accounting Standard Revised AS15 Employee Benefits (net of tax of Rs. Nil [2006-07 Rs. 7.21 crores]) | - | - | - | 14.19 |
| (b) Amount transferred from Profit and Loss Account | 1000.00 | - | 1000.00 | - |
| | 1000.00 | - | 1000.00 | 14.19 |

"3" [Item No. 2(a)]

LOANS - Secured [Note (A) 2, page 76]

| | As at March 31, 2008 | As at March 31, 2007 |
|--|----------------------------|----------------------------|
| (a) Privately placed Non-Convertible Debentures : | | |
| (i) 14.75% Non-Convertible Debentures (2008) [Notes 2(i)(a) and 2(ii), Page 76 and 77] | 70.50 | 70.50 |
| (ii) Floating Rate Non-Convertible Debentures (2007) | - | 5.00 |
| (iii) Secured Rated Redeemable Non-Convertible Debentures [Notes 2(i)(b) and 2(ii), Page 76 and 77] | 100.00 | - |
| (b) Loan from Technology Development Board | - | 6.00 |
| (c) Sales Tax Deferment Loan [Note 2(i)(c), Page 77] | 48.45 | 73.28 |
| (d) From Banks : | | |
| (i) Buyers line of credit [Note 2(i)(d) and 2(i)(e), Page 77] | 849.80 | 431.26 |
| (ii) Loans, Cash Credit and Overdrafts Accounts [Note 2(i)(e), Page 77] | 1393.24 | 1436.00 |
| | 2461.99 | 2022.04 |

"4" [Item No. 2(b)]

LOANS - Unsecured

| | As at March 31, 2008 | As at March 31, 2007 |
|--|----------------------------|----------------------------|
| (a) Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) [Note (C) (i), page 86] | 3661.03 | 1764.69 |
| (b) Long term loans in foreign currency - others | - | 202.83 |
| (c) Commercial papers | 100.00 | - |
| (d) Short term loans from Subsidiaries | 57.50 | 19.58 |
| | 3818.53 | 1987.10 |

Schedules forming part of the Balance Sheet

(Rs. in crores)
"5"[Item No. 5]

| FIXED ASSETS | Cost as at April 1, 2007 | Additions / Adjustments [Note (iv)] | Deductions / Adjustments | Cost as at March 31, 2008 | Depreciation for the year 2007-2008 [Note (vi) and (ix)] | Accumulated depreciation up to March 31, 2008 [Note (v) and (ix)] | Net Book Value as at March 31, 2008 |
|--|--------------------------|-------------------------------------|--------------------------|---------------------------|--|---|-------------------------------------|
| (a) Land | 5.31 | 113.80 | – | 119.11 | – | – | 119.11 |
| | 5.31 | – | – | 5.31 | – | – | 5.31 |
| (b) Buildings, etc. [Note (i) and (ii)(a)] | 839.11 | 197.55 | 6.99 | 1029.67 | 25.09 | 280.10 | 749.57 |
| | 802.06 | 37.23 | 0.18 | 839.11 | 21.98 | 256.42 | 582.69 |
| (c) Leasehold Land [Note (ii)(b)] | 72.27 | – | – | 72.27 | 0.72 | 5.16 | 67.11 |
| | 38.74 | 33.53 | – | 72.27 | 0.41 | 4.44 | 67.83 |
| (d) Plant & Machinery and Equipment [Note (ii)(a) and (iii)] | 6707.44 | 1669.19 | 58.83 | 8317.80 | 512.36 | 4352.48 | 3965.32 |
| | 6000.01 | 821.28 | 113.85 | 6707.44 | 449.86 | 3818.14 | 2889.30 |
| (e) Water System and Sanitation [Note (ii)(a)] | 55.47 | 11.72 | – | 67.19 | 2.49 | 25.84 | 41.35 |
| | 45.22 | 10.25 | – | 55.47 | 1.99 | 23.35 | 32.12 |
| (f) Furniture, Fixtures and Office Appliances [Note (iii)] | 73.42 | 19.30 | 0.36 | 92.36 | 4.03 | 40.67 | 51.69 |
| | 70.27 | 5.28 | 2.13 | 73.42 | 3.62 | 36.92 | 36.50 |
| (g) Technical Know-how | 34.51 | – | – | 34.51 | – | 34.51 | – |
| | 34.51 | – | – | 34.51 | – | 34.51 | – |
| (h) Vehicles and Transport [Note (iii)] | 102.26 | 20.72 | 16.89 | 106.09 | 14.06 | 59.05 | 47.04 |
| | 93.28 | 16.67 | 7.69 | 102.26 | 9.29 | 59.57 | 42.69 |
| (j) Plant taken on Lease [Note (viii)] | 150.75 | – | 108.65 | 42.10 | 11.28 | 24.26 | 17.84 |
| | 188.57 | – | 37.82 | 150.75 | 15.82 | 88.39 | 62.36 |
| (k) IT Assets taken on lease | – | 29.59 | – | 29.59 | 6.45 | 6.45 | 23.14 |
| | – | – | – | – | – | – | – |
| (l) Leased Premises | 31.28 | – | – | 31.28 | 0.08 | 1.68 | 29.60 |
| | 31.28 | – | – | 31.28 | 0.08 | 1.17 | 30.11 |
| (m) Assets given on lease | 442.94 | – | 34.97 | 407.97 | 4.87 | 390.12 | 17.85 |
| | 451.70 | – | 8.76 | 442.94 | 6.04 | 419.31 | 23.63 |
| (n) Software | 125.56 | 86.10 | – | 211.66 | 41.82 | 91.83 | 119.83 |
| | 91.13 | 34.43 | – | 125.56 | 29.54 | 50.01 | 75.55 |
| (o) Product Development Cost | 135.48 | 133.75 | – | 269.23 | 29.06 | 131.37 | 137.86 |
| | 119.47 | 16.01 | – | 135.48 | 47.66 | 102.31 | 33.17 |
| GRAND TOTAL | 8775.80 | 2281.72 | 226.69 | 10830.83 | 652.31 | 5443.52 | 5387.31 |
| | 7971.55 | 974.68 | 170.43 | 8775.80 | 586.29 | 4894.54 | 3881.26 |
| (p) Capital Work in Progress [Note (vii)] | | | | | | | 5064.96 |
| | | | | | | | 2513.32 |
| | | | | | | | 10452.27 |
| | | | | | | | 6394.58 |

Notes :

- (i) Buildings include **Rs. 8,631** (as at March 31, 2007 Rs. 8,631) being value of investments in shares of Co-operative Housing Societies.
- (ii) (a) Buildings, Water System and Sanitation and Plant and Machinery include Gross block **Rs. 4.76 crores**, **Rs. 1.50 crores** and **Rs. 3.76 crores** (as at March 31, 2007 Rs. 4.76 crores, Rs. 1.50 crores and Rs. 3.76 crores) and Net Block **Rs. 0.08 crore**, **Rs. 0.08 crore** and **Rs. 0.34 crore** respectively (as at March 31, 2007 Rs. 0.08 crore, Rs. 0.08 crore and Rs. 0.35 crore) in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.
- (b) The registration of Leasehold Land of Rs. 33.53 crores acquired in the year 2006-07 is in process.
- (iii) Includes Plant & Machinery and Equipment, Furniture, Fixtures and Office Appliances and Vehicles and Transport having Gross block of **Rs. 145.65 crores**, **Rs. 0.90 crore** and **Rs. 1.40 crores** (as at March 31, 2007 Rs. 144.15 crores, Rs. 0.45 crore and Rs. 1.36 crores), and Net block of **Rs. 6.98 crores**, **Rs. 0.02 crore** and **Rs. 0.19 crore** (as at March 31, 2007 Rs. 7.89 crores, Rs. 0.01 crore and Rs. 0.10 crore) respectively, held for disposal.
- (iv) Additions / Adjustments include :
 - (a) exchange differences and net premiums on derivative contracts, net loss of **Rs.1.82 crores** (as at March 31, 2007 net gain of Rs. 17.08 crores).
 - (b) premises acquired in satisfaction of debts amounting to **Rs. 3.17 crores** (as at March 31, 2007 Rs. Nil)
- (v) Accumulated Depreciation includes :
 - (a) an adjustment of **Rs. 99.28 crores** (as at March 31, 2007 Rs. 89.92 crores) on assets transferred / sold / discarded during the year.
 - (b) lease equalisation of **Rs. 4.49 crores** (2006-07 Rs. 3.78 crores) adjusted in lease rental income.
 - (c) depreciation of **Rs. 0.44 crore** (2006-07 Rs. 0.44 crore) on revalued portion of gross block of TDDL transferred to Revaluation Reserve.
- (vi) Depreciation for the year includes loss of **Rs. 7.91 crores** (2006-07 Rs. 11.37 crores) on assets held for disposal.
- (vii) Capital Work-in-Progress includes :
 - (a) Product Development Cost **Rs. 1705.86 crores** (as at March 31, 2007 Rs. 893.98 crores)
 - (b) advances for capital expenditure of **Rs. 668.92 crores** (as at March 31, 2007 Rs. 415.60 crores).
- (viii) The assets are under renewable secondary lease.
- (ix) Depreciation for the year and Accumulated Depreciation includes amortisation, diminution in value of assets and write down of assets net of reversals.

Tata Motors Limited

Schedules forming part of the Balance Sheet

| | | | (Rs. in crores) | |
|--|---------------------|--|-----------------|----------------|
| "6"[Item No. 6] | | | As at | As at |
| INVESTMENTS | | | March 31, 2008 | March 31, 2007 |
| Number | Face Value Per Unit | Description | | |
| I. Long Term Investments (at Cost) | | | | |
| (A) Trade Investments | | | | |
| (1) Fully paid Ordinary / Equity shares (Quoted) | | | | |
| 24,26,929 | 10 | Automobile Corporation of Goa Ltd. (19,32,959 shares acquired during the year) | 92.79 | 0.88 |
| 3,14,41,382 | 10 | Tata Steel Ltd. (56,34,653 shares acquired during the year) | 395.73 | 216.23 |
| 70,249 | 10 | Tata Chemicals Ltd. | 0.24 | 0.24 |
| | | | 488.76 | 217.35 |
| (2) Investments in Subsidiary Companies | | | | |
| (a) Fully Paid Ordinary / Equity Shares (Unquoted) | | | | |
| 75,00,000 | 100 | Sheba Properties Ltd. | 75.00 | 75.00 |
| 3,03,00,600 | 10 | Tata Technologies Ltd. | 224.10 | 224.10 |
| 5,97,50,000 | 10 | Telco Construction Equipment Company Ltd. [Note 9, Page 68] | 119.50 | 119.50 |
| 24,48,120 | 10 | Concorde Motors (India) Limited | 29.63 | 29.63 |
| 6,50,00,000 | 10 | TAL Manufacturing Solutions Ltd. | 150.00 | 150.00 |
| 3,40,00,000 | 10 | HV Transmissions Ltd. (60,00,000 shares sold during the year) | 68.00 | 80.00 |
| 3,82,50,000 | 10 | HV Axles Ltd. (67,50,000 shares sold during the year) | 76.50 | 90.00 |
| 5,00,000 | 10 | Tata Motors Insurance Services Ltd. | 17.31 | 17.31 |
| 30,16,060 (KRW) | 5000 | Tata Daewoo Commercial Vehicle Co. Ltd. (Korea) | 245.41 | 245.41 |
| 5,00,000 (GBP) | 1 | Tata Motors European Technical Centre Plc, UK | 4.02 | 4.02 |
| 7,900 | - | INCAT Systems Inc. [Note 8, Page 68] | 0.63 | 0.63 |
| 75,00,00,000 | 10 | Tata Motors Finance Ltd. (formerly known as TML Financial Services Ltd.) [Note 10, page 68(30,00,00,000 shares acquired during the year)] | 1150.00 | 550.00 |
| 3,06,00,000 | 10 | Tata Marcopolo Motors Ltd. (3,05,74,500 shares acquired during the year) | 30.60 | 0.03 |
| 35,07,000 (THB) | 100 | Tata Motors (Thailand) Ltd. [Note 11, Page 68] (Balance 75% call money paid up during the year) | 45.47 | 11.61 |
| 100 (SGD) | 1 | TML Holdings Pte Ltd. (Singapore) (100 shares acquired during the year for Rs. 2,778.73) | - | - |
| | | | 2236.17 | 1597.24 |
| (b) Fully paid Cumulative Redeemable Preference Shares (Unquoted) | | | | |
| 13,54,195 | 100 | 7.00% Concorde Motors (India) Limited | 13.54 | 13.54 |
| | | | 2249.71 | 1610.78 |
| (3) Fully Paid Ordinary / Equity Shares (Unquoted) in Others | | | | |
| 50,59,203 | 1(SS) | Tata Precision Industries Pte. Ltd. (Singapore) [Note 6, Page 68] | 3.11 | 3.11 |
| 25,000 | 1000 | Tata International Ltd. | 3.85 | 3.85 |
| 1,383 | 1000 | Tata Services Ltd. | 0.14 | 0.14 |
| 350 | 900 | The Associated Building Company Ltd. | 0.01 | 0.01 |
| 66,65,780 | 100 | Tata Industries Ltd. | 82.97 | 82.97 |
| 22,500 | 100 | Tata Projects Ltd. | 4.68 | 4.68 |
| 16,000 (TK) | 1000 | NITA Co. Ltd. (Bangladesh) | 1.27 | 1.27 |
| 33,600 | 100 | Kulkarni Engineering Associates Ltd. | 0.67 | 0.67 |
| 9,00,00,000 | 10 | Tata Cummins Ltd. | 90.00 | 90.00 |
| 12,375 | 1000 | Tata Sons Ltd. | 68.75 | 68.75 |
| 2,28,80,208 | 10 | Tata Teleservices Ltd. (8,80,008 shares acquired during the year) | 34.27 | 32.00 |
| 8,38,67,086 | 10 | Tata AutoComp Systems Ltd. | 98.67 | 98.67 |
| 2,25,00,001 | 10 | Haldia Petrochemicals Ltd. | 22.50 | 22.50 |
| 28,263 (EUR) | 31.28 | Hispano Carrocera, S A [Note 7, Page 68] | 2.34 | 2.34 |
| - | - | Tata Securities Private Ltd. (3,00,430 shares sold during the year) | - | 0.14 |
| 2,40,000 | 10 | Oriental Floratech (India) Pvt. Ltd. | 0.24 | 0.24 |
| 49,436 | 100 | TSR Darashaw Ltd. | 1.94 | 1.94 |
| 3,30,48,497 | 100 | Fiat India Automobiles Pvt. Ltd. (3,30,48,497 shares acquired during the year) | 601.59 | - |
| | | | 1017.00 | 413.28 |
| (4) Fully paid Cumulative Redeemable Preference Shares (Unquoted) in others | | | | |
| - | - | 6% Tata Sons Ltd. (1,00,000 Shares redeemed during the year) | - | 10.00 |
| 1,00,000 | 1000 | 7% Tata Sons Ltd. (1,00,000 Shares acquired during the year) | 10.00 | - |
| 2,10,00,000 | 10 | 7% Tata AutoComp Systems Ltd. | 21.00 | 21.00 |
| 50,00,000 | 10 | 7.50% Rallis India Ltd. | 5.00 | 5.00 |
| | | | 36.00 | 36.00 |
| (5) Fully paid Cumulative Compulsorily Convertible Preference Shares (Quoted) in others | | | | |
| 2,39,49,693 | 100 | 1% Tata Steel Ltd. (2,39,49,693 Shares acquired during the year) | 239.50 | - |
| (6) Non Convertible Debentures (Unquoted) | | | | |
| 6,80,000 | 100 | Rushi Automobiles Ltd. | 1.29 | 1.89 |
| 7,500 | 3000 | 8% Tata Projects Ltd. | 2.25 | 2.25 |
| Carried Forward | | | 4034.51 | 2281.55 |

Schedules forming part of the Balance Sheet

| | | | (Rs. in crores) | |
|--|------------------------|---|--------------------------|-------------------------|
| | | | “6”[Item No. 6] (contd.) | |
| | | | As at March 31, 2008 | As at March 31, 2007 |
| INVESTMENTS (contd.) | | | | |
| Number | Face Value Per Unit | Description | | |
| I. Long Term Investments (at Cost) (contd.) | | | | |
| | | Brought forward | 4034.51 | 2281.55 |
| (B) Other Investments | | | | |
| | | (1) Fully paid Equity Shares (Unquoted) | | |
| 50,000 | 10 | NICCO Jubilee Park Ltd. | 0.05 | 0.05 |
| | | (2) Fully paid Bonds (Quoted) | | |
| - | - | 6.25% EXIM 2007 | - | 9.79 |
| - | - | 6.50% EXIM 2007 | - | 9.87 |
| - | - | 8.30% EXIM 2007 | - | 5.17 |
| - | - | 8.60% HDFC Limited 2007 | - | 10.42 |
| - | - | 8.70% Indogulf Fertilisers Limited 2007 | - | 36.57 |
| - | - | 6.60% Panatone Fininvest Ltd 2008 | - | 24.62 |
| 36,07,493 | 100 | 6.75% Tax free Unit Trust of India 2008 | 37.84 | 37.84 |
| - | - | 7.10% Tata Sons 2007 | - | 10.00 |
| | | | 37.84 | 144.28 |
| | | | 4072.40 | 2425.88 |
| | | Less : Provision for Diminution in value of Long Term Investments | 15.64 | 78.57 |
| | | Total - Long Term Investments | 4056.76 | 2347.31 |
| II. Current Investments - others (at Cost or Fair value whichever is lower) | | | | |
| (A) Investments in Mutual Fund (Unquoted) | | | | |
| | | (a) Liquid/Liquid Plus Schemes | | |
| 1,50,08,288 | 10 | Birla Cash Plus - Institutional Premium - Weekly Dividend Reinvestment | 15.06 | - |
| 9,64,78,410 | 10 | Birla Sun Life Liquid Plus-Institutional - Weekly Dividend Reinvestment | 96.69 | - |
| 1,52,00,559 | 10 | Chola Liquid Super Institutional Plan Weekly Dividend | 15.20 | - |
| 2,00,69,278 | 10 | DWS Insta Cash Plus Fund Super Institutional - Weekly Dividend Plan | 20.13 | - |
| 3,52,172 | 1000 | DSP Merrill Lynch Cash Plus - Institutional Weekly Dividend | 35.25 | - |
| 7,308 | 10 | JM High Liquidity Fund Super Institutional Plan Growth | 0.01 | - |
| 9,15,52,061 | 10 | LIC MF Liquid Plus Fund - Weekly Dividend Plan | 91.63 | - |
| 1,22,800 | 10 | Principal Cash Management Fund | 0.15 | - |
| 7,15,15,540 | 10 | ICICI Prudential Institutional Liquid Plan - Super Institutional | | |
| | | Weekly Dividend Re-Investment | 71.63 | - |
| 41,41,565 | 10 | ICICI Prudential Floating Rate Plan - Dividend Reinvestment | 5.98 | - |
| 6,36,70,010 | 10 | ICICI Prudential Flexible Plan - Weekly Dividend Reinvestment | 67.19 | - |
| 6,82,15,031 | 10 | Sundaram BNP Paribas Money Fund Super Institutional Weekly | | |
| | | Dividend Reinvestment | 71.95 | - |
| 5,92,76,729 | 10 | Sundaram BNP Paribas Liquid Plus Super Institutional | | |
| | | Dividend Reinvestment Weekly | 60.61 | - |
| 1,78,410 | 1000 | Tata Liquid Super High Investment Fund-Weekly Dividend | 20.53 | - |
| 8,76,81,666 | 10 | Tata Floater Fund - Weekly Dividend | 88.48 | - |
| 5,06,13,756 | 10 | Templeton Floating Rate Income Fund Long Term Plan | | |
| | | - Weekly Dividend Reinvestment | 51.13 | - |
| 4,63,300 | 1000 | UTI - Liquid Plus Fund Institutional Weekly Dividend Plan-Reinvestment | 46.40 | - |
| 3,27,078 | 1000 | Tata Treasury Manager SHIP Weekly Dividend | 32.77 | - |
| | | (b) Income Plan | | |
| - | - | JM Equity and Derivative Fund Growth | - | 30.00 |
| - | - | JM Equity and Derivatives fund - Dividend Option | - | 21.99 |
| | | | 790.79 | 51.99 |
| | | (B) Investments in Equity shares (Quoted) | | |
| 35,000 | 10 | Elcot Power Control Ltd | 0.37 | 0.37 |
| 91,800 | 10 | Munis Forge Ltd | 0.37 | 0.37 |
| 30,997 | 10 | Roofit Industries Ltd | 0.19 | 0.19 |
| | | | 0.93 | 0.93 |
| | | (C) Investments in Government Securities (Quoted) | | |
| 170 | 1000 | 12.00% Uttar Pradesh 2011 Stock | 0.02 | 0.02 |
| - | - | 13.00% Maharashtra State Development Loan 2007 | - | 0.02 |
| | | (200 units redeemed during the year) | | |
| - | - | 13.00% Industrial Finance Corporation of India 2007 Bonds | - | 0.75 |
| | | (7,500 units redeemed during the year) | | |
| | | | 0.02 | 0.79 |
| | | Total - Current Investments carried forward | 791.74 | 53.71 |
| | | Total - Long Term Investments carried forward | 4056.76 | 2347.31 |

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Tata Motors Limited

Schedules forming part of the Balance Sheet

| | | | (Rs. in crores) | |
|--|---|--|-------------------------------------|----------------|
| | | | As at | As at |
| | | | March 31, 2008 | March 31, 2007 |
| "6"[Item No. 6] (contd.) | | | | |
| INVESTMENTS (contd.) | | | | |
| Number | Face Value Per Unit | Description | | |
| Long Term Investments brought forward | | | 4056.76 | 2347.31 |
| II. Current Investments (at Cost or Fair value whichever is lower) (Contd.) | | | | |
| Brought forward | | | 791.74 | 53.71 |
| (D) Investments in Preference Shares (Unquoted) | | | | |
| 1,00,000 | 100 | 15.50% Pennar Paterson Securities Ltd | 1.00 | 1.00 |
| 2,00,000 | 100 | 15.00% Atcom Technologies Ltd - Cumulative Preference Shares | 2.00 | 2.00 |
| | | | 3.00 | 3.00 |
| | | | 794.74 | 56.71 |
| Less : Provision for Diminution in value of Current Investments | | | 3.93 | 3.93 |
| Total - Current Investments | | | 790.81 | 52.78 |
| III. Retained interest in securitisation transactions (Unquoted) (Long term) | | | | |
| - Others | | | 62.65 | 76.91 |
| IV. Advance against Investments | | | | |
| Advance against Investment in TML Distribution Company Ltd | | | 0.05 | - |
| Total - Investments | | | 4910.27 | 2477.00 |
| Notes : | | | | |
| (1) | Face Value per unit in Rupees unless stated otherwise | | | |
| (2) | Book Value of quoted investments | | 764.45 | 359.14 |
| (3) | Book Value of unquoted investments | | 4145.82 | 2117.86 |
| (4) | Market Value of quoted investments | | 2530.55 | 1323.08 |
| (5) | Investment in Mutual Funds includes dividend reinvested | | 43.02 | 2.08 |
| (6) | The Company has, given an undertaking to Citibank NA, for non-disposal of its shareholding in Tata Precision Industries Pte. Ltd. (TPI), Singapore against loans and other facilities extended by the Bank to TPI and Tata Engineering Services Pte. Ltd. (TES), Singapore, a wholly owned subsidiary of TPI, aggregating SGD 13.85 million (Rs. 40.31 crores as on March 31, 2008) in total. The Company has also given an unsecured loan amounting to SGD 2.50 million (Rs. 7.27 crores as on March 31, 2008) [SGD Nil (Rs. Nil) as at March 31, 2007] to TPI Singapore. | | | |
| (7) | The Company acquired 21% shares in Hispano Carrocera, S.A. on March 16, 2005. As per the terms of agreement, the Company has an Option to acquire the remaining 79% of the shares through one or more tranfers, as per terms and conditions duly agreed upon at a price not exceeding Euro 2 million. (Rs. 12.68 crores as on March 31, 2008). The Company has given an unsecured subordinated Loan of Euro 15 million (Rs. 95.09 crores) as at March 31, 2008 [Euro 7 million (Rs. 40.52 crores) as at March 31, 2007]. The Company has also given a letter of comfort to Citibank NA against working capital loans extended by the bank to Hispano aggregating Euro 7 million. (Rs. 44.39 crores as on March 31, 2008). The Company has also given an undertaking to Citibank NA for non-disposal of its shareholding in Hispano during the tenure of the loan. | | | |
| (8) | The Company has given a letter of comfort to Standard Chartered Bank against the term loan upto US \$ 60 million (Rs. 240.75 crores as on March 31, 2008) extended by the bank to INCAT Systems Inc., an indirect subsidiary of the Company. | | | |
| (9) | As per the shareholders agreement dated December 9, 2005, between Hitachi Construction Machinery Co. Ltd and the Company, these shares are under restriction for sale, assign or transfer for a period of 5 years from the date of the agreement. | | | |
| (10) | The company has given a letter of comfort to ICRA Ltd for issuing a rating letter to enable Tata Motors Finance Ltd to raise short term debt of Rs. 300 crores. | | | |
| (11) | The Company has given letter of comfort to Citibank NA against the short term and long term loans aggregating THB 850 million (Rs. 108.38 crores as on March 31, 2008) given by Citibank NA to Tata Motors (Thailand) Ltd (TMTL). The letter of comfort is restricted to 70% of the said amount i.e. THB 595 million (Rs. 75.87 crores as on March 31, 2008). As per the proposed arrangement to be entered between the Company, Thonburi and Citibank NA, on occurrence of certain event, the Company may have to purchase Thonburi's stake of 20% in TMTL. Consequently, this letter of comfort will be prorata increased to reflect the increased stake in the above loan. Also the Company has given an undertaking to Citibank NA for non-disposal of its shareholding in TMTL below 51% during the tenure of the loan. | | | |
| (12) | Trade Investments also include : | | | |
| | Number | Face Value Per Unit Rupees | | |
| | 5,000 | 10 | Metal Scrap Trade Corporation Ltd | |
| | 50 | 5 | Jamshedpur Co-operative Stores Ltd | |
| | 16,56,517 | 1(M\$) | Tatab Industries Sdn. Bhd. Malaysia | |
| | 100 | 10 | American Express Services Ltd | |
| | 4 | 25,000 | ICICI Money Multiplier Bond | |
| | 100 | 10 | Optel Telecommunications | |
| | 200 | 10 | Punjab Chemicals | |
| | | | Rupees | Rupees |
| | | | 25,000 | 25,000 |
| | | | 250 | 250 |
| | | | 1 | 1 |
| | | | 1 | 1 |
| | | | 1 | 1 |
| | | | 1,995 | 1,995 |
| | | | 1 | 1 |

Schedules forming part of the Balance Sheet

(Rs. in crores)

"6"[Item No. 6] (contd.)

INVESTMENTS (contd.)

(13) Current Investments acquired and sold during the year :

| Name | No. of Units | Face value | Purchase Cost |
|--|--------------|------------|---------------|
| Birla Cash Plus - Institutional Premium - Growth | 48,91,49,004 | 489.15 | 610.00 |
| Birla Cash Plus IP Premium - Weekly Dividend Reinvestment | 72,52,12,323 | 725.21 | 742.51 |
| Birla Quarterly Interval - Series3 - Dividend - Reinvestment | 3,05,61,054 | 30.56 | 30.56 |
| Birla Sunlife Liquid Plus - Institutional - Weekly Dividend | 6,53,07,106 | 65.31 | 65.35 |
| BSL Interval Income - Institutional - Monthly - Series 1 - Dividend Reinvestment | 3,05,33,219 | 30.53 | 30.53 |
| BSL Quarterly Interval - Series2 - Dividend - Payout | 5,00,10,356 | 50.01 | 50.01 |
| DBS Chola Freedom Income STP Institutional - Weekly Dividend | 6,61,10,887 | 66.11 | 66.30 |
| DBS Chola Liquid Super Institutional Plan - Weekly Dividend | 6,00,14,621 | 60.01 | 75.22 |
| DBS Chola Liquid Super Institutional Plan - Cumulative Dividend | 3,72,48,110 | 37.25 | 40.00 |
| DBS Chola Short Term Floating Rate Fund | 5,62,78,031 | 56.28 | 65.00 |
| Deutsche Short Maturity Fund - Weekly Dividend | 36,99,55,030 | 369.96 | 375.59 |
| DSP Merrill Lynch Cash Plus - Institutional - Weekly Dividend | 18,71,632 | 187.16 | 222.56 |
| DSP Merrill Lynch Liquid Plus Institutional Plan - Weekly Dividend | 9,01,454 | 90.15 | 90.31 |
| DWS Insta Cash Plus Fund Super Institutional - Weekly Dividend Plan | 9,50,91,882 | 95.09 | 115.44 |
| DWS Money Plus Fund - Institutional Plan - Weekly | 9,00,80,634 | 90.08 | 90.57 |
| HDFC Cash Fund Savings Plan - Growth | 4,89,50,099 | 48.95 | 80.00 |
| HDFC Cash Management Fund Savings Plus Plan Wholesale Growth | 4,69,88,900 | 46.99 | 80.04 |
| HDFC Floating Rate Income Fund - STP - Growth | 9,41,96,966 | 94.20 | 95.54 |
| HDFC Floating Rate Income Fund STP Wholesale Option - Weekly Dividend | 9,59,41,375 | 95.94 | 97.26 |
| HDFC Liquid Fund - Premium Plus Plan - Dividend Reinvestment | 34,68,68,028 | 346.87 | 431.10 |
| HDFC Liquid Fund - Premium Plan - Growth | 3,14,74,650 | 31.47 | 50.00 |
| HDFC Premium Plus Plan - Growth | 16,28,76,414 | 162.88 | 254.00 |
| HSBC Cash Fund Institutional Liquid Growth | 7,74,32,458 | 77.43 | 95.00 |
| HSBC Cash Fund IP - Weekly Dividend | 1,99,47,397 | 19.95 | 20.02 |
| HSBC Liquid Plus IP Plus Weekly Dividend Reinvestment | 9,52,73,316 | 95.27 | 95.61 |
| ICICI Prudential Flexible Income Plan Dividend - Weekly Dividend Reinvestment | 9,12,23,407 | 91.22 | 96.23 |
| ICICI Prudential Flexible Income Plan Dividend - Weekly Dividend Reinvestment | 4,17,38,603 | 41.74 | 44.06 |
| ICICI Prudential Institutional Liquid Plan - Super Institutional Weekly Dividend Reinvestment | 54,41,49,740 | 544.15 | 616.43 |
| ICICI Prudential Interval Plan 2 Qtrly C - Retail Dividend | 5,09,43,257 | 50.94 | 50.94 |
| ING Liquid Plus Fund - Institutional Weekly Dividend | 9,55,35,465 | 95.54 | 95.97 |
| ING Vysya Liquid Fund - Growth | 11,66,21,927 | 116.62 | 135.00 |
| ING Vysya Liquid Fund Institutional Weekly Dividend Option | 34,07,35,529 | 340.74 | 340.97 |
| JM High Liquidity Fund - Super Institutional Plan - Growth | 3,23,06,785 | 32.31 | 40.00 |
| JM J93 High Liquidity Fund - Super IP - Weekly Dividend | 12,61,14,628 | 126.11 | 126.39 |
| JM Money Manager Fund - Super Plus Plan - Weekly Dividend | 4,01,03,610 | 40.10 | 40.37 |
| Kotak Flexi Debt Scheme - Daily Dividend | 4,55,67,615 | 45.57 | 45.71 |
| Kotak Liquid - Growth | 2,85,95,576 | 28.60 | 45.00 |
| LIC Liquid Fund - Dividend Plan - Daily Dividend | 8,72,99,789 | 87.30 | 95.86 |
| LIC Liquid Growth | 14,72,60,488 | 147.26 | 210.00 |
| LIC Liquid Plus Fund - Weekly Dividend Plan | 7,07,44,182 | 70.74 | 162.41 |
| LIC MF Liquid Fund - Dividend Plan | 10,02,89,002 | 100.29 | 110.12 |
| Principal Cash Management Fund - Liquid Option Institutional - Premium Plan Growth | 62,29,39,682 | 622.94 | 758.20 |
| Principal Cash Management Fund - Liquid Option - Institutional Plan - Daily Dividend | 2,50,10,319 | 25.01 | 25.01 |
| Principal Cash Management Liquid Option Institutional Premium Daily - Dividend Reinvestment | 4,20,11,300 | 42.01 | 42.01 |
| Principal Cash Management Fund Liquid Option Instl Prem Plan - Dividend Reinvestment | 9,02,84,984 | 90.28 | 90.38 |
| Principal CMF IPP Weekly Dividend | 48,19,27,867 | 481.93 | 482.25 |
| Principal Floating Rate Fund - SMP - Institutional Option - Weekly Dividend Reinvestment | 16,65,55,800 | 166.56 | 166.73 |
| Principal Liquid Plus Fund - Weekly Dividend Reinvestment | 1,00,54,206 | 10.05 | 10.05 |
| Prudential ICICI Flexible Income Plan - Growth | 6,17,53,528 | 61.75 | 95.09 |
| Prudential ICICI Interval Plan 1 - Monthly A - Retail Dividend | 1,99,55,712 | 19.96 | 20.11 |
| Prudential ICICI Liquid Institutional Plus - Daily Dividend | 19,40,26,946 | 194.03 | 194.03 |
| Prudential ICICI Liquid Plan - Super - Institutional - Growth | 62,63,85,099 | 626.39 | 720.00 |
| Prudential ICICI - Interval Plan 2 - Quarterly F - Retail Dividend | 2,03,75,600 | 20.38 | 20.38 |
| Standard Chartered Liquidity Manager - Weekly Dividend | 15,51,508 | 155.15 | 155.35 |
| Standard Chartered Liquidity Manager - Growth | 6,28,007 | 62.80 | 70.00 |
| Sundaram BNP Paribas Liquid Plus Super Institutional Weekly Dividend Reinvestment | 8,33,59,222 | 83.36 | 85.18 |
| Sundaram BNP Paribas Liquid Plus Super Institutional Weekly Dividend Reinvestment | 14,32,97,103 | 143.30 | 145.57 |
| Sundaram BNP Paribas Money Fund Super Institutional Weekly Dividend Reinvestment | 19,87,61,408 | 198.76 | 281.13 |
| Sundaram BNP Paribas Money Fund Super Institutional Growth | 11,89,62,400 | 118.96 | 195.00 |
| Sundaram Money Fund - Weekly Dividend | 9,72,75,527 | 97.28 | 100.45 |
| Tata Floater Fund - Growth | 8,21,00,898 | 82.10 | 95.09 |
| Tata Floater Fund - Weekly Dividend | 2,97,46,264 | 30.00 | 30.03 |
| Tata FMP - Scheme A3 Institutional | 2,02,42,459 | 20.24 | 20.24 |
| Tata Liquid Fund - Daily Dividend | 2,24,342 | 22.43 | 25.00 |
| Tata Liquid Super High Investment Fund - Daily Dividend | 28,27,479 | 282.75 | 315.13 |
| Tata Liquid Super High Investment Fund - Weekly Dividend | 42,66,764 | 426.68 | 511.80 |
| Tata Liquid Super High Level Investment Fund - Appreciation | 41,07,867 | 410.79 | 592.00 |
| Tata Treasury Managership Weekly Dividend | 11,88,588 | 118.86 | 151.81 |
| Templeton India Short Term Income Plan Institutional - Weekly Dividend Reinvestment | 1,99,282 | 19.93 | 20.12 |
| Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option - Weekly Dividend Reinvestment | 11,38,82,377 | 113.88 | 166.15 |
| Templeton India Treasury Management Account | 27,26,885 | 272.69 | 312.00 |
| Templeton India Treasury Management Account Institutional Plan - Weekly Dividend Reinvestment | 27,72,561 | 277.26 | 280.45 |
| Templeton India Treasury Management Account Super Institutional Plan - Weekly Dividend Reinvestment | 5,41,447 | 54.14 | 55.04 |
| UTI Fixed Income Interval Fund - 3 Month | 4,02,43,274 | 40.24 | 40.24 |
| UTI Liquid Cash Plan I - Growth | 29,92,727 | 299.27 | 385.12 |
| UTI Liquid Cash Plan Institutional Weekly Dividend Reinvestment | 11,82,861 | 118.29 | 121.08 |
| UTI Liquid Cash Plan Institutional Weekly Income Option Reinvestment | 10,79,054 | 107.91 | 110.38 |
| UTI Liquid Plus Fund Institutional Weekly Dividend | 9,50,337 | 95.03 | 141.58 |

Tata Motors Limited
Schedules forming part of the Balance Sheet

(Rs. in crores)

"7" [Item No. 7 (b)]
INVENTORIES (as valued and certified by the Management)

| | As at March 31, 2008 | As at March 31, 2007 |
|---|----------------------------|----------------------------|
| (a) Stores and spare parts (at or below cost) | 111.15 | 139.00 |
| (b) Consumable tools (at cost) | 16.61 | 17.44 |
| (c) Raw materials and components | 778.57 | 872.59 |
| (d) Work-in-progress | 296.00 | 301.32 |
| (e) Stock-in-trade | 1067.86 | 1103.02 |
| (f) Goods-in-transit (at cost) | 151.64 | 67.58 |
| | 2421.83 | 2500.95 |

Note : Items (c), (d) and (e) above are valued at lower of cost and net realisable value.

"8" [Item No. 7(c)]
SUNDRY DEBTORS

| | As at March 31, 2008 | As at March 31, 2007 |
|---|----------------------------|----------------------------|
| (a) Over six months : (unsecured) | | |
| Considered good | 61.08 | 56.56 |
| Considered doubtful | 34.60 | 31.80 |
| (b) Others (unsecured) | | |
| Considered good | 1053.79 | 679.20 |
| | 1149.47 | 767.56 |
| Less : Provision for doubtful debts | 34.60 | 31.80 |
| | 1114.87 | 735.76 |
| (c) Future instalments receivable from hirers / lessees [secured under hire purchase / lease agreements and by promissory notes from hirers] [Note A (4), page78] : | | |
| Considered good | 17.55 | 51.09 |
| Considered doubtful | 7.20 | 11.24 |
| | 24.75 | 62.33 |
| Less : Provision for doubtful instalments | 7.20 | 11.24 |
| | 17.55 | 51.09 |
| Unearned finance and service charges on lease receivable / hire purchase contracts | (1.69) | (4.67) |
| | 15.86 | 46.42 |
| | 1130.73 | 782.18 |

"9" [Item No. 7(d)]
CASH AND BANK BALANCES

| | As at March 31, 2008 | As at March 31, 2007 |
|---|----------------------------|----------------------------|
| (a) Cash on hand | 2.00 | 2.76 |
| (b) Current Accounts with Scheduled Banks [including in foreign currencies Rs. 24.32 crores (as at March 31, 2007 Rs. 7.84 crores), cheques on hand Rs. 174.47 crores (as at March 31, 2007 Rs. 138.76 cores) and remittances in transit Rs. 359.59 crores (as at March 31, 2007 Rs. 234.98 crores)] | 748.14 | 533.02 |
| (c) Short term deposits with Scheduled Banks [including in foreign currencies Rs. 1122.40 crores (as at March 31, 2007 Rs. Nil)]* | 1122.58 | 0.18 |
| (d) Margin Money / Cash Collateral with Scheduled Banks | 524.59 | 290.80 |
| | 2397.31 | 826.76 |
| | 1122.40 | - |

*Includes unutilised proceeds from Convertible Alternative Reference Securities issue

Schedules forming part of the Balance Sheet

| | | (Rs. in crores) | |
|--|--|----------------------------|----------------------------|
| | | "10" [Item No. 7(e)] | |
| | | As at March 31, 2008 | As at March 31, 2007 |
| LOANS AND ADVANCES | | | |
| A) Secured | | | |
| Vehicle loans [Note 1 below and [Note A (4), page 78]]* | | | |
| Considered good | 2420.79 | | 4617.64 |
| Considered doubtful | 207.98 | | 168.95 |
| | 2628.77 | | 4786.59 |
| Less : Provision for doubtful loans # | 207.98 | | 168.95 |
| | 2420.79 | | 4617.64 |
| * Includes Rs. 297.50 crores (as at March 31, 2007 Rs. 234.42 crores) on account of overdue Securitised Receivables | | | |
| # includes Rs. 156.63 crores (as at March 31, 2007 Rs. 74.62 crores) towards Securitised Receivables | | | |
| B) Unsecured - considered good | | | |
| (a) Claims / incentive recoverable, advances / loans to suppliers, contractors, employees and others, rent deposits and other amount due (Notes 2 and 3 below) | 779.63 | | 665.76 |
| (b) Dues from subsidiary companies (Note 4 below) | 38.67 | | 89.25 |
| (c) Interim dividend declared by subsidiary companies | 63.94 | | - |
| (d) Loans to associates and subsidiaries (Note 5 below) | 110.32 | | 49.04 |
| (e) Inter-corporate deposits [net of provision of Rs. 7.35 crores (as at March 31, 2007 Rs. 8.12 crores)] (Note 6 below) | 194.37 | | 402.86 |
| (f) Deposits with government, public bodies and others : | | | |
| (i) Balances with Customs, Port Trust, Excise, etc. | 224.65 | | 172.18 |
| (ii) Others [net of provision of Rs. 0.10 crore (as at March 31, 2007 Rs. 0.10 crore)] | 101.69 | | 68.27 |
| | 326.34 | | 240.45 |
| (g) Prepaid expenses | 59.71 | | 50.09 |
| (h) Advance payments against taxes (net) | 439.28 | | 281.13 |
| | 2012.26 | | 1778.58 |
| | 4433.05 | | 6396.22 |
| Notes : | | | |
| (1) | Loans are secured against hypothecation of vehicles. | | |
| (2) | Include : | | |
| | Loans and advances due from Directors and Officers | 0.27 | 0.32 |
| | Maximum during the year | 0.44 | 0.34 |
| (3) | Net of advances considered doubtful which have been provided for | | |
| | | 85.54 | 90.29 |
| (4) | Dues from subsidiary companies : | | |
| (i) | HV Axles Ltd | 7.67 | 2.71 |
| (ii) | HV Transmissions Ltd | 6.77 | 10.34 |
| (iii) | Telco Construction Equipment Company Ltd | 1.27 | 3.03 |
| (iv) | Tata Daewoo Commercial Vehicle Company Ltd | 0.63 | 0.51 |
| (v) | Tata Motors European Technical Centre Plc, UK | 0.02 | 0.69 |
| (vi) | Tata Motors Finance Ltd | - | 70.35 |
| (vii) | Tata Marcopolo Motors Ltd | 17.23 | 1.21 |
| (viii) | Tata Motors (Thailand) Ltd | 2.74 | 0.41 |
| (ix) | Tata Technologies Ltd | 0.02 | - |
| (x) | TML Distribution Company Ltd | 0.19 | - |
| (xi) | TML Holdings Pte. Ltd, Singapore | 2.13 | - |
| (5) | Loans to associates and subsidiaries : | | |
| (i) | Hispano Carrocera, S.A.- (associate) | 95.09 | 40.52 |
| (ii) | Tata Motors European Technical Centre Plc, UK - (subsidiary) | 7.96 | 8.52 |
| (iii) | Tata Precision Industries Pte. Ltd, (Singapore) - (associate) | 7.27 | - |
| (6) | Inter-corporate deposits with subsidiaries and joint venture : | | |
| (i) | Sheba Properties Ltd | - | 19.50 |
| (ii) | HV Transmissions Ltd | 14.00 | 4.00 |
| (iii) | Concorde Motors (India) Ltd | 5.50 | 25.00 |
| (iv) | Tata Motors Finance Ltd | - | 200.00 |
| (v) | TAL Manufacturing Solutions Ltd | 10.00 | 5.00 |
| (vi) | Fiat India Automobiles Pvt. Ltd (joint venture) | 51.66 | 5.00 |

Schedules forming part of the Balance Sheet

| | | (Rs. in crores) |
|---|-------------------------------------|----------------------------|
| "11" [Item No. 8(a)] | | |
| | As at March 31, 2008 | As at March 31, 2007 |
| CURRENT LIABILITIES | | |
| (a) Acceptances | 3738.51 | 2003.80 |
| (b) Sundry creditors | | |
| (i) Micro, Small and Medium Enterprises [Note 8, page 82] | 81.65 | 90.88 |
| (ii) Others* | 4571.53 | 3989.06 |
| (c) Advance and progress payments | 235.53 | 243.68 |
| (d) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due | | |
| (i) Unpaid dividends | 8.04 | 6.63 |
| (ii) Application money pending refund Rs.1,140 (as at March 31, 2007 Rs. 1,140) | — | — |
| (iii) Unclaimed matured deposits | 2.74 | 3.61 |
| (iv) Unclaimed matured debentures | 0.25 | 0.18 |
| (v) Interest accrued on (iii) and (iv) above | 0.20 | 0.42 |
| | 11.23 | 10.84 |
| (e) Interest / commitment charges accrued on loans but not due | 28.75 | 25.42 |
| | 8667.20 | 6363.68 |
| * Includes payable to subsidiary companies : | | |
| TAL Manufacturing Solutions Ltd | 3.62 | — |
| Tata Motors Finance Ltd | 15.10 | — |

"12" [Item No. 8(b)]

PROVISIONS

| | As at March 31, 2008 | As at March 31, 2007 |
|---|-------------------------------------|----------------------------|
| (a) Proposed dividend | 578.43 | 578.07 |
| (b) Provision for tax on dividend | 81.25 | 98.25 |
| (c) Provision for retirement and other employee benefit schemes [Note B (5), page 84] | 286.00 | 255.00 |
| (d) Other Provisions [Note B (6), page 85] | 1043.75 | 433.00 |
| | 1989.43 | 1364.32 |

"13" [Item No. 10]

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Employee Separation Cost

| | As at March 31, 2008 | As at March 31, 2007 |
|--|-------------------------------------|----------------------------|
| | 6.05 | 10.09 |
| | 6.05 | 10.09 |

Schedules forming part of the Balance Sheet and Profit and Loss Account

Significant Accounting Policies

(a) **Sales**

The Company recognises revenue on the sale of products when the products are delivered to the dealer / customer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the dealer / customer.

Sales are net of discount and inclusive of income from services, excise duty, transfer of technology relating to automotive products, export and other incentives and exchange fluctuations relating to export receivables.

(b) **Depreciation**

(i) Depreciation is provided on straight line basis (SLM), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in the case of :

- Leasehold Land – amortised over the period of the lease
- Technical Know-how – at 16.67% (SLM)
- Laptops – at 23.75% (SLM)
- Cars – at 23.75% (SLM)
- Assets acquired prior to April 1, 1975 – on Written Down Value basis at rates specified in Schedule XIV to the Companies Act, 1956.
- Capital assets, the ownership of which does not vest in the Company, other than leased assets, are depreciated over the estimated period of their utility or five years, whichever is less.
- Software in excess of Rs. 25,000 is amortised over a period of sixty months or on the basis of estimated useful life whichever is lower.

(ii) Assets given on lease as on March 31, 2000, acquired upon amalgamation of Tata Finance Ltd, are depreciated at rates specified in Schedule XIV to the Companies Act, 1956. The difference between the depreciation charge as computed using the Internal Rate of Return (IRR) implicit in the lease, to ensure capital recovery over the primary lease period, and the charge as disclosed for the year, is reflected in the lease equalisation account.

(iii) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life.

(c) **Fixed Assets**

(i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation. All costs relating to the acquisition and installation of Fixed assets are capitalised and include financing costs relating to borrowed funds attributable to construction or acquisition of qualifying assets, upto the date the asset / plant is ready for intended use.

Consequent to the notification of the Companies (Accounting Standards) Rules, 2006, with effect from April 1, 2007, the foreign exchange differences in respect of liabilities for the acquisition of imported assets are required to be recognized in the profit and loss account against the earlier requirement of adjusting these to the carrying cost of such fixed assets. As a result, the profit after tax for the year ended March 31, 2008 is higher by Rs. 28.21 crores.

(ii) The product development cost incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets [included in the fixed assets] and are amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such period after commencement of the commercial production of the underlying product. During the year, the Company has changed the amortisation period having regard to the nature of the new vehicle platform / products under development and accordingly new vehicle platforms and products will be amortised over a period of 36 months to 120 months against the amortisation period of 36 months upto the previous year. The effect of the change as aforesaid, is not material.

(iii) Software not exceeding Rs. 25,000 and product development costs relating to minor product enhancements, facelifts and upgrades are charged off to the profit and loss account as and when incurred.

Tata Motors Limited
(d) Leases

Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases, except for those stated in b(ii) above, are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

(e) Transactions in Foreign Currencies

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise, except for exchange loss which is treated as borrowing cost as per the Standard, as explained in [(c)(i), page 73]. Premium or discount on forward contracts is amortised over the life of such contracts and is recognised as income or expense. Foreign currency options are stated at fair value as at year end.

(f) Product Warranty Expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

(g) Income on Vehicle Loan / Hire-Purchase Income / Finance Income from Lease

Interest income from hire purchase and loan contracts and finance income in respect of vehicles and income from plant given on lease, are accounted for by using the Internal Rate of Return method. Consequently, a constant rate of return on the net outstanding amount is accrued over the period of contract. The Company provides an allowance for hire purchase and loan receivables that are in arrears for more than 11 months, to the extent of an amount equivalent to the outstanding principal and amounts due but unpaid. In respect of loan contracts that are in arrears for more than 6 months but not more than 11 months, allowance is provided to the extent of 10% of the outstanding and amount due but unpaid.

(h) Inventories

Inventories of raw materials and components, work-in-progress and stock-in-trade are valued at the lower of cost and net realisable value. Cost is ascertained on a moving weighted average / monthly moving weighted average basis. The cost of work-in-progress and finished goods is determined on full absorption cost basis.

(j) Employee Benefits
(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

(ii) Superannuation

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company accounts for the liability for superannuation benefits payable in future under the plan based on an independent actuarial valuation.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

The Company maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary to the trust every year. The Company recognizes such contributions as an expense when incurred. The Company has no further obligation beyond this contribution.

(j) **Employee Benefits (contd.)**

(iii) **Bhavishya Kalyan Yojana (BKY)**

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased / disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for the liability for BKY benefits payable in future based on an independent actuarial valuation.

(iv) **Post-retirement Medicare Scheme**

Under this scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The liability for post-retirement medical scheme is based on an independent actuarial valuation.

(v) **Provident fund**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

(vi) **Compensated absences**

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

(k) **Investments**

Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments comprising investments in mutual funds are stated at lower of cost and fair value, determined on a portfolio basis.

(l) **Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax includes Fringe benefit tax.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

(m) **Redemption premium / discount on Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)**

Premium payable on redemption of FCCN / CARS as per the terms of issue is provided fully in the year of issue by adjusting against the Securities Premium Account (SPA). Any changes to this premium payable on account of conversion or exchange fluctuation is also adjusted in the SPA. Discount on redemption of FCCN, if any, will be recognised on redemption.

(n) **Business Segments**

The Company is engaged mainly in the business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company. These, in the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.

(o) **Miscellaneous Expenditure (to the extent not written off or adjusted)**

Cost under individual Employee Separation Schemes are amortised over periods between 24 and 84 months depending upon the estimated future benefit.

Schedules forming part of the Balance Sheet and Profit and Loss Account

"14" [Item No. 13]

(A) Notes to Balance Sheet

- 1 I. The Issued and subscribed capital includes :
 - (a) Ordinary Shares allotted as fully paid up shares for consideration other than cash:
 - 7,53,470 Ordinary Shares allotted to Daimler – Benz AG in consideration of materials supplied to the Company in the financial year 1956-57,
 - 3,00,000 Ordinary Shares allotted to the Shareholders of erstwhile Investa Machine Tools and Engineering Company Limited in terms of the Scheme of Amalgamation sanctioned by the Bombay High Court in the financial year 1966-67,
 - 7,59,510 Ordinary Shares allotted to the Shareholders of the erstwhile Central Bank of India in terms of the Scheme of Amalgamation in the financial year 1970-71,
 - 1,83,823 Ordinary Shares issued to the Shareholders of the erstwhile Noduron Founders Maharashtra Limited in terms of the merger in the financial year 1992-93,
 - 15,24,30,083 (as at March 31, 2007 15,24,30,083) Ordinary Shares issued to Financial Institutions and holders of convertible debentures / bonds on conversion of term loans / debentures / bonds,
 - 1,45,04,949 Ordinary Shares issued to the Shareholders of the erstwhile Tata Finance Limited in terms of the merger in the financial year 2005-06.
 - (b) 11,12,92,760 (as at March 31, 2007 11,12,92,760) Ordinary Shares issued as fully paid up Bonus Shares by utilising Securities Premium Account, Capital Reserve, Capital Redemption Reserve, Amalgamation Reserve, contribution for Capital Expenditure Account and General Reserve.
 - (c) 2,55,02,377 (as at March 31, 2007 2,55,02,377) Ordinary Shares allotted against the exercise of equivalent number of warrants pertaining to the rights issue of 2001 at Rs.120/- per share.
 - (d) 2,57,11,937 (as at March 31, 2007 2,55,81,868) Ordinary Shares issued upon conversions of Foreign Currency Convertible Notes (FCCNs). Details are as follows:
 - (i) 1% FCCN due 2008
1,83,98,095 (as at March 31, 2007 : 1,83,98,095) Ordinary Shares issued against 99,940 (as at March 31, 2007 : 99,940) Notes. There is no conversion during the year for these Notes (for 2006-07 : 16,20,003 shares issued against 8,800 Notes).
 - (ii) 0% FCCN due 2009
73,13,842 (as at March 31, 2007 : 71,83,773) Ordinary Shares issued against 95,590 (as at March 31, 2007 : 93,890) Notes. During the year 1,30,069 (for 2006-07 : 9,19,297) Ordinary Shares were allotted, consequent to conversion of 1,700 (for 2006-07: 12,015) Notes.
 - (e) Subsequent to the year ended March 31, 2008, 1500 Zero coupon FCCN (due 2009) aggregating U.S.\$ 1.50 million (Rs. 6.38 crores), have been converted into 1,14,769 Ordinary Shares.
 - II. The entitlements to 49,989 Ordinary Shares are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and hence kept in abeyance.
- 2 Secured Loans :
 - (i) Nature of Security (on loans including interest accrued thereon) :
 - (a) 14.75% Non-Convertible Debentures (2008) are secured by a pari passu charge by way of equitable mortgage of immovable properties and fixed assets in or attached thereto, both present and future, and a first charge on all other assets save and except stocks and book debts, present and future, the Export Showroom at Shivsagar Estate, Worli, Mumbai; Lloyds Showroom and basement at Prabhadevi, Mumbai; plot of land with structures at Mahim, Mumbai; the Company's residential flats at Mumbai, Pune and Jamshedpur and the Company's freehold land admeasuring 4245 sq. mtrs. approximately, situated at village Mouje - Naupada in Thane District.
 - (b) Secured Rated Redeemable Non-Convertible Debentures are secured by a pari passu charge by way of equitable English mortgage of the Company's lands, freehold and leasehold, together with immovable properties, plant and machinery and other movable fixed assets in or attached thereto, both present and future, situated at Chinchwad, Pimpri, Chikhali and Waghire in Pune District and village Mouje - Naupada in Thane District in the State of Maharashtra save and except Exports Showroom at Shivsagar Estate, Worli, Mumbai; the residential flats of the Company; the Lloyds Showroom and Basement at Prabhadevi, Mumbai; the plot of land with structures at Mahim, Mumbai; the Company's works situated at Lucknow, Dharwad, Jamshedpur, Pantnagar and Singur; and movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future, situated at Indica car plant at Chikhali, Pune.

Schedules forming part of the Balance Sheet and Profit and Loss Account

"14" [Item no. 13] (contd.)

(A) Notes to Balance Sheet (contd.)

- (c) Sales Tax Deferment Loan is secured by a residual charge on the immovable and movable properties at Lucknow.
- (d) The Buyers line of credit from Banks is repayable at the end of three years from the drawdown dates. All the repayments are due in 2009-10 and 2010-11.
- (e) Loans, Cash Credit Accounts, Overdrafts Accounts and Buyers line of credit from Banks are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to Plant and Machinery (consumable stores and spares), bills receivable and book debts including receivable from Hire Purchase / Leasing and all other movable current assets except Cash and Bank Balances, Loans and Advances of the Company both present and future

(ii) Terms of Redemption :

Non Convertible Debentures (NCD's)

14.75% Non-Convertible Debentures (2008)
Secured Rated Redeemable Non-Convertible Debentures

Redeemable on

October 11, 2008 (At par)
Daily Put - Call (At par)

3 (a) **Major components of deferred tax arising on account of timing differences are [Item 3, page 56]:**

(Rs. in crores)

Liabilities:

Depreciation
Product Development Cost
Others

Assets:

Employee Benefits / Expenses allowable on payment basis
Employee Separation Schemes
Provision for Doubtful Debts
Premium on Redemption of CARS (net of exchange fluctuation on premium)
Others

Net Deferred Tax Liability

(b) **Deferred Tax charge for the year**

Opening Deferred Tax Liability
Net deferred tax asset created on premium on redemption of CARS
Net deferred tax liability created on exchange fluctuation on premium on issue of CARS
Net deferred tax asset created on provision for ex-gratia as per revised AS15

Less : Closing Deferred Tax Liability

Deferred Tax charge for the year

(c) **Tax expense [Item 8, page 57] :**

- (i) Current Tax (net of credit for Minimum Alternate Tax)
- (ii) Fringe Benefit Tax
- (iii) Deferred Tax

| As at March 31, 2008 | As at March 31, 2007 |
|----------------------------|----------------------------|
| (757.48) | (649.58) |
| (612.44) | (305.98) |
| (3.25) | (7.87) |
| (1373.17) | (963.43) |
| 69.90 | 67.26 |
| 6.30 | 10.88 |
| 105.53 | 95.80 |
| 212.65 | - |
| 3.07 | 2.66 |
| 397.45 | 176.60 |
| (975.72) | (786.83) |
| 786.83 | 622.54 |
| (215.52) | - |
| 2.87 | - |
| - | (12.93) |
| 574.18 | 609.61 |
| 975.72 | 786.83 |
| 401.54 | 177.22 |
| 2007-2008 | 2006-2007 |
| 139.01 | 476.00 |
| 7.00 | 6.50 |
| 401.54 | 177.22 |
| 547.55 | 659.72 |

Schedules forming part of the Balance Sheet and Profit and Loss Account

"14" [Item No. 13] (contd.)

(Rs. in crores)

(A) Notes to Balance Sheet (contd.)

4. Future instalments receivable from hirers / lessees and vehicle loans [Schedule 8 (c), page 70 and Schedule 10 (A), page 71] includes **Rs. 592.54 crores** (as at March 31, 2007 Rs. 598.37 crores) in respect of instalments that have become due but have not been recovered. Out of these **Rs. 222.12 crores** (as at March 31, 2007 Rs. 159.65 crores) are due for over six months. There is an aggregate provision of **Rs. 155.73 crores** (as at March 31, 2007 Rs. 86.67 crores) made in respect of overdue installments.

5. I Disclosure in respect of finance leases :

Assets given on Lease :

| | As at March 31, 2008 | As at March 31, 2007 |
|---|----------------------------|----------------------------|
| (a) (i) Total Gross investment in the leases (Schedule 8(c), page 70) | 24.75 | 62.33 |
| Total gross investment in the leases for a period : | | |
| Not later than one year | 15.86 | 37.62 |
| Later than one year and not later than five years | 8.89 | 24.71 |
| (ii) Present value of the minimum lease payments receivable | 23.06 | 57.66 |
| Present Value of the minimum lease payments receivable : | | |
| Not later than one year | 14.69 | 34.96 |
| Later than one year and not later than five years | 8.37 | 22.70 |
| (b) Unearned finance income | 1.69 | 4.67 |
| (c) The accumulated provision for the uncollectible minimum lease payments receivable | 7.20 | 11.24 |
| (d) A general description of significant leasing arrangements - Finance lease and Hire purchase agreements: The Company has given own manufactured vehicles and machines and equipment on Hire Purchase / Lease. The contingent lease rentals is based on bank interest rate and depreciation in respect of the assets given on lease. | | |

Assets taken on Lease :

| | | |
|--|--------------|---|
| (a) (i) Total of the minimum lease payments | 25.09 | — |
| Total of the minimum lease payments for a period : | | |
| Not later than one year | 8.35 | — |
| Later than one year and not later than five years | 16.74 | — |
| (ii) Present value of the minimum lease payments payable | 22.67 | — |
| Present value of the minimum lease payments payable : | | |
| Not later than one year | 7.19 | — |
| Later than one year and not later than five years | 15.48 | — |
| (b) A general description of significant leasing arrangements - The Company has entered into Finance lease arrangements for computers and data processing equipments from a vendor. | | |

II Disclosure in respect of operating leases :

Assets given on Lease :

| | | |
|--|--------------|---|
| (a) Total of minimum lease payments receivable | | |
| The total of minimum lease payments for a period : | | |
| Not later than one year | 6.09 | — |
| Later than one year and not later than five years | 24.35 | — |
| (b) A general description of significant leasing arrangements - The Company has entered into operating lease arrangements for land and buildings. | | |

Schedules forming part of the Balance Sheet and Profit and Loss Account

"14" [Item No. 13] (contd.)

(A) Notes to Balance Sheet (contd.)

6. i) Related party disclosures for the year ended March 31, 2008

a) Related Party and their relationship

| | |
|---|---|
| 1. Subsidiaries : | |
| Tata Technologies Ltd | Tata Technologies Investments Pte.Ltd, Singapore |
| TAL Manufacturing Solutions Ltd | (Liquidated on August 17, 2007) |
| H V Axles Ltd | Granted Revenue Sdn Bhd (Formerly known as Tata Technologies Sdn Bhd, Malaysia) |
| H V Transmissions Ltd | (Upto November 25, 2007) |
| Sheba Properties Ltd | INCAT International Plc. |
| Concorde Motors (India) Ltd | INCAT Limited |
| Telco Construction Equipment Co. Ltd | INCAT SAS |
| Tata Daewoo Commercial Vehicle Co. Ltd | INCAT GmbH |
| Tata Motors Insurance Services Ltd | INCAT Holdings B.V. |
| Tata Motors European Technical Centre Plc | Lemmerpoort B.V. (Formerly known as INCAT Engineering Solutions B.V.) |
| Tata Motors Finance Ltd (Formerly known as TML Financial Services Ltd) | INCAT K.K |
| Tata Marcopolo Motors Ltd | Tata Technologies iKS Inc (Formerly known as iKnowledge Solutions Inc.) |
| Tata Motors (Thailand) Ltd | CADPO Asia Pte. Ltd (Liquidated on November 7, 2007) |
| Tata Motors (SA) (Proprietary) Ltd | INCAT Systems Inc |
| (From December 5, 2007) | Integrated Systems Technologies de Mexico, S.A. de C.V. |
| TML Holdings Ltd, UK (From February 6, 2008) | INCAT Solutions of Canada Inc |
| TML Holdings Pte. Ltd, Singapore | Cedis Mechanical Engineering GmbH (Merged with INCAT GmbH w.e.f. May 15, 2007) |
| (From February 4, 2008) | INCAT (Thailand) Ltd |
| TML Distribution Company Ltd | [Formerly known as Tata Technologies (Thailand) Ltd] |
| (From March 28, 2008) | Tata Technologies Pte Ltd, Singapore |
| 2. Associates : | |
| Tata AutoComp Systems Ltd | Tata Sons Ltd (Investing Party) |
| Tata Cummins Ltd | Hispano Carrocera, S. A |
| Tata Precision Industries Pte. Ltd | TSR Darashaw Ltd |
| Tata Engineering Services Pte. Ltd (Due to Common Key Management Personnel) | Tata Securities Pvt Ltd (Upto June 25, 2007) |
| Nita Company Ltd | Telcon Ecoroad Resurfaces Pvt. Ltd |
| 3. Joint Ventures : | Automobile Corporation of Goa Ltd (From May 21, 2007) |
| Fiat India Automobiles Pvt. Ltd (From December 28, 2007) | |
| 4. Key Management Personnel | |
| Mr. Ravi Kant | |
| Mr. P P Kadle (Upto September 17, 2007) | |
| Mr. P M Telang (From May 18, 2007) | |

b) Transactions with the related parties

| | | | | (Rs. in crores) | |
|--|--------------|---------------|------------|--------------------------|-----------------|
| | Subsidiaries | Joint Venture | Associates | Key Management Personnel | 2007-2008 Total |
| Purchase of goods | 122.67 | 0.97 | 2230.49 | - | 2354.13 |
| | 60.16 | - | 1760.88 | - | 1821.04 |
| Sale of goods (inclusive of sales tax) | 613.22 | - | 129.26 | - | 742.48 |
| | 604.42 | - | 114.58 | - | 719.00 |
| Purchase of fixed assets | 111.36 | - | 160.08 | - | 271.44 |
| | 68.55 | - | - | - | 68.55 |
| Purchase of Investments | 19.84 | - | - | - | 19.84 |
| | - | - | - | - | - |
| Sale of fixed assets (including transfer of technology) | 182.66 | - | - | - | 182.66 |
| | 57.70 | - | - | - | 57.70 |
| Services received | 1148.12 | - | 61.28 | 6.46 | 1215.86 |
| | 943.26 | - | 42.91 | 4.57 | 990.74 |
| Services rendered | 65.95 | 12.86 | 1.76 | - | 80.57 |
| | 41.57 | - | 3.00 | - | 44.57 |
| Finance given (including loans and equity) | 1100.24 | 522.18 | 221.32 | - | 1843.74 |
| | 981.79 | - | - | - | 981.79 |
| Finance taken (including loans and equity) | 231.26 | - | - | - | 231.26 |
| | 145.98 | - | - | - | 145.98 |
| Interest / Dividend paid / (received) (net) | (135.80) | (2.37) | 88.14 | - | (50.03) |
| | (92.75) | - | 67.60 | - | (25.15) |
| Amount receivable | 119.26 | 12.11 | 16.16 | - | 147.53 |
| | 105.04 | - | 8.76 | - | 113.80 |
| Amount payable | 172.37 | 0.97 | 167.94 | - | 341.28 |
| | 130.81 | - | 114.57 | - | 245.38 |
| Amount receivable (in respect of loans, interest and dividend) | 101.51 | 51.76 | 154.32 | 0.27 | 307.86 |
| | 262.14 | - | 41.29 | 0.28 | 303.71 |
| Amount payable (in respect of loans, interest and dividend) | 57.50 | - | - | - | 57.50 |
| | 19.58 | - | - | - | 19.58 |

A subsidiary Company has renounced the entitlement of rights offer by Tata Sons Ltd. for 98,308 equity shares and 4,42,387 2% cumulative convertible preference shares in favour of the Company at no consideration.

Tata Motors Limited

Schedules forming part of the Balance Sheet and Profit and Loss Account

"14" [Item No. 13] (contd.)

(Rs. in crores)

(A) Notes to Balance Sheet (contd.)

c) Disclosure in respect of material transactions with related parties

| | | 2007-2008 | 2006-2007 |
|-------|--|-----------|-----------|
| i) | Purchase of goods | | |
| | Tata Cummins Ltd | 1647.09 | 1493.56 |
| | Automobile Corporation of Goa Ltd | 310.40 | – |
| | Tata AutoComp Systems Ltd | 273.01 | 265.90 |
| ii) | Sale of goods | | |
| | Concorde Motors (India) Ltd | 561.56 | 566.36 |
| | Tata Cummins Ltd | 105.81 | 104.44 |
| iii) | Purchase of fixed assets | | |
| | Hispano Carrocera, S. A. | 160.08 | – |
| | TAL Manufacturing Solutions Ltd | 107.44 | 68.55 |
| iv) | Purchase of Investments | | |
| | Sheba Properties Ltd | 19.84 | – |
| v) | Sale of fixed assets (including transfer of technology) | | |
| | HV Axles Ltd | 97.21 | 39.80 |
| | HV Transmissions Ltd | 78.97 | 17.90 |
| vi) | Services received | | |
| | HV Axles Ltd | 472.82 | 441.30 |
| | HV Transmissions Ltd | 273.27 | 246.84 |
| | Tata Technologies Ltd | 162.35 | 128.01 |
| | Tata Motors European Technical Centre Plc | 127.31 | – |
| vii) | Services rendered | | |
| | Tata Motors (Thailand) Ltd | 23.65 | – |
| | HV Transmissions Ltd | 12.99 | 12.40 |
| | Fiat India Automobiles Pvt. Ltd | 12.86 | – |
| | HV Axles Ltd | 12.46 | 11.93 |
| | Telco Construction Equipment Co. Ltd | 8.60 | 8.67 |
| viii) | Finance given (including loans and equity) | | |
| | Investment in Equity | | |
| | Tata Motors Finance Ltd | 600.00 | 550.00 |
| | Investment in Equity | | |
| | Fiat India Automobiles Pvt. Ltd | 370.40 | – |
| | Inter Corporate Deposit | | |
| | Tata Motors Finance Ltd | 280.00 | 200.00 |
| | Inter Corporate Deposit | | |
| | Sheba Properties Ltd | – | 141.66 |
| ix) | Finance taken (including loans and equity) | | |
| | Inter Corporate Deposit | | |
| | Tata Technologies Ltd | 148.65 | 132.75 |
| | Inter Corporate Deposit | | |
| | Tata Marcopolo Motors Ltd | 58.00 | – |
| | Inter Corporate Deposit | | |
| | Sheba Properties Ltd | 24.41 | – |
| x) | Interest / Dividend paid / (received) | | |
| | Dividend paid | | |
| | Tata Sons Ltd | 126.73 | 109.61 |
| | Dividend received | | |
| | Telco Construction Equipment Co. Ltd | (53.77) | (18.47) |
| | Dividend received | | |
| | Tata Daewoo Commercial Vehicle Co. Ltd | (25.25) | – |
| | Dividend received | | |
| | HV Axles Ltd | (20.75) | (31.50) |
| | Dividend received | | |
| | HV Transmissions Ltd | (20.00) | (28.00) |
| | Dividend received | | |
| | Tata Cummins Ltd | (18.00) | (28.80) |
| | Dividend received | | |
| | Tata Technologies Ltd | (12.12) | (4.01) |
| | Dividend received | | |
| | Tata Sons Ltd | (9.37) | (8.64) |
| | Dividend received | | |
| | Concorde Motors (India) Ltd | – | (4.96) |
| | Interest received | | |
| | Hispano Carrocera S.A. | (5.03) | – |
| | Interest received | | |
| | Sheba Properties Ltd | – | (3.30) |

Schedules forming part of the Balance Sheet and Profit and Loss Account

(Rs. in crores)

"14" [Item No. 13] (contd.)

(A) Notes to Balance Sheet (contd.)

8. Micro, Small and Medium Enterprise Development Act, 2006 :

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during 2007-08 is given below :

| | | 2007-2008 | 2006-2007 |
|-------|--|-------------------------------------|-------------------------------------|
| (i) | Amounts unpaid as at year end | 0.03 | - |
| (ii) | Amounts paid after appointed date during the year | 9.99 | - |
| (iii) | Amount of interest accrued and unpaid as at year end | 0.03 | - |
| | | As at March 31, 2008 | As at March 31, 2007 |
| 9. | Claims against the Company not acknowledged as debts - | | |
| (i) | Sales Tax | | |
| | - Gross | 277.95 | 236.48 |
| | - Net of Tax | 183.47 | 156.10 |
| (ii) | Excise Duty | | |
| | - Gross | 59.37 | 30.97 |
| | - Net of Tax | 39.19 | 20.44 |
| (iii) | Others | | |
| | - Gross | 100.69 | 102.38 |
| | - Net of Tax | 66.47 | 67.58 |
| (iv) | Income tax (exclusive of the effect of similar matters in respect of assessments remaining to be completed) in respect of matters : | | |
| (a) | Decided in the Company's favour by Appellate authorities and for which the Department is in further appeal | 99.90 | 59.93 |
| (b) | Pending before Appellate authorities in respect of which the Company is in appeal and expects to succeed, based on decision in earlier assessment years | 152.88 | 316.56 |
| (c) | Pending in appeal / other matters | 189.51 | 247.42 |
| 10. | The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which the Department is in further appeal | 30.27 | 27.08 |
| 11. | Estimated amount of contracts remaining to be executed on capital account and not provided for | 2981.06 | 3262.48 |
| 12. | Other money for which the Company is contingently liable - | | |
| (i) | In respect of bills discounted and export sales on deferred credit | 535.06 | 405.78 |
| (ii) | The Company has given guarantees for liability in respect of receivables assigned by way of securitisation | 875.01 | 632.70 |
| (iii) | Cash Margins / Collateral [Schedule 9 (d), page 70] | 515.36 | 281.91 |
| (iv) | In respect of retained interest on securitisation transactions | 62.65 | 76.91 |
| (v) | In respect of subordinate receivables | 40.74 | 69.45 |
| (vi) | Others | 14.18 | 5.00 |
| 13. | Uncalled liability on partly paid shares of Tata Motors (Thailand) Ltd | - | 35.21 |

Schedules forming part of the Balance Sheet and Profit and Loss Account

"14" [Item No. 13] (contd.)

(B) Notes to Profit and Loss Account :

(1) Purchase of products for sale etc. include :

- (i) (a) Spare parts and accessories for sale
- (b) Bodies and trailers for mounting on chassis
- (c) Passenger cars **3303 nos.** (2006-07 : 1328 nos.)

2007-2008

(Rs. in crores)

2006-2007

| | |
|----------------|---------|
| 628.35 | 558.91 |
| 868.61 | 860.06 |
| 101.15 | 40.23 |
| 1598.11 | 1459.20 |

- (ii) Sales and Opening and Closing Stock of vehicles and cars include chassis mounted with bodies / trailers and passenger cars. [Also refer Schedule 14(E) and 15, page 88]

(2) The total expenditure incurred on Research and Development :

- (a) Expenditure charged to profit and loss account
- (b) Expenditure capitalised during the year

2007-2008

2006-2007

| | |
|----------------|--------|
| 138.56 | 160.13 |
| 1057.41 | 636.73 |
| 1195.97 | 796.86 |

(3) (a) Auditors' Remuneration (excluding service tax) :

- (i) Audit Fees
- (ii) Audit Fees for financial statements as per US GAAP (including SOX certification)
- (iii) In other Capacities:
 - Company Law Matters
 - Tax Audit
 - Corporate Governance Certification
 - Taxation Matters
- (iv) Other Services (Refer Note 1 below)
[includes **Rs. 11,62,001*** (2006-07 Rs. 3,51,192*)]
- (v) Reimbursement of travelling and out-of-pocket expenses

**2007-2008
Rupees**

2006-2007
Rupees

| | |
|---------------------|--------------|
| 3,00,00,000 | 2,25,00,000 |
| 5,85,00,000# | 1,45,00,000# |
| 35,000 | 35,000 |
| 37,50,000 | 32,00,000 |
| 2,50,000 | 2,50,000 |
| 4,50,000* | - |
| 14,43,001* | 11,26,446* |
| 13,86,471* | 3,16,152* |

(b) Cost Auditors' Remuneration (excluding service tax) :

- (i) Cost Audit Fees
- (ii) VAT Audit Fees
- (ii) Reimbursement of travelling and out-of-pocket expenses

| | |
|-----------------|----------|
| 9,00,000 | 8,00,000 |
| 5,00,000 | - |
| 34,600 | 29,500 |

Notes :

1. Excludes **Rs. 35,00,000** (2006-07 Rs. Nil) towards CARS issue related audit expenses debited to Securities Premium Account.

* Includes remuneration for professional services rendered by firms of auditors in which some of the partners of the statutory auditors firm are partners.

Including amount paid for earlier years **Rs. 4,50,00,000** (2006-07 Rs. 40,00,000)

(4) Interest and Discounting Charges [Item 7, page 57] :

(A) Interest :

- (a) On Debentures and fixed loans
- (b) Others

2007-2008

(Rs. in crores)

2006-2007

| | |
|---------------|--------|
| 201.86 | 112.47 |
| 89.71 | 101.75 |
| 291.57 | 214.22 |
| 115.95 | 21.35 |
| 143.24 | 55.44 |
| 32.38 | 137.43 |
| 249.99 | 175.64 |
| 282.37 | 313.07 |

- Less : (i) Transferred to Capital account
- (ii) Interest received on bank and other accounts [tax deducted at source **Rs. 15.85 crores** (2006-07 Rs. 6.11 crores)]

(B) Discounting charges (net)

Tata Motors Limited

Schedules forming part of the Balance Sheet and Profit and Loss Account

"14" [Item No. 13] (contd.)

(B) Notes to Profit and Loss Account :

(5) Defined benefit plans / Long term compensated absences - As per actuarial valuations as on March 31, 2008

Rs. in crores

| | | Gratuity, Superannuation and BKY | | Compensated Absences | | Post-retirement Medicare scheme | |
|-------------|---|--|----------------|--|-----------------|------------------------------------|----------------|
| | | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| i | Components of employer expense | | | | | | |
| | Current Service cost | 21.60 | 16.40 | 12.80 | 10.42 | 1.80 | 2.15 |
| | Interest cost | 34.65 | 27.44 | 9.60 | 5.96 | 4.19 | 2.73 |
| | Expected return on plan assets | (30.70) | (25.41) | – | – | – | – |
| | Actuarial Losses | 39.41 | 66.35 | 12.47 | 31.48 | 3.90 | 14.00 |
| | Total expense recognised in the Statement of Profit & Loss Account in Schedule B, page 60 under item : | 64.96 | 84.78 | 34.87 | 47.86 | 9.89 | 18.88 |
| | | 4(b) & 4(c) | | 4(a) | | 4(c) | |
| ii | Actual Contribution and Benefit Payments for the year ended March 31, | | | | | | |
| | Actual benefit payments | 54.98 | 58.26 | 21.42 | 17.72 | 3.75 | 3.66 |
| | Actual Contributions | 87.98 | 100.43 | 21.42 | 17.72 | 3.75 | 3.66 |
| iii | Net liability recognised in Balance Sheet as at March 31, | | | | | | |
| | Present Value of Defined Benefit Obligation | 474.36 | 440.14 | 137.04 | 123.59 | 57.25 | 51.14 |
| | Fair value of plan assets | 424.45 | 367.21 | – | – | – | – |
| | Net liability recognised in Balance Sheet | (49.91) | (72.93) | (137.04) | (123.59) | (57.25) | (51.14) |
| iv | Change in Defined Benefit Obligations (DBO) during the year ended March 31, | | | | | | |
| | Present Value of DBO at the beginning of the year | 440.14 | 385.20 | 123.59 | 93.45 | 51.11 | 35.92 |
| | Current Service cost | 21.60 | 16.40 | 12.80 | 10.42 | 1.80 | 2.15 |
| | Interest cost | 34.65 | 27.44 | 9.60 | 5.96 | 4.19 | 2.73 |
| | Actuarial losses | 32.95 | 69.36 | 12.47 | 31.48 | 3.90 | 14.00 |
| | Benefits paid | (54.98) | (58.26) | (21.42) | (17.72) | (3.75) | (3.66) |
| | Present Value of DBO at the end of the year | 474.36 | 440.14 | 137.04 | 123.59 | 57.25 | 51.14 |
| v | Change in Fair Value of Assets during the year ended March 31, | | | | | | |
| | Plan assets at the beginning of the year | 367.21 | 296.62 | N/A | N/A | N/A | N/A |
| | Actual return on plan assets | 24.24 | 28.42 | N/A | N/A | N/A | N/A |
| | Actual Company contributions | 87.98 | 100.43 | 21.42 | 17.72 | 3.75 | 3.66 |
| | Benefits paid | (54.98) | (58.26) | (21.42) | (17.72) | (3.75) | (3.66) |
| | Plan assets at the end of the year | 424.45 | 367.21 | – | – | – | – |
| vi | Actuarial Assumptions | | | | | | |
| | Discount Rate (%) | 7.75 - 8.50 | 8.00 - 8.50 | 8.50 | 8.50 | 8.50 | 8.50 |
| | Expected Return on plan assets (%) | 8.00 | 8.00 | N/A | N/A | N/A | N/A |
| | Medical cost inflation (%) | N/A | N/A | N/A | N/A | 4.00 | 4.00 |
| vii | The major categories of plan assets as percentage of total plan assets | | | | | | |
| | Debt securities | 68% | 63% | N/A | N/A | N/A | N/A |
| | Balances with banks | 32% | 37% | N/A | N/A | N/A | N/A |
| viii | Effect of one percentage point change in assumed Medical inflation rate | One percentage point increase in Medical inflation rate | | One percentage point decrease in Medical inflation rate | | | |
| | | 2008 | 2007 | 2008 | 2007 | | |
| | Revised DBO as at March 31, | 58.11 | 56.39 | 52.10 | 46.55 | | |
| | Revised service cost for the year | 1.95 | 2.38 | 1.42 | 1.96 | | |
| | Revised interest cost for the year | 4.63 | 3.01 | 3.80 | 2.48 | | |

(a) Defined Contribution Plans-

The Company's contribution to defined contribution plan aggregated **Rs. 110.63 crores** (2006-07 Rs. 100.58 crores) for the year ended March 31, 2008 has been recognised in the statement of Profit and Loss Account under item 4 (b) in Schedule B on page 60.

(b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.

(c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Schedules forming part of the Balance Sheet and Profit and Loss Account

(Rs. in crores)

"14" [Item No. 13] (contd.)

(B) Notes to Profit and Loss Account (contd.)

(6) Other Provisions include [Schedule 12(d), page 72] :

(a) Product warranty [Note (f), page 74] :

Opening Balance

Add: Provision for the year (net) (including additional provision for earlier years)

Less: Payments / debits (net of recoveries from suppliers)

Closing Balance

The provision is expected to be utilised for settlement of warranty claims within a period of 2 to 3 years.

(b) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS) : [Note (m), page 75 and Note (C)(i), page 86]:

Opening Balance

Add : Provision for Premium on Redemption of CARS

Less : Foreign currency exchange difference

Less : Reversal due to conversion of FCCN

Closing Balance

| 2007-2008 | 2006-2007 |
|-----------|-----------|
| 148.75 | 137.49 |
| 214.19 | 177.50 |
| (207.03) | (166.24) |
| 155.91 | 148.75 |

| | |
|---------|--------|
| 284.25 | 298.20 |
| 634.07 | - |
| (30.48) | (7.00) |
| - | (6.95) |
| 887.84 | 284.25 |

(7) Earnings Per Share:

(a) Profit after tax

Rs. crores

(b) The weighted average number of Ordinary Shares for Basic EPS

Nos.

(c) The nominal value per Ordinary Share

Rupees

(d) Earnings Per Share (Basic)

Rupees

(e) Profit after tax for Basic EPS

Rs. crores

Add: Interest payable on outstanding Foreign Currency Convertible Notes

Rs. crores

(f) Profit after tax for Diluted EPS

Rs. crores

(g) The weighted average number of Ordinary Shares for Basic EPS

Nos.

(h) Add: Adjustment for Options relating to warrants, Foreign Currency Convertible Notes and Convertible Alternative Reference Securities

Nos.

(j) The weighted average number of Ordinary Shares for Diluted EPS

Nos.

(k) Earnings Per Share (Diluted)

Rupees

| 2007-2008 | 2006-2007 |
|--------------|--------------|
| 2028.92 | 1913.46 |
| 38,54,38,663 | 38,45,44,205 |
| 10.00 | 10.00 |
| 52.64 | 49.76 |
| 2028.92 | 1913.46 |
| 9.16 | 9.94 |
| 2038.08 | 1923.40 |
| 38,54,38,663 | 38,45,44,205 |
| 3,67,14,160 | 2,26,22,790 |
| 42,21,52,823 | 40,71,66,995 |
| 48.28 | 47.24 |

Tata Motors Limited
Schedules forming part of the Balance Sheet and Profit and Loss Account
"14" [Item No. 13] (contd.)
(C) (i) Issue of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS) :

The Company issued the FCCN and CARS which are convertible into Ordinary Shares or ADRs. Additionally, CARS can be converted into Qualifying Securities* in case there has been a Qualifying issue as per the terms of issue. The particulars, terms of issue and the status of conversion as at March 31, 2008 are given below :

| Issue | 1% FCCN (due 2008) | 0% FCCN (due 2009) | 1% FCCN (due 2011) | 0% FCCN (due 2011) | 0% CARS (due 2012) |
|--|--|---|---|---|---|
| Issued on | July 31, 2003 | April 27, 2004 | April 27, 2004 | March 20, 2006 | July 11, 2007 |
| Issue Amount (in INR at the time of the issue) | US \$ 100 million (Rs. 461.56 crores) | US \$ 100 million (Rs. 438.50 crores) | US \$ 300 million (Rs. 1315.50 crores) | JP ¥ 11,760 million (Rs. 450.03 crores) | US \$ 490 million (Rs. 1992.71 crores) |
| Face Value | US \$ 1000 | US \$ 1000 | US \$ 1000 | JP ¥ 10,000,000 | US \$ 100,000 |
| Conversion Price per share at fixed exchange rate | Rs. 250.745 US \$ 1 = Rs. 46.16 | Rs. 573.106 US \$ 1 = Rs. 43.85 | Rs. 780.400 US \$ 1 = Rs. 43.85 | Rs. 1001.39 Re. 1 = JP ¥ 2.66 | Rs. 960.96 US \$ 1 = Rs. 40.59 |
| Exercise Period | after September 11, 2003 and upto July 1, 2008 | June 7, 2004 to March 28, 2009 | June 7, 2004 to March 28, 2011 | May 2, 2006 to February 19, 2011 | October 11, 2011 to June 12, 2012 |
| Early redemption at the option of the Company subject to certain conditions | on or after July 31, 2006 | on or after April 27, 2005 (in whole but not in part) | Not Applicable | i) after March 20, 2009 but prior to February 8, 2011 (in whole or in part) subject to certain conditions or ii) any time (in whole but not in part) in the event of certain changes affecting taxation in India | after October 11, 2011 (at our option in whole but not in part) |
| Redeemable on | July 31, 2008 | April 27, 2009 | April 27, 2011 | March 21, 2011 | July 12, 2012 |
| Redemption percentage of the Principal Amount | 116.824% | 95.111% | 121.781% | 99.253% | 131.820% |
| Amount converted | US \$ 99.94 million | US \$ 95.59 million | Nil | Nil | Nil |
| Aggregate conversion into Shares / ADRs | 1,83,98,095 | 73,13,842 | | | |
| Notes Outstanding as at March 31, 2008 | 60 | 4,410 | 3,00,000 | 1,176 | 4,900 |
| Aggregate amount of shares that could be issued on conversion of outstanding notes | 11,045 | 3,37,422 | 1,68,56,740 | 44,14,916 | 2,06,97,115 |

* Qualifying Securities holders will have no or differential voting rights in comparison to the existing shareholders and will have no rights to withdraw the underlying Shares except upon certain conditions as per the terms of issue.

(ii) During the year, the Company sold 15% of its shareholding in its subsidiaries HV Axles Ltd and HV Transmissions Ltd, thereby reducing its stake in these subsidiaries from 100% to 85%. As a result of these transactions, the Company earned a profit of Rs. 138.75 crores.

(iii) The Company has entered into a definitive agreement with Ford Motor Company for the purchase of Jaguar Land Rover, comprising brands, plants and intellectual Property Rights. The acquisition will be made through TML Holdings Ltd (UK), a wholly owned subsidiary company, for a consideration of approximately US \$ 2.3 billion (approx Rs. 9,228.75 crores as of March 31, 2008). The transfer of ownership is expected to close in the near future, subject to applicable regulatory approvals.

(iv) Previous year's figures have been re-grouped where necessary.

(v) Current year figures are shown in bold print.

Schedules forming part of the Balance Sheet and Profit and Loss Account

"14" [Item No. 13] (contd.)

(D) Derivative transactions

The Company uses forward exchange contracts, principal only swaps, interest rates swaps, currency swaps and currency options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows :

(a) Derivative Instruments outstanding as at March 31, 2008

| Currency | Amount (Foreign Currency in millions) | Buy / Sell | Amount (Rs. in crores) |
|---|---|------------|---------------------------|
| (i) Forward exchange contracts (net) | | | |
| US \$ / INR | US \$ 569.82 | Sold | 2,285.98 |
| | US \$ 239.90 | Sold | 1043.31 |
| EUR / US \$ | € 10.75 | Sold | 68.16 |
| | € 6.77 | Sold | 39.18 |
| US \$ / JPY | – | – | – |
| | US \$ 2.00 | Bought | 8.70 |
| (ii) Principal only swaps (net) | | | |
| US \$ / INR | – | – | – |
| | US \$ 10.27 | Bought | 44.68 |
| (iii) Interest swaps (notional principal) | | | |
| US \$ Swaps | US \$ 5.00 | – | 20.06 |
| | US \$ 25.00 | – | 108.73 |
| INR Swaps | – | – | – |
| | INR 1250.00 | – | 125.00 |
| (iv) Options (net) | | | |
| US \$ / JPY | US \$ 99.69 | To Sell | 399.94 |
| | US \$ 96.49 | To Sell | 419.65 |
| US \$ / INR | US \$ 90.00 | To Sell | 361.06 |
| | US \$ 27.50 | To Sell | 119.60 |
| EUR / US \$ | € 13.00 | Hybrid | 82.43 |
| | € 35.00 | Hybrid | 202.62 |
| US \$ / CHF | US \$ 10.00 | Hybrid | 40.12 |
| | US \$ 9.50 | Hybrid | 41.32 |

(b) Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2008

| | Amount (Foreign Currency in millions) | Amount (Rs. in crores) |
|---|---|---------------------------|
| (i) Amount receivable on account of Sale of Goods, loan and interest charges | | |
| | – | – |
| | US\$ 1.10 | 4.79 |
| | € 15.00 | 95.11 |
| | € 7.62 | 44.10 |
| | £ 1.37 | 10.89 |
| | £ 1.46 | 12.45 |
| | SGD 2.50 | 7.28 |
| | – | – |
| (ii) Creditors payable on account of Loan and Interest charges and other foreign currency expenditure | | |
| | US\$ 1377.44 | 5525.94 |
| | US\$ 702.41 | 3054.78 |
| | € 14.25 | 90.35 |
| | € 21.35 | 123.59 |
| | £ 3.36 | 26.76 |
| | £ 1.94 | 16.51 |
| | ¥ 1082.09 | 43.54 |
| | ¥ 129.97 | 4.78 |
| | Others | 4.02 |
| | Others | 2.83 |

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

"14" [Item No. 13] (contd.)
(E) Information in regard to opening stock and closing stock :

| | 2007-2008 | | 2006-2007 | |
|--|------------------|----------------|------------------|----------------|
| | Quantity Nos. | Value | Quantity Nos. | Value |
| (a) Opening Stock - Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon | 17,093 | 888.88 | 11,874 | 618.14 |
| Manufactured and purchased components for sale : | | | | |
| Spare Parts for Vehicles | | 204.89 | | 139.56 |
| Scrap | | 9.25 | | 10.65 |
| | | 1103.02 | | 768.35 |
| (b) Closing Stock - Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon | 15,347* | 850.15 | 17,093* | 888.88 |
| Manufactured and purchased components for sale : | | | | |
| Spare Parts for Vehicles | | 209.86 | | 204.89 |
| Scrap | | 7.85 | | 9.25 |
| | | 1067.86 | | 1103.02 |

* Excluding :

- Capitalised / transferred for internal use **713 vehicles** (2006-07 : 569 vehicles) including **7 vehicles** (2006-07 : 3 vehicles) for homologation / testing.
- Transferred on settlement of insurance claims for damaged vehicles : **35 vehicles** (2006-07 : 37 vehicles).
- Donated **10 vehicles** (2006-07 : 9 vehicles).

"15" [Item No. 13]
Information in regard to Sales effected by the Company (excluding inter-divisional transfers, settlements for damaged goods and goods capitalised) :

| | 2007-2008 | | 2006-2007 | |
|--|------------------|-----------------|------------------|-----------------|
| | Quantity Nos. | Value | Quantity Nos. | Value |
| 1. Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon | 585,649 | 30147.56 | 580,280 | 29335.28 |
| 2. Spare Parts for Vehicles | | 1558.81 | | 1220.10 |
| 3. Diesel Engines | 14,057 | 119.67 | 8,587 | 69.89 |
| 4. Scrap | | 130.51 | | 111.29 |
| 5. Castings and Forgings | | 299.35 | | 284.14 |
| 6. Income from transfer of technology | | 169.40 | | - |
| 7. Income from Services | | 96.53 | | 44.00 |
| | | 32521.83 | | 31064.70 |

Schedules forming part of the Profit and Loss Account

"16" [Item No. 13]

Quantitative information in regard to installed capacity and the goods manufactured by the Company :

| | Unit of measurement | Installed capacity* | Actual production** |
|--|----------------------------|---------------------------------------|-------------------------------------|
| 1. On road automobiles having four or more wheels such as light, medium and heavy commercial vehicles, jeep type vehicles and passenger cars covered under Sub-heading (5) of Heading (7) of First Schedule (Jamshedpur Works) | Nos. | 1,02,000 (96,000) | 95,145 (98,227) |
| 2. Motor Vehicles for transport of ten or more persons including the driver, motor cars and other motor vehicles for transport of persons, motor vehicles for transport of goods, chassis fitted with engine for motor vehicles (Pune Works) Licensed Capacity : 4,00,000 Nos. | Nos. | 5,65,000 (5,56,000) | 4,36,177 (4,58,324) |
| 3. Motor Vehicles for transport of ten or more persons including the driver, motor cars and other motor vehicles for transport of persons, motor vehicles for transport of goods, chassis fitted with engine for motor vehicles (Lucknow Works) | Nos. | 30,000 (30,000) | 26,900 (28,235) |
| 4. Motor Vehicles for transport of ten or more persons including the driver, motor cars and other motor vehicles for transport of persons, motor vehicles for transport of goods, chassis fitted with engine for motor vehicles (Uttaranchal Works) | Nos. | 75,000 - | 23,136 - |
| 5. Diesel Engines for Industrial and Marine applications | Nos. | *** *** | 14,120 (8,498) |
| 6. S. G. Iron Castings | Tonnes | 12,000 (12,000) | 14,127 (14,505) |
| 7. S. G. / Grey Iron Semis by continuous casting process | Tonnes | 3,600 (3,600) | - (-) |
| 8. Power Generation | KW | 19,22,82,000 (19,22,82,000) | 3,08,28,940 (3,44,07,625) |
| 9. Manufactured Components for Sale **** | Rupees Crores | | 329.56 (444.91) |

* On double shift basis including capacity for manufacture of replacement parts as certified by the management and relied upon by the Auditors.

** Includes production for internal use.

*** These are manufactured against spare capacity under (1) and (2) above.

**** The production disclosed against manufactured components is the value (as this is more meaningful than quantity) of such components transferred during the year to the warehouses for sale.

NOTE : In addition to the above, The Company holds following industrial licenses / Industrial Entrepreneurs Memoranda (IEM) for which there is no production during the year.

- Rotary position encoder and readout, electronic comparator, electronic weighing instruments, crane-weighing instruments and test rig equipment.
- Special Purpose Motor Vehicle, other than those principally designed for the transport of persons or goods.
- Truck and Bus Bodies.
- Automotive equipment for various defence applications such as different types of armoured vehicles, heavy tank carriers, shelters, containers, tactical floating bridges and ferries, bullet proof vehicles, high mobility vehicles, mechanised material handling and bridging equipment, mine protected vehicles, etc.
- Certain types of electric equipment such as printed circuit motors, spot welding guns, in-process gauging, linear position encoder and readout, proximity switch, numerical control machine tools, solid state controllers for machine tools, Hoists and LDTV, vertical bar display, analogue timer, digital counter / timer.

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

"17" [Item No. 13]
Information regarding exports and imports and other matters :

| | 2007-2008 | 2006-2007 |
|---|------------------|-----------|
| 1. Earnings in foreign exchange : | | |
| (i) F.O.B. value of goods exported [including sales through Export House, Exports to Nepal, Bhutan and local sales eligible for export incentives and exchange differences (net) - loss of Rs. 13.30 crores (2006-07 Rs. 1.29 crores)] | 2754.05 | 2687.30 |
| (ii) Interest and Dividend | 90.07 | 3.11 |
| (iii) Others (Profit on sale of investments) | - | 24.27 |
| 2. C.I.F. value of imports | | |
| (i) Raw Materials and Components | 1051.05 | 930.05 |
| (ii) Machinery spares and tools | 36.62 | 31.92 |
| (iii) Capital goods | 1314.31 | 472.76 |
| (iv) Spare Parts for sale | 5.69 | 11.38 |
| (v) Other items | 13.16 | 8.66 |
| 3. (a) Value of imported and indigenous raw materials and components consumed : | | |
| (i) Imported at Rupee cost | 855.82 | 696.71 |
| (ii) Indigenously obtained | 17736.26 | 17219.02 |
| (b) Percentage to total consumption : | | |
| (i) Imported | % 4.60 | 3.89 |
| (ii) Indigenously obtained | % 95.40 | 96.11 |

Note : In giving the above information, the Company has taken the view that spares and components as referred to in Clause 4D(c) of Part II of Schedule VI covers only such items as consumed directly in production.

Schedules forming part of the Profit and Loss Account

| | | (Rs. in crores) | |
|---|--|-----------------------------|--------------|
| | | "17" [Item No. 13] (contd.) | |
| | | 2007-2008 | 2006-2007 |
| 4. | Expenditure in foreign currency (subject to deduction of tax where applicable) : | | |
| (i) | Technical Know-how fees | 172.21 | 188.88 |
| (ii) | Interest | 131.08 | 88.60 |
| (iii) | Consultancy / Professional charges | 112.12 | 64.07 |
| (iv) | Payments on Other Accounts [including Exchange differences (net)] | 173.65 | 181.18 |
| 5. | Remittances in foreign currencies for dividends : | | |
| The Company does not have complete information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends declared during the year and payable to non - resident shareholders for the year 2006-07 are as under: | | | |
| (i) | Number of non-resident shareholders | | |
| (a) | For 2006-07 Nos. | 5,483 | - |
| (b) | For 2005-06 Nos. | - | 5,288 |
| (ii) | Number of shares held by them | | |
| (a) | For 2006-07 Nos. | 15,63,50,853 | - |
| (b) | For 2005-06 Nos. | - | 15,17,92,702 |
| (iii) | Gross amount of dividend | | |
| (a) | For 2006-07 | 234.53 | - |
| (b) | For 2005-06 | - | 197.33 |

"18" (Item No. 13]

Information in regard to raw materials and components consumed :

| | | 2007-2008 | | 2006-2007 | |
|-----------------------------|---------------------|-----------|----------|-----------|----------|
| | Unit of Measurement | Quantity | Value | Quantity | Value |
| | | | | | |
| Steel | Tonnes | 1,93,864 | 642.73 | 2,16,083 | 661.05 |
| Steel Tubes | Tonnes | 18 | 0.32 | 112 | 0.86 |
| Non-ferrous alloys/metals | Tonnes | 3,396 | 49.56 | 2,658 | 42.95 |
| Ferro Alloys | Tonnes | 1,671 | 10.72 | 1,862 | 11.96 |
| Steel Melting Scrap | Tonnes | 62,829 | 162.91 | 97,608 | 147.11 |
| Paints, Oils and Lubricants | Tonnes | 7,453 | 203.29 | 8,827 | 218.33 |
| | Kilo liters | 13,619 | | 14,769 | |
| Tyres, Tubes and Flaps | Nos. | 47,11,883 | 1608.19 | 46,10,652 | 1359.70 |
| Engines | Nos. | 93,114 | 1292.80 | 84,472 | 1179.01 |
| Other components | | | 14621.56 | | 14294.76 |
| | | | 18592.08 | | 17915.73 |

Note : The Consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc. The figures of other components is a balancing figure based on the total consumption shown in the profit and loss account.

Tata Motors Limited

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details:

| | |
|--------------------|------------|
| Registration No | 4520 |
| State Code | 11 |
| Balance Sheet Date | 31.03.2008 |

II. Capital Raised during the Year (See Note below)

(Amount in Rs. Thousand)

| | |
|-------------------|-----|
| Public Issue | Nil |
| Rights Issue | Nil |
| Bonus Issue | Nil |
| Private Placement | Nil |

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousand)

Total Liabilities 257523790

Total Assets 257523790

Sources of Funds:

| | |
|------------------------|----------|
| Paid-up Capital | 3855449 |
| Reserves & Surplus | 74539554 |
| Secured Loans | 24619864 |
| Unsecured Loans | 38185333 |
| Deferred Tax Liability | 9757200 |

Application of Funds:

| | |
|---------------------------|-----------|
| Net Fixed Assets | 104522701 |
| Investments | 49102709 |
| Net Current Assets | (2728528) |
| Miscellaneous Expenditure | 60518 |

IV. Performance of Company

(Amount in Rs. Thousand)

| | |
|---------------------------------|-------------|
| Turnover | 335771081 |
| Total Expenditure | (310006349) |
| Profit Before Tax | 25764732 |
| Profit After Tax | 20289246 |
| Earning Per Share - Basic (Rs.) | 52.64 |
| Dividend Rate | 150% |

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

| | |
|--------------------------|---|
| Item Code No. (ITC Code) | 8702 to 8708 except 8705 & 8707 |
| Product Description | Chasis and Vehicles for transport of goods and passengers, including motor car and parts thereof. |

Share Capital of the Company has increased by Rs. 13,00,690/- during the year consequent to conversion of 1,700 0% Foreign Currency Convertible Notes (FCCN) (due 2009) into 1,30,069 Ordinary Shares.

Auditors' Report on Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF TATA MOTORS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TATA MOTORS LIMITED** ('the Company'), and its subsidiaries (the Company and its subsidiaries constitute 'the Group') as at March 31, 2008 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - (a) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of Rs. 2,250.18 crores as at March 31, 2008, total revenues of Rs. 6,498.99 crores and net cash flows amounting to Rs. 11.61 crores and of certain associates whose financial statements reflect the Group's share of profit (net) of Rs. 57.86 crores for the year then ended and Group's share of profit (net) of Rs. 94.45 crores up to March 31, 2008. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management of the Group, and our opinion is based solely on the reports of the other auditors.
 - (b) As stated in note B (7) of Schedule 14, the financial statements of a joint venture, whose financial statements reflect the Group's share of total assets (net) Rs. 407.26 crores as at March 31, 2008, total revenues of Rs. 14.14 crores and net cash flows amounting to Rs. 17.79 crores for the period December 28, 2007 to March 31, 2008 are unaudited and we have relied upon the unaudited financial statements as provided by the Company's Management for the purpose of our examination of consolidated financial statements of the Group.
 - (c) As stated in note B (6) of Schedule 14, as the audited financial statements of certain associates, whose financial statements reflect the Group's share of loss (net) for the year ended March 31, 2008 of Rs. 0.05 crores and Group's share of loss (net) of Rs. 4.66 crores up to March 31, 2008 are not available, we have relied upon the unaudited financial statements as provided by the Management of those components for the purpose of our examination of consolidated financial statements.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements', Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures' as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2008;
 - ii. in the case of the Consolidated Profit and Loss Account, of the profits of the Group for the year ended on that date; and
 - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

M.S. Dharmadhikari

Partner

Membership No.: 30802

Mumbai: May 28, 2008

Tata Motors Limited
Consolidated Balance Sheet as at March 31, 2008

| | Schedule | Page | | (Rs. in crores) |
|--|----------|------|-----------------|----------------------------|
| | | | | As at March 31, 2007 |
| SOURCES OF FUNDS | | | | |
| 1. SHAREHOLDERS' FUNDS | | | | |
| (a) Share Capital | 1 | 99 | 385.54 | 385.41 |
| (b) Reserves and Surplus | 2 | 99 | 8311.98 | 7336.26 |
| | | | | 8697.52 |
| | | | | 468.31 |
| 2. MINORITY INTEREST | | | | 7721.67 |
| 3. LOAN FUNDS | | | | 249.96 |
| (a) Secured | 3 | 100 | 6011.87 | 4462.65 |
| (b) Unsecured | 4 | 100 | 5573.00 | 2839.25 |
| | | | | 11584.87 |
| | | | | 974.45 |
| 4. DEFERRED TAX LIABILITY (NET) [Note A (6) (a) Page 110] | | | | 7301.90 |
| 5. TOTAL FUNDS EMPLOYED | | | 21725.15 | 817.27 |
| | | | | 16090.80 |
| APPLICATION OF FUNDS | | | | |
| 6. FIXED ASSETS | 5 | 101 | | |
| (a) Gross Block | | | 12975.65 | 10359.18 |
| (b) Less - Depreciation | | | 6060.49 | 5426.65 |
| (c) Net Block | | | 6915.16 | 4932.53 |
| (d) Capital Work-in-Progress | | | 5948.28 | 2581.65 |
| | | | | 12863.44 |
| | | | | 566.16 |
| 7. GOODWILL (On Consolidation) | | | | 7514.18 |
| 8. INVESTMENTS | 6 | 102 | 2665.83 | 443.01 |
| 9. CURRENT ASSETS, LOANS AND ADVANCES | | | | 1174.59 |
| (a) Interest accrued on investments | | | 1.19 | 6.27 |
| (b) Inventories | 7 | 103 | 3294.64 | 3166.90 |
| (c) Sundry Debtors | 8 | 103 | 2060.51 | 1702.22 |
| (d) Cash and Bank Balances | 9 | 103 | 3833.17 | 1154.27 |
| (e) Loans and Advances | 10 | 104 | 10077.84 | 10248.26 |
| | | | 19267.35 | 16277.92 |
| 10. CURRENT LIABILITIES AND PROVISIONS | | | | |
| (a) Current Liabilities | 11 | 104 | 11319.19 | 7700.39 |
| (b) Provisions | 12 | 104 | 2325.37 | 1630.44 |
| | | | 13644.56 | 9330.83 |
| 11. NET CURRENT ASSETS [(9) LESS (10)] | | | | 6947.09 |
| 12. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | 13 | 104 | 5622.79 | 11.93 |
| | | | 6.93 | |
| 13. TOTAL ASSETS (NET) | | | 21725.15 | 16090.80 |
| 14. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES | | 105 | | |
| 15. NOTES TO BALANCE SHEET | 14 | 110 | | |

As per our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

Mumbai, May 28, 2008

For and on behalf of the Board

RATAN N TATA
Chairman
N A SOONAWALA
J J IRANI
V R MEHTA
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
Directors

RAVI KANT
Managing Director

P M TELANG
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, May 28, 2008

Consolidated Profit and Loss Account for the year ended March 31, 2008

| | Schedule | Page | | (Rs. in crores) 2006-2007 |
|---|----------|--------|------------------|------------------------------|
| INCOME | | | | |
| 1. SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS | A (1) | 97 | 40340.79 | 36922.61 |
| LESS: EXCISE DUTY | | | 4689.31 | 4561.41 |
| | | | 35651.48 | 32361.20 |
| 2. DIVIDEND AND OTHER INCOME | A (2) | 97 | 267.48 | 153.18 |
| | | | 35918.96 | 32514.38 |
| EXPENDITURE | | | | |
| 3. MANUFACTURING AND OTHER EXPENSES | B | 98 | 32601.33 | 28986.71 |
| 4. EXPENDITURE TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS | | | (1360.70) | (739.91) |
| | | | 31240.63 | 28246.80 |
| PROFIT BEFORE DEPRECIATION, INTEREST, AMORTISATION AND TAX | | | | |
| 5. PRODUCT DEVELOPMENT EXPENDITURE | | | 4678.33 | 4267.58 |
| 6. DEPRECIATION | | | 65.95 | 85.02 |
| 7. INTEREST AND DISCOUNTING CHARGES [Note B (1), Page 114] | | | 782.07 | 688.09 |
| 8. AMORTISATION OF MISCELLANEOUS EXPENDITURE IN SUBSIDIARIES | | | 743.06 | 405.81 |
| 9. ADJUSTMENT OF MISCELLANEOUS EXPENDITURE IN SUBSIDIARIES | | | 0.90 | 0.52 |
| | | | 0.06 | 0.14 |
| PROFIT BEFORE TAX | | | | |
| 10. TAX EXPENSE [Note A (6c), Page 110] | | | 3086.29 | 3088.00 |
| | | | (851.54) | (883.21) |
| PROFIT AFTER TAX | | | | |
| 11. SHARE OF MINORITY INTEREST | | | 2234.75 | 2204.79 |
| 12. SHARE OF PROFIT IN RESPECT OF INVESTMENTS IN ASSOCIATE COMPANIES | | | (132.25) | (74.22) |
| | | | 65.20 | 39.42 |
| PROFIT FOR THE YEAR | | | | |
| 13. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR | | | 2167.70 | 2169.99 |
| 14. ADJUSTMENT FOR REVISED AS 15 IN A SUBSIDIARY | | | 1366.46 | 984.10 |
| 15. TRANSLATION ON OPENING BALANCE IN RESPECT OF FOREIGN SUBSIDIARIES | | | - | (0.69) |
| | | | - | (1.00) |
| AMOUNT AVAILABLE FOR APPROPRIATION | | | | |
| 16. APPROPRIATIONS | | | 3534.16 | 3152.40 |
| (a) Tax on Interim Dividend by subsidiaries (including Group's share of subsidiaries' dividend tax) | | | 10.89 | 4.56 |
| (b) Proposed Dividend | | | 578.43 | 578.07 |
| (c) Tax on Proposed Dividend (including Group's share of subsidiaries' dividend tax) | | | 87.42 | 105.52 |
| (d) Residual dividend paid for FY 2005-06 (including tax) | | | - | 0.07 |
| (e) General Reserve | | | 1047.43 | 1031.63 |
| (f) Special Reserve | | | 12.20 | 5.26 |
| (g) Reserve for Research and Human Resource Development | | | 32.25 | 60.83 |
| (h) Earned Surplus Reserve | | | 1.42 | - |
| (j) Balance carried to Balance Sheet | | | 1764.12 | 1366.46 |
| | | | 3534.16 | 3152.40 |
| 17. EARNINGS PER SHARE [Note B (3), Page 117] | | | | |
| (a) Basic | | Rupees | 56.24 | 56.43 |
| (b) Diluted | | Rupees | 51.57 | 53.54 |
| 18. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES | | 105 | | |
| 19. NOTES TO PROFIT AND LOSS ACCOUNT | 14 | 114 | | |

As per our report attached to the Balance Sheet

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

RATAN N TATA
Chairman
N A SOONAWALA
J J IRANI
V R MEHTA
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
Directors

RAVI KANT
Managing Director

P M TELANG
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, May 28, 2008

Mumbai, May 28, 2008

Sixty-third annual report 2007-08

Tata Motors Limited

Consolidated Cash Flow Statement for the year ended March 31, 2008

| | 2007-2008 | (Rs. in crores) 2006-2007 |
|--|------------------|------------------------------|
| A. Cash flow from Operating Activities | | |
| Net Profit after tax | | 2169.99 |
| Adjustments for: | | |
| Depreciation (including Lease Equalisation adjusted in income) | 777.58 | 684.31 |
| Profit on sale of assets (net) | (19.93) | (17.39) |
| Profit on sale of investments (net) | (135.89) | (42.94) |
| (Reversal of provision) / Provision for diminution in value of investments (net) | (2.93) | 1.18 |
| Provision for inter corporate deposits (net) | (0.77) | - |
| Gain on transfer of activity relating to financing of Construction Equipment | (76.00) | - |
| (Gain) / Loss on Liquidation of subsidiaries | (0.64) | 3.06 |
| Share of Profit in respect of investments in associate companies | (65.20) | (39.42) |
| Share of minority interest | 132.25 | 74.22 |
| Wealth tax | (0.24) | 0.68 |
| Tax expense | 851.54 | 883.21 |
| Interest / Dividend (net) | 619.70 | 297.53 |
| Gain on issue of shares by a subsidiary | (4.66) | (1.96) |
| Exchange difference | (26.02) | (69.39) |
| Amortisation of miscellaneous expenditure | 0.96 | 0.66 |
| Employee separation cost | 4.04 | 4.03 |
| | 2053.79 | 1777.78 |
| Operating Profit before working capital changes | | 3947.77 |
| Adjustments for: | | |
| Trade and other receivables | (698.36) | (787.27) |
| Inventories | (122.85) | (684.01) |
| Trade and other payables | 2916.20 | 1267.34 |
| | 2094.99 | (203.94) |
| Vehicle / other loans and hire purchase receivables | (52.76) | (3933.05) |
| | 2042.23 | (4136.99) |
| Cash (used in) / generated from Operations | 6263.72 | (189.22) |
| Direct Taxes Paid (net) | (668.17) | (686.26) |
| Net Cash (used in) / from Operating Activities | 5595.55 | (875.48) |
| B. Cash Flow from Investing Activities | | |
| Purchase of fixed assets | (5280.39) | (2758.75) |
| Loan to associates | (53.34) | - |
| Sale of fixed assets | 46.44 | 99.34 |
| Proceeds from transfer of activity relating to financing of Construction Equipment | 887.42 | - |
| Investments in associate companies | (95.51) | - |
| Investments in Mutual Fund (made) / sold (net) | (792.28) | 138.35 |
| Acquisition of stake in joint venture | (442.09) | - |
| Investments - others | (421.68) | (18.35) |
| Decrease / (Increase) in Investments in retained interests in securitisation transactions | 14.26 | (28.66) |
| Sale of investments in subsidiary companies | 164.25 | - |
| Sale of investments in associate company | 18.39 | 1.46 |
| Sale / redemption of investments - others | 245.21 | 42.04 |
| Proceeds received on liquidation of subsidiaries | 0.65 | - |
| Payment for purchase of business from administrator | - | (0.44) |
| Interest received | 154.60 | 45.01 |
| Dividend received from associates | 18.07 | 30.78 |
| Dividend / Income on investments received | 80.98 | 102.73 |
| Receipt of Long Term Inter-corporate deposits | 26.92 | - |
| Decrease / (Increase) in short term Inter-corporate deposits | 30.68 | (60.00) |
| Net Cash used in Investing Activities | (5397.42) | (2406.49) |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of Convertible Alternative Reference Securities (CARS) (net of issue expenses) | 1969.99 | - |
| Stamp duty on FCCN conversion | (0.01) | (0.09) |
| Proceeds from long term borrowings | 5462.98 | 4213.51 |
| Repayment of long term borrowings | (4395.53) | (977.98) |
| Increase in short term borrowings (net) | 1138.51 | 861.00 |
| Proceeds from issue of shares to minority shareholders | 62.68 | 15.58 |
| Payment of premium on long term forward contracts | - | (3.07) |
| Preliminary expenses incurred | - | (2.71) |
| Dividend paid (including Dividend Tax) | (685.08) | (575.39) |
| Tax paid on Interim Dividend by Subsidiaries | (17.08) | (4.56) |
| Dividend paid to minority shareholders | (17.08) | (7.34) |
| Interest paid [including discounting charges paid, Rs. 296.30 crores, (2006-07 Rs.172.27 crores)] | (1049.59) | (465.38) |
| Net Cash from / (used in) Financing Activities | 2486.87 | 3053.57 |
| Net Decrease in Cash and cash equivalents | 2685.00 | (228.40) |
| Cash and cash equivalents as at March 31 (Opening Balance) | 1154.27 | 1386.44 |
| Add: Cash and Bank balance taken over on acquisition of stake in a joint venture | 17.92 | - |
| Less: Cash and bank balances of subsidiaries under liquidation, taken over by Administrator | - | (0.55) |
| Add: Translation adjustment on opening cash and bank balance of foreign subsidiaries | (4.84) | 4.32 |
| Add: Translation adjustment on reserves of foreign subsidiaries | (4.63) | (6.26) |
| Less: Exchange fluctuation on FCCN proceeds kept outside India and on foreign currency bank balances | (14.55) | (1.28) |
| Cash and cash equivalents as at March 31 (Closing Balance) | 3833.17* | 1154.27* |

*Includes Cash Collateral Rs. 1594.07 crores (as at March 31, 2007 Rs. 401.49 crores, as at March 31, 2006 Rs. 294.82 crores)
Previous periods' figures have been restated, wherever necessary, to conform to this periods' classification.

As per our report attached to the Balance Sheet

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

RATAN N TATA
Chairman
N A SOONAWALA
J J IRANI
V R MEHTA
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
Directors

For and on behalf of the Board

RAVI KANT
Managing Director

P M TELANG
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, May 28, 2008

Mumbai, May 28, 2008

Schedules forming part of the Consolidated Profit and Loss Account

| | | (Rs. in crores) | |
|--|--|----------------------|-----------|
| | | "A" [Item No. 1 & 2] | |
| | | 2007-2008 | 2006-2007 |
| SALE OF PRODUCTS AND OTHER INCOME | | | |
| 1. Sale of products and other income from operations | | | |
| (a) Sale of products / Services (Note 1 below) | | 39018.62 | 36032.89 |
| (b) Income from Hire purchase / Loan contracts (Notes 2 to 5 below) | | 1070.69 | 672.55 |
| (c) Miscellaneous income (Note 6 below) | | 251.48 | 217.17 |
| | | 40340.79 | 36922.61 |
| 2. Dividend and other income (Notes 7 to 10 below) | | 267.48 | 153.18 |
| | | 40608.27 | 37075.79 |
| | | | |
| | | 2007-2008 | 2006-2007 |
| Notes: | (1) Includes exchange gain (net) | 52.24 | 65.77 |
| | (2) Value of Hire purchase contracts entered into during the year: Purchased vehicles (Note 3 below) | – | 48.72 |
| | (3) Value of vehicles purchased and issued on Hire purchase contracts during the year | – | 41.12 |
| | (4) (i) Income from Hire purchase contracts includes net income from lease rentals and income on securitisation / sale of receivable under Hire purchase contracts | – | 0.42 |
| | (ii) Income from Loan contracts includes income on securitisation / sale of receivables of Loan contracts (net) | 44.32 | 77.50 |
| | (5) Income from Loan contracts includes Interest income (net) | 953.59 | 548.35 |
| | (6) Miscellaneous income include : | | |
| | (i) Profit on sale of assets (net) [includes Capital Profits of Rs. 8.74 crores (2006-07 Rs. 8.24 crores)] | 23.63 | 22.61 |
| | (ii) Gain on transfer of activity relating to financing of Construction Equipment | 76.00 | – |
| | (iii) Insurance claims for loss of profit due to fire | – | 47.90 |
| | (7) Dividend and other income includes : | | |
| | (i) Income from current investments | 56.78 | 9.96 |
| | (ii) Income from long term investments (net) | 64.74 | 98.32 |
| | (iii) Tax deducted at source | 1.84 | 1.93 |
| | (iv) Reversal of provision for diminution in value of investments | 2.93 | – |
| | (8) Dividend and other income includes : | | |
| | (i) Profit on sale of part interest in subsidiary companies | 109.72 | – |
| | (ii) Profit on sale of current investments | 13.18 | 12.20 |
| | (iii) Profit on sale of long-term investments (net) | 12.99 | 30.74 |
| | (9) Dividend and other income include gain on liquidation of subsidiaries (net) | 0.64 | – |
| | (10) Dividend and other income include gain on issue of shares by a subsidiary | 4.66 | 1.96 |

Schedules forming part of the Consolidated Profit and Loss Account

| | | (Rs. in crores) | |
|---|--|-----------------|-----------|
| "B" [Item No. 3] | | 2007-2008 | 2006-2007 |
| MANUFACTURING AND OTHER EXPENSES | | | |
| 1. | Purchase of products for sale, etc. | 2318.21 | 1911.49 |
| 2. | Consumption of raw materials and components | 22057.63 | 20461.10 |
| 3. | Processing charges | 484.02 | 480.32 |
| 4. | Payments to and provision for employees (Note 1 below) | | |
| (a) | Salaries, wages and bonus | 2263.92 | 1948.32 |
| (b) | Contribution to provident and other funds | 255.83 | 260.69 |
| (c) | Workmen and staff welfare expenses | 225.41 | 206.78 |
| | | 2745.16 | 2415.79 |
| 5. | Expenses for manufacture, administration and selling: | | |
| (a) | Stores, spare parts and tools consumed | 735.97 | 565.73 |
| (b) | Freight, transportation, port charges, etc. | 618.64 | 547.65 |
| (c) | Repairs to buildings | 30.43 | 26.52 |
| (d) | Repairs to plant, machinery, etc. | 56.70 | 54.58 |
| (e) | Power and fuel | 377.72 | 368.53 |
| (f) | Rent | 76.94 | 46.76 |
| (g) | Rates and taxes | 33.52 | 44.04 |
| (h) | Insurance | 53.14 | 35.76 |
| (j) | Publicity | 311.38 | 257.70 |
| (k) | Incentive / Commission to dealers | 327.01 | 325.09 |
| (l) | Other expenses (Note 2 below) | 2525.96 | 1844.62 |
| | | 5147.41 | 4116.98 |
| 6. | Exchange gain (net) on revaluation of foreign currency borrowings, deposits and loans given | (137.61) | (65.21) |
| 7. | Excise duty on Stock-in-trade | (13.19) | 77.50 |
| 8. | Change in Stock-in-trade and Work-in-progress: | | |
| A. | Opening Stock | | |
| (i) | Work-in-progress | 365.10 | 342.51 |
| (ii) | Stock -in-trade | 1332.74 | 944.07 |
| | | 1697.84 | 1286.58 |
| | Stock acquired on acquisition in a joint venture | | |
| (i) | Work-in-progress | 2.94 | — |
| (ii) | Stock -in-trade | 1.15 | — |
| | | 4.09 | — |
| B. | Closing Stock | | |
| (i) | Work-in-progress | 370.08 | 365.10 |
| (ii) | Stock -in-trade | 1332.15 | 1332.74 |
| | | 1702.23 | 1697.84 |
| | | (0.30) | (411.26) |
| | | 32601.33 | 28986.71 |

| | | 2007-2008 | 2006-2007 |
|----------------|--|---------------|-----------|
| Notes : | (1) Payments to and provision for employees include: | | |
| | (i) Provisions for other employee benefit schemes | 18.74 | 32.11 |
| | (ii) Managerial Remuneration for Directors (excluding provision for encashable leave and gratuity as separate actuarial valuation for Whole-time Directors is not available) | 9.96 | 6.77 |
| | (2) Other expenses include: | | |
| | (i) Loss on assets scrapped / written off | 3.70 | 5.22 |
| | (ii) Repairs to buildings exclude amounts charged to other revenue accounts | 8.16 | 8.96 |
| | (iii) Repairs to plant, machinery, etc exclude amounts charged to other revenue accounts | 142.96 | 123.63 |
| | (iv) Lease rentals in respect of plant and machinery | 1.54 | 2.96 |
| | (v) Provision and write off of sundry debtors, vehicle loans and advances (net) | 448.48 | 179.60 |
| | (vi) Securitisation expenses for Hire purchase / Loan contracts | 55.75 | 63.50 |
| | (vii) Commission and brokerage on sales | 61.11 | 31.66 |
| | (viii) Loss on liquidation of subsidiaries (net) | — | 3.06 |

Schedules forming part of the Consolidated Balance Sheet

SHARE CAPITAL

Authorised:

45,00,00,000 Ordinary shares of Rs. 10 each (As at March 31, 2007: 45,00,00,000 shares)

Issued and subscribed:

38,55,03,954 Ordinary shares of Rs. 10 each fully paid

(As at March 31, 2007 38,53,73,885 shares)

Less: Calls in arrears

Share Forfeiture

(Rs. in crores)

"1" [Item No. 1(a)]

| As at March 31, 2008 | As at March 31, 2007 |
|----------------------------|----------------------------|
| 450.00 | 450.00 |
| 385.50 | 385.37 |
| 0.01 | 0.01 |
| 385.49 | 385.36 |
| 0.05 | 0.05 |
| 385.54 | 385.41 |

"2" [Item No. 1(b)]

RESERVES AND SURPLUS

| | As at March 31, 2007 | Additions | Deductions / Adjustments | As at March 31, 2008 |
|---|----------------------------|----------------|-----------------------------|----------------------------|
| (a) Securities Premium Account [Note (i) and (ii) below] | 1936.40 | 34.38 | 433.56 | 1537.22 |
| | 1828.70 | 107.79 | 0.09 | 1936.40 |
| (b) Capital Redemption Reserve | 2.28 | - | - | 2.28 |
| | 2.28 | - | - | 2.28 |
| (c) Capital Reserve (on consolidation) [Note (iii) below] | 411.21 | - | 45.40 | 365.81 |
| | 408.20 | 3.93 | 0.92 | 411.21 |
| (d) Debenture Redemption Reserve | 334.35 | - | - | 334.35 |
| | 334.35 | - | - | 334.35 |
| (e) Amalgamation Reserve | 0.05 | - | - | 0.05 |
| | 0.05 | - | - | 0.05 |
| (f) Special Reserve | 66.37 | 12.20 | - | 78.57 |
| | 61.11 | 5.26 | - | 66.37 |
| (g) Reserve on Research and Human Resource Development [Note (iv) below] | 67.44 | 32.25 | - | 99.69 |
| | 5.62 | 61.82 | - | 67.44 |
| (h) Earned Surplus Reserve [Note (v) below] | - | 1.42 | - | 1.42 |
| | - | - | - | - |
| (j) Revaluation Reserve [Note (vi) below] | 25.95 | - | 0.44 | 25.51 |
| | 26.39 | - | 0.44 | 25.95 |
| (k) General Reserve [Note (vii), Page 100] | 3042.32 | 1047.84 | 3.33 | 4086.83 |
| | 2049.07 | 1050.23 | 56.98 | 3042.32 |
| (l) Translation Reserve [Note (viii), Page 100] | 83.43 | - | 67.30 | 16.13 |
| | 48.73 | 34.70 | - | 83.43 |
| | 5969.80 | 1128.09 | 550.03 | 6547.86 |
| | 4764.50 | 1263.73 | 58.43 | 5969.80 |
| (m) Profit and Loss Account | | | | 1764.12 |
| | | | | 1366.46 |
| | | | | 8311.98 |
| | | | | 7336.26 |

Notes:

- (i) Securities Premium Account opening and closing balances are net of calls in arrears **Rs. 0.03 crore**
- (ii) **Changes in Securities Premium Account**
- (a) Premium on shares issued on conversion of Foreign Currency Convertible Notes (FCCN) and on shares issued which were held in abeyance out of Rights Issue of shares
- (b) Provision for premium on redemption of Convertible Alternative Reference Securities (CARS) (Net of tax of **Rs. 215.52 crores**)
- (c) CARS issue expenses (net of tax Rs. 7.72 crores)
- (d) Exchange difference on Provision for premium on redemption of FCCN / CARS [(net of tax Rs. 2.87 crores (2006-07 Rs. Nil))] [including credit for reversal upon conversion of FCCN Rs. Nil (2006-07 net of credit for reversal of Rs. 6.95 crores)]
- (e) Stamp Duty charges on conversion of FCCN
- (iii) Capital Reserve is net of translation of **Rs. 45.40 crores** (2006-07 includes (net) Rs. 3.01 crores) on opening balances in respect of foreign subsidiaries.
- (iv) Includes translation on opening balance **Rs. Nil** (2006-07 Rs. 0.99 crore)
- (v) Tata Daewoo Commercial Vehicle Company Ltd. (TDCV) under the Korean Commercial Code is required to appropriate at least 10% of cash dividend declared each year to a legal reserve until such reserve equals 50% of capital stock of TDCV. This reserve may not be utilized for cash dividends but may only be used to offset against future deficit, if any, or may be transferred to capital stock of TDCV.
- (vi) **Change in Revaluation Reserve**
Depreciation on revalued portion of assets taken over on amalgamation of Telco Dadajee Dhackjee Ltd.

| 2007-2008 | | 2006-2007 | |
|--------------|---------------|-----------|------------|
| Additions | Deductions | Additions | Deductions |
| 6.77 | - | 93.84 | - |
| - | 418.55 | - | - |
| - | 15.00 | - | - |
| 27.61 | - | 13.95 | - |
| - | 0.01 | - | 0.09 |
| 34.38 | 433.56 | 107.79 | 0.09 |
| - | 0.44 | - | 0.44 |

Schedules forming part of the Consolidated Balance Sheet

Notes to Reserves and Surplus (contd.)

(Rs. in crores)

| | | 2007-2008 | | 2006-2007 | |
|-------|---|-----------|------------|-----------|------------|
| | | Additions | Deductions | Additions | Deductions |
| (vii) | (1) | | | | |
| | Adjustment in General Reserve towards difference in opening liability as per revised AS-15 (net of tax) | | | | |
| | a) In respect of the Company and its subsidiaries | - | 3.33 | 18.54 | 56.52 |
| | b) Share of minority interest | - | - | - | 0.46 |
| | c) Our share of adjustment in an associate company | 0.41 | - | 0.06 | - |
| | (2) | 1047.43 | - | 1031.63 | - |
| | Amount transferred from Profit and loss account | 1047.84 | 3.33 | 1050.23 | 56.98 |

- (viii) During the year, **Rs. 67.30 crores** (net) has been deducted from Translation Reserve [2006-07 addition of Rs. 34.70 crores (net)] on translation of foreign subsidiaries and minorities share thereof and foreign associates.
- (ix) Profit and Loss Account is after considering the proportionate share of post acquisition loss of Rs. 43.97 crores of the Joint Venture, Fiat India Automobiles Pvt. Ltd.

"3" [Item No. 3 (a)]

(Rs. in crores)

LOANS - Secured

| | As at March 31, 2008 | As at March 31, 2007 |
|---|----------------------------|----------------------------|
| (a) Non - Convertible Debentures | 787.70 | 75.50 |
| (b) Loans from Financial Institutions / Banks | 1585.00 | 1525.00 |
| (c) Sales Tax Deferment Loan | 48.45 | 73.28 |
| (d) From Banks: | | |
| (i) Buyers line of credit | 864.27 | 431.26 |
| (ii) Loans and Cash Credit / Overdraft Accounts | 2726.45 | 2351.60 |
| (e) Loans from others | - | 6.01 |
| | 6011.87 | 4462.65 |

"4" [Item No. 3(b)]

LOANS - Unsecured

| | As at March 31, 2008 | As at March 31, 2007 |
|---|----------------------------|----------------------------|
| (a) Short Term Loans - From Banks | 1540.00 | 509.68 |
| (b) Commercial Paper | 119.60 | 140.00 |
| (c) Inter Corporate Deposit / Call Deposit | 51.23 | 4.25 |
| (d) Foreign Currency Convertible Notes / Convertible Alternative Reference Securities (CARS) | 3661.03 | 1764.69 |
| (e) Long term loans in foreign currency - others | - | 202.83 |
| (f) Long term loans in foreign currency - Banks | 201.14 | 217.80 |
| | 5573.00 | 2839.25 |

Schedules forming part of the Consolidated Balance Sheet

(Rs. in crores)

"5"[Item No. 6]

| FIXED ASSETS | Cost as at March 31, 2007 | Translation Adjustment | Additions / Adjustments [Note (iv)] | Deductions/ Adjustments | Cost as at March 31, 2008 | Depreciation for the year 2007- 2008 [Note (viii) and (ix)] | Accumulated Depreciation up to March 31, 2008 [Note (v), (viii) and (ix)] | Net Book Value as at March 31, 2008 |
|---|---------------------------------|---------------------------|---|----------------------------|---------------------------------|--|---|--|
| (a) Land | 158.71 | (17.09) | 193.96 | - | 335.58 | - | - | 335.58 |
| | 112.07 | 1.03 | 45.61 | - | 158.71 | - | - | 158.71 |
| (b) Buildings | 1239.17 | (33.10) | 334.48 | 8.78 | 1531.77 | 37.19 | 336.82 | 1194.95 |
| [Note (i) and (ii)(a)] | 1170.26 | 2.58 | 66.71 | 0.38 | 1239.17 | 33.10 | 301.97 | 937.20 |
| (c) Leasehold Land | 77.95 | - | 24.81 | - | 102.76 | 2.74 | 6.50 | 96.26 |
| [Note (ii)(b)] | 44.42 | - | 33.53 | - | 77.95 | 0.55 | 4.72 | 73.23 |
| (d) Railway Sidings | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| (e) Plant, Machinery and Equipment | 7617.21 | (35.79) | 1834.91 | (26.43) | 9442.76 | 606.13 | 4838.52 | 4604.24 |
| [Note (ii) (a) and (iii)] | 6772.28 | 3.26 | 983.04 | 141.37 | 7617.21 | 526.26 | 4244.67 | 3372.54 |
| (f) Water System and Sanitation [Note (ii) (a)] | 55.54 | - | 11.87 | - | 67.41 | 2.49 | 25.87 | 41.54 |
| | 45.29 | - | 10.25 | - | 55.54 | 1.99 | 23.37 | 32.17 |
| (g) Furniture, Fixtures and Office Appliances | 102.05 | (1.17) | 40.09 | 1.36 | 139.61 | 8.75 | 57.40 | 82.21 |
| [Note (iii)] | 92.29 | 0.29 | 13.69 | 4.22 | 102.05 | 6.60 | 50.15 | 51.90 |
| (h) Technical Know-how | 38.53 | - | 6.78 | - | 45.31 | 0.02 | 38.77 | 6.54 |
| | 38.37 | - | 0.16 | - | 38.53 | 0.01 | 38.38 | 0.15 |
| (j) Vehicles and Transport | 124.86 | (0.21) | 38.47 | 25.27 | 137.85 | 19.04 | 71.04 | 66.81 |
| [Note (iii)] | 115.05 | 0.04 | 23.15 | 13.38 | 124.86 | 12.71 | 71.13 | 53.73 |
| (k) Leased Assets | | | | | | | | |
| (i) Plant Taken on Lease | 150.76 | - | 22.76 | 108.65 | 64.87 | 11.28 | 26.00 | 38.87 |
| [Note (vii)] | 188.57 | - | - | 37.81 | 150.76 | 15.83 | 89.30 | 61.46 |
| (ii) Leased Premises / Assets | 35.00 | - | 1.65 | 0.19 | 36.46 | 0.47 | 3.34 | 33.12 |
| | 31.41 | - | 2.36 | (1.23) | 35.00 | 0.28 | 1.42 | 33.58 |
| (iii) IT & IT related assets taken on Lease | - | - | 29.59 | - | 29.59 | 6.45 | 6.45 | 23.14 |
| | - | - | - | - | - | - | - | - |
| (iv) Assets Given on Lease | 446.46 | - | - | 34.96 | 411.50 | 4.87 | 393.30 | 18.20 |
| | 456.09 | - | 0.37 | 10.00 | 446.46 | 6.04 | 422.46 | 24.00 |
| (l) Product Development Cost | 156.47 | (2.34) | 224.00 | - | 378.13 | 35.12 | 140.85 | 237.28 |
| | 125.91 | 0.06 | 30.50 | - | 156.47 | 51.62 | 108.89 | 47.58 |
| (m) Software | 156.47 | (1.08) | 100.87 | 4.21 | 252.05 | 47.52 | 115.63 | 136.42 |
| | 112.99 | 0.45 | 42.89 | (0.14) | 156.47 | 33.10 | 70.19 | 86.28 |
| Total | 10359.18 | (90.78) | 2864.24 | 156.99 | 12975.65 | 782.07 | 6060.49 | 6915.16 |
| | 9305.00 | 7.71 | 1252.26 | 205.79 | 10359.18 | 688.09 | 5426.65 | 4932.53 |
| (n) Capital Work-in-progress | | | | | | | | 5948.28 |
| [Note (vi)] | | | | | | | | 2581.65 |
| | | | | | | | | 12863.44 |
| | | | | | | | | 7514.18 |

- Notes:** (i) Buildings include **Rs. 8,631** (as at March 31, 2007 Rs 8,631) being value of investments in shares of Co-operative Housing Societies.
- (ii) (a) Buildings, Water System and Sanitation and Plant, Machinery and Equipment include Gross block **Rs. 4.76 crores, Rs. 1.50 crores and Rs. 3.76 crores** (as at March 31, 2007 Rs. 4.76 crores, Rs. 1.50 crores and Rs. 3.76 crores) and Net Block **Rs. 0.08 crore, Rs. 0.08 crore and Rs. 0.34 crore** respectively (as at March 31, 2007 Rs. 0.08 crore, Rs. 0.08 crore and Rs. 0.35 crore) in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.
- (b) The Registration of Leasehold land of Rs. 33.53 crores acquired in the year 2006-07 is in process.
- (iii) Includes Plant, Machinery and Equipment, Furniture, Fixtures and Office Appliances and Vehicles and Transport having Gross block of **Rs. 151.75 crores, Rs. 0.90 crore and Rs. 1.40 crores** (as at March 31, 2007 Rs. 157.79 crores, Rs. 0.46 crore and Rs. 1.48 crores) and Net block of **Rs. 8.96 crores, Rs. 0.02 crore and Rs. 0.19 crore** (as at March 31, 2007 Rs. 9.12 crores, Rs. 0.01 crore and Rs. 0.10 crore) respectively held for disposal.
- (iv) Additions / Adjustments include :
- (a) exchange differences and net premium on forward exchange contracts net loss of **Rs. 1.82 crores** (as at March 31, 2007 Rs 17.08 crores).
- (b) premises acquired in satisfaction of debts amounting to **Rs. 3.17 crores** (as at March 31, 2007 Rs. Nil)
- (c) Gross block of **Rs. 148.00 crores** (as at March 31, 2007 Rs. Nil) on account of acquisition of stake in Fiat India Automobiles Pvt. Ltd. (FIAPL)
- (v) Accumulated Depreciation includes :
- (a) an adjustment of **Rs. 125.82 crores** (as at March 31, 2007 Rs. 101.91 crores) on Assets transferred/sold/discarded during the year.
- (b) lease equalisation of **Rs. 4.49 crores** (as at March 31, 2007 Rs. 3.78 crores) adjusted in lease rental income.
- (c) depreciation of **Rs. 0.44 crore** (2006-07 Rs. 0.44 crore) on revalued portion of Gross Block of TDDL transferred to Revaluation Reserve.
- (d) Translation Adjustment for foreign subsidiaries of **Rs. 23.48 crores** (as at March 31, 2007 Rs. 0.68 crore)
- (e) **Rs. 4.71 crores** (as at March 31, 2007 Rs. Nil) on account of acquisition of stake in Fiat India Automobiles Pvt Ltd. (FIAPL).
- (vi) Capital Work-in-progress includes :
- (a) Product Development Cost **Rs. 1721.83 crores** (as at March 31, 2007 Rs. 908.39 crores)
- (b) Advances for capital expenditure of **Rs. 778.58 crores** (as at March 31, 2007 Rs. 435.46 crores)
- (vii) The assets are under renewable secondary lease.
- (viii) Depreciation for the year and accumulated depreciation includes amortization, diminution in value of assets and write down of assets net of reversals.
- (ix) Depreciation for the year includes loss of **Rs. 8.16 crores** (2006-07 Rs. 12.13 crores) on assets held for disposal.

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Tata Motors Limited

Schedules forming part of the Consolidated Balance Sheet

"6" [Item No. 8]

| | | Cost as at March 31, 2008 | (Rs. in crores) Cost as at March 31, 2007 |
|------------------------------|---|---------------------------------|--|
| INVESTMENTS (at cost) | | | |
| (A) | In Associates | | |
| a) | Carrying cost of investments in Associates (Note 8 below) [Including Rs. 55.08 crores (2006-07 Rs. 2.94 crores) of Goodwill and net of Rs. 1.54 crores (2006-07 Rs. 2.55 crores) of Capital Reserve arising on acquisition of associates] | 393.23 | 253.87 |
| b) | Fully paid Cumulative Redeemable Preference shares (unquoted) | 21.00 | 21.00 |
| (B) | Others | | |
| (I) | Long Term Investments | | |
| | Quoted | | |
| a) | Fully paid Ordinary/Equity shares | 422.24 | 263.03 |
| b) | Fully paid Cumulative Compulsorily Convertible Preference Shares | 239.50 | - |
| c) | Bonds | 37.85 | 144.29 |
| | Unquoted | | |
| a) | Fully paid Ordinary/Equity shares | 262.43 | 260.42 |
| b) | Fully paid Cumulative Redeemable Preference Shares | 15.00 | 15.00 |
| c) | Fully Paid Non Cumulative Redeemable Preference Shares | 2.00 | 2.00 |
| d) | Non Convertible Debentures | 7.04 | 7.64 |
| e) | Optionally Convertible Debentures | 11.50 | - |
| f) | Bonds | 6.15 | 6.16 |
| g) | Retained interest in securitisation transactions | 65.65 | 76.91 |
| (II) | Current Investments | | |
| | Quoted | | |
| a) | Fully paid Ordinary/Equity shares | 0.93 | 0.93 |
| b) | Investment in Securities | 0.02 | 0.79 |
| | Unquoted | | |
| a) | Fully paid Cumulative Redeemable Preference Shares | 3.00 | 3.00 |
| b) | Mutual Fund | 966.75 | 132.78 |
| (III) | Cost of Investments (Note 7 below) | 221.56 | - |
| | | 2675.85 | 1187.82 |
| | Less: Provision for diminution in value of Investments (Net) | 10.02 | 13.23 |
| | | 2665.83 | 1174.59 |

Notes:

- (1) Book value of quoted investments (other than in associates) **697.93** 404.84
- (2) Book value of unquoted investments (other than in associates) **1553.67** 494.88
- (3) Market value of quoted investments (other than in associates) **2763.95** 1726.11
- (4) Investment in Mutual Funds includes dividend reinvested **43.02** 2.08
- (5) The Company has given an undertaking to Citibank NA, for non-disposal of its shareholding in Tata Precision Industries Pte. Ltd (TPI), Singapore against loans and other facilities extended by the Bank to TPI and Tata Engineering Services Pte. Ltd (TES), Singapore, a wholly owned subsidiary of TPI, aggregating Singapore SGD 13.85 million (Rs. 40.31 crores as on March 31, 2008) in total. The Company has also given an unsecured loan amounting to SGD 2.50 million (Rs. 7.27 crores as on March 31, 2008) (SGD Nil (Rs. Nil) as at March 31, 2007) to TPI Singapore.
- (6) The Company acquired 21% shares in Hispano Carrocera, S.A. on March 16, 2005. As per the terms of agreement, the Company has an Option to acquire the remaining 79% of the shares through one or more transfers, as per terms and conditions duly agreed upon at a price not exceeding Euro 2 million (Rs. 12.68 crores as on March 31, 2008). The Company has given an unsecured subordinated Loan of Euro 15 million (Rs. 95.10 crores) as at March 31, 2008 (Euro 7 million (Rs. 40.52 crores) as at March 31, 2007). The Company has also given a letter of comfort to Citibank NA against working capital loans extended by the bank to Hispano aggregating Euro 7 million (Rs. 44.39 crores as on March 31, 2008). The Company has also given an undertaking to Citibank NA for non-disposal of its shareholding in Hispano during the tenure of the loan.
- (7) Cost of investments represents legal / professional fees and other cost towards investment for a proposed acquisition (refer note (C) 8, page 118)
- (8) The particulars of investments in associate companies as of March 31, 2008 are as follows:

| Sr. No. | Name of the Associates | Country of Incorporation | Ownership Interest (%) | Original Cost of Investment (+) | Amount of Goodwill/(Capital Reserve) in Original Cost | Share of post acquisition Reserves and Surplus | Carrying Cost of Investments |
|---------|---------------------------------------|--------------------------|------------------------|---------------------------------|---|--|------------------------------|
| 1) | Tata Cummins Ltd. | India | 50.00 | 90.00 | - | 98.64 | 188.64 |
| | | | 50.00 | 90.00 | - | 57.98 | 147.98 |
| 2) | Tata AutoComp Systems Ltd. | India | 50.00 | 98.67 | - | (1.33) | 97.34 |
| | | | 50.00 | 98.67 | - | (0.27) | 98.40 |
| 3) | NITA Company Ltd. | Bangladesh | 40.00 | 1.27 | (0.43) | (0.06) | 1.21 |
| | | | 40.00 | 1.27 | (0.43) | (0.24) | 1.03 |
| 4) | Tata Precision Industries Pte. Ltd. | Singapore | 49.99 | 3.11 | - | (3.11) * | - |
| | | | 49.99 | 3.11 | - | (3.11) * | - |
| 5) | Hispano Carrocera S. A. | Spain | 21.00 | 2.34 | 2.34 | (2.34) * | - |
| | | | 21.00 | 2.34 | 2.34 | (2.34) * | - |
| 6) | TSR Darashaw Ltd. | India | 26.00 | 1.68 | (1.11) | 2.12 | 3.80 |
| | | | 26.00 | 1.68 | (1.11) | 1.18 | 2.86 |
| 7) | Tata Securities Ltd. ** | India | - | - | - | - | - |
| | | | 29.34 | 0.13 | (1.01) | 2.83 | 2.96 |
| 8) | Telcon Ecoroad Resurfaces Pvt. Ltd. @ | India | 24.55 | 7.20 | 1.08 | (4.13) | 3.07 |
| | | | 21.60 | 3.60 | 0.60 | (2.96) | 0.64 |
| 9) | Automobile Corporation of Goa Ltd. ^ | India | 37.79 | 92.79 | 51.66 | 6.38 | 99.17 |
| | | | - | - | - | - | - |
| | Total | | | 297.06 | 53.54 | 96.17 | 393.23 |
| | | | | 200.80 | 0.39 | 53.07 | 253.87 |

* Share of loss restricted to the original cost of Investment as per the equity method of accounting for associates under AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements'.

@ Associate of Telco Construction Equipment Company Limited (Telcon) one of the subsidiaries.

+ Original cost of investment is net of permanent diminution in the value of investment.

** Tata Securities Ltd. was an associate upto June 25, 2007

^ During the year, the Company acquired additional stake in Automobile Corporation of Goa Ltd. Consequently it became an associate from May 21, 2007, and hence the figures of the previous year are not given.)

Schedules forming part of the Consolidated Balance Sheet

| | (Rs. in crores) | |
|---|----------------------------|----------------------------|
| | "7" [Item No. 9 (b)] | |
| | As at March 31, 2008 | As at March 31, 2007 |
| INVENTORIES | | |
| (a) Stores and spare parts (at or below cost) | 132.67 | 158.25 |
| (b) Consumable tools (at cost) | 26.88 | 26.59 |
| (c) Raw materials and components | 1122.65 | 1117.76 |
| (d) Work-in-progress | 370.08 | 365.10 |
| (e) Stock-in-trade | 1332.15 | 1332.74 |
| (f) Goods-in-transit (at cost) | 310.21 | 166.46 |
| | 3294.64 | 3166.90 |

Note : Items (c), (d) and (e) above are valued at lower of cost and net realisable value.

| | "8" [Item No. 9(c)] | |
|---|----------------------------|----------------------------|
| | As at March 31, 2008 | As at March 31, 2007 |
| SUNDRY DEBTORS | | |
| (a) Over six months : (unsecured) | 223.46 | 166.78 |
| (b) Others : (unsecured) | 1886.81 | 1545.42 |
| | 2110.27 | 1712.20 |
| Less: Provision for doubtful debts | 65.62 | 56.40 |
| | 2044.65 | 1655.80 |
| (c) Future instalments receivable from hirers / lessees [secured under hire purchase / lease agreements and by promissory notes from hirers] [Note A (7), page 111] | 24.75 | 62.33 |
| Less: Provision for doubtful instalments | 7.20 | 11.24 |
| Less: Unearned finance and service charges on lease receivable / hire purchase contracts | 1.69 | 4.67 |
| | 15.86 | 46.42 |
| | 2060.51 | 1702.22 |

| | "9" [Item No. 9(d)] | |
|---|----------------------------|----------------------------|
| | As at March 31, 2008 | As at March 31, 2007 |
| CASH AND BANK BALANCES | | |
| (a) Cash on hand | 5.05 | 6.09 |
| (b) Current accounts with Scheduled Banks # | 1056.07 | 651.33 |
| (c) Current accounts with other than Scheduled Banks # | 29.39 | 42.34 |
| (d) Short term deposits with Banks * | 1148.59 | 53.02 |
| (e) Margin Money / Cash Collateral with Scheduled Banks | 1594.07 | 401.49 |
| | 3833.17 | 1154.27 |

Includes cheques on hand **Rs. 184.02 crores** (as at March 31, 2007 Rs.159.75 crores) and remittances in transit **Rs. 411.36 crores** (as at March 31, 2007 Rs. 250.57 crores)

* Short term deposits with Bank includes Restricted deposits of **Rs. 4.61 crores** (as at March 31, 2007 Rs. 4.64 crores) and with other than scheduled banks for foreign subsidiaries **Rs. 8.12 crores** (as at March 31, 2007 Rs. 4.12 crores)

Tata Motors Limited

Schedules forming part of the Consolidated Balance Sheet

"10" [Item No. 9(e)]

LOANS AND ADVANCES

A) SECURED

Vehicle loans (Note 1 below)*

Less: Provision for doubtful loans#

Total Vehicle Loans

* Includes Rs. 374.94 crores (as at March 31, 2007 Rs. 278.95 crores) on account of overdue Securitised Receivables

Includes Rs. 180.71 crores (as at March 31, 2007 Rs. 74.79 crores) on account of Securitised Receivables

Other secured loans (Note 2 below)

Total (A)

B) UNSECURED - considered good

(a) Claims / incentive recoverable, advances / loans to suppliers, contractors, employees and others, rent deposits and other amount due (Notes 3 and 4 below)

(b) Loan to associates (Note 5 below)

(c) Deposits with government, public bodies and others (Note 6 below)

(d) Prepaid expenses (Note 7 below)

(e) Advance payment against taxes (net)

(f) Other unsecured loans

Total (B)

Total (A) and (B)

- Notes:
- (1) Loans are secured against hypothecation of vehicles.
 - (2) Other loans are secured by mortgage of property and lien on shares; security yet to be created.
 - (3) Net of advances considered doubtful which have been provided for
 - (4) Includes amount due from customers in respect of contract works
 - (5) Loan to associates:
 - (i) Hispano Carrocera, S. A.
 - (ii) Tata Precision Industries Pte. Ltd. (Singapore)
 - (6) Deposits with government, public bodies and others are net of deposits considered doubtful which have been provided for
 - (7) Includes fees towards arrangement / structuring and other incidental costs on proposed borrowing (Note (n), page 109)

"11" [Item No. 10 (a)]

CURRENT LIABILITIES

(a) Acceptances

(b) Sundry creditors

(c) Advance and progress payments

(d) Amount due to a customer in respect of contract work

(e) Interest / commitment charges accrued on loans but not due

(f) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due

"12" [Item No. 10 (b)]

PROVISIONS

(a) Proposed dividends

(b) Provision for tax on dividends

(c) Provision for retirement and other employee benefit schemes

[Note B (2), page 115 and 116]

(d) Other provisions [Note B (4), page 117]

"13" [Item No. 12]

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

(a) Employee Separation Cost

(b) Others

(Rs. in crores)

| As at March 31, 2008 | As at March 31, 2007 |
|-------------------------------------|-------------------------------------|
| 7864.56 | 8562.28 |
| 273.03 | 169.70 |
| 7591.53 | 8392.58 |
| - | 14.68 |
| 7591.53 | 8407.26 |
| 925.41 | 962.87 |
| 102.36 | 40.52 |
| 682.32 | 448.11 |
| 333.48 | 124.73 |
| 442.74 | 257.19 |
| - | 7.58 |
| 2486.31 | 1841.00 |
| 10077.84 | 10248.26 |
| 86.11 | 90.59 |
| 13.44 | 16.54 |
| 95.09 | 40.52 |
| 7.27 | - |
| 8.01 | 8.30 |
| 165.58 | - |
| As at March 31, 2008 | As at March 31, 2007 |
| 4131.51 | 2446.11 |
| 6783.28 | 4872.33 |
| 334.19 | 343.50 |
| 21.80 | 0.67 |
| 37.13 | 26.89 |
| 11.28 | 10.89 |
| 11319.19 | 7700.39 |
| As at March 31, 2008 | As at March 31, 2007 |
| 578.43 | 578.07 |
| 90.14 | 108.42 |
| 501.80 | 443.60 |
| 1155.00 | 500.35 |
| 2325.37 | 1630.44 |
| As at March 31, 2008 | As at March 31, 2007 |
| 5.58 | 9.68 |
| 1.35 | 2.25 |
| 6.93 | 11.93 |

Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

Basis of Consolidation and Significant Accounting Policies

1 Basis of Consolidation:

The consolidated financial statements relate to Tata Motors Limited (the Company), its subsidiary companies, joint venture and associates. The Company and its subsidiaries constitute the Group.

a) Basis of Accounting:

- I. The financial statements of the subsidiary companies / joint venture used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2008.
- II. The financial statements of the Group have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, which are notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India.

b) Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.
- II. The consolidated financial statements include the share of profit / loss of the associate companies which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
An Associate is an enterprise in which the investor has significant influence and which is neither a Subsidiary nor a Joint Venture of the investor.
- III. The financial statements of the joint venture company has been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the consolidated financial statements. (Note C (7), page 118)
- IV. The excess of cost to the Company of its investments in the subsidiary companies / joint venture over its share of equity of the subsidiary companies / joint venture, at the dates on which the investments in the subsidiary companies / joint venture are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies / joint venture as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- V. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

c) The following subsidiary companies are considered in the consolidated financial statements:

| | | | % of holding either directly or through subsidiaries as at March 31, | |
|------------------------------|--|-----------------------------|--|-------|
| Sr. No. | Name of the Subsidiary Company | Country of incorporation | 2008 | 2007 |
| Direct Subsidiaries | | | | |
| 1 | Tata Daewoo Commercial Vehicle Co. Ltd. | South Korea | 100 | 100 |
| 2 | Telco Construction Equipment Company Ltd. | India | 60 | 60 |
| 3 | HV Axles Ltd. | India | 85 | 100 |
| 4 | HV Transmissions Ltd. | India | 85 | 100 |
| 5 | TAL Manufacturing Solutions Ltd. | India | 100 | 100 |
| 6 | Sheba Properties Ltd. | India | 100 | 100 |
| 7 | Concorde Motors (India) Ltd. | India | 100 | 100 |
| 8 | Tata Motors Insurance Services Ltd. | India | 100 | 100 |
| 9 | Tata Motors European Technical Centre Plc. | UK | 100 | 100 |
| 10 | Tata Technologies Ltd. | India | 81.71 | 84.76 |
| 11 | Tata Motors Finance Ltd. (formerly known as TML Financial Services Ltd) | India | 100 | 100 |
| 12 | Tata Marcopolo Motors Ltd. | India | 51 | 51 |
| 13 | Tata Motors (Thailand) Ltd. | Thailand | 70 | 70 |
| 14 | TML Holdings Pte Ltd, Singapore (w.e.f. February 4, 2008) | Singapore | 100 | - |
| 15 | TML Distribution Company Ltd.(w.e.f.March 28, 2008)# | India | 100 | - |
| 16 | Tata Motors (SA) (Proprietary) Ltd. (w.e.f. December 5, 2007) | South Africa | 60 | - |
| Indirect Subsidiaries | | | | |
| 17 | INCAT (Thailand), Ltd. | Thailand | 81.71 | 84.76 |
| 18 | Tata Technologies Pte. Ltd. Singapore | Singapore | 81.71 | 84.76 |
| 19 | INCAT International PLC. | UK | 81.71 | 84.76 |
| 20 | INCAT Ltd. | UK | 81.71 | 84.76 |
| 21 | INCAT SAS. | France | 81.71 | 84.76 |

Basis of Consolidation and Significant Accounting Policies (contd.)

| Sr. No. | Name of the Subsidiary Company | Country of incorporation | % of holding either directly or through subsidiaries as at March 31, | |
|------------|---|-----------------------------|--|-------|
| | | | 2008 | 2007 |
| | Indirect Subsidiaries (contd.) | | | |
| 22 | INCAT GmbH. | Germany | 81.71 | 84.76 |
| 23 | Cedis Mechanical Engineering GmbH. (merged with INCAT GmbH w.e.f April 1, 2007) | Germany | - | 84.76 |
| 24 | INCAT Holdings B.V. | Netherlands | 81.71 | 84.76 |
| 25 | Lemmerpoort B.V. (formerly known as INCAT engineering Solutions BV)* | Netherlands | 81.71 | 84.76 |
| 26 | INCAT K.K. | Japan | 81.71 | 84.76 |
| 27 | Tata Technologies iKS Inc.(formerly known as iKnowledge Solutions Inc.) | USA | 81.71 | 84.76 |
| 28 | CADPO Asia Pte. Ltd. (liquidated on November 7, 2007) | Singapore | - | 84.76 |
| 29 | Granted Revenue Sdn Bhd (formerly known as Tata Technologies Sdn Bhd, Malaysia) (upto November 25, 2007) | Malaysia | - | 84.76 |
| 30 | INCAT Systems Inc. | USA | 81.85 | 84.88 |
| 31 | Integrated Systems Technologies de Mexico, S.A. de C.V. | Mexico | 81.85 | 84.88 |
| 32 | INCAT Solutions of Canada Inc. | Canada | 81.85 | 84.88 |
| 33 | Tata Technologies Investments Pte.Ltd, Singapore (liquidated on August 17, 2007) | Singapore | - | 46.62 |
| 34 | TML Holdings Ltd, UK (w.e.f Feburary 6, 2008) | UK | 100 | - |
| # | Pending allotment | | | |
| + | Subscription awaited | | | |
| * | Company is under liquidation and hence the control doesn't exist with the holding company now. Consequently, has not been consolidated. | | | |

- d) The following Joint Venture company is considered in the consolidated financial statements:

| Name of the Subsidiary Company | Country of incorporation | % of holding as at March 31, | |
|--|-----------------------------|---------------------------------|------|
| | | 2008 | 2007 |
| Fiat India Automobiles Private Limited (w.e.f December 28, 2007) | India | 49.48 | - |

2. Significant Accounting Policies:

a) Revenue Recognition

The Company recognises revenue on the sale of products when the products are delivered to the dealer / customer or when delivered to the carrier for exports sales, which is when risks and rewards of ownership pass to the dealer / customer. Sales are net of discount and inclusive of income from services, excise duty, transfer of technology relating to automotive products, export and other incentives and exchange fluctuations on export receivables.

Revenue from software consultancy on time and materials contracts is recognised based on certification of time sheet and billed to clients as per the terms of specific contracts. On fixed price contracts, revenue is recognised based on milestone achieved as specified in the contracts on the proportionate completion method on the basis of the work completed. Revenue from rendering annual maintenance services is recognised proportionately over the period in which services are rendered. Revenue from the SAP end user licenses is recognised on transfer of user licenses.

Revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to the quantum of work carried out. Revenue in respect of contracts in progress at the year-end is recognised at cost plus attributable profits, where applicable, and included under "Sale of Products and Services", in the Profit and Loss Account. Provision for foreseeable loss on contracts in progress is made fully.

b) Depreciation

- i) Depreciation is provided on straight line method basis (SLM) over the estimated useful lives of the assets except for assets acquired before April 1, 1975, which are depreciated on a written down value basis. Estimated useful lives of assets are as follows:

| Type of Asset | Estimated useful life (years) |
|------------------------|-------------------------------|
| Factory Building | 20 to 40 |
| Plant and Equipment | 9 to 20 |
| Computers | 3 to 6 |
| Vehicles | 3 to 10 |
| Furniture and fixtures | 3 to 20 |
| Technical know-how | 2 to 10 |

Capital assets, the ownership of which does not vest with the Company, other than leased assets, are depreciated over the estimated period of their utility or five years, whichever is less.

Software in excess of Rs. 25,000 is amortised over a period of thirty six months to sixty months or on the basis of estimated useful life whichever is lower.

Basis of Consolidation and Significant Accounting Policies (contd.)

b) **Depreciation** (contd.)

- ii) Assets given on lease as on March 31, 2000 acquired upon merger with Tata Finance Limited are depreciated at rates specified in Schedule XIV to the Companies Act, 1956. The differences between the depreciation charge as computed using the Internal Rate of Return (IRR) implicit in the lease, to ensure capital recovery over the primary lease period, and the charge as disclosed for the year, is reflected in the lease equalisation account.
- iii) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life.

c) **Fixed Assets**

- i) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation. All costs relating to the acquisition and installation of Fixed Assets are capitalised and include financing costs relating to borrowed funds attributable to construction or acquisition of qualifying Fixed Assets, upto the date the asset / plant is ready for intended use.
Consequent to the notification of the Companies (Accounting Standards) Rules, 2006, with effect from April 1, 2007, the foreign exchange differences in respect of liabilities for the acquisition of imported assets are required to be recognised in the profit and loss account against the earlier requirement of adjusting these to the carrying cost of such fixed assets. As a result, the profit after tax for the year ended March 31, 2008 is higher by Rs. 28.21 crores.
- ii) The product development cost incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets [included in the fixed assets] and are amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such period after commencement of the commercial production of the underlying product. During the year, the Company has changed the amortisation period having regard to the nature of the new vehicle platform / products under development and accordingly the new vehicle platforms and products will be amortised over a period of 36 months to 120 months against the current policy of amortisation of 36 months to 60 months. The effect of the change as aforesaid, is not material.
- iii) Software not exceeding Rs. 25,000 and product development costs relating to minor product enhancement, facelifts and upgrades are charged off to Profit and Loss Account as and when incurred.

d) **Leases**

Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases except for those stated in (b)(ii) above, are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

e) **Transactions in Foreign Currencies**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise except for exchange loss which is treated as borrowing cost as per the Standard as explained in c (i) above.

Premium or discount on forward contracts is amortised over the life of such contract and is recognised as income or expense. Foreign currency options are stated at fair value as at year end.

On consolidation, the assets, liabilities and goodwill or capital reserve arising on the acquisition, of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expenditure items are translated at the average exchange rates for the year. Exchange differences arising are recognised in the Group's Translation Reserve classified under Reserves and Surplus.

f) **Product Warranty Expenses**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

g) **Income on Vehicle Loan / Hire-Purchase Income / Finance Income from Lease**

Interest income from hire purchase and loan contracts and finance income in respect of vehicles and income from plant given on lease, are accounted for by using the Internal Rate of Return method. Consequently, a constant rate of return on the net outstanding amount is accrued over the period of contract. The Company provides an allowance for hire purchase and loan receivables that are in arrears for more than 11 months, to the extent of an amount equivalent to the outstanding principal and amounts due but unpaid. In respect of loan contracts that are in arrears for more than 6 months but not more than 11 months, allowance is provided to the extent of 10% of the outstanding and amount due but unpaid.

h) **Sale of Vehicle Loans**

The Company sells Vehicle Loans to Special Purpose Entities ("SPE") in securitization transactions. Recourse is in the form of the Company's investment in subordinated securities issued by these special purpose entities, cash collateral and bank guarantees. The loans are derecognized in the balance sheet when they are sold and consideration has been received by the Company. Sales and transfers that do not meet the criteria for surrender of control are accounted for as secured borrowings.

Basis of Consolidation and Significant Accounting Policies (contd.)

h) **Sale of Vehicle Loans** (contd.)

Gains or losses from the sale of loans are recognized in the period the sale occurs based on the relative fair value of the portion sold and the portion allocated to retained interests, except for subsidiaries which are governed by prudential norms for income recognition issued by the Reserve Bank of India for Non Banking Financial Companies (NBFC), where gains or losses on sale are accounted for as per these norms.

i) **Inventories**

Inventories are valued at lower of cost and net realisable value. Cost is ascertained on a moving weighted average / monthly moving weighted average basis. Cost of Work-in-progress and finished goods are determined on full absorption cost basis.

j) **Employee Benefits**

i) **Gratuity / Pension**

The Company and some of its subsidiaries have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company and the said subsidiaries make annual contributions to gratuity funds established as trusts. Some subsidiaries have obtained insurance policies with the Life Insurance Corporation of India. The Company and some of its subsidiaries account for the liability for gratuity benefits payable in future based on an independent actuarial valuation. Tata Daewoo Commercial Vehicle Company Limited, TDCV a subsidiary company incorporated in Korea has an obligation towards severance indemnity, a defined benefit retirement plan, covering eligible employees. The plan provides for a lump sum payment to all employees with more than one year of employment equivalent to 30 days' salary payable for each completed year of service.

ii) **Superannuation**

The Company and some of its subsidiaries have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company and the said subsidiaries account for superannuation benefits payable in future under the plan based on an independent actuarial valuation.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

The Company and some of its subsidiaries maintain separate irrevocable trusts for employees covered and entitled to benefits. The Company and its subsidiaries contributes up to 15% of the eligible employees' salary to the trust every year. Such contributions are recognized as an expense when incurred. The Company and the said subsidiaries have no further obligation beyond this contribution.

iii) **Bhavishya Kalyan Yojana (BKY)**

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of the Company and some of its subsidiaries. The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased / disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company and the said subsidiaries account for the liability for BKY benefits payable in future based on an independent actuarial valuation.

iv) **Post-retirement Medicare Scheme**

Under this scheme, employees of the Company and some of its subsidiaries get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company and the said subsidiaries account for the liability for post-retirement medical scheme based on an independent actuarial valuation.

Basis of Consolidation and Significant Accounting Policies (contd.)

v) **Provident fund**

The eligible employees of the Company and its subsidiaries are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the company / subsidiaries make monthly / annual contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as irrevocable trust by the Company and its subsidiaries or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company and its subsidiaries are generally liable for monthly / annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

vi) **Compensated absences**

The Company and some of its subsidiaries provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on basis of an independent actuarial valuation.

k) **Investments**

- i. Long term investments are stated at cost less other than temporary diminution in value, if any.
- ii. Investment in associate companies are accounted as per the 'Equity method' and accordingly, the share of post acquisition reserves of each of the associate companies has been added to / deducted from the cost of investments.
- iii. Current investments comprising investments in mutual funds are stated at lower of cost and fair value, determined on a portfolio basis.

l) **Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 or applicable foreign tax law in case of foreign subsidiaries. Current tax includes Fringe benefit tax.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

m) **Issue expenses / Redemption premium / discount on Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)**

Issue expenses and premium payable on redemption of FCCN / CARS as per the terms of issue is provided fully in the year of issue by adjusting against the Securities Premium Account (SPA). Any changes to this premium payable on account of conversion or exchange fluctuation is also adjusted in SPA. Discount on redemption of FCCN, if any, will be recognised on redemption.

n) **Borrowing costs**

Fees towards structuring / arrangements and underwriting and other incidental costs incurred in connection with borrowings are amortised over the period of the loan from the current year. In the past such fees / costs (being immaterial) were charged to profit and loss account.

o) **Business Segments**

The Group's reportable operating segment consists of Automotive and Others.

Automotive segment consists of business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company. Others primarily include construction equipment, engineering solutions and software operations.

Segment revenues, expenses and results include transfer between business segments. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

p) **Miscellaneous Expenditure (to the extent not written off or adjusted)**

Costs under individual Employee Separation Schemes are amortised over periods between 24 to 84 months depending upon the estimated future benefit.

Tata Motors Limited
Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account
"14"[Item No. 15]
(Rs. in crores)

| | As at March 31, 2008 | As at March 31, 2007 |
|---|-------------------------------------|-------------------------------------|
| (A) Notes to Balance Sheet | | |
| 1. (a) Claims not acknowledged as debts | 478.59 | 409.02 |
| (b) Provision not made for income tax matters in dispute | 453.37 | 633.38 |
| 2. The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which department is in further appeal | 35.34 | 27.51 |
| 3. Estimated amount of contracts remaining to be executed on capital account and not provided for | 4045.52 | 3173.34 |
| 4. Other money for which the Company is contingently liable: | | |
| (a) In respect of bills discounted and export sales on deferred credit | 750.00 | 529.23 |
| (b) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation | 1095.37 | 638.15 |
| (c) Cash Margin / Collateral | 1581.34 | 387.15 |
| (d) In respect of retained interest in securitisation transactions | 65.65 | 76.91 |
| (e) In respect of subordinated receivables | 40.74 | 69.45 |
| (f) Others | 15.04 | 5.00 |
| 5. Concorde Motors (India) Limited, a subsidiary company acquired certain immovable properties pursuant to a scheme of Arrangement in the year 2004. Stamp duty is payable on conveyance of properties in favour of the company. The stamp duty adjudication order has been passed by District Registrar (DUS) for Bangalore property fixing the market value of the immovable property situated at Bangalore as on the date of acquisition at Rs.11.65 crores on which Stamp duty @ 7% amounting to Rs. 0.82 crore has been paid by the company in this year and has been capitalised under Land & Building. The company is in the process of completing similar formalities in respect of the Hyderabad Property that was acquired by the company pursuant to the scheme referred above. It is not possible to quantify the amount of duty payable, and adjustments, as and when effected, will be carried out to the cost of land and building relating the property at Hyderabad. | | |
| 6. (a) Major components of deferred tax arising on account of timing differences are: | | |
| Liabilities: | | |
| Depreciation | (862.78) | (735.29) |
| Product development cost and Reserves for Research and Development Expenses | (629.89) | (333.00) |
| Others | (12.46) | (11.16) |
| | (1505.13) | (1079.45) |
| Assets: | | |
| Unabsorbed depreciation / business loss | 1.33 | 9.25 |
| Employees separation schemes | 10.41 | 14.94 |
| Employee benefits / Expenses allowable on payment basis | 114.93 | 103.17 |
| Provision for doubtful debts | 135.50 | 101.21 |
| Premium on redemption of CARS (net of exchange fluctuation on premium) | 212.65 | - |
| Others | 55.86 | 33.61 |
| | 530.68 | 262.18 |
| Net Deferred Tax Liability | (974.45) | (817.27) |
| (b) Deferred Tax charge for the year | 2007-2008 | 2006-2007 |
| Opening Deferred Tax Liability | 817.27 | 676.79 |
| Net deferred tax asset created on premium on redemptions of CARS | (215.52) | - |
| Net deferred tax liability created on exchange fluctuation on premium on issue of CARS | 2.87 | - |
| Translation impact on opening balances in respect of foreign subsidiaries | 4.20 | 0.89 |
| Impact of AS-15 opening adjustment in General Reserve in subsidiaries | (1.72) | (21.58) |
| | 607.10 | 656.10 |
| Less:- Closing Deferred Tax Liability | (974.45) | (817.27) |
| Deferred Tax charge for the year | (367.35) | (161.17) |
| (c) Tax expense | 2007-2008 | 2006-2007 |
| i) Current Tax (net of credit for minimum alternate tax) | 472.18 | 712.13 |
| ii) Fringe Benefit Tax | 12.01 | 9.91 |
| iii) Deferred Tax | 367.35 | 161.17 |
| | 851.54 | 883.21 |

Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

| | | (Rs. in crores) | |
|---|--|----------------------------|----------------------------|
| (A) Notes to Balance Sheet (contd.) | | "14"[Item No. 15] (contd.) | |
| | | As at March 31, 2008 | As at March 31, 2007 |
| 7. (A) Disclosure in respect of finance leases: | | | |
| (i) Assets given on lease: | | | |
| (a) (i) Total Gross investment in the leases (Schedule 8 (c), page 103) | | 24.75 | 62.33 |
| Total Gross investment in the leases for a period: | | | |
| Not later than one year | | 15.86 | 37.62 |
| Later than one year and not later than five years | | 8.89 | 24.71 |
| (ii) Present value of the minimum lease payments receivable | | 23.06 | 57.66 |
| Present value of the minimum lease payments receivable for a period: | | | |
| Not later than one year | | 14.69 | 34.96 |
| Later than one year and not later than five years | | 8.37 | 22.70 |
| (b) Unearned finance income | | 1.69 | 4.67 |
| (c) The accumulated provision for the uncollectible minimum lease payments receivable | | 7.20 | 11.24 |
| (d) A general description of significant leasing arrangements - Finance lease and Hire Purchase agreements: The Group has given own manufactured vehicles and machines and equipment on Hire Purchase / Lease. The contingent lease rentals is based on bank interest rate and depreciation in respect of the assets given on lease. | | | |
| (ii) Assets taken on lease: | | | |
| (a) (i) Total of minimum lease payments | | 49.34 | 0.41 |
| The total of minimum lease payments for a period : | | | |
| Not later than one year | | 17.15 | 0.16 |
| Later than one year and not later than five years | | 32.19 | 0.25 |
| (ii) Present value of minimum lease payments | | 43.82 | 0.38 |
| Present value of minimum lease payments for a period : | | | |
| Not later than one year | | 14.21 | 0.14 |
| Later than one year and not later than five years | | 29.61 | 0.24 |
| (b) A general description of the significant leasing arrangements - The Group has taken machines / computers and equipments on lease. The contingent lease rental is based on State Bank Medium Term Lending Rate and the depreciation rate under Income tax Act, 1961 in respect of assets taken on lease. The assets are under renewable secondary lease. | | | |
| (B) Disclosure in respect of operating leases: | | | |
| (i) Assets given on lease: | | | |
| (a) Total of minimum lease payments | | 30.44 | — |
| The total of minimum lease payments for a period : | | | |
| Not later than one year | | 6.09 | — |
| Later than one year and not later than five years | | 24.35 | — |
| (b) A general description of significant leasing arrangements- The Company has entered into operating lease arrangements for land and building. | | | |
| (ii) Assets taken on lease: | | | |
| (a) Total of minimum lease payments | | 45.85 | 46.41 |
| The total of minimum lease payments for a period : | | | |
| Not later than one year | | 15.08 | 14.48 |
| Later than one year and not later than five years | | 30.77 | 31.93 |
| (b) Lease payments recognised in the statement of profit and loss for the year | | 15.35 | 13.93 |
| (c) A general description of significant leasing arrangements- The Company has entered into operating lease arrangements for computers, property and office equipments from various vendors. | | | |

Tata Motors Limited
Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account
"14" [Item No. 15] (contd.)
(A) Notes to Balance Sheet (contd.)
8. Related party disclosures for the year ended March 31, 2008
A) Related Party and their relationship
Associates

Tata AutoComp Systems Ltd
Tata Cummins Ltd
Tata Precision Industries Pte. Ltd
Tata Engineering Services Ltd (Due to
Common Key Management Personnel)
Tata Sons Ltd (Investing Party)
Nita Company Ltd
Hispano Carrocera, S. A
TSR Darashaw Ltd
Tata Securities Pvt Ltd (Upto June 25, 2007)
Telcon Ecoroad Resurfaces Pvt Ltd
Automobile Corporation of Goa Ltd (From May 21, 2007)

Key Management Personnel

Mr. Ravi Kant
Mr. P P Kadle (Upto September 17, 2007)
Mr. P M Telang (From May 18, 2007)

In Subsidiary Companies

Mr. M V S Prasad (Upto April 1, 2007)
Mr. Ranveer Sinha
Mr. M L Bapna
Mr. V N Sharma
Mr. A K Jha
Dr. Clive Hickman
Mr. A P Arya (From July 12, 2007)
Mr. Anupam Mishra (From April 2, 2007)
Mr. P C Bandivadekar (Upto August 31, 2007)
Mr. Shyam Mani (From October 30, 2007)
Mr. Jose Peter (Upto January 31, 2008)

Mr. P R McGoldrick
Mr. W K Harris
Mr. H Hutchinson
Mr. Fernando Oviedo
Mr. D Myers
Mr. L James
Mr. W Zofgen
Mr. Marcus Schleer
Mr. Kevin Noe
Mr. Ramesh Indhewat
Mr. Yoshihiko Takebe
Mr. T Rajashekharan
Mr. Giovanni De Fillipis (Upto March 19, 2008)
Mr. Rajeev Kapoor

B) Transactions with the related parties

| | Joint Venture | Associates | Key Management Personnel | (Rs. in crores) 2007-2008 Total |
|---|---------------|------------|--------------------------|---------------------------------------|
| Purchase of goods | 0.49 | 2230.49 | - | 2230.98 |
| | - | 1760.88 | - | 1760.88 |
| Sale of goods (inclusive of sales tax) | 0.66 | 135.73 | - | 136.39 |
| | - | 116.53 | - | 116.53 |
| Purchase of fixed assets | - | 160.08 | - | 160.08 |
| | - | - | - | - |
| Services received | - | 72.91 | 26.82 | 99.73 |
| | - | 48.39 | 21.07 | 69.46 |
| Services rendered | 6.56 | 4.33 | - | 10.89 |
| | - | 3.03 | - | 3.03 |
| Finance given (including loans and equity) | 76.68 | 221.32 | - | 298.00 |
| | - | 5.55 | - | 5.55 |
| Finance taken (including loans and equity) | - | 6.35 | - | 6.35 |
| | - | - | - | - |
| Interest / Dividend paid / (received) (net) | (1.21) | 87.87 | 0.11 | 86.77 |
| | - | 67.37 | - | 67.37 |
| Amount Receivable | 6.97 | 20.30 | 0.04 | 27.31 |
| | - | 9.42 | - | 9.42 |
| Amount Payable | 0.49 | 178.91 | - | 179.40 |
| | - | 119.52 | - | 119.52 |
| Amount Receivable (in respect of loans) | 26.15 | 156.02 | 0.29 | 182.46 |
| | - | 46.05 | 0.34 | 46.39 |

C) Disclosure in respect of material transactions with related parties

| | | 2007-2008 | 2006-2007 |
|-------|---|-----------|-----------|
| i) | Purchase of Goods | | |
| | Tata Cummins Ltd | 1647.09 | 1493.56 |
| | Automobile Corporation of Goa Ltd | 310.40 | - |
| | Tata AutoComp Systems Ltd | 273.01 | 265.90 |
| | Tata Cummins Ltd | 105.81 | 104.44 |
| ii) | Sale of Goods | | |
| | Hispano Carrocera, S. A | 160.08 | - |
| iii) | Purchase of Fixed Assets | | |
| | Tata Sons Ltd | 56.18 | 40.00 |
| iv) | Services received | | |
| | Tata Cummins Ltd | 1.70 | 1.94 |
| v) | Services rendered | | |
| | TSR Darashaw Ltd | - | 1.03 |
| | Telcon Ecoroad Resurfaces Private Ltd | - | 5.55 |
| vi) | Finance given including Loan and Equity | | |
| | Tata AutoComp Systems Ltd | 116.50 | - |
| | Hispano Carrocera, S. A | 46.07 | - |
| | Automobile Corporation of Goa Ltd | 41.48 | - |
| | Telcon Ecoroad Resurfaces Private Ltd | 6.35 | - |
| vii) | Finance taken including Loan and Equity | | |
| viii) | Interest / Dividend paid / (received) | | |
| | Dividend paid | 126.73 | 109.61 |
| | Dividend received | (18.00) | (28.80) |
| | Dividend received | (9.37) | (8.64) |
| | Interest received | (5.03) | (1.87) |
| | Tata Sons Limited | | |
| | Tata Cummins Ltd | | |
| | Tata Sons Limited | | |
| | Hispano Carrocera, S. A | | |

Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

(Rs. in crores)

(A) Notes to Balance Sheet (contd.)

9. Consolidated Segment Information for the year ended March 31, 2008

"14" [Item No. 15] (contd.)

(A) Primary segment

| | Automotive | Others | Inter-Segment Eliminations | Total |
|---|-------------------|----------------|---------------------------------------|------------------|
| a) Revenue | | | | |
| External sales and income from other operations | 32288.55 | 3362.93 | – | 35651.48 |
| | 29882.01 | 2479.19 | – | 32361.20 |
| Inter segment sales and other income | 57.10 | 340.88 | (397.98) | – |
| | 42.13 | 228.70 | (270.83) | – |
| Total Revenue | 32345.65 | 3703.81 | (397.98) | 35651.48 |
| | 29924.14 | 2707.89 | (270.83) | 32361.20 |
| b) Segment Results before interest and tax | 3005.83 | 558.25 | (2.21) | 3561.87 |
| | 3019.25 | 332.89 | (11.51) | 3340.63 |
| c) i) Dividend and other income | | | | 267.48 |
| | | | | 153.18 |
| ii) Interest and discounting charges | | | | (743.06) |
| | | | | (405.81) |
| d) Profit before tax | | | | 3086.29 |
| | | | | 3088.00 |
| Tax expense | | | | (851.54) |
| | | | | (883.21) |
| e) Profit after tax | | | | 2234.75 |
| | | | | 2204.79 |
| f) Segment assets | 30261.08 | 1749.70 | (323.92) | 31686.86 |
| | 22425.22 | 1398.60 | (295.18) | 23528.64 |
| g) Segment liabilities | 11277.75 | 880.29 | (118.30) | 12039.74 |
| | 7677.79 | 698.70 | (54.18) | 8322.31 |
| h) Other information | | | | |
| i) Depreciation | 745.55 | 36.52 | – | 782.07 |
| | 653.73 | 34.36 | – | 688.09 |
| ii) Capital expenditure | 5683.34 | 182.49 | (11.34) | (5854.49) |
| | 2791.92 | 62.63 | (12.57) | 2841.98 |
| j) Segment assets exclude: | | | | |
| i) Goodwill (on consolidation) | | | | 566.16 |
| | | | | 443.01 |
| ii) Investments | | | | 2665.83 |
| | | | | 1174.59 |
| iii) Advance Tax (net) | | | | 442.74 |
| | | | | 257.19 |
| iv) Miscellaneous expenditure (to the extent not written off or adjusted) | | | | 6.93 |
| | | | | 11.93 |
| v) Interest accrued on Investments | | | | 1.19 |
| | | | | 6.27 |
| | | | | 3682.85 |
| | | | | 1892.99 |

Tata Motors Limited
Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

“14” [Item No. 15] (contd.)

(A) Notes to Balance Sheet (contd.)

9. Consolidated Segment Information for the year ended March 31, 2008 (contd.)

(Rs. in crores)

Primary segment (contd.)

k) Segment liabilities exclude:

- i) Minority interest
- ii) Loans secured
- iii) Loans unsecured
- iv) Deferred tax liability
- v) Provision for premium on redemption of Foreign Currency Convertible Notes (FCCN) /Convertible Alternative Reference Securities (CARS)
- vi) Proposed dividend and tax thereon
- vii) Interest / commitment charges accrued on loans but not due
- viii) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due

| |
|-----------------|
| 468.31 |
| 249.96 |
| 6011.87 |
| 4462.65 |
| 5573.00 |
| 2839.25 |
| 974.45 |
| 817.27 |
| 887.84 |
| 284.25 |
| 668.57 |
| 686.49 |
| 37.13 |
| 26.89 |
| 11.28 |
| 10.89 |
| 14632.45 |
| 9377.65 |

(B) Secondary segment

Revenue from external customers

Within India Outside India

29095.56 6555.92

26633.16 5728.04

Carrying amount of segment assets

27872.19 3814.67

21543.69 1984.95

Capital expenditure

5390.59 463.90

2739.82 102.16

Total

35651.48

32361.20

31686.86

23528.64

5854.49

2841.98

“14”[Item No. 19]

(B) Notes to the Profit and Loss Account:

(1) Interest and Discounting Charges

(a) Interest

Less : (i) Transferred to Capital Account

(ii) Interest received on bank and other accounts

(b) Discounting Charges (net)

| | 2007-2008 | 2006-2007 |
|--|---------------|-----------|
| | 763.32 | 300.43 |
| | 763.32 | 300.43 |
| | 120.80 | 21.35 |
| | 169.66 | 59.25 |
| | 290.46 | 80.60 |
| | 472.86 | 219.83 |
| | 270.20 | 185.98 |
| | 743.06 | 405.81 |

Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

(Rs. in crores)
"14"[Item No. 19]

(B) Notes to the Profit and Loss Account: (contd.)

(2) (a) Defined benefit plans / Long term compensated absences - As per actuarial valuations as on March 31, 2008

| | Particulars | Gratuity, Superannuation and BKY/PSY | | Compensated absences | | Post-retirement Medicare scheme | |
|-------------|---|--|----------------|--|-----------------|---------------------------------|----------------|
| | | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| i | Components of employer expense | | | | | | |
| | Current Service cost | 26.75 | 20.06 | 15.22 | 12.83 | 2.93 | 2.69 |
| | Interest cost | 40.55 | 32.14 | 11.22 | 7.17 | 5.03 | 3.22 |
| | Expected return on plan assets | (36.09) | (29.66) | - | - | - | - |
| | Past Service cost | - | - | - | (0.25) | - | - |
| | Actuarial Losses | 52.77 | 68.40 | 18.34 | 36.77 | 5.74 | 16.89 |
| | Total expense recognised in the Statement of Profit & Loss Account in Schedule B, Page 98 under item : | 83.98 | 90.94 | 44.78 | 56.52 | 13.70 | 22.80 |
| | | 4 (b) & (c) | | 4 (a) | | 4 (c) | |
| ii | Actual Contribution and Benefit Payments for year ended March 31, | | | | | | |
| | Actual benefit payments | 68.43 | 69.02 | 28.77 | 20.47 | 4.65 | 3.34 |
| | Actual Contributions | 104.37 | 109.51 | 28.77 | 20.47 | 4.65 | 3.34 |
| iii | Net liability recognised in balance sheet as at March 31, | | | | | | |
| | Present value of Defined Benefit Obligation | 558.32 | 513.74 | 162.41 | 146.40 | 70.53 | 61.48 |
| | Fair value of plan assets | 497.46 | 433.21 | - | - | - | - |
| | Net liability recognised in balance sheet | (60.86) | (80.53) | (162.41) | (146.40) | (70.53) | (61.48) |
| iv | Change in Defined Benefit Obligations (DBO) during the year ended March 31, | | | | | | |
| | Present Value of DBO at beginning of year | 513.74 | 451.08 | 146.40 | 110.35 | 61.48 | 42.02 |
| | Liability on Acquisition | 0.73 | - | - | - | - | - |
| | Current Service cost | 26.75 | 20.06 | 15.22 | 12.83 | 2.93 | 2.69 |
| | Interest cost | 40.55 | 32.14 | 11.22 | 7.17 | 5.03 | 3.22 |
| | Plan amendments | - | - | - | (0.72) | - | - |
| | Actuarial losses | 44.98 | 79.48 | 18.34 | 37.24 | 5.74 | 16.89 |
| | Benefits paid | (68.43) | (69.02) | (28.77) | (20.47) | (4.65) | (3.34) |
| | Present Value of DBO at the end of year | 558.32 | 513.74 | 162.41 | 146.40 | 70.53 | 61.48 |
| v | Change in Fair Value of Assets during the year ended March 31, | | | | | | |
| | Plan assets at beginning of year | 433.21 | 351.98 | N/A | N/A | N/A | N/A |
| | Actual return on plan assets | 28.31 | 40.74 | N/A | N/A | N/A | N/A |
| | Actual Company contributions | 104.37 | 109.51 | 28.77 | 20.47 | 4.65 | 3.34 |
| | Benefits paid | (68.43) | (69.02) | (28.77) | (20.47) | (4.65) | (3.34) |
| | Plan assets at the end of year | 497.46 | 433.21 | - | - | - | - |
| vi | Actuarial Assumptions | | | | | | |
| | Discount Rate % | 7.75-8.50 | 8.00-8.50 | 8.50 | 8.50 | 8.50 | 8.50 |
| | Expected Return on plan assets % | 8.00 | 8.00 | N/A | N/A | N/A | N/A |
| | Medical cost inflation % | N/A | N/A | N/A | N/A | 4.00 | 4.00 |
| vii | The major categories of plan assets as percentage to total plan assets | | | | | | |
| | Debt securities | 69% | 64% | N/A | N/A | N/A | N/A |
| | Balances with banks | 31% | 36% | N/A | N/A | N/A | N/A |
| viii | Effect of one percentage point change in assumed Medical inflation rate | One percentage point increase in Medical inflation rate | | One percentage point decrease in Medical inflation rate | | | |
| | | 2008 | 2007 | 2008 | 2007 | | |
| | Revised DBO as at March 31 | 72.10 | 67.78 | 64.68 | 56.00 | | |
| | Revised service cost for the year | 3.12 | 2.97 | 2.35 | 2.47 | | |
| | Revised interest cost for the year | 5.54 | 3.55 | 4.54 | 2.93 | | |

- a) Defined Contribution Plans-
The Company's contribution to defined contribution plan aggregated **Rs.147.95 crores** (2006-07 Rs. 134.62 crores) for the year ended March 31, 2008 has been recognised in the statement of Profit and Loss Account under item 4 (b) in Schedule B on page 98.
- b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- d) Effective April 1, 2006, the Company adopted the revised accounting standard on employee benefits. Pursuant to the adoption following amounts have been adjusted to general reserve for difference as per revised AS15 :

| | 2007-2008 | | | 2006-2007 | | |
|-------------------------|-----------|--------|------|-----------|---------|---------|
| | Gross | Tax | Net | Gross | Tax | Net |
| Gratuity | - | - | - | 4.01 | (1.35) | 2.66 |
| Superannuation | - | - | - | (7.07) | 2.38 | (4.69) |
| BKY | - | - | - | (24.90) | 8.39 | (16.51) |
| Ex Gratia on retirement | 5.05 | (1.72) | 3.33 | 44.99 | (15.15) | 29.84 |
| | 5.05 | (1.72) | 3.33 | 17.03 | (5.73) | 11.30 |

Tata Motors Limited

Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

"14" [Item No. 19] (contd.)

(B) Notes to the Profit and Loss account: (contd.)

(2) (b) Details of Severance Indemnity plan applicable to Tata Daewoo Commercial Vehicle Co. Ltd., Korea as on March 31, 2008

| | | (Rs. in crores) | |
|------------|---|-----------------|-----------------|
| | | 2008 | 2007 |
| i | Components of employer expense | | |
| | Current Service cost | 18.90 | 15.88 |
| | Interest cost | 6.87 | 6.25 |
| | Actuarial losses | 7.69 | 23.51 |
| | Total expense recognised in the Statement of Profit & Loss Account in Schedule B, Page 98 under item 4 (b) | 33.46 | 45.64 |
| ii | Actual Contribution and Benefit Payments for year ended March 31, | | |
| | Actual benefit payments | 7.87 | 9.43 |
| | Actual contributions | 7.87 | 9.43 |
| iii | Net liability recognised in Balance Sheet as at March 31, | | |
| | Present value of Defined Benefit Obligation | 156.50 | 149.63 |
| | Fair value of plan assets | - | - |
| | Net liability recognised in Balance Sheet | (156.50) | (149.63) |
| iv | Change in Defined Benefit Obligations during the year ended March 31, | | |
| | Present Value of DBO at the beginning of the year | 149.63 | 113.73 |
| | Current Service cost | 18.90 | 15.88 |
| | Interest cost | 6.87 | 6.25 |
| | Actuarial losses | 7.22 | 23.51 |
| | Benefits paid | (7.87) | (9.43) |
| | Exchange fluctuation | (18.25) | (0.31) |
| | Present Value of DBO at the end of the year | 156.50 | 149.63 |
| v | Change in Fair Value of Assets during the year ended March 31, | | |
| | Plan assets at the beginning of the year | N/A | N/A |
| | Acquisition Adjustment | N/A | N/A |
| | Actual return on plan assets | N/A | N/A |
| | Actual Company Contributions | 7.87 | 9.43 |
| | Benefits paid | (7.87) | (9.43) |
| | Plan assets at the end of the year | - | - |
| vi | Actuarial Assumptions | | |
| | Discount Rate | 5.38% | 5.00% |
| | Expected return on plan assets | N/A | N/A |
| | Medical cost inflation | N/A | N/A |

Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

(Rs. in crores)
"14" [Item No. 19]

(B) Notes to the Profit and Loss Account : (contd.)

| | | 2007-2008 | 2006-2007 |
|---|------------|---------------------|--------------|
| (3) Earnings Per Share: | | | |
| (a) Profit for the year | Rs. crores | 2167.70 | 2169.99 |
| (b) The weighted average number of Ordinary Shares for Basic EPS | Nos. | 38,54,38,663 | 38,45,44,205 |
| (c) The nominal value per Ordinary Share | Rupees | 10 | 10 |
| (d) Earnings Per Share (Basic) | Rupees | 56.24 | 56.43 |
| (e) Profit for the year for Basic EPS | Rs. crores | 2167.70 | 2169.99 |
| Add: Interest payable on outstanding Foreign Currency Convertible Notes | Rs. crores | 9.16 | 9.94 |
| (f) Profit for the year for Diluted EPS | Rs. crores | 2176.86 | 2179.93 |
| (g) The weighted average number of Ordinary Shares for Basic EPS | Nos. | 38,54,38,663 | 38,45,44,205 |
| Add: Adjustment for Options relating to warrants, Foreign Currency Convertible Notes and Convertible Alternative Reference Securities | Nos. | 3,67,14,160 | 2,26,22,790 |
| (h) The weighted average number of Ordinary Share for Diluted EPS | Nos. | 42,21,52,823 | 40,71,66,995 |
| (j) Earnings Per Share (Diluted) | Rupees | 51.57 | 53.54 |

| | | 2007-2008 | 2006-2007 |
|---|--|------------------|-----------|
| (4) Other provisions include: | | | |
| (a) Product warranty: | | | |
| Opening Balance | | 215.86 | 178.25 |
| Add: Provision for the year (net) (including additional provision for earlier years) | | 310.57 | 241.33 |
| Less: Payments / debits (net of recoveries from suppliers) | | (261.46) | (203.72) |
| Closing Balance | | 264.97 | 215.86 |
| The provision is expected to be utilised for settlement of warranty claims within a period of 2 to 3 years. | | | |
| (b) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS): | | | |
| Opening Balance | | 284.25 | 298.20 |
| Add: Provision for premium on redemption of CARS | | 634.07 | - |
| Less: Foreign currency exchange difference | | (30.48) | (7.00) |
| Less: Reversal due to conversion of FCCN | | - | (6.95) |
| Closing Balance | | 887.84 | 284.25 |

- (5) The additional disclosure as required by AS 7 (Revised) on Construction Contracts are as follows:
- (a) Advance received is **Rs. 12.71 crores** (as at March 31, 2007 Rs. 2.49 crores)
 - (b) Retention money is **Rs. 11.59 crores** (as at March 31, 2007 Rs. 5.53 crores)
 - (c) Contract revenue recognised during the year is **Rs. 104.00 crores** (2006-07 Rs. 59.90 crores)
 - (d) Aggregate amount of costs incurred and recognised profits (less recognised losses) **Rs. 108.05 crores** (as at March 31, 2007 Rs. 64.60 crores)

- (6) The share of profit / (loss) in respect of investments in associate companies include the figures which are considered as per the unaudited financial statements / profit and loss account for the year ended March 31, 2008, as per the details given below :

| Name of the Associate | Share in Post acquisition Reserves and Profit and Loss account upto March 31, 2008 | Profit / (Loss) for the year ended March 31, 2008 |
|------------------------------------|---|--|
| | (Rs. in crores) | |
| Tata AutoComp Systems Ltd | (1.33) | (1.06) |
| TSR Darashaw Ltd | 2.12 | 1.01 |
| Hispano Carrocera, S. A. | (2.34)* | - * |
| Tata Precision Industries Pte. Ltd | (3.11)* | - * |
| | (4.66) | (0.05) |

*The share of loss restricted to carrying cost of investment.

Tata Motors Limited
Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

"14" [Item No. 21] (contd.)

(C) Other notes:

- (7) Pursuant to the joint venture agreement entered into with Fiat Group Automobiles S.p.A., Italy and Fiat India Automobiles Private Limited (FIAPL) for establishment of joint venture to manufacture passenger cars, engines and transmissions at Ranjangaon in India, the Company invested Rs. 442.09 crores on December 28, 2007 representing 49% of the equity shareholding in FIAPL. Subsequently in March 2008, the Company has subscribed to 50% of the additional equity shares, issued by FIAPL, for Rs. 159.50 crores, thereby increasing its equity shareholding in FIAPL to 49.48% as at March 31, 2008.

The proportionate share of assets and liabilities as at March 31, 2008 and income and expenditure for the period from December 28, 2007 to March 31, 2008 of the above joint venture company based on unaudited financial statements are given below:

| | As at March 31, 2008 | | (Rs. in crores) 2007-2008 |
|-----------------------------|-------------------------------------|---|--------------------------------------|
| RESERVES AND SURPLUS | | INCOME | |
| Reserves and Surplus | (43.97) | Sale of products and services | 14.85 |
| | | Less : Excise duty | (2.19) |
| | | Miscellaneous income | 1.48 |
| | | | 14.14 |
| ASSETS | | EXPENDITURE | |
| Net Block (including CWIP) | 785.65 | Exchange difference (net) | 15.93 |
| Investments (Rs.49.48) | - | Manufacturing and other expenses | 44.66 |
| Current Assets | 136.09 | Expenditure transferred to capital and other accounts | (4.34) |
| | 921.74 | Depreciation | 5.08 |
| | | Interest | 0.40 |
| LIABILITIES | | Tax expenses | (3.62) |
| Unsecured Loans | 67.94 | | |
| Current Liabilities | 444.94 | | |
| Provisions | 1.60 | | |
| | 514.48 | | 58.11 |

Claims not acknowledged as debts **7.82**
Capital Commitments **924.84**

- (8) The Company has entered into a definitive agreement with the Ford Motor Company for the purchase of Jaguar Land Rover, comprising brands, Plants and Intellectual Property Rights. The acquisition will be made through TML Holdings Ltd (UK), a wholly owned subsidiary company, for a consideration of approximately US \$2.3 billion (approximately Rs. 9228.75 crores as of March 31, 2008). The transfer of ownership to Tata Motors is expected to close in the near future, subject to applicable regulatory approvals. The Company has arranged for a financing facility of US \$3 billion (approximately Rs. 12037.50 crores) with a consortium of banks for this acquisition.
- (9) Telco Construction Equipment Company Limited, a subsidiary company has entered into an agreement with the shareholders of Serviplem S.A. and Comoplesa Lebrero S.A. for acquiring equity shareholding of 79% and 60% in the respective companies for Euro 3,91,50,000 (approximately Rs. 246.81 crores). The subsidiary has successfully completed the acquisitions subsequent to the Balance Sheet date.
- (10) The Company's Joint Venture, Fiat India Automobiles Pvt Ltd (FIAPL) held 52.63% of the issued share capital of Fiat India Pvt Ltd (FIPL) during the year ended March 31, 2008. FIPL has not been consolidated as a subsidiary of FIAPL as per AS-21, as the management intended to dispose off this investments and it has been disposed off as at March 31, 2008.
- (11) Previous year figures have been re-grouped where necessary.
- (12) Current year figures are shown in bold prints.

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

| Sr. No. | Name of the subsidiary company | Financial year of the subsidiary ended on | Shares of the subsidiary held by the company directly or through its subsidiary companies on March 31, 2008 | | Net aggregate amount of profit / (loss) of the subsidiary so far as they concern members of the Company: | | Net aggregate amount of profits / (losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company: | | (Rs. in crores) |
|---------|--|---|---|-----------------------|--|---|--|---|-----------------|
| | | | Number and face value | Extent of holding (%) | dealt with in the accounts of the Company for the year ended March 31, 2008 | not dealt with in the accounts of the Company for the year ended March 31, 2008 | dealt with in the accounts of the Company for the year ended March 31, 2008 | not dealt with in the accounts of the Company for the year ended March 31, 2008 | |
| 1 | Tata Daewoo Commercial Vehicle Co. Limited | March 31, 2008 | 30,16,060 ordinary shares of KRW 5,000 each fully paid up | 100.00 | 12.13 | 140.98 | 13.11 | 84.35 | |
| 2 | Telco Construction Equipment Company Limited | March 31, 2008 | 6,00,00,000 ordinary shares of Rs.10/- each fully paid up | 60.00 | 30.00 # | 164.18 | 58.53 # | 134.95 | |
| 3 | Tata Technologies Limited | March 31, 2008 | 3,03,00,600 ordinary shares of Rs. 10/- each fully paid up | 81.71 | 6.06 | 17.16 | 24.86 | 19.98 | |
| 4 | HV Axles Limited | March 31, 2008 | 3,82,50,000 ordinary shares of Rs.10/- each fully paid up | 85.00 | 14.00 | 39.90 | 58.50 | 93.47 | |
| 5 | HV Transmissions Limited | March 31, 2008 | 3,40,00,000 ordinary shares of Rs.10/- each fully paid up | 85.00 | 14.00 | 26.33 | 52.00 | 60.81 | |
| 6 | TAL Manufacturing Solutions Limited | March 31, 2008 | 6,50,00,000 ordinary shares of Rs. 10/- each fully paid up | 100.00 | - | 12.02 | - | (10.97) | |
| 7 | Tata Motors Insurance Services Limited | March 31, 2008 | 5,00,000 ordinary shares of Rs. 10/- each fully paid up | 100.00 | - | (0.04) | - | 0.66 | |
| 8 | Concorde Motors (India) Limited | March 31, 2008 | 24,48,120 ordinary shares of Rs. 10/- each fully paid up | 100.00 | - | 5.33 | 5.91 | 19.64 | |
| 9 | Tata Motors European Technical Centre Plc. | March 31, 2008 | 5,00,000 ordinary shares of GBP 1 each fully paid up | 100.00 | - | 12.80 | - | (0.08) | |
| 10 | Sheba Properties Limited | March 31, 2008 | 75,00,000 ordinary shares of Rs.100/- each fully paid up | 100.00 | - | 16.22 | 11.71 | 27.04 | |
| 11 | Tata Motors Finance Limited (formerly known as TML Financial Services Limited) | March 31, 2008 | 75,00,00,000 ordinary shares of Rs. 10/- each fully paid up | 100.00 | - | 44.77 | - | 10.23 | |
| 12 | Tata Marcopolo Motors Limited | March 31, 2008 | 3,06,00,000 ordinary shares of Rs. 10/- each fully paid up | 51.00 | - | (1.95) | - | (0.22) | |
| 13 | Tata Motors (Thailand) Limited | March 31, 2008 | 35,07,000 ordinary shares of THB 100/- each | 70.00 | - | (8.38) | - | - | |
| 14 | Tata Motors (SA) (Proprietary Limited** | - | - | - | - | - | - | - | |
| 15 | Tata Technologies Pte Limited, Singapore* | March 31, 2008 | 8,64,63,759 ordinary shares of SGD 1 each fully paid | 81.71 | - | 6.22 | - | 1.40 | |
| 16 | INCAT (Thailand) Limited (formerly known as Tata Technologies (Thailand) Limited)* | March 31, 2008 | 705,341 ordinary shares at 50 Baht each | 81.71 | - | (0.63) | - | (1.56) | |
| 17 | INCAT International Plc* | March 31, 2008 | 2,42,75,000 ordinary shares of Penny 1 each fully paid | 81.71 | - | (0.63) | - | 3.32 | |

(Rs. in crores)

Tata Motors Limited

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

| Sr. No. | Name of the subsidiary company | Financial year of the subsidiary ended on | Shares of the subsidiary held by the company directly or through its subsidiary companies on March 31, 2008 | | Net aggregate amount of profit / (loss) of the subsidiary for the financial year of the subsidiary so far as they concern members of the Company: | | Net aggregate amount of profits / (losses) for previous financial years of the subsidiary since it became a subsidiary so far as they concern members of the Company: | |
|---------|---|---|---|-----------------------|---|---|---|---|
| | | | Number and face value | Extent of holding (%) | dealt with in the accounts of the Company for the year ended March 31, 2008 | not dealt with in the accounts of the Company for the year ended March 31, 2008 | dealt with in the accounts of the Company for the year ended March 31, 2008 | not dealt with in the accounts of the Company for the year ended March 31, 2008 |
| 18 | INCAT Systems Inc.* | March 31, 2008 | 10,42,900 shares of class B common stock with no par value | 81.85 | — | 8.60 | — | 11.70 |
| 19 | Tata Technologies iKS Inc. (formerly known as iKnowledge Solutions Inc.)* | March 31, 2008 | 31,400 shares of no par value | 81.71 | — | (2.54) | — | (2.14) |
| 20 | INCAT KK* | March 31, 2008 | 300 shares of Yen 100,000 each | 81.71 | — | (0.86) | — | (0.79) |
| 21 | INCAT Limited* | March 31, 2008 | 10,000 ordinary shares of GBP 1 each fully paid | 81.71 | — | (0.31) | — | 5.38 |
| 22 | INCAT GmbH* | March 31, 2008 | 1,640 ordinary shares of Euro 1 each | 81.71 | — | (1.01) | — | 0.79 |
| 23 | INCAT SAS* | March 31, 2008 | 70,000 shares of Euro 1 each | 81.71 | — | (2.93) | — | 0.22 |
| 24 | INCAT Holdings BV* | March 31, 2008 | 40 ordinary shares of Euro 453.775 each fully paid | 81.71 | — | 1.19 | — | (0.94) |
| 25 | Integrated Systems Technologies de México, S.A. de C.V.* | March 31, 2008 | N/A | 81.85 | — | 0.22 | — | 0.45 |
| 26 | INCAT Solutions of Canada Inc.* | March 31, 2008 | 1 share of no par value | 81.85 | — | (0.95) | — | (0.93) |
| 27 | Lemmerpoort BV (formerly known as INCAT Engineering Solution BV) *@ | March 31, 2008 | 18,000 ordinary shares of Euro 1 each fully paid | 81.71 | — | — | — | 1.27 |

* By virtue of Section 4 (1) (c) of the Companies Act, 1956, these are subsidiaries of the Company.

@ The Company is under Liquidation.

Includes dividend received by Sheba Properties Limited, 100% subsidiary of the Company.

** The first financial year of the subsidiary will be March 31, 2009 hence no details given.

For and on behalf of the Board

RATAN N TATA
Chairman

N A SOONAWALA
J J IRANI

V R MEHTA
R GOPALAKRISHNAN

N N WADIA
S M PALIA

R A MASHELKAR
Directors

RAVI KANT
Managing Director

P M TELANG
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, May 28, 2008

Attendance Slip

Members Attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the SIXTY-THIRD ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai-400 020 at 3.00 p.m on Thursday, July 24, 2008.

.....
Full name of the Member (in block letters)

.....
Signature

Folio No.: DP ID No.* Client ID No.*

*Applicable for member holding shares in electronic form

.....
Full name of the proxy (in block letters)

.....
Signature

NOTES : 1. Member/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting.
2. Member/ Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

**Proxy**

I/We

of in the district of being

a Member/ Members of the above named Company, hereby appoint

..... of in the district ofor failing

him of in the district of

..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the Sixty-third Annual General Meeting of the Company, to be held on Thursday, July 24, 2008 or at any adjournment thereof.

Signed this day of 2008

Folio No.: DP ID No.* Client ID No.*

* Applicable for members holding shares in electronic form

No. of Shares

Signature

Affix
Revenue
Stamp

This form is to be used ^{** in Favour} ~~** against~~ of the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

**Strike out whichever is not desired.

NOTES : (i) The Proxy must be returned so as to reach the Registered Office of the Company, Bombay House 24 Homi Mody Street Mumbai 400 001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
(ii) Those members who have multiple folio with different jointholders may use copies of this Attendance Slip/Proxy.

TATA MOTORS LIMITED

Bombay House 24 Homi Mody Street Mumbai 400 001

