



As filed with the Securities and Exchange Commission on September 30, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report _____

Commission file number: 001-32294



TATA MOTORS LIMITED

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English)

Republic of India
(Jurisdiction of incorporation or organization)

Bombay House
24, Homi Mody Street
Mumbai 400 001, India
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class
Ordinary Shares, par value Rs.10 per share *

Name of each exchange on which registered
The New York Stock Exchange, Inc



Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report. - 385,503,954 Ordinary Shares, including 48,912,955 Ordinary Shares represented by 48,912,955 American Depositary Shares outstanding as of March 31, 2008.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing.

U.S. GAAP ☒

International Financial Reporting Standards as issued by the International Accounting Standards Board ☐

Other ☐

Indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ☐ Item 18 ☒

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

* Not for trading, but only in connection with listed American Depositary Shares, each representing one share of common stock.



In this annual report

- *References to “we”, “our” and “us” are to Tata Motors Limited and its consolidated subsidiaries, except as the context otherwise requires;*
- *References to “dollar”, and “US\$” are to the lawful currency of the United States of America, and references to “rupees” and “Rs.” are to the lawful currency of India;*
- *References to “US GAAP” are to accounting principles generally accepted in the United States, and references to “Indian GAAP” are to accounting principles generally accepted in India;*
- *References to an “ADS” are to an American Depositary Share, each of which represents one of our Ordinary Shares of Rs. 10/- each, and references to an “ADR” are to an American Depositary Receipt evidencing one or more ADSs;*
- *References to light commercial vehicles, or LCVs, medium commercial vehicles, or MCVs, and heavy commercial vehicles, or HCVs, refer to vehicles that have gross vehicle weight, or GVW, of up to 7.5 metric tonnes, between 7.5 and 16.2 metric tonnes, and over 16.2 metric tonnes, respectively;*
- *References to passenger cars refer to vehicles that have a seating capacity of up to six persons, excluding the driver, and is further classified into the following market segments: mini-cars – which have a length of up to 3,400 mm; compact cars – which have a length between 3,401mm and 4,000mm; mid-size cars – which have length of between 4,001mm and 4,500mm; executive cars – which have a length between 4,501mm and 4,700mm; and premium all-terrain vehicles and luxury performance cars – which have a length between 4,701 and 5,000mm, and above 5,001mm, respectively.*
- *References to utility vehicles, or UVs, and multi-purpose vehicles, or MPVs, refer to vehicles that have a seating capacity of seven to twelve persons, excluding the driver, and van-type vehicles that have a seating capacity of seven to twelve persons, excluding the driver, respectively.*
- *Unless otherwise stated, comparative and empirical industry data in this annual report have been derived from published reports of the Society of Indian Automobile Manufacturers, or SIAM;*
- *References to a particular “fiscal” year, such as “fiscal 2008”, are to our fiscal year ended on March 31 of that year;*
- *Figures in tables may not add up to totals due to rounding;*
- *“Millimeters” or “mm” are equal to 1/1000 of a meter. A meter is equal to approximately 39.37 inches and a millimeter is equal to approximately 0.039 inch; and*
- *“Kilograms” or “kg” are each equal to approximately 2.2 pounds, and “metric tonnes” are equal to 1,000 kilograms or approximately 2,200 pounds.*
- *“Litres” are equivalent to 61.02 cubic inches of volume, or approximately 1.057 U.S. quarts of liquid measure.*
- *“Revenues” refers to Total Revenue net of excise duty unless stated otherwise.*

Special Note Regarding Forward-looking Statements

All statements contained in this annual report that are not statements of historical fact constitute “forward-looking statements”. Generally, these statements can be identified by the use of forward-looking terms such as “anticipate”, “believe”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “seek”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this annual report regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this annual report (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements or other projections. Although we are a reporting company and will have ongoing disclosure obligations under U.S. federal securities laws, we are not undertaking to publicly update or revise any statements in this annual report, whether as a result of new information, future events or otherwise.



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The risks and factors that could cause our actual results, performances and achievements to be materially different from the forward-looking statements set out in Item 3.D and elsewhere in this annual report include, among others:

- general political, social and economic conditions, and the competitive environment in India and other markets in which we operate and sell our products;
- fluctuations in the currency exchange rate of the rupee to the dollar and other currencies;
- accidents and natural disasters;
- terms on which we finance our working capital and capital and product development expenditures and investment requirements;
- implementation of new projects, including mergers and acquisitions, planned by management;
- contractual arrangements with suppliers;
- government policies including those specifically regarding the automotive industry, including industrial licensing, environmental regulations, safety regulations, import restrictions and duties, excise duties, sales taxes, value added taxes, product range restrictions, diesel and gasoline prices and road network enhancement projects;
- significant movements in the prices of key inputs such as steel, aluminum, rubber and plastics; and
- other factors beyond our control.



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PART I

Item 1. Identity of Directors, Senior Management and Advisers.

Not applicable.

Item 2. Offer Statistics and Expected Timetable.

Not applicable.

Item 3. Key Information.

A. Selected Financial Data.

The following table sets forth selected financial data including selected historical financial information as of and for each of the fiscal years ended March 31, 2004, 2005, 2006, 2007 and 2008 in accordance with accounting principles generally accepted in the United States, or US GAAP.

The selected US GAAP consolidated financial data as of March 31, 2007 and 2008 and for each of the fiscal years ended March 31, 2006, 2007 and 2008 are derived from our audited US GAAP consolidated financial statements included in this annual report together with the report of Deloitte Haskins & Sells, independent auditors, who have reported that they carried out their audit in accordance with standards of the Public Company Accounting Oversight Board (United States). The selected US GAAP consolidated financial data as of March 31, 2004, 2005 and 2006 and for the fiscal years ended March 31, 2004 and 2005 are derived from our audited US GAAP consolidated financial statements not included in this annual report.

You should read our selected financial data in conjunction with Item 5 “— Operating and Financial Review and Prospects”.



Selected Financial Data Prepared in Accordance with US GAAP

	For the year ended March 31,					
	2004	2005	2006	2007	2008	2008 (In US \$ millions, except Share and per share amounts)
	(in Rs. millions, except share and per share amounts)					
Gross Sales	162,176.6	228,549.4	272,350.8	370,709.1	400,144.0	9,998.6
Less: Excise Duty	23,883.2	31,771.0	35,465.0	46,227.9	47,356.0	1,183.3
Net Sales	138,293.4	196,778.4	236,885.8	324,481.2	352,788.0	8,815.3
Finance revenues	1,402.3	1,608.6	3,728.7	7,043.4	12,442.6	310.9
Total revenues	139,695.7	198,387.0	240,614.5	331,524.6	365,230.6	9,126.2
Cost of sales	108,159.6	156,906.7	189,318.7	263,449.7	287,895.6	7,193.8
Operating Expenses						
Selling, general and administrative	15,276.9	20,144.9	26,586.2	35,623.3	43,731.4	1,092.7
Research and development	1,282.0	2,532.4	4,663.0	6,018.1	9,906.4	247.5
Employee separation compensation	386.3	11.5	4.2	2.6	3.1	0.1
Total operating expenses	16,945.2	22,688.8	31,253.4	41,644.0	53,640.9	1,340.3
Operating income	14,590.9	18,791.5	20,042.4	26,430.9	23,694.1	592.1
Non-operating (expense) income						
Gain on shares issued by subsidiary	—	—	86.5	30.4	70.9	1.8
Gain on sale of equity interest in a subsidiary	—	—	1,532.1	—	1,254.7	31.4
Other non-operating income, net	1,773.2	1,821.6	1,882.6	4,745.4	5,104.7	127.6
Interest income	349.6	761.6	662.8	598.3	1,690.8	42.2
Interest expense	(2,684.3)	(2,993.3)	(3,717.8)	(5,413.8)	(10,507.2)	(262.5)
Total non-operating (expense) income	(561.5)	(410.1)	446.2	(39.7)	(2,386.1)	(59.5)
Income before equity in affiliates, minority interest and income taxes	14,029.4	18,381.4	20,488.6	26,391.2	21,308.0	532.6
Income tax expense	(5,264.0)	(5,099.9)	(5,618.3)	(8,113.0)	(5,898.8)	(147.4)
Minority interest, net of tax	(228.9)	(365.7)	(331.1)	(718.5)	(1,148.1)	(28.7)
Equity in net income of affiliates, net of tax	363.4	340.4	471.4	551.9	(55.2)	(1.4)
Net Income	8,899.9	13,256.2	15,010.6	18,111.6	14,205.9	355.1
Weighted average equity shares outstanding:						
Basic	328,306,904	359,837,353	373,268,040	384,544,205	385,438,663	385,438,663
Diluted	363,123,828	388,849,716	399,310,236	407,166,995	407,167,207	407,167,207
Earnings per share:						
Basic	Rs. 27.1	Rs. 36.8	Rs. 40.2	Rs. 47.1	Rs. 36.9	US \$ 0.9
Diluted	Rs. 25.3	Rs. 34.9	Rs. 38.7	Rs. 45.4	Rs. 35.8	US \$ 0.9
Cash dividend per Equity Share	Rs. 8.0	Rs. 4.0	Rs. 12.5	Rs. 13.0	Rs. 15.0	US \$ 0.4

	As of March 31,					
	2004	2005	2006	2007	2008	2008
						(in US\$ millions except number of shares)
	(in Rs. millions, except number of shares)					
Balance Sheet Data						
Total Assets	113,875.4	159,245.4	202,158.2	271,015.4	369,279.3	9,227.3
Long term debt, net of current portion	10,804.1	25,632.7	27,203.3	40,235.1	58,792.8	1469.1
Total shareholders' equity	37,377.6	56,409.2	81,015.8	91,368.9	105,264.1	2,630.3
Number of Equity shares outstanding	352,958,130	361,751,751	382,834,131	385,373,885	385,503,954	385,503,954



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Exchange Rate Information

For convenience, some of the financial amounts presented in this annual report have been translated from rupee amounts into dollar amounts at the rate of Rs.40.02 = US \$ 1.00, the noon buying rate for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York as on March 31, 2008, the date of our most recent balance sheet included in this annual report. However, such translations do not imply that the rupee amounts have been, could have been or could be converted into dollars at that or any other rate.

The following table sets forth, for the fiscal years ended March 31, 2004, 2005, 2006, 2007 and 2008, information with respect to the exchange rate between the rupee and the dollar (in rupees per dollar) based on the average of the cable transfer buying and selling rupee / dollar exchange rates quoted by the Federal Reserve Bank of New York.

Fiscal year ended March 31,	Period End	Period Average	High	Low
2008	40.02	40.13	43.05	38.48
2007	43.10	45.06	46.83	42.78
2006	44.48	44.17	46.26	43.05
2005	43.62	44.86	46.45	43.27
2004	43.40	45.98	47.46	43.40

The following table sets forth information with respect to the exchange rate between the rupee and the dollar (in rupees per dollar) for the previous six months based on the noon buying rate for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York.

Month	Period End	Period Average	High	Low
Aug 2008	43.25	42.90	43.74	42.01
July 2008	42.47	42.70	43.29	41.10
June 2008	42.93	42.76	42.97	42.38
May 2008	42.15	42.00	42.93	40.45
April 2008	40.45	39.96	40.45	39.73
March 2008	40.02	40.14	40.46	39.76

Source: Federal Reserve Bank of New York

As of September 26, 2008, the rupee / dollar noon buying rate quoted by the Federal Reserve Bank of New York was Rs.46.48 per US\$1.00.

B. Capitalization and Indebtedness.

Not applicable.

C. Reasons for the Offer and Use of Proceeds.

Not applicable.

D. Risk Factors.

This section describes the risks that we currently believe may materially affect our business. The factors below should be considered in connection with any forward-looking statements in this annual report and the cautionary statements on page ii. The risks below are not the only ones we face – some risks may be unknown to us, and some risks that we do not currently believe to be material could later turn out to be material. Although we will be making all reasonable efforts to mitigate or minimize these risks, one or more of a combination of these risks could materially impact our business, revenues, sales, net assets, results of operations, liquidity and capital resources.



Risk associated with Our Business and the Automotive Industry.

General economic conditions could have a significant adverse impact on our sales and results of operations.

The Indian automotive industry is substantially affected by general economic conditions in India. The demand for automobiles in the Indian market is influenced by factors including the growth rate of the Indian economy, easy availability of credit, increase in disposable income among Indian consumers, interest rates, freight rates and fuel prices. The automotive industry in general is cyclical and economic slowdowns in the past have harmed manufacturing industries including the automobile and automobile components manufacturing industry. There can be no assurance that the Indian economy will not experience a downturn, and weakening of economic activity. Lack of vehicle finance availability, increase in interest rates and/or increases in fuel prices are examples of developments that could lead to a decline in the demand for automobiles in the Indian market as well as impact our costs, which could significantly affect our sales and future results of operations in an adverse manner.

In addition to India, we also have automotive operations in South Korea and recently commenced operations in Thailand. Furthermore, we acquired the Jaguar and Land Rover business, which has operations in over 165 countries, from Ford Motor Company on June 2, 2008. See “– Recent Developments – Acquisition of the Jaguar Land Rover Business” for more information. The worldwide automotive industry is affected significantly by general economic conditions, including the cost of purchasing and operating a vehicle and the availability and cost of credit and fuel (among other factors), over which automobile manufacturers have little control. Should industry demand soften beyond our expectations because of slowing or negative economic growth in key markets in which we operate, our results of operations and financial condition could be substantially adversely affected.

Currency and exchange rate fluctuations could adversely affect our results of operations.

We import capital equipment, raw materials and components and also sell our vehicles in various countries outside of India. These transactions are denominated in foreign currencies, primarily the US Dollar and Euro. Moreover, we have outstanding foreign currency denominated debt and hence we are sensitive to fluctuations in foreign currency exchange rates. We have experienced and expect to continue to experience foreign exchange losses and gains on obligations denominated in foreign currencies in respect of our borrowings and foreign currency assets and liabilities due to currency fluctuations. Although we engage in currency hedging in order to decrease our foreign exchange exposure, a weakening of the rupee against the dollar or other major foreign currencies may have an adverse effect on our cost of borrowing and consequently may increase our financing costs, which could have a significant adverse impact on our results of operations.

Additionally, the results of Jaguar Land Rover are impacted by fluctuations in the value of the British Pound against the dollar and other currencies of key countries where Jaguar Land Rover has operations.

Any depreciation in the value of the rupee against the dollar or other major foreign currencies may lead to adverse effects on our financial condition and results of operations during the current fiscal year and in the future periods, partly due to an increase in our non-rupee denominated debt.

Intensifying competition could materially and adversely affect our sales and results of operations.

The Indian automobile industry is highly competitive. We face strong competition in the Indian market from domestic as well as foreign automobile manufacturers. Improving infrastructure and robust growth prospects compared to other mature markets is attracting a number of international companies to India who have either created joint ventures with local partners or have established independently owned operations in India. International competitors bring with them decades of international experience, global scale, advanced technology and significant financial resources. Consequently, domestic competition is likely to further intensify in the future. There can be no assurance that we will be able to implement our future strategies in a way that will mitigate the effects of increased competition in the Indian automotive industry.

As a result of our international growth strategy, we also face significant competition from foreign automobile manufacturers in markets outside of India, in particular for Jaguar Land Rover’s line of vehicles. The global automotive industry is intensely competitive and competition is likely to further intensify in light of continuing globalization and consolidation in the worldwide automotive industry. Factors affecting competition include product quality and features, innovation and product development time, ability to control costs, pricing, reliability, safety, fuel economy, customer service and financing terms. There can be no assurance that we will be able to compete successfully in the global automotive industry in the future.

Our future success depends on our ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining such products’ competitiveness.

In the competitive automotive industry, our competitors can gain significant advantage if they are able to offer products satisfying customer needs earlier than we are able to, which could adversely impact our sales and results of operations. Unanticipated



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delays in implementing the introduction of new products or in expansion plans resulting in delays in capacity enhancements and / or new product launches and cost overruns could adversely impact our results of operations. In addition, there can be no assurance that the market acceptance of our future products will meet our expectations, in which case we could be unable to realize the intended economic benefits of our investments and our results of operations may be adversely affected.

The plant under construction at Singur for manufacture of *Tata Nano* is currently facing opposition due to political disputes over the process followed by the State Government in the acquisition of the land which has been leased to us by the State Government. While the land acquisition has been validated by the Calcutta High Court, the political disputes have persisted. Due to recent disturbances, we have temporarily suspended activities at the Singur site and are exploring alternative options at our existing/new sites.

We are subject to risks associated with product liability, warranty and recall.

We are subject to risks and costs associated with product liability, warranty and recall should we supply defective products, parts, or related after-sales services, which could generate adverse publicity and adversely affect our business, results of operations and financial condition. Such events could also require us to expend considerable resources in correcting these problems and could adversely affect demand for our products.

We are subject to risk associated with our automobile financing business.

We are subject to the risk associated with our automobile financing business. Any defaults by our customers or inability to repay installments as due could adversely affect our business, results of operations and cash flows. In addition, any downgrades in our credit ratings may increase our borrowing costs and restrict our access to the debt markets. Over time, and particularly in the event of any credit rating downgrades, market volatility, market disruption or otherwise, we may need to reduce the amount of receivables we originate, which could adversely affect our ability to support the sale of our vehicles.

Underperformance of our distribution channels and supply chains may adversely affect our sales and results of operations.

Our products are sold and serviced through a network of authorised dealers and service centers across India, and a network of distributors and local dealers in international markets. We monitor the performance of our dealers and distributors and provide them with support to enable them to perform to our expectations. There can be no assurance, however, that our expectations will be met and the under-performance by our dealers or distributors could adversely affect our sales and results of operations.

We rely on third parties to supply us with the raw materials, parts and components used in the manufacture of our products. Furthermore, for some of these parts and components, we are dependent on sole suppliers. Our ability to procure supplies in a cost effective and timely manner is subject to various factors, some of which are not always within our control. While we manage our supply chain as part of our vendor management process, any significant problems with our supply chain in the future could affect our results of operations in an adverse manner.

Increases in input prices may have a material adverse impact on our result of operations.

In fiscal 2006, 2007 and 2008, consumption of raw materials, components and aggregates constituted approximately 79.3%, 78.8% and 77.7%, respectively, of our cost of sales. Prices of commodity items used in manufacturing automobiles, including steel, rubber, copper, and zinc have significantly increased over the last two years. While we have been pursuing cost reduction programs and product price increases to partially offset these input price increases, there can be no assurance that we will be able to recover any future cost increases in commodity products through cost-saving measures elsewhere or that we will be able to sufficiently increase the selling prices of our products, which could materially and adversely impact our sales and results of operations. In addition, because of intense price competition and our high level of fixed costs, we may not be able to adequately address changes in commodity prices even if they are foreseeable. Substantial changes in these prices could have a substantial adverse effect on our financial condition and results of operations.

Additionally, the recent surge in crude oil prices have increased fuel costs, which poses a significant challenge to automobile manufacturers worldwide, including us, especially in commercial vehicle segments where fuel costs represent a significant portion of the operational costs of such vehicles.

The performance of our subsidiaries and affiliates may adversely affect our results of operations.

We have made and may continue to make capital commitments to our subsidiaries and affiliates, and if the business and operations of subsidiaries and affiliates, to whom we make capital commitments, deteriorate, the value of our investments may be adversely affected.



We are subject to risks associated with growing our business through mergers and acquisitions.

We have, in the past, grown in part through acquisitions such as Tata Daewoo Commercial Vehicle Company Limited, or TDCV. See “— Recent Developments — Acquisition of the Jaguar Land Rover Business”. We will continue to evaluate growth opportunities through suitable mergers and acquisitions in the future. Growth through mergers and acquisitions involve business risks, including unforeseen contingent risks or latent business liabilities that may only become apparent after the merger or acquisition is finalized, successful integration and management of the merged/acquired entity with us, retention of key personnel, joint sales and marketing efforts, management of a larger business and diversion of management’s attention from other ongoing business concerns. If we are not able to manage these risks successfully, our results of operations could be adversely affected.

We may be adversely affected by labor unrest.

All of our permanent employees, other than officers and managers, in India and most of our permanent employees in South Korea and the United Kingdom, including certain officers and managers, in relation to our automotive business, are members of labor unions and are covered by our wage agreements with those labor unions which have different tenures at different locations. In general, we consider our labor relations with all of our employees to be good. However, we may in the future be subject to labor unrest, which may delay or disrupt our operations in the affected regions, including the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lock-outs at our facilities or at the facilities of our major vendors occur or continue for a long period of time, our business, financial condition or results of operations may be adversely affected.

Any inability to manage our growing international business may adversely affect our results of operations.

Our growth strategy also relies on the expansion of our operations to other parts of the world, including Europe, Russia and other parts of Asia. The costs involved in entering and establishing ourselves in new markets, and expanding such operations, may be higher than expected, and we may face significant competition in those regions. In addition, our international business is subject to many actual and potential risks, including language barriers, cultural differences and other difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables through the legal systems of some foreign countries, the risk of non-tariff barriers, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws and regulations.

If we are unable to manage risks related to our expansion and growth in other parts of the world, our business, results of operations and financial condition could be adversely affected.

We may fail to realize the anticipated benefits of the Jaguar Land Rover acquisition and the acquisition may also expose us to uncertainties and risks, any of which could adversely impact our anticipated benefits from the acquisition and could materially adversely affect our future business performance and financial condition.

We acquired the Jaguar Land Rover business from Ford Motor Company on June 2, 2008. See “— Recent Developments — Acquisition of the Jaguar Land Rover Business”.

We believe that the Jaguar Land Rover acquisition represents an important transaction for us, allowing us to participate immediately in the luxury performance car and premium all-terrain vehicle segments, bolster our global market position, provide business diversity, improve our overall competitiveness and enable our sustainable long-term growth plan.

However, the scale, scope and nature of the integration required in connection with the acquisition present significant challenges, and we may be unable to effectively integrate various subsidiaries, divisions and facilities which comprise Jaguar Land Rover on the expected schedule. In particular, the acquisition may not meet our expectations and the realization of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside our control. These factors include, among other things:

- difficulties in effectively managing, developing and overseeing the operations of Jaguar Land Rover, including its financial requirements, if any, information systems, policies and procedures;
- unforeseen contingent risks or latent liabilities relating to the acquisition that may become apparent in the future;
- difficulties in managing a much larger business; and



- loss of key personnel.

Furthermore, the acquisition may also expose us to uncertainties and risks, including uncertainties and risks associated with:

- the cooperation between Jaguar Land Rover and Ford in areas such as engine supplies, design and development and agreed transition services;
- the selection of financial services partners to provide financing for Jaguar Land Rover dealers and customers particularly in the United States;
- the possible deficit in Jaguar Land Rover's pension plans;
- the diversion of financial or other resources from our existing businesses

Any of the above could adversely impact our anticipated benefits from the acquisition and could materially adversely affect our future business performance and financial condition.

We may fail to raise sufficient capital under our Long Term Funding Plans and our proposed repayment of the bridge loan facility may be delayed, any of which could adversely affect our future business performance and financial condition.

As described in more detail in “—Recent Developments—Proposed Repayment of Bridge Financing Facility by Way of Long Term Funding Plans” our shareholders have approved our Long Term Funding Plan proposals as presented and reviewed by the Board of Directors.

The execution of our refinancing plan is subject to a variety of uncertainties including, among other things, the amount of capital that other entities may seek to raise in the capital markets, receipt of regulatory or corporate approvals that are necessary, market conditions, foreign exchange movements, and other conditions that may affect investor demand for the Company's securities, the liquidity of the capital markets and the Company's financial condition and results of operations. As a result, the Company may not be able to raise this additional equity on terms or with a structure that is favorable to the Company, if at all.

We cannot assure you that any of the conditions for the Long Term Funding Plans will be satisfied, or that any of the conditions will be satisfied in the timeframe that we expect. If we or any other relevant parties are unable to satisfy any of the conditions for our Long Term Funding Plans or satisfy these conditions in the timeframe that we expect, we may not be able to repay our bridge financing facility in the timeframe that we expect, which could materially adversely affect our future business performance and financial condition.

Political and Regulatory Risks.

India's obligations under the World Trade Organisation Agreement.

India's obligation under its World Trade Organization agreement could lower the present level of tariffs on import of components and vehicles particularly with respect to cars in completely built units and/or completely knocked down units, which could adversely affect, our sales and results of operations.

Environmental, Fiscal and Other Governmental regulations.

As an automobile company, we are subjected to extensive governmental regulations regarding vehicle emission levels, noise, safety and levels of pollutants generated by our production facilities. These regulations are likely to become more stringent and compliance costs may significantly impact our future results of operations. In particular, Jaguar Land Rover has significant operations in the U.S. and Europe which have stringent regulations relating to vehicular emissions. The proposed tightening of vehicle emissions regulations by the European Union will require significant costs of compliance for Jaguar Land Rover. While we are pursuing various technologies in order to meet the required standards in the various countries in which we operate, the costs of compliance with these required standards can be significant to our operations and may adversely impact our results of operations.



Imposition of any additional taxes and levies by the Indian government designed to limit the use of automobiles could adversely affect the demand for our products and our results of operations.

Changes in corporate and other taxation policies as well as change in export and other incentives given by the Central government and government at state level could also adversely affect our results of operations. Regulations in the areas of investments, taxes and levies may also have an impact on Indian securities, including our shares and ADSs.

We may be adversely impacted by political instability, wars, terrorism, multinational conflicts, natural disasters, fuel shortages/prices, epidemics and labor strikes.

Our products are exported to a number of geographical markets and we plan to expand our international operations further in the future. Consequently, we are subject to various risks associated with conducting our business outside India and our operations may be subject to political instability within and outside India, wars, terrorism, regional and/or multinational conflicts, natural disasters, fuel shortages, epidemics and labor strikes. Any significant or prolonged disruptions or delays in our operations related to these risks could adversely impact our results of operations.

Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance.

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and new Securities and Exchange Commission (SEC) regulations, Securities and Exchange Board of India (SEBI) regulations, New York Stock Exchange (NYSE) listing rules and Indian stock market listing regulations, have increased complexity for us. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards.

In connection with our Annual Report on Form 20-F for fiscal 2008, we assessed internal controls over financial reporting, and determined that internal controls were effective. We will undertake assessments of internal controls over financial reporting in connection with each annual report. We are committed to maintaining high standards of corporate governance and public disclosure. However, our efforts to comply with evolving laws, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management resources and time.

Risks associated with Investments in an Indian Company.

Political changes in the Government in India could delay and/or affect the further liberalization of the Indian economy and adversely affect economic conditions in India generally and our business in particular.

Most of our manufacturing and sales and distribution facilities are located in India, and in fiscal 2006, 2007 and 2008, approximately 82.4%, 80.7% and 80.4% respectively, of our revenues were derived from sales within India. Our business, and the market price and liquidity of our ADSs and shares, may be affected by foreign exchange rates and controls, interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Indian Governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators have remained significant. Consequent to an election in April and May 2004, there was a change in government. While the current coalition government has already committed to a common minimum agenda, there can be no assurance that there will not be changes in the economic reform, and specific laws and policies affecting automotive companies, foreign investment, currency exchange and investment regulations governing India's capital markets that could negatively affect us. Uncertainty regarding possible policy changes immediately after elections has in the past resulted in significant volatility in price and trading volumes of securities of Indian companies. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally, and our business in particular, if new restrictions on the private sector are introduced or if existing restrictions are increased.

Terrorist attacks, civil disturbances, regional conflicts and other acts of violence, particularly in India, may disrupt or otherwise adversely affect the markets in which we operate, our business and our profitability.

India has from time to time experienced social and civil unrest and hostilities, including terrorist attacks and riots and armed conflict with neighboring countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our ADSs and shares, and on the market for our vehicles.



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Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, which include regulations applicable to our Board of Directors, and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions, including the United States. You may have more difficulty in asserting your rights as a shareholder than you would as a shareholder of a corporation organized in another jurisdiction.

The market value of your investment may fluctuate due to the volatility of the Indian securities market.

The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of their listed securities. The Indian stock exchanges, including the Bombay Stock Exchange Limited (BSE), have experienced problems that, if they continue or recur, could affect the market price and liquidity of the securities of Indian companies, including our shares. These problems in the past included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

There may be a different level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants than in the United States. The Securities and Exchange Board of India (SEBI) received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the Indian securities markets. Subsequently, SEBI has prescribed regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities market. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in the United States.

Investors may have difficulty enforcing judgments against us or our management.

We are a limited liability company incorporated under the laws of India. Substantially all of our directors and executive officers named in this annual report are residents of India and all or substantial portion of our assets and the assets of these directors and executive officers are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and executive officers, (iii) enforce, in an Indian court, court judgments obtained outside of India, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and executive officers, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities, including those based upon the U.S. federal securities laws, against us or these directors and executive officers.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided under Section 13 of the Code of Civil Procedure, 1908, or the Civil Code.

Section 13 and Section 44A of the Civil Code provide that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except (i) where it has not been pronounced by a court of competent jurisdiction, (ii) where it has not been given on the merits of the case, (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where Indian law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where it has been obtained by fraud or (vi) where it sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.

The United States has not been declared by the Government of India to be a reciprocating territory for the purpose of Section 44A of the Civil Code. Accordingly, a judgment of a court in the United States may be enforced only by a suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign



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judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India (RBI) to execute such a judgment or to repatriate outside India any amount recovered.

Risks associated with our Shares and ADSs.

Fluctuations in the exchange rate between the rupee and the dollar may have a material adverse effect on the market value of the ADSs and the shares, independent of our operating results.

Fluctuations in the exchange rate between the rupee and the dollar will affect, among others things, the dollar equivalents of the price of the shares in rupees as quoted on the Indian stock exchanges and, as a result, may affect the market price of the ADSs. Such fluctuations will also affect the dollar equivalent of any cash dividends in rupees received on the shares represented by the ADSs and the dollar equivalent of the proceeds in rupees of a sale of shares in India.

The exchange rate between the rupee and the dollar has changed substantially in the last two decades and may substantially fluctuate in the future. The value of the rupee against the dollar was Rs.46.48 = US\$ 1.00 as of September 26, 2008.

Holders of ADSs have fewer rights than shareholders and must act through the depositary to exercise those rights.

Although holders of ADSs have a right to receive any dividends declared in respect of shares underlying the ADSs, they cannot exercise voting or other direct rights as a shareholder with respect to the shares underlying the ADSs evidenced by ADRs. Citibank, N.A., as depositary is the registered shareholder of the deposited shares underlying our ADSs, and therefore only Citibank, N.A. can exercise the rights of shareholders in connection with the deposited shares. Only if requested by us, the depositary will notify holders of ADSs of upcoming votes and arrange to deliver our voting materials to holders of ADSs. The depositary will try, in so far as practicable, subject to Indian laws and the provisions of our Articles of Association, to vote or have its agents vote the deposited securities as instructed by the holders of ADSs. If the depositary receives voting instructions in time from a holder of ADSs which fail to specify the manner in which the depositary is to vote the shares underlying such holder's ADSs, such holder will be deemed to have instructed the depositary to vote in favor of the items set forth in such voting instructions. If the depositary has not received timely instructions from a holder of ADSs, the holder shall be deemed to have instructed the depositary to give a discretionary proxy to a person designated by us, subject to the conditions set forth in the deposit agreement. If requested by us, the depositary is required to represent all shares underlying ADSs, regardless whether timely instructions have been received from the holders of such ADSs, for the sole purpose of establishing a quorum at a meeting of shareholders. Additionally, in your capacity as an ADS holder, you will not be able to bring a derivative action, examine our accounting books and records, or exercise appraisal rights. Registered holders of our shares withdrawn from the depositary arrangements will be entitled to vote and exercise other direct shareholder rights in accordance with Indian law. However, a holder may not know about a meeting sufficiently in advance to withdraw the underlying shares in time. Furthermore, a holder of ADSs may not receive voting materials, if we do not instruct the depositary to distribute such materials, or may not receive such voting materials in time to instruct the depositary to vote.

Further, pursuant to Indian regulations, we are required to offer our shareholders pre-emptive rights to subscribe for proportionate number of shares to maintain their existing ownership percentages prior to the issue of new shares. These rights may be waived by a resolution passed by at least 75% of our shareholders present and voting at a general meeting. Holders of ADSs may be unable to exercise pre-emptive rights for subscribing to these new shares unless a registration statement under the Securities Act is effective or an exemption from the registration requirements is available to us. Our decision to file a registration statement would be based on the costs, timing, potential liabilities and the perceived benefits associated with any such registration statement and we do not commit that we would file such a registration statement. If any issue of securities is made to our shareholders in the future, such securities may also be issued to the Depositary, which may sell such securities in the Indian securities market for the benefit of the holders of ADSs. There can be no assurance as to the value, if any, the Depositary would receive upon the sale of these rights/securities. To the extent that holders of ADSs are unable to exercise pre-emptive rights, their proportionate interest in us would be reduced.

As a result of Indian Government regulation of foreign ownership the price of the ADSs could decline.

Foreign ownership of Indian securities is regulated and is partially restricted. In addition, there are restrictions on the deposit of shares into our ADS facilities. ADSs issued by companies in certain emerging markets, including India, may trade at a discount to the underlying equity shares, in part because of the restrictions on foreign ownership of the underlying equity shares and in part because ADSs are sometimes perceived to offer less liquidity than underlying shares which can be traded freely in local markets by both local and international investors. See Item 10.D "— Exchange Controls". The ADSs could trade at a discount to the market price of the underlying shares.



Item 4. Information on the Company.

A. History and Development of the Company.

We were incorporated on September 1, 1945 as a public limited liability company under the Indian Companies Act VII of 1913 as Tata Locomotive and Engineering Company Limited. Our name was changed to Tata Engineering and Locomotive Company Limited on September 24, 1960 and to Tata Motors Limited on July 29, 2003. We commenced operations as a steam locomotive manufacturer. This business was discontinued in 1971. Since 1954, we have been manufacturing automotive vehicles. This business commenced with the manufacture of commercial vehicles under financial and technical collaboration with Daimler-Benz AG (now Daimler AG) of Germany. This agreement ended in 1969. We produced only commercial vehicles until 1991, when we started producing passenger vehicles as well.

We are India's largest automobile manufacturer by revenue, the largest commercial vehicle manufacturer and among the top three passenger vehicle manufacturer in terms of units sold in India during fiscal 2008. We are also the world's fourth largest truck manufacturer and the second largest bus manufacturer in the above 6 ton category. We have a broad portfolio of automotive products, ranging from sub – 1 ton to 49 ton gross vehicle weight, or GVW, trucks (including pickup trucks) and from small, medium, and large buses and coaches to passenger cars and utility vehicles.

We have a substantial presence in India. We estimate that more than four million vehicles produced by us are currently being operated in India.

We produce a wide range of automotive products, including:

- **Passenger Cars.** Our passenger cars include the Indica, a compact car, first launched in 1998, the Indigo, a mid-sized car launched in 2002, and the Indigo Marina, a station wagon version of the Indigo, first launched in 2004. These passenger cars are manufactured in gasoline and diesel engine versions. We have expanded our car lines by introducing several variants to suit different customer preferences. For example, the Indica gasoline variant, Xeta, is available also with a dual fuel (petrol and liquified petroleum gas, or LPG) engine. On August 23, 2008 we launched the new generation of the Indica, the Indica Vista.
- **Utility Vehicles.** We manufacture a number of utility vehicles, or UVs, including the Sumo, first launched in 1994, and the sports utility vehicle or SUV, Tata Safari, first launched in 1998. Both the Sumo and the Safari have various variants to meet different consumer preferences. In October 2007, a new Safari DICOR 2.2 VTT range, powered by a new 2.2 L Direct Injection Common Rail (DICOR) engine was launched. In February 2008, we launched the Sumo Grande, an SUV with the comforts of a family car.
- **Light Commercial Vehicles.** We manufacture a variety of light commercial vehicles, or LCVs, including pickup trucks, trucks and buses with GVW of between 0.7 ton and 7.5 tons. This also includes the Ace, India's first indigenously developed mini-truck with a 0.7 ton payload, launched in fiscal 2006, the Magic, a passenger variant for commercial transportation developed on the Ace platform, and the Winger, both of which were launched in fiscal 2008.
- **Medium and Heavy Commercial Vehicles.** We manufacture a variety of medium and heavy commercial vehicles, or M&HCVs, which include trucks, buses, dumpers and multi-axled vehicles with GVW of between 9 tons to 49 tons. In addition, through Tata Daewoo Commercial Vehicle Company Limited, or TDCV, our wholly-owned subsidiary in South Korea, we manufacture a range of high horsepower trucks ranging from 220 horsepower to 400 horsepower, including dump trucks, tractor-trailers, mixers and cargo vehicles.
- **Jaguar Luxury Performance Cars and Land Rover Premium All-Terrain Vehicles.** On June 2, 2008 we acquired the Jaguar Land Rover business from Ford Motor Company and we now produce Jaguar luxury performance cars and Land Rover premium all terrain vehicles through our Jaguar Land Rover business. See “— Recent Developments —Acquisition of the Jaguar Land Rover Business” for more details.

In India, our manufacturing base is spread across Jamshedpur (in eastern India), Pune (in western India), Lucknow and Pantnagar (in northern India), supported by a nation-wide dealership, sales, services and spare parts network comprising over 2,000 individual locations. We are in the process of establishing another two facilities, one each at Singur (East) and Dharwad (South). We have a widespread sales and distribution network across India with over 1,500 sales outlets for our commercial vehicle and passenger vehicle businesses. See Item 5B “—Operating and Financial Review and Prospects—Recent Developments—Capacity Expansion Plans at Singur for more information”.

In September 2004, we became the first company from India's engineering sector to be listed on the New York Stock Exchange.



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We have expanded our international operations through mergers and acquisitions and in India we have made strategic alliances involving non-Indian companies.

- In 2004, we acquired the Daewoo Commercial Vehicles Company (renamed as Tata Daewoo Commercial Vehicle Company Limited), South Korea's second largest truck maker. TDCV has launched several new products, such as the Tata Novus in M&HCV category.
- In fiscal 2005, we acquired a 21% stake in Hispano Carrocera S.A., or Hispano, a well-known Spanish bus and coach manufacturer with an option to acquire the remaining stake. Hispano's operations are being expanded into other markets.
- We have also been distributing and marketing Fiat branded cars in India since March 2006. Consequent to signing of a memorandum of understanding in 2006, we concluded an industrial joint venture with Fiat Group Automobiles in December 2007, located at Ranjangaon in Maharashtra to manufacture passenger cars, engines and transmissions for the Indian and overseas markets. Established in April 2008, the plant currently manufactures the Fiat Palio, and the engines and transmissions.
- In May 2006, we entered into a joint venture agreement with Brazil-based Marcopolo S.A., or Marcopolo, a global leader in body-building for buses and coaches, to manufacture and assemble fully-built buses and coaches in India, wherein we have a 51% ownership, the balance being held by Marcopolo.
- In December 2006, we entered into a joint venture agreement with Thonburi Automotive Assembly Plant Co Ltd., Thailand, or Thonburi, to manufacture pick-ups in Thailand. We own 70% of the joint venture called Tata Motors (Thailand) Limited, or TMTL, while Thonburi owns the remaining 30%. The joint venture will facilitate our efforts to address the Thailand market, which is a major market for pickup trucks, and other potential markets in that region. While TMTL has begun setting up operations in the FY 2007-08, the manufacturing of vehicles began only during March '08.
- In June 2008 we acquired the Jaguar Land Rover business from Ford Motor Company which consisted of three major vehicle manufacturing plants, two advanced design centres, 26 national sales companies, intellectual property rights, perpetual royalty free licenses and a minimum capital allowance of approximately US\$ 1.1 billion See "— Recent Developments — Acquisition of the Jaguar Land Rover Business" for more details.

We are also expanding our international export operations, which have been ongoing since 1961. Our commercial and passenger vehicles are being marketed in several countries in Europe, Africa, the Middle East, Australia, South East Asia and South Asia. During fiscal 2008, Tata Motors (SA) Proprietary Limited (TMSA), a joint venture company in which we hold 60% with the remaining 40% being held by Tata Africa Holdings (SA) (Pty.) Limited, was formed for the manufacture and assembly operations of our LCVs and passenger cars in South Africa. TMSA has not yet started operations.

We believe that the foundation of our growth over the last 50 years has been a deep understanding of economic stimuli and customer needs, and the ability to translate them into customer desired products through leading edge research and development. Our Engineering Research Centre, established in 1966, has enabled us to successfully design, develop and produce our own range of vehicles, as well as a significant portion of our production facilities, assembly lines and machinery. In addition, we established a wholly-owned subsidiary under the name Tata Motors European Technical Centre PLC, or TMETC, in the United Kingdom, in the field of automobile research. We believe this research center will also facilitate the development of our products, in particular, our passenger cars.

Through our subsidiary and associate companies, we are engaged in engineering and automotive solutions, construction equipment manufacturing, automotive vehicle components manufacturing and supply chain activities, machine tools and factory automation solutions, high-precision tooling and plastic and electronic components for automotive and computer applications, and automotive retailing and service operations.

Tata Technologies Limited, or TTL, our 82.83% owned subsidiary, provides through its operating companies, INCAT and Tata Technologies iKS, specialized engineering & design services, product lifecycle management and product-centric IT services to leading global manufacturers. TTL's customers are among the world's premier automotive, aerospace and consumer durable manufacturers. TTL had 13 subsidiary companies as at March 31, 2008. A few 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 TTL was Rs. 9,071 million in fiscal 2008, an increase of 11.9% from Rs. 8,107 million in fiscal 2007, due to augmented relationships with existing global automotive and aerospace customers and the acquisition of new customers.



Telco Construction Equipment Company Ltd, or Telcon, is engaged in the business of manufacturing and sale of construction equipment and and providing related supporting services. We own 60% of Telcon, with the remaining 40% being held by Hitachi Construction Machinery Company Limited, (HCM) Japan. 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. These acquisitions are expected to further strengthen the company's product capabilities.

TML Distribution Company Limited or TDCL, our wholly-owned subsidiary, was incorporated on March 28, 2008. TDCL will be engaged in the business of dealing and providing logistics support for distribution of our products throughout India. TDCL has commenced operations from August 2008.

Our subsidiary Tata AutoComp Systems Limited, or TACO, is a holding company for promoting foreign joint ventures in automotive components and systems and is also engaged in engineering services, supply chain management and after-market operations. TACO's customers include leading domestic original equipment manufacturers and certain global original equipment manufacturers and suppliers. In June 2008, we sold 24% of our equity interest in TACO to Tata Capital, a company promoted by Tata Sons. Consequent to this sale, the company's holding in TACO has been reduced to 26%.

Our wholly-owned subsidiary, Tata Motors Finance Limited, or TMFL, was incorporated on June 1, 2006 with the objective of becoming a preferred financing provider for our dealer's customers by capturing customer spending over the vehicle life-cycle and by extending value added products, related to vehicles sold by us. TMFL is registered with the RBI as a Systemically Important Non-Deposit Taking Non-Banking Financial Company and is classified as an Asset Finance Company under the RBI's regulation on Non-Banking Finance Companies. For the year ended March 31, 2008, TMFL made disbursements of approximately Rs.76,160 million.

Our wholly-owned subsidiary, Tata Motors Insurance Services Limited, now known as Tata Motors Insurance Broking and Advisory Services Limited, or TMIBASL, undertakes the business of insurance and reinsurance broking. TMIBASL has received in May 2008 requisite approval from the Insurance Regulatory and Development Authority in India to commence this business.

As of March 31, 2008, our operations included 41 consolidated subsidiaries and 20 equity method affiliates, in respect of which we exercise significant influence.

Tata Incorporated serves as our authorized United States representative. The address of Tata Incorporated is 3 Park Avenue, 27th Floor, New York, NY 10016, United States of America.

Our Registered Office is located at Bombay House, 24, Homi Mody Street, Mumbai 400 001, India and our telephone number is +91-22-6665-8282 and our website address is www.tatamotors.com. Our website does not constitute a part of this annual report.

B. Business Overview.

Our business segments are (i) automotive operations and (ii) all other operations. Our automotive operations business segment includes the design, manufacture, assembly, sale and service of commercial and passenger vehicles, spare parts, components and accessories as well as financing our vehicles. Our other operations business segment includes information technology, or IT services, construction equipment manufacturing, machine tools and factory automation solutions, high-precision tooling and plastic and electronic components for certain applications and investment business.

We sold 589,428 and 597,148 vehicles in fiscal 2007 and 2008 respectively. Out of this, 526,806 and 530,547 units were sold in India in fiscal 2007 and 2008 respectively. Our share in the Indian four-wheeler automotive vehicle market (i.e., automobile vehicles other than two and three wheeler categories) declined from 28.6% in fiscal 2007 to 26.1% in fiscal 2008 mainly on account of a mature product portfolio in passenger vehicles, availability constraints in some parts/components in commercial vehicles during the early part of the year, and loss of market share in the M&HCV passenger carrier segment due to bunching of competitive orders in the first half of the year. The following table sets forth our market share in various categories in the Indian market:

Category	Fiscal 2006	Fiscal 2007	Fiscal 2008
Passenger Cars	17.2%	16.7%	14.1%
Utility Vehicles	19.6%	22.1%	20.0%
Light Commercial Vehicles	60.1%	65.4%	64.3%
Medium and Heavy Commercial Vehicles	62.0%	62.9%	61.3%
Total Four - Wheel Vehicles	27.1%	28.6%	26.1%



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A geographical breakdown of our revenues is set forth in Item 5.A “— Operating Results — Geographical breakdown”.

We had approximately 36,364 permanent employees, including approximately 13,134 permanent employees at our consolidated subsidiaries, as of March 31, 2008.

The Indian Automotive Market

India's 50-year old automotive industry has a prominent place in the Indian economy. With its integral relationship to several key segments of the Indian economy, the Indian automobile industry affects many of its other important sectors and is one of the main drivers of India's economic growth. The Indian auto industry is one of the largest industrial sectors in India, with a turnover that contributes to roughly 5% of India's gross domestic product. The Indian automobile industry contributes nearly 17% to total indirect taxes and provides direct and indirect employment to over two million and ten million people respectively.

Until the mid-1990's, the auto sector in India had been a relatively protected industry with limits on the entry of foreign companies through import tariffs. Today, as part of a broader move to liberalize its economy, India has opened up the sector to foreign direct investments and has since progressively relaxed trade barriers. Since the liberalization of the Indian auto sector the industry has experienced rapid development. Today, India is the world's second largest manufacturer of two wheelers, fifth largest manufacturer of commercial vehicles and the largest manufacturer of tractors in the world. India is also among a few countries in the world that have indigenously developed a passenger car and also world's least expensive small car.

The Society of Indian Automobile Manufacturers, or SIAM, currently represents 38 leading vehicle and vehicular engine manufacturers. India's auto market is one of the most competitive among the global markets, as comparatively lower costs have made it an attractive assembly ground for overseas manufacturers.

During fiscal 2008, the Indian automobile industry production declined by 2.3% following a growth of 13.9% in fiscal 2007. Of the nearly 10.8 million vehicles produced, nearly 74% were two wheelers and 4.6% were three wheelers. 1.8 million passenger vehicles, utility vehicles and multi purpose vans were produced in fiscal 2008, representing about 16.2% of vehicles produced. In addition, nearly 0.55 million commercial vehicles were manufactured, constituting about 5% of total vehicle production. Presently, car penetration in India is low at an estimated 7 cars per 1,000 persons, and that number is expected to increase in coming years.

During fiscal 2008, nearly 9.6 million automobiles were sold in India, a decline of 4.7% over the previous fiscal year, and over 1.2 million automobiles were exported from India, an increase of 22.4% over the previous fiscal. In fiscal 2008, the automobile demand was impacted by lack of finance availability, high interest rates, low consumer confidence and low economic growth. Additionally rising input costs and retail incentives put pressure on industry margins.

Domestic passenger vehicle sales surpassed last year's all time high of with sales of over 1.5 million units in fiscal 2008. The growth of 11.3% was driven by launch of new products and interventions in existing products. The segment was favorably impacted by a reduction of the excise duty on small cars in March 2008 (from 16% to 12% for cars of up to 4 meters in length and with engine displacement of less than 1200cc for gasoline and 1500cc for diesel engines). Total passenger vehicle exports were over 216, 138 units, a growth of 9.6% over the previous fiscal year.

With a sale of 0.49 million units, the domestic commercial vehicle sales also crossed last year's all-time high sales of over 0.46 million units, albeit representing a moderate growth rate of 6.9% from fiscal 2007. This moderation in growth is attributable to a combination of macro economic factors and structural factors such as high interest rates, availability of finance, rise in fuel prices.

Our Strategy

We believe that we have established a strong position in the Indian automobile industry by launching new products, investing in research and development and maintaining our financial strength. We have also benefited from the expansion of our manufacturing and distribution network. Our goal is to continue to strengthen our position in the domestic market, maintain our operational excellence and grow our international business in select countries through organic as well as inorganic means. Our strategy to achieve these goals consists of the following elements:

Leveraging our capabilities: We have an extensive range of products in commercial vehicles (for both goods and passenger transport) as well as passenger vehicles. We have plans to leverage this broad product base further with our strong brand recognition in India, our understanding of local consumer preferences, well developed in-house engineering capabilities and extensive distribution network.



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We believe that our in-house research and development capabilities, our subsidiary TDCV in South Korea, our association with Hispano in Spain, our joint ventures with Marcopolo of Brazil in India and with Thonburi in Thailand, our relationship with Fiat and our most recent acquisition of the Jaguar Land Rover business will enable us to expand our product range and extend our geographical reach. For example, we launched the Ace, the first sub one-ton payload mini-truck in India, in May 2005, which has created a new category in the Indian commercial vehicle industry and we rolled out the 100,000th Ace in a record time of 22 months since its launch. In fiscal 2008 we launched the Magic, a passenger variant from the same platform, to tap into the potential increase in mass passenger transport in both rural and urban regions. We also launched the Winger, India's only maxi-van, to cater to the intra-city and long-distance transportation needs of our customers.

In passenger vehicles, we entered the compact car segment with the Indica in 1998. We sold approximately 100,000 units of Indica within 25 months of its launch in the market. On the same platform, we developed a sedan version, the Indigo, which was launched in 2002. We also launched an estate version in 2004. In 2006, we expanded the Tata Indigo range by launching the Tata Indigo XL—the country's first stretched sedan concept. In 2008 we also introduced the Indigo XL Classic variant and the Indigo CS (Compact Sedan). We have also developed the Nano, a low cost car and we believe that there will be significant demand for this vehicle in the Indian market. In August 2008, we launched the new generation of the Indica, the Indica Vista.

The recent acquisition of Jaguar Land Rover has given us the opportunity to participate immediately in the luxury performance car and premium all-terrain vehicle segments with globally recognized brands and has diversified our business across markets and product segments. We will continue to seek to build upon the internationally recognized brands of Jaguar Land Rover.

We intend to expand our production capabilities in existing facilities and establish new facilities. We also intend to expand the reach of our sales and service network in order to meet our growing product lines of commercial and passenger vehicles.

Mitigating cyclicalities: The automobile industry is impacted by cyclicalities which is more pronounced in the M&HCV truck category. To mitigate the impact of cyclicalities, we plan to continue to strengthen our operations in the light commercial vehicle, bus and passenger vehicle categories. We also plan to continue to strengthen our non-vehicle business, such as spare part sales, annual maintenance contracts, sales of aggregates for non-vehicle businesses, reconditioning of aggregates, sale of castings, production aids and tooling and fixtures to reduce the impact of cyclicalities.

Expanding our international business: We believe that expanding our operations into other select geographic areas, both through organic and inorganic means, may also reduce the impact of cyclicalities in the Indian market as the cyclicalities of these markets may not coincide with the cyclicalities of the Indian market. This strategy also provides us an opportunity to grow in markets with similar characteristics to the Indian market. Our international business strategy has already resulted in the continuous growth of our international operations over the previous three fiscal years. For example, we have consolidated our position in the Ukraine to become the largest competitor in the light bus market under seven meters and the second largest competitor in the seven ton GVW light truck segment, in terms of unit sales. TDCV continues to be the largest exporter of heavy commercial vehicles out of South Korea. Additionally our acquisition of Jaguar Land Rover would also significantly expand our geographical presence. While we continue to export out of India and South Korea into many of these markets, we are also establishing a manufacturing footprint where it is beneficial to do so. We have established a Subsidiary along with Thonburi in Thailand to manufacture pickup trucks and have also received approval from the Thailand government for the Eco-car project. We are also assessing the establishment of a manufacturing operation at South Africa, which is our largest export market in terms of unit volume.

Reducing costs and breakeven points: We believe that our scale of operations provides us with a significant advantage in reducing costs and we plan to continue to sustain and enhance our cost advantage. While we believe that our commercial vehicle business has scale that is competitive in relation to global standards, with the launch of the Tata Nano, we will be able to benefit from global economies of scale in the passenger vehicle business as well.

Our ability to leverage our technology capabilities and our manufacturing facilities among our commercial vehicle and passenger vehicle businesses enables us to reduce cost. For example, the diesel engine used in our Indica was modified for use in the Ace, which helped to reduce the project cost of the Ace. Similarly, platform sharing for the manufacture of pickup trucks and UVs enables us to reduce capital investment that would otherwise be required while allowing us to improve the utilization levels at our manufacturing facilities. Where it is advantageous for us to do so, we intend to add our existing low cost engineering and sourcing capability to vehicles manufactured under the Jaguar Land Rover umbrella.

Our vendor relationships also contribute to our cost reductions. For example, we believe that the vendor rationalization program that we are undertaking will provide economies of scale to our vendors which would benefit our cost programs. We are also undertaking various internal and external benchmarking exercises that would enable us to improve the cost effectiveness of our components, systems and sub-systems.

Continuing focus on high quality and enhancing customer satisfaction: One of our principal goals is to achieve international quality standards for our products and services and we are pursuing various quality improvement programs, both internally and at our suppliers' premises. We have established a procedure for ensuring quality control of outsourced components. Products purchased from approved sources undergo a supplier quality improvement process. We also have a program for assisting vendors from whom



we purchase raw materials or components to maintain quality. Each vendor is reviewed on a quarterly basis on parameters of



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quality, cost and delivery. Preference is given to vendors with QS-9000 certification. We also maintain a stringent quality assurance program that includes random testing of production samples, frequent re-calibration of production equipment and analysis of post-production vehicle performance and ongoing dialogue with workers to reduce production errors.

Our extensive sales and service network has also enabled us to provide quality and timely customer service. We are in advanced stages of deploying a Siebel customer relations management system at all dealerships and offices across India, which we believe will help to improve our responsiveness to market and customer service needs.

Enhancing capabilities through the adoption of superior processes: Tata Sons Limited, or Tata Sons, and the entities promoted by Tata Sons, including us, aim at improving the quality of life through leadership in various sectors of national economic significance. In pursuit of this goal, Tata Sons and the Tata Sons promoted entities have institutionalized an approach, called the Tata Business Excellence Model or TBEM, which has been formulated on the lines of the Malcolm Baldrige National Quality Award to enable it to drive performance and attain higher levels of efficiency both in its businesses and in discharging its social responsibility. The model aims to nurture core values and concepts embodied in various focus areas such as leadership, strategic planning, customers, markets and human resources to be translated to operational performance. Our adoption and implementation of this model seeks to ensure that our business can be conducted through superior processes in the future.

We have deployed a balance score card (BSC) management system, developed by Dr. Robert Kaplan and Dr. David Norton of the Harvard Business School for measurement based management and feedback. We have also deployed a new product introduction (NPI) process for systematic product development and product lifecycle management system for effective product data management across our organization. On the human resources front, we have adopted various processes to enhance the skills and competencies of our employees. We have also enhanced our performance management system, with appropriate mechanisms to recognize talent and sustain our leadership base. We believe these will enhance our way of doing business, given the dynamic and demanding global business environment.

Customer financing: With financing increasingly becoming a critical factor in vehicle purchases and the rising aspirations of consumers in India, we intend to significantly expand our vehicle financing activities to enhance our vehicle sales. Further, with the lack of sufficient finance availability to vehicles currently in the Indian market, our captive finance business is expected to play a significant role to fill the gap created by other banks and Non Banking Financial Companies while we will continue to focus on expanding our vehicle financing activities through our 100% subsidiary, Tata Motors Finance Limited, or TMFL.

Continuing to invest in technology and technical skills: We believe we are one of the most technologically advanced indigenous vehicle manufacturers in India. Over the years, we have enhanced our technological strengths through extensive internal research and development activities. Our research and development resources, which include those at our subsidiaries, like TMETC, TDCV, TTL and Hispano together with the two advanced engineering and design centers of Jaguar Land Rover we recently acquired, further increase our capabilities in product design, manufacturing and quality control. See "Recent Developments — Acquisition of the Jaguar Land Rover Business" for more details. We consider technological leadership to be a significant factor in continued success, and therefore intend to continue to devote significant resources to upgrade our technological base.

Maintaining financial strength: Our cash flow from operating activities in fiscal 2006, 2007 and 2008 was Rs. 5,666 million, Rs.17,498 million and Rs.35,484 million respectively. The improved position in our operating cash flows is primarily a result of volume growth, implementation of cost reduction programs, and prudent working capital management. We have established processes for project evaluation and capital investment decisions with an objective to enhance our long term profitability.

Leveraging unified Tata brand equity: We believe the Tata brand name is associated by Indian customers with reliability, trust and value and is gaining significant international recognition due to the international growth strategies of various Tata Sons promoted entities. The Tata brand is used and its benefits are leveraged by Tata Companies to their mutual advantage. We recognize the need for enhancing our brand recognition in highly competitive markets in which we compete with internationally recognized brands. We, along with Tata Sons and other Tata Companies, will continue to promote the Tata brand and leverage its use in India, as well as in various international markets where we plan to increase our presence.

Automotive Operations

The revenues from our automotive operations were Rs.307,113 million and Rs.331,967 million in fiscal 2007 and 2008, respectively. Our main market is the Indian market, which accounted for 89.4% and 88.8% of our total unit sales in fiscal 2007 and 2008, respectively.



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Our total sales (including international business sales) for fiscal 2006, 2007 and 2008 are set forth in the table below:

Category	Fiscal 2006		Fiscal 2007		Fiscal 2008	
	Units	%	Units	%	Units	%
Passenger Cars	169,310	36.8%	196,733	33.4%	182,292	30.5%
Utility Vehicles	39,797	8.7%	49,308	8.4%	50,129	8.4%
Light Commercial Vehicles	108,020	23.5%	149,242	25.3%	173,409	29.1%
Medium and Heavy Commercial Vehicles	142,736	31.0%	194,145	32.9%	191,318	32.0%
Total	459,863	100.0%	589,428	100.0%	597,148	100.0%

Our performance in various categories of the Indian market is described below:

Passenger cars: Amidst moderation in economic growth, a high interest rate regime and tightening of liquidity, the passenger car industry grew by 11.9% in the fiscal 2008, led mainly by new product launches and product interventions in existing products.

The small car category, which consists of mini and compact cars, constitutes nearly 60% of total domestic passenger car sales in India. In fiscal 2008, the industry sales of the mini car category declined 12.2% to 69,553 units, due to lack of new product launches. The compact car category grew 14.0% to 859,917 units in fiscal 2008, as compared to 754,336 units in fiscal 2007, driven by new product launches. The Indica, which faced a challenging environment in fiscal 2008 primarily on account of new product launches by our competitors, posted a decline of 6.4% in sales to 135,425 units in fiscal 2008. During fiscal 2008, we also expanded the Indica range by introducing a new variant with dual airbags and ABS (Anti-lock Braking System) and added a DICOR (Direct Injection Common Rail) diesel engine variant. The Indica's market share declined from 17.4% in fiscal 2007 to 14.6% in fiscal 2008 in the small car category. Despite the challenging environment in fiscal 2008, the Indica held its position as the second best seller in the industry and continues to stand out among the 'Most Trusted Brands' in the annual survey by a prestigious business daily in India. On August 23, 2008, we launched the next generation Indica, the Indica Vista. The new generation car has completely new interiors and a contemporary body with improved interior space and comfort. The Vista is powered by a range of internationally acclaimed powertrains - the new 75 bhp 1.3L Quadrajet Common Rail Diesel engine and the 65bhp, 1.2L CVCP Safire MPFI petrol engine. We believe the Vista would enable us to regain our market position in the small car category.

We are also present in the entry mid-size car category through our sedan, the Indigo, and its station wagon version, the Indigo Marina, which are both derived from the Indica platform. The entry mid-size car category which has witnessed declining volume growth in the last two fiscal years, grew by 10.2% in fiscal 2008, aided by new product launches. With sales of 31,409 vehicles, the Indigo range continued to be the best seller in the entry mid-size car category in its sixth year of launch with a market share of 32.4% in fiscal 2008. During the year, we introduced the Indigo XL Classic variant and the Indigo CS, a sub-4 meter sedan that has the foot print and price point of a hatchback (owing to the lower excise duty) and the appeal of the sedan.

We marked the roll out of the one-millionth passenger car off the Indica platform at our car plant in Pune, in its ninth year since the commencement of production in January 1999.

We have also been distributing Fiat branded cars through the Tata-Fiat dealer network since March 2006. During fiscal 2008, we sold 3,248 Fiat cars. The joint dealer network has also been expanded from 44 in fiscal 2007 to 65 as of March 2008.

Utility Vehicles: We sold 47,530 units in our UV category in the Indian domestic market in fiscal 2008, a decline 0.8% as compared to 47,892 units sold in fiscal 2007. During fiscal 2008, we expanded our offering in this category by launching a new 2.2L Safari DICOR, Sumo Victa DI and the Sumo Grande. In fiscal 2008, the new and improved Safari DICOR enabled the brand to achieve its highest ever sale in fiscal 2008. Our overall market share in the utility vehicle category stood at 20.0% for fiscal 2008, a decline of 2.1% from fiscal 2007.

Light Commercial Vehicles (including pick-ups): Our range of LCVs includes small commercial vehicles, pickup trucks, trucks and commercial passenger carriers up to 7.5 GVW. During fiscal 2008 we introduced two new products: (i) Magic, based on the Ace platform, and (ii) Winger, India's only maxi-van. We believe that the Magic and the Winger have great potential in the commercial passenger transportation market in India. In the LCV segment, we recorded a 17.2% growth to 147,316 units sold in the Indian domestic market in fiscal 2008, compared to 125,744 units in fiscal 2007. The growth in the LCV segment in fiscal 2008 was mainly led by the sales of the Ace and the new commercial passenger carriers Winger and Magic. In fiscal 2008, we unveiled the 1-ton and Compressed Natural Gas or CNG variant of the Ace, the Tata Cargo Panel Van, Xenon XT, a lifestyle pickup truck, and the Tata Winger Executive, an office concept vehicle, at the Auto Expo 2008 in India and commenced production of the Ace at our new manufacturing facility at Uttarakhand, India. Our market share in the LCV category was 65.4% and 64.3% in fiscal 2007 and fiscal 2008 respectively, including sales of the Ace, Magic and Winger.



Medium and Heavy Commercial Vehicles: Our M&HCVs have a wide range of applications and are generally configured as trucks, tippers, buses, tankers, tractors or concrete mixers. Our market share in M&HCV category was 62.9% and 61.3% in fiscal 2007 and 2008 respectively. Our domestic sales in the M&HCV segment experienced a decline of 4.2% to 165,619 units in fiscal 2008 as compared to 172,842 units in fiscal 2007. The decline in domestic sales in fiscal 2008 was partially due to a levelling off of the one-time surge in demand we experienced in the M&HCV segment in fiscal 2007, triggered by strict enforcement of overloading restrictions. Our performance in the M&HCV segment during fiscal 2008 was also affected by the lack of availability of vehicle finance from outside sources and constraints that we experienced in the earlier part of the year in our components and aggregates supply chain.

We revamped our M&HCV portfolio during fiscal 2008 and introduced a wide range of new products such as multi-axle and heavy duty trucks, tractor trailers and fully built solutions in the second half of the year. We also secured a prestigious order from the Delhi Transport Corporation for 500 low-floor CNG propelled buses, the supply of which commenced during fiscal 2008.

Sales and Distribution of Vehicles:

Our sales and distribution network in India as of March 2008 comprised over 1,500 sales outlets for our passenger and commercial vehicle business. In line with our growth strategy, we formed a 100% subsidiary, TML Distribution Company, or TMLD, to act as a dedicated logistics management company to support the sales and distribution operations of our vehicles in India. We believe this will improve the efficiency of our selling and distribution operations and processes.

TMLD will take over and/or set up stocking points for both commercial vehicles and passenger vehicles, in the places of manufacture and also at different places throughout India. TMLD will help improve planning, inventory management, transport management and on-time delivery. As a focused entity, we believe it will make delivery and inventory management more efficient.

Additionally, we are in advanced stages of deploying a Siebel customer relations management system at all dealerships and offices across the country, which we believe is one of the largest deployments of that system in the Indian automotive sector. Being implemented in phases since 2003, the combined online customer relations management system initiative supports users both within the Company and among our distributors in India and abroad.

Through our vehicle financing division and wholly owned subsidiary, Tata Motors Finance Limited, or TMFL we also provide financing services to purchasers of our vehicles through our independent dealers, who act as our agents, and through our branch network. During fiscal 2007 and 2008, approximately 31% and 34%, respectively, of our vehicle unit sales in India were made through financing arrangements where our captive vehicle financing divisions provided the credit. Total vehicle finance receivables outstanding as at March 31, 2007 and 2008 amounted to Rs.83,588 million and Rs.76,325 million, respectively.

We use a network of service centers on highways and a toll-free customer assistance center to provide 24-hour on-road maintenance (including replacement of parts) to vehicle owners. We believe that the reach of our sales, service and maintenance network provides us with a significant advantage over our competitors.

We also market our commercial and passenger vehicles in several countries in Europe, Africa, the Middle East, Australia, South East Asia and South Asia.

Competition:

We face competition from various domestic and foreign automotive manufacturers in the Indian automotive market. Improving infrastructure and robust growth prospects compared to other mature markets is now attracting a number of international companies to India who have either created joint-ventures with local partners or have established independently owned operations in India. Global competitors bring with them decades of international experience, global scale, advanced technology and significant financial resources. Hence competition is likely to further intensify in the future.

We have designed our products to suit the specific requirements of the Indian market based on specific customer needs such as safety, driving comfort, fuel efficiency and durability. We believe that our vehicles are suited to the general conditions of Indian roads, local climate and they comply with applicable environmental regulations currently in effect. We also offer a wide range of optional configurations to meet the specific needs of our customers. We intend to strengthen our product portfolio in order to meet the increasing customer expectation of owning "world class" products.



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Seasonality:

Demand for our vehicles in the Indian market is subject to seasonal variations. Demand generally peaks between January and March, although there is a decrease in demand in February just before release of the Indian Fiscal Budget. Demand is usually lean from April to July and picks up again in the festival season from September onwards with a decline in December due to year end.

Exports:

We are expanding our export operations, which have been ongoing since 1961. Our exports of vehicles manufactured in India increased by 2.2% in fiscal 2008 to 54,648 units from 53,474 units in fiscal 2007. We market our commercial and passenger vehicles in several countries in Europe, Africa, the Middle East, Australia, South East Asia and South Asia.

In fiscal 2008, our top five export destinations from India -South Africa, Sri Lanka, Nepal, Ukraine and Turkey, accounted for approximately 60% and 84% of our exports of commercial vehicles and passenger vehicle units respectively. Our exports to South Africa were adversely impacted during fiscal 2008 due to adverse changes in the macro economic factors in that market. Even so, South Africa remains our largest export market, with about 14.5% share of our total export units. Other key markets were the Middle East, western Africa and western Europe. We are strengthening our position in the geographic areas we are currently operating in and exploring possibilities of entering new markets with similar market characteristics to the Indian market.

We have a network of distributors in almost all of the countries where we export our vehicles, who work with us in appointing a local dealer for sales and servicing our product in various regions. We have also stationed overseas resident sales and service representatives in various countries to oversee our operations in their respective territories.

Tata Daewoo Commercial Vehicle Co. Ltd., Korea: TDCV recorded 38.6% growth in its overall vehicle sales to 11,899 units in fiscal 2008 from 8,588 units in the previous fiscal year, before inter-segmental elimination. In South Korea, TDCV registered a market share of 33.5% in the M&HCV category, a gain of 740 basis points from 26.1% in fiscal 2007. TDCV exported 3,312 units including CKDs in fiscal 2008, representing a growth of 14% compared to fiscal 2007.

In the South Korean market, TDCV uses Daewoo Motor Sales Corporation's distribution network, the largest in South Korea. After-sales service is made available through 68 service centers and over 110 parts outlets. Exports are carried out through TDCV's own international distribution channel.

The management initiatives and business processes of Tata Sons and the Tata Sons promoted entities have also been implemented at TDCV. Relations between the management and the labor union of TDCV continue to be cordial.

Hispano Carrocera, S.A. Spain: We believe that our subsidiary Hispano, with its design and development capabilities in manufacturing bodies for high-end buses, will complement our current range of light and medium commercial passenger carriers. We believe that this investment will also help to increase our presence in the international bus market. We own the brand rights of Hispano. Hispano reported sale of 259 units in fiscal 2008. The volume decline from 560 units in fiscal 2007 was mainly on account of general economic downturn which has resulted in a slow-down of the bus market and increasing competition from original equipment manufacturers, or OEMs.

Research and Development:

Our research and development activities focus on product development, environmental technologies and vehicle safety through our Engineering Research Centre, or ERC, established in 1966, which is one of the few government recognized in-house automotive research and development centers in India.

During fiscal 2006, we established our wholly-owned subsidiary, TMETC, in the United Kingdom to augment the abilities of our Engineering Research Centre. We believe that TMETC provides us with access to leading-edge technologies and supports the product development activities which we currently plan to undertake for the future in order to sustain and enhance our position in the increasingly competitive global markets.

One of the most significant achievements of our ERC has been the design and development of our compact car the Indica, which is India's only indigenously developed compact car. ERC also designed our mid-size car the Indigo, which was launched in 2002 and has been the market leader in the entry mid-size market category in India. We have also developed the Tata Nano, an affordable family car, which was unveiled at the Auto Expo 2008 in New Delhi and at the Geneva Motor Show. We believe that there will be significant demand for the Nano in the Indian market.

Our acquisition of TDCV provided us with a significant advantage in the development process of our planned "World Truck", which will be a sophisticated and contemporary M&HCV with performance standards akin to those in developed markets.

In addition, our research and development activities also focus on developing vehicles running on alternative fuels, including CNG, liquefied petroleum gas, bio-diesel and compressed air and electric cars. We currently have over 40 staff buses running





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on bio-diesel at one of our manufacturing plants. We are pursuing alternative fuel options such as ethanol blending for our products and development of vehicles fuelled by hydrogen. Initiatives in the area of vehicle electronics such as engine management systems, in-vehicle network architecture, telematics for communication and tracking and other emerging technological areas are also being pursued and which could possibly be deployed on our future range of vehicles.

We are also widening the scope of our research and development activities from in-house product and technology development to managing the research and development process across various internal and external agencies, including our research and development centers in South Korea, Spain and the United Kingdom, as well as at various aggregate parts suppliers and outsourcing partners.

We have a modern crash test facility for testing our new products for passenger safety. We have a pedestrian safety testing facility, a pendulum impact test facility and a bus rollover test facility to ensure compliance to various safety norms. We also have a hemi-anechoic chamber testing facility for developing vehicles with lower noise and vibration levels and an engine emissions testing facility to develop products meeting international standards.

Our product design and development center is equipped with computer-aided design, manufacture and engineering tools, with sophisticated hardware, software, and other information technology infrastructure, designed to create a digital product development environment and virtual testing and validation, resulting in faster product development cycle-time and data management. Rapid prototype development systems, testing cycle simulators, advanced emission test laboratories and styling studios are also a part of our product development infrastructure and are regularly used in product development. We have aligned our end-to-end digital product development objectives and infrastructure with our business goals and have made significant investments to enhance the digital product development capabilities especially in the areas of product development through Computer Aided Design/Computer Aided Manufacturing/Computer Aided Engineering/Knowledge Based Engineering/Product Data Management.

Over the years, we have devoted significant resources towards our research and development activities. Our total expenditure on research and development during fiscal years 2006, 2007 and 2008 was Rs.4,663 million, Rs.6,018 million and Rs.9,906 million respectively.

Intellectual Property

Tata Motors Limited has 170 trademarks registered in India and approximately 186 trademark applications which are currently pending registration. In addition to this, our significant trademarks are registered, or are in the process of being registered in other countries. We currently hold approximately 331 of these registrations worldwide and have made 67 applications out of India. The registrations mainly include trademarks for each of our vehicle models. Further, we also use the "Tata" brand, which has been licensed to us by Tata Sons Limited. See Item 4.C "— Organizational Structure". Additionally, Tata Sons has applied for 9 trademarks in the name of the Company. The Company has applied for 4 trademarks in the name of Telcon. As part of our acquisition of TDCV, we have the perpetual and exclusive use of the "Daewoo" brand and trademarks in Korea and overseas markets for the product range of TDCV. TDCV holds South Korean trademark registrations for 14 utility models and 5 designs.

India is a member of the World Trade Organization. In compliance with its obligations under the Agreement on Trade Related Aspects of Intellectual Property, ("TRIPS"), India grants statutory protection to various forms of intellectual property, including patents, copyrights, industrial designs and trademarks. The Trade Marks Act, 1999 and the Copyright Act, 1957, as amended, which are currently in force in India, are TRIPS compliant. The Patents Act, 1970, as amended, to the extent that it relates to our business and operations, provides adequate product and process patent protection in India in accordance with its obligations under TRIPS.

We currently own 20 patents and have 183 patent applications pending registration in India. We have also filed patent applications in UK, US & Europe (EP). In addition we have filed 29 applications under the Patent Corporation Treaty which will be entered in different countries later.

In addition, TDCV holds 11 patents in South Korea.

We have filed 83 design applications in India for aesthetic features of products/components.

In addition to the above, we also have various copyright and Internet domain name registrations.

In varying degrees, all of our trademarks, brands or patents are important to us. In particular, the expiration or termination of the Tata brand could materially affect our business.



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Components and Raw Materials

The principal raw materials and components required by us for use in our vehicles are steel sheets and plates, castings, forgings and items such as tyres, batteries, electrical items and rubber and plastic parts. The raw materials, components and consumables that are domestically sourced, include steel (sheet-metal, forgings and castings), tyres and tubes, batteries, fuel injection systems, air-oil filters, consumables (paints, oils, thinner, welding consumables, chemicals, adhesives and sealants) and fuels. We also require aggregates like axles, engines, gear boxes and cabs for our vehicles, which are manufactured either by ourselves or by our subsidiaries and affiliates.

We have undertaken an e-commerce initiative through the development of a business-to-business site with the assistance of our subsidiary, TTL, for electronic interchange of data with our suppliers. This has enabled us to have real time information exchange and processing to manage our supply chain effectively. We use external agencies as third party logistic providers. This has resulted in space and cost saving.

As part of our strategy to become a low-cost vehicle manufacturer, we have undertaken various initiatives to reduce our fixed and variable costs including an e-sourcing initiative started in 2002 through which we procure some supplies through reverse auctions.

We have established a procedure for ensuring quality control of outsourced components. Products purchased from approved sources undergo a supplier quality improvement process. We also have a program for assisting vendors from whom we purchase raw materials or components to maintain quality. Each vendor is reviewed on a quarterly basis on parameters of quality, cost and delivery. Preference is given to vendors with QS-9000 certification. We also maintain a stringent quality assurance program that includes random testing of production samples, frequent re-calibration of production equipment and analysis of post-production vehicle performance and ongoing dialogue with workers to reduce production errors. Further, we have established a Strategic Sourcing Group to consolidate, strategize and monitor our supply chain activities with respect to major items of purchase as well as major inputs of technology and services. The Strategic Sourcing Group is responsible for recommending for the approval by the Management Committee the long-term strategy and purchase decision for these items, negotiation and relationship with vendors with regard to these items, formulating and overseeing our purchasing policies, norms in respect of all items, evolving guidelines for vendor quality improvement, vendor rating and performance monitoring and undertaking company-wide initiatives such as e-sourcing and supply chain management/policies with respect to vehicle spare parts. We are also exploring opportunities for global sourcing of parts and components from lower cost countries, and have embarked on a vendor management program that includes vendor base rationalization, vendor quality improvement and vendor satisfaction surveys.

Suppliers

We have an extensive supply chain for procuring various components. We also outsource many of the manufacturing processes and activities to various suppliers. In such cases, we provide training to outside suppliers who design and manufacture the required tooling and fixtures.

Tata AutoComp Systems Ltd., or TACO, in which now we have 26% ownership stake, manufactures auto components and encourages the entry of internationally acclaimed auto component manufacturers into India by setting up joint ventures with them. Some of these joint ventures include: Tata Johnson Controls Limited for seats, Knorr Bremse CV Systems for commercial vehicle air brakes, Tata Yazaki Autocomp Limited for wiring harnesses, JBM Sangwoo Limited for pressed components and Tata Toyo Radiators Limited for radiator assemblies. These joint ventures supply components for our products.

We have embarked upon a vendor management program that includes vendor base rationalization, vendor quality improvement and vendor satisfaction surveys. As part of driving continuous improvement in procurement, we have integrated our system for electronic interchange of data with our suppliers with the ERP. This has facilitated real time information exchange and processing to manage our supply chain more effectively.

We import some components that are either not available in the domestic market or when equivalent domestically- available components do not meet our quality standards. We also import products to take advantage of lower prices in foreign markets, such as special steels, wheel rims and power steering assemblies. The following table shows the imported and indigenous raw material and components consumed by us:



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Description	Value of Raw Material and Components Consumption For the Fiscal Year Ended March 31,					
	2006		2007		2008	
	Rs millions	%	Rs millions	%	Rs millions	%
Imported (at rupee cost)	11,418	7.6	14,769	7.1	19,214	8.6
Indigenously obtained	138,682	92.4	192,756	92.9	204,419	91.4
Total	150,100	100.0	207,525	100.0	223,633	100.0

Capital and Product Development Expenditures:

Our capital expenditure aggregated to Rs.10,734 million, Rs.25,277 million and Rs.42,707 million during fiscal 2006, 2007 and 2008, respectively. Our capital expenditure during the past three fiscal years has been related mostly to new product development and capacity expansion for new and existing products to meet the market demand and investments towards improving quality, reliability and productivity that are aimed at operational efficiency.

We intend to continue to invest in our business units and research and development over the next several years for improving our existing product range and developing new products and platforms to build and expand our presence in the passenger vehicle and commercial vehicle categories. We believe this would strengthen our position in India and help us to grow our presence in the select international markets.

As a part of this future growth strategy, we plan to make investments in product development, capital expenditure in capacity enhancement, plant renewal and modernization and to pursue other growth opportunities. Our subsidiaries also have their separate growth plans and related capital expenditures. These expenditures are expected to be funded largely through cash generated from operations, existing investible surplus in the form of cash and cash equivalents, investment securities and other external financing sources. In fiscal 2006, we obtained a resolution from our shareholders permitting the Board to raise a maximum of Rs.30 billion in equity or equity-related instruments to fund capital expenditure. In July 2008, we obtained our shareholders' consent to a resolution to increase our borrowing limit from Rs.120 billion to Rs.200 billion.

Other Operations

In addition to our automotive operations, we are also involved in various other business activities, of which information technology services and construction equipment manufacturing are the main activities. Net revenues from these activities totaled to Rs.27,017 million and Rs.37,148 million in fiscal 2007 and 2008, respectively, representing nearly 8.1% and 10.2% of our total revenues before inter-segment elimination in fiscal 2007 and fiscal 2008, respectively.

Information Technology Services:

Tata Technologies Limited, or TTL, is our 82.83% owned subsidiary as of March 31, 2008. Through its operating companies, INCAT and Tata Technologies iKS, TTL provides specialized engineering and design services, product lifecycle management and product-centric IT services to leading manufacturers. TTL responds to customers' needs through its subsidiary companies and through its three offshore development centers. TTL's customers include automobile, aerospace and consumer durable manufacturers. TTL has 13 subsidiary companies as at March 31, 2008.

INCAT is a leading independent provider of engineering and design services, product and 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).

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,' the only web application in the world offering 100,000 hours of engineering knowledge for AutoCAD, INVENTOR, Solid Works, Solid Edge, UG/NX, Teamcenter, COSMOS Works and CATIA on a single delivery platform application.



The consolidated revenue for the TTL Group was Rs. 9,071 million in fiscal 2008, an increase of 11.9% against Rs.8,107 million in the previous year. due to augmented relationships with existing global automotive and aerospace customers and the acquisition of new customers.

Construction Equipment:

Telco Construction Equipment Company Limited, or Telcon, is engaged in the business of manufacturing and sale of construction equipment and providing related supporting services. We own 60% of Telcon, with the remaining 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 in fiscal 2008 as compared to 5,360 machines sold in fiscal 2007, and a net revenue of Rs.24,146 million in fiscal 2008 compared to Rs.16,058 million in fiscal 2007. In April 2008, Telcon acquired 79% and 60% shares of two Spanish Companies, Serviplem S.A and Comoplesa Lebrero S.A, respectively. These acquisitions provide Telcon with the opportunity to enter the concrete value chain and participate in two important growth economies – India and China.

Government Regulations

Emission and Safety:

In 1992, the government of India issued emission and safety standards, which were further tightened in April 1996 under the Indian Motor Vehicle Act. Currently Bharat Stage III norms (equivalent to Euro III norms) are in force for four wheelers in 11 cities in India and Bharat Stage II norms (equivalent to Euro II norms) are in force in rest of India. Our vehicles comply with these norms. The next change in emission regulations is currently expected to be implemented by fiscal 2010, when the 11 major cities currently subject to Bharat Stage III norms are expected to move to Bharat Stage IV norms (equivalent to Euro IV norms) and the rest of India to Bharat Stage III norms.

The vehicles manufactured by TDCV comply with the emission regulatory requirements in South Korea and also of countries where its vehicles are exported. Our vehicle exports to Europe comply with Euro IV norms, and we believe our vehicles also comply with the various safety regulations in effect in the other international markets we operate in. We are also working on meeting all the regulations which we believe are likely to come into force in various markets in future.

The Indian automobile industry is progressively harmonizing its safety regulations with international standards in order to facilitate sustained growth of the Indian automobile industry as well as to make India a large exporter of automobiles.

India has a well established regulatory framework administered by the Indian Ministry of Shipping, Road Transport and Highways. The ministry issues notifications under the Central Motor Vehicles Rules and the Motor Vehicles Act. Chapter V of the Central Motor Vehicles Rules, 1989 deals with construction, equipment and maintenance of vehicles. Vehicles being manufactured in the country have to comply with relevant Indian standards and automotive industry standards. The Indian Ministry of Shipping, Road Transport and Highways finalized a road map on automobile safety standards in January 2002. The road map is based on current traffic conditions, traffic density, driving habits and road user behavior in India and is generally aimed at increasing safety requirements for vehicles under consideration for Indian markets.

Our manufacturing plants have received/are in the process of obtaining the Indian government's environmental clearances required for our operations. We are fully committed to our role as a responsible corporate citizen with respect to reducing environmental pollution. We treat the effluents at our plants and have made significant investments in lowering the emissions from our products.

Excise Duty:

In the Indian Union Budget for fiscal 2007, the Government of India reduced the Excise duty on small cars from 24% to 16%. Small car are defined to mean cars of length not exceeding 4,000 mm and with an engine capacity not exceeding 1,500 cc for cars with diesel engines and not exceeding 1,200 cc for cars with gasoline engines.

In the recent Indian Union Budget 2008-09, the government further reduced the excise duty on small cars from 16% to 12% and on motor vehicles for transport of more than 13 persons, including the driver, from 16% to 12%. Excise duty on chassis fitted with engines for such vehicles is also reduced from "16% + Rs.10,000 per chassis" to "12% + Rs.10,000 per chassis". Additionally the general excise duty has been reduced from 16% to 14% which reduces the excise duty on trucks by 2% and the excise duty on Safari, SUVs and UVs is 24% + Rs 20,000.



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Import Regulations and Duties:

Automobiles and automotive components can, generally, be imported into India without a license from the Indian government subject to their meeting Indian standards and regulations as specified by designated testing agencies. Recent government liberalization policies have led to a reduction in import duties on vehicles and certain automotive parts. As a result, cars, UVs and SUVs in completely built up, or CBU, condition can be imported at 60% Basic Customs duty, whereas, commercial vehicles and components can be imported at Basic Customs Duty ranging from at 10% to at 7.5% (for engine component).

In addition, vehicle and component imports are also subject to countervailing duty which is equivalent to Excise Duty indicated above plus an additional Customs duty at 4%, NCCD at 1% (only for vehicles), Educational Cess at 2%, Higher Education Cess at 1%, Vehicle Cess (only in case of vehicles) at 0.125%.

Valued Added Tax:

Value Added Tax (VAT) has been implemented throughout India. VAT enables set-off from sales tax paid on inputs by traders and manufacturers against the sales tax collected by them on behalf of the government, thereby eliminating the cascading effect of taxation. Two main brackets of 4% and 12.5%, along with special brackets of 0%, 1% and 20%, have been announced for various categories of goods and commodities sold in the country. Central Sales Tax, however, continues to exist, although it is proposed to be abolished in a phased manner. Since its implementation, VAT has had a positive impact on us. Prior to the implementation of VAT, sales tax formed part of our total cost of material. However, following the implementation of VAT, because VAT paid on inputs can be set off against tax paid on outputs, a savings on our sales tax component results.

In the Indian Union Budget of 2008-09, the Government of India reduced the Central Sales Tax rate from the current rate of 3% to 2%.

Insurance Coverage:

The Indian insurance industry is predominantly state-owned and insurance tariffs are regulated by the Indian Insurance Regulatory and Development Authority. We have insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations (including business interruptions) and which we believe is in accordance with industry standards in India. We have obtained coverage for product liability for some of our vehicle models in several countries to which we export vehicles. TDCV has insurance coverage as is required and applicable to cover all normal risks in accordance with industry standards in South Korea, including product liability. We have also taken insurance coverage on directors and officers' liability to minimize risks associated with product liability and international litigation.

Legal Proceedings

In the normal course of business, we face claims and assertions by various parties. We assess such claims and assertions and monitor the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. We record a liability for any claims where a potential loss is probable and capable of being estimated, and disclose such matters in our financial statements, if material. For potential losses which are considered reasonably possible, but not probable, we provide disclosure in the financial statements, but do not record a liability in our accounts unless the loss becomes probable. Certain claims that are above Rs.50 million in value are described in Note 23 to our consolidated financial statements included in this annual report. In respect of claims against us below Rs.50 million, the majority of cases pertain to motor accident claims (involving vehicles that were damaged in accidents while being transferred from our manufacturing plants to regional sales offices) and consumer complaints. Some of these cases relate to replacement of parts of vehicles and/or compensation for deficiency in services provided by us or our dealers. There are some indirect tax, labour and other civil cases as well which fall under this category.

We believe that none of the contingencies, either individually or in the aggregate, would have a material adverse effect on our financial condition, results of operations or cash flows.

C. Organizational Structure.

Tata Sons Limited, or Tata Sons, is a principal holding company that has equity holdings in a range of businesses. The various companies promoted by Tata Sons, including us, are based substantially in India and had combined revenues of approximately US \$ 62.5 billion for fiscal 2008.

The operations of Tata Sons promoted entities are highly diversified and can be categorized under seven business sectors, namely, engineering, materials, energy, chemicals, consumer products, services, communications and information systems. These companies do not constitute a 'group' under Indian Law.



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Tata Sons has its origins in the trading business founded by Jamsetji Tata in 1874 that was developed and expanded in furtherance of his ideals by his two sons, Sir Dorabji Tata and Sir Ratan Tata, following their father's death in 1904. The family interests subsequently vested largely in the Sir Ratan Tata Trust, the Sir Dorabji Tata Trust and other related trusts. These trusts were established for philanthropic and charitable purposes and together own a substantial majority of the shares of Tata Sons Limited.

By 1970, the operations of Tata Sons promoted entities had expanded to encompass a number of major industrial and commercial enterprises including The Indian Hotels Company Limited (1902), The Tata Steel Limited (Tata Steel) (1907), The Tata Power Company Limited (1910), Tata Chemicals Limited (1939), Tata Motors Limited (1945), Voltas Limited (1954), and Tata Tea Limited (1962). Tata Sons also promoted India's first airline, Tata Airlines, which later became Air India (India's national carrier), as well as India's largest general insurance company, New India Assurance Company Limited, both of which were subsequently taken over by the Government as part of the Government's nationalization program. Tata Consultancy Services Limited (TCS) is Asia's leading software services provider and the first Indian software firm to exceed sales of US\$ 4 billion. In 1999, Tata Sons has also invested in several telephony and telecommunication ventures, including acquiring a portion of the Indian Government's equity stake in the state owned Tata Communications Limited (formerly known as Videsh Sanchar Nigam Limited (VSNL)).

We have for many years been a licensed user of the "Tata" brand owned by Tata Sons Limited, and thus have both gained from the use of the Tata brand as well as helped to sustain its brand equity. Tata Sons along with the Tata Sons promoted entities instituted a corporate identity program to re-position itself to compete in a global environment. A substantial ongoing investment and recurring expenditure is planned to develop and promote a strong, well-recognized and common brand equity, which is intended to represent for the consumer a level of quality, service and reliability associated with products and services offered by the Tata Sons promoted entities.

Each Tata Sons promoted consenting entities have to pay a subscription fee to participate in and gain from the Tata brand identity. We believe that we benefit from the association with the Tata Brand identity and, accordingly, the Company and its certain subsidiaries have agreed to pay an annual subscription fee to Tata Sons Limited which is equal to 0.15%-0.25% of annual net income (defined as net revenues exclusive of excise duties and other governmental taxes and non-operating income), subject to a ceiling of 5% of annual profit before tax (defined as profit after interest and depreciation but before income tax). Tata Son also has lowered in the past the subscription fee, considering its requirement of outlay for activities related to brand promotion and protection. For the fiscal years ended March 31, 2006, 2007 and 2008, Tata Motors on a standalone basis paid an amount less than 0.25% of its annual net income as per Indian GAAP. Pursuant to our licensing agreement with Tata Sons Limited, we have also undertaken certain obligations for the promotion and protection of the new Tata brand identity licensed to us under the agreement. The agreement can be terminated by written agreement between the parties, by Tata Sons Limited upon our breach of the agreement and our failure to remedy the same, or by Tata Sons Limited upon providing six months notice for reasons to be recorded in writing. The agreement can also be terminated by Tata Sons Limited upon the occurrence of certain specified events, including liquidation. Because we are one of the largest companies promoted by Tata Sons and further because we believe that our growing international reputation brings benefits to the Tata brand, we consider it very unlikely that we would ever be unable to use the Tata brand in relation to our products and services.

The Tata Sons promoted entities have sought to continue to follow the ideals, values and principles of ethics, integrity and fair business practices originally established by the founder of Tata Sons, Mr. Jamsetji Tata, and his successors. To further protect and enhance the Tata brand equity, these values and principles have been articulated in the Tata code of conduct, which has been adopted by most of the Tata Companies that have access to the larger resources and services of the Tata Sons promoted entities. These companies have endeavored to maintain high standards of management efficiency and to promote the commercial success of Indian enterprises. The Tata Sons promoted entities have also made significant contributions towards national causes through promotion of public institutions in the field of science, such as the Indian Institute of Science and the Tata Institute of Fundamental Research, and in the field of social services through the Tata Institute of Social Sciences, the Tata Memorial Hospital and the National Center of the Performing Arts. Tata trusts are among the largest charitable foundations in the country.

A large number of the Tata Sons promoted entities hold shares in one another and some of our directors hold directorships on the boards of Tata Sons and/or Tata Sons promoted entities. However, there are no voting agreements, material supply or purchase agreements or any other relationships or agreements that have the effect of tying us together with other Tata Sons promoted entities at management, financial or operational levels. With the exception of Tata Steel Limited, which under our Articles of Association has the right to appoint one director to the Board, Tata Sons Limited and its subsidiaries do not have any special contractual or other power to appoint our directors or management beyond the voting power of their shareholdings in us. Except as set forth in the tables below under the heading "Subsidiaries and Affiliates" and except for an approximately 12.40% stake in Tata Industries Limited, our shareholdings in other the Tata Sons promoted entities are generally insignificant as a percentage of their respective outstanding shares or in terms of the amount of our investment or the market value of our shares of those companies.



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Subsidiaries and Affiliates

We have the following consolidated subsidiaries and equity method affiliates as of March 31, 2008.

Name of the Subsidiary Company	Country of incorporation	% of holding
1 Sheba Properties Ltd.	India	100.00
2 Concorde Motors (India) Ltd.	India	100.00
3 HV Axles Ltd.	India	85.00
4 HV Transmissions Ltd.	India	85.00
5 TAL Manufacturing Solutions Ltd.	India	100.00
6 Tata Motors Insurance Services Ltd. ⁵	India	100.00
7 Tata Daewoo Commercial Vehicle Co. Ltd.	South Korea	100.00
8 Tata Motors European Technical Centre plc	UK	100.00
9 Tata Technologies Ltd. and its 13 subsidiaries	India ¹	82.83 ²
10 Telco Construction Equipment Co. Ltd.	India	60.00
11 Tata AutoComp Systems Ltd. and its 8 subsidiaries	India ³	54.70 ⁴
12 Tata Precision Industries Pte. Ltd., Singapore and its subsidiary	Singapore	51.07
13 Tata Motors Finance Ltd	India	100.00
14 Tata Motors (Thailand) Ltd.	Thailand	70.00
15 Hispano Carrocera S.A. and its subsidiary ⁶	Spain	21.00
16 TML Holdings PTE Ltd and its subsidiary ⁷	Singapore	100.00
17 Tata Motors (SA) (Proprietary) Ltd.	South Africa	60.00
18 TML Distribution Company Ltd.	India	100.00

1 The subsidiaries are based in many countries abroad.

2 The holdings in these subsidiaries range between 82.83% to 82.93%, and one of the subsidiary was under liquidation as at March 31, 2008.

3 The subsidiaries are based in India, Mauritius, China and Germany.

4 The holdings in these subsidiaries range between 27.36% to 54.70%.

5 The name of the subsidiary has subsequently been changed to Tata Motors Insurance Broking & Advisory Services Limited.

6 The subsidiary is based in Morocco.

7 The subsidiary is based in United Kingdom

Name of the Affiliate Company	Country of incorporation	% of holding
1 Tata Cummins Ltd.	India	50.00
2 TSR Darashaw Ltd.	India	26.00
3 Nita Co. Ltd.	Bangladesh	40.00
4 Fiat India Automobiles Pvt Limited	India	49.48
5 Affiliates of Tata AutoComp Systems Ltd.	India	27.36 ¹
6 Telcon Ecoroad Resurfaces Pvt Ltd. ²	India	24.60
7 Tata Marcopolo Motors Ltd.	India	51.00
8 Automobile Corporation of Goa Ltd.	India	37.80

1 Except for two affiliates wherein the holding is 24.0% and 14.22%.

2 Is an affiliate of Telco Construction Equipment Co. Ltd.

D. Property, Plants and Equipment.**Facilities:**

We currently operate four principal automotive manufacturing facilities in India. The first facility was established in 1945 at Jamshedpur in the State of Jharkhand in eastern India. We set up a second facility in 1966 (with production commencing in 1976) at Pune, in the State of Maharashtra in western India, and a third in 1985 (with production commencing in 1992) at Lucknow, in the State of Uttar Pradesh in northern India. During fiscal 2007, we commenced the construction of our fourth manufacturing plant in Uttarakhand, which commenced operations in fiscal 2008. The Jamshedpur, Pune and Lucknow manufacturing facilities have been accredited with ISO/TS 16949:2000(E) certification. We are also in the process of setting up a plant in Singur in West Bengal, for the manufacture of the Nano, and in Dharwad in Karnataka, for the manufacture of Tata Marcopolo buses under our joint venture with



Marcopolo. See “— Recent Developments — Capacity Expansion Plans” for more details. We have also set up research and development facilities in the United Kingdom.

The manufacturing facilities of TDCV are based in Gunsan, South Korea. TDCV has received the ISO/TS 16949 certification, an international quality systems specification given by SGS UK Ltd., an International Automotive Task Force (IATF) accredited certification body. It is the first Korean automobile original equipment manufacturer to be awarded the same.

The manufacturing facilities of Tata AutoComp Systems Ltd. and its subsidiaries are located at various locations in and around the city of Pune in the State of Maharashtra in India and also in Germany. The manufacturing facilities of Telcon are located at Jamshedpur in the State of Jharkhand in eastern India and at Dharwad in the State of Karnataka in Southern India.

Fiat India Automobiles Private Limited, our joint venture with Fiat Group Automobiles S.p.A, has its manufacturing facility located at Ranjangaon, Maharashtra. The plant would be used for the manufacture of Tata and Fiat branded cars as well as engines and transmissions for use by both the partners.

Tata Motors (Thailand) Limited is our 70:30 joint venture with Thonburi Automotive Assembly Plant Co Ltd for the manufacture and assembly of pickup trucks. The manufacturing facility is located in Samutprakarn province, Thailand.

Our 21% stake in Hispano provides us with access to two manufacturing units, one in Spain and another one in Morocco.

Installed Capacity:

As of March 31, 2008, our total vehicle production capacity in India determined on the basis of two production shifts per day and including capacity for the manufacture of replacement parts, was 780,960 units annually. In addition, we also have vehicle production capacity of 20,000 units annually in South Korea through the manufacturing facilities of TDCV.

The following table shows our installed capacity as of March 31, 2008, and production levels by plant and product type in fiscal 2006, 2007 and 2008:

	Fiscal Year ended March 31,			
	Installed Capacity ⁽¹⁾	Production (Units)		
		2006	2007	2008
Jamshedpur				
Medium and Heavy Commercial Vehicles	102,000	69,891	98,227	95,145
Pune				
Medium and Heavy Commercial Vehicles, Light Commercial Vehicles, Utility Vehicles, Passenger Cars	565,000	366,468	458,324	436,177
Lucknow				
Medium and Heavy Commercial Vehicles, Light Commercial Vehicles, Utility Vehicles	30,000	19,963	28,235	26,900
Pantnagar				
Medium and Heavy Commercial Vehicles, Light Commercial Vehicles, Utility Vehicles	75,000	—	—	23,136
Jamshedpur & Dharwad				
Construction Equipment	8,960	3,515	5,167	7,364
Republic of Korea				
Gunsan				
Medium & Heavy Commercial Vehicles	20,000	5,663	8,543	11,821

(1) On double shift basis including capacity for manufacture of replacement parts as of March 31, 2008.

Properties:

We produce vehicles and related components and carry out other businesses through various manufacturing facilities. In addition to our manufacturing facilities, our properties include sales offices and other sales facilities in major cities, repair service facilities, and research and development facilities.

The following table sets forth information, with respect to our principal facilities, a substantial portion of which are owned by us as of March 31, 2008. The remaining facilities are on leased premises.



Location	Facility or Subsidiary Name	Principal Products or Functions
India		
In the State of Maharashtra		
Pune (Pimpri, Chinchwad, Chikhali, Maval)	Tata Motors Ltd.	Automotive vehicles, components & R&D
Pune (Chinchwad)	TAL Manufacturing Solutions Ltd	Factory automation equipment and services
Pune (Hinjewadi)	Tata Technologies Limited	Software consultancy and services
Mumbai	Concorde Motors (India) Limited	Automobile sales & service
Pune (Damle Path, Hinjewadi, Bhosari, Chakan and Pirangut)	Tata AutoComp Systems Limited and its subsidiaries	Auto components and engineering design
In the State of Jharkhand		
Jamshedpur	Tata Motors Ltd.	Automotive vehicles, components & R&D
Jamshedpur	HV Axles Ltd.	Axles for M&HCVs
Jamshedpur	HV Transmissions Ltd.	Transmissions for M&HCVs
Jamshedpur	Telco Construction Equipment Company Limited	Construction equipment
In the State of Uttar Pradesh		
Lucknow	Tata Motors Ltd.	Automotive vehicles & R&D
In the State of Karnataka		
Dharwad	Telco Construction Equipment Company Limited	Construction equipment
Bangalore	Tata Motors Limited Concorde Motors (India) Ltd.	Spare parts and warehousing Automobile sales and service
In the State of Uttarakhand		
Pantnagar*	Tata Motors Limited	Automotive vehicles & components
In the State of West Bengal		
Singur*	Tata Motors Ltd.	Under construction for manufacture of Nano
Rest of India		
Gujarat (Halol, Village Khakharia)	Tata AutoComp Systems Limited and its Subsidiaries	Auto components and engineering design
Hyderabad & Chennai	Concorde Motors (India) Ltd.	Automobile sales and service
Various other properties in India	Tata AutoComp Systems Ltd. Tata Motors Limited	Auto components Vehicle financing business (office/residential)
Outside India		
Singapore	Tata Precision Industries Pte. Ltd. / Tata Engineering Services Pte. Ltd.	Precision equipment and computer and peripherals warehousing
Republic of Korea	Tata Daewoo Commercial Vehicle Co. Ltd.	Automotive vehicles, components & R&D
Thailand	Tata Motors (Thailand) Ltd. INCAT (Thailand) Ltd.	Pick-up trucks Software consultancy and services
United Kingdom	Tata Motors European Technical Centre	Software consultancy and services
Spain	Hispano Carrocera S.A.	Buses and bus body
Rest of the world	INCAT Group of Companies	Software consultancy and services

* Land at these locations have been taken under operating lease.

Substantially all of our owned properties are subject to mortgages in favor of secured lenders and debenture trustees for the benefit of secured debenture holders. A significant portion of our property, plant and equipment is pledged as collateral securing indebtedness incurred by us. We believe that there are no material environmental issues that may affect our utilization of these assets.

We consider all our principal manufacturing facilities and other significant properties to be in good condition and adequate to meet the needs of our operations.



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Item 4A. Unresolved Staff Comments.

None.

Item 5. Operating and Financial Review and Prospects.

You should read the following discussion of our financial condition and results of operations together with our consolidated financial statements prepared in conformity with US GAAP and information included in this annual report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors including, but not limited to, those set forth in Item 3.D and elsewhere in this annual report.

A. Operating Results.**Overview**

In fiscal 2008, total gross revenues including finance revenues increased by 9.2% to Rs.412,587 million from Rs.377,753 million in fiscal 2007. We recorded a net income of Rs.14,206 million in fiscal 2008 from Rs.18,112 million in fiscal 2007, a decrease of 21.6%.

Automotive operations.

Automotive operations is our most significant segment, accounting for 91.9% and 89.9% respectively, of our total revenues before inter-segment eliminations and 89.5% and 78.1% respectively, of our operating income before inter-segment eliminations for fiscal 2007 and 2008. India is the most significant market for us, accounting for 89.4% and 88.8% of vehicle unit sales for fiscal 2007 and 2008, respectively, though we continue to focus on increasing the importance of our international operations. Our revenues from automotive operations increased 8.1% to Rs.331,967 million in fiscal 2008 compared to Rs. 307,113 million in fiscal 2007.

Our automotive operations includes:

- All activities relating to development, design, manufacture, assembly and sale of M&HCVs, LCVs, passenger cars and utility vehicles as well as related spare parts and accessories,
- Automotive component business, both captive and non-captive,
- Distribution and service of vehicles, and
- Financing of our vehicles.

The leading drivers of automotive business in India include GDP growth, industrial and infrastructure growth, increase in urbanization and personal disposable incomes. GDP growth, led by growth in industrial and agricultural sectors, is key to freight generation in the economy, which in turn drives the demand for the commercial vehicles, especially the goods carriers. Also, the ongoing road development programs in India, such as golden quadrilateral and the cross country road corridors, which are designed to connect not only the major cities of the country, but also the rural and interior parts of the country, are expected to improve the efficiency of both goods and passenger movement across the country through improved turnaround time, fuel efficiency and better logistic solutions. Also, the road development programs are expected to lead to a hub and spoke model of distribution, which in turn is expected to result in a structural shift in the commercial vehicle industry by moving the demand towards heavy and light commercial vehicles which cater to long-haul and end destination distribution respectively. Additionally, improved road infrastructure would also increase propensity to travel thus driving demand for passenger transportation.

Government regulations relating to emission norms, safety standards, scrapping of vehicles beyond a specified age, overloading and private participation in passenger transport and other areas impact the demand for commercial vehicles in the country.

Our presence across the major four wheel auto product categories, our low cost design and manufacturing capabilities and our expansive distribution and service network facilitate our market leadership in the auto industry in the country. Also, we are working towards the development of new products, in most segments of commercial vehicles and development of new platforms for mid size car and utility vehicle to compete effectively in the challenging competitive environment. Following the encouraging response to the ACE, which has created a niche for itself in the below-1 ton category of the commercial vehicle industry since the launch in May 2005, we have developed the Magic, a new passenger carrier on the same



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platform, to tap the potential of mass passenger transport in rural and urban regions. We have also developed the Tata Winger for intra-city and long-distance transportation needs. The Magic and Winger were launched in fiscal 2008. The successful introduction of such products has helped us to become the market leader in the LCV category in India.

Our subsidiary, TDCV, is not only helping us strengthen our position in the international markets but is also improving our technological capability in design and development of new products in commercial vehicle category. Further, the launch of medium commercial vehicles in the Korean market by TDCV has helped us to further consolidate our position in the South Korean market. Our joint venture in India with Marcopolo of Brazil, our 21% stake in Hispano and our 37.80% stake in our Indian associate company, Automobile Corporation of Goa, or ACGL, are expected to enhance our leadership position in the bus market through better technological capabilities in bus body building. Our joint venture with Fiat to manufacture passenger cars, engines and transmissions would provide us with access to world class car engine technology and is expected to help us to further strengthen our position in the passenger vehicle category. Further, TMETC provides us with design engineering support and development services, complementing and strengthening our skill sets.

Capacity utilization of our automotive facilities in India declined to 75.3% in fiscal 2008 from 85.7% in fiscal 2007, due to lower growth in sales coupled with new capacities, mainly Uttarakhand. The capacity utilization levels at TDCV increased from 42.7% in fiscal 2007 to 59.1% in fiscal 2008, The vehicle capacity utilization of our total automotive operations, including TDCV operations, declined to 74.9% in fiscal 2008 from 84.5% in fiscal 2007.

Our vehicle sales increased 1.3% to 597,148 units in fiscal 2008 from 589,482 units in fiscal 2007. In fiscal 2008, our market share of all four-wheel vehicles sold in India decreased marginally to 26.1% from 28.6% in fiscal 2007. During fiscal 2008, nearly 9.6 million automobiles were sold in India, a decline of 4.7% over the previous fiscal year, and 1.2 million automobiles were exported from India, an increase of 22.4% over the previous fiscal year. The Indian automotive industry including exports, declined 2.2% in fiscal 2008 partially due to the unavailability of vehicle credit, high interest rate and slower economic growth.

Our overall sales in international markets increased 6.4% to 66,601 units in fiscal 2008 as compared to 62,622 units in fiscal 2007. This was driven by sustained efforts towards a focused entry in to new export markets and also strengthening of our presence in existing markets. Key export markets for our automotive operations were south Africa, west Asia, Europe and south-east Asia. With a view to address the large pickup market of Thailand, we established a joint venture in that market with majority stake retained by us, which began operation towards the close of fiscal 2008 through launch of our new pick-up truck Xenon in that market. The company has also received approval from the government of Thailand for the 'Eco car' project in Thailand.

The auto-component business, which caters to both captive and external demand is expected to benefit from the growth in the automobile business in the country. During fiscal 2008 we transferred the intellectual property rights relating to the design of axles and transmissions to our captive auto component subsidiaries, HV Axles Ltd., HV Transmission Ltd and divested 15% of our equity stake in each of these subsidiaries so as to assist them in building their capabilities and diversify their customer base. These subsidiaries are expected to improve their revenues and profitability through internal growth, and we may consider opportunities to grow through mergers and acquisitions. In a recent development, 24% stake in our subsidiary company TACO was sold by us.

Tata Motors Finance Limited, or TMFL, was incorporated on June 1, 2006 as a wholly-owned subsidiary to support our vehicle financing and related activities. We seek to offer complete vehicle financing solutions in line with global best practices in the auto industry and we believe this business will provide a hedge against the cyclical nature of the automotive business in India together with enabling us to capture the life cycle value of the product.

Interest rate movements in the economy have a significant impact on vehicle financing operations. Despite an increase in interest rates during the latter half of fiscal 2008, our vehicle-financing registered a strong growth on the back of an increased focus in the business and aided us to combat the lack of sufficient vehicle credit availability in the Indian market.

Other Operations.

Our revenue from other operations was Rs.37,148 million in fiscal 2008, an increase of 37.5% from Rs.27,017 million in fiscal 2007. These revenues represent 8.1% and 10.1% of our total revenues, before inter-segment eliminations and 10.5% and 21.9% of our operating income in fiscal 2007 and 2008, respectively.

Geographical breakdown.

On a geographical basis, revenues from sales in India increased by 9.8% to Rs. 293,719 million in fiscal 2008 from Rs.267,419 million in fiscal 2007.



Our share of revenues earned from outside India has increased steadily over the last six years from 5.4% in fiscal 2003 to 19.6% in fiscal 2008, mainly as a result of our strategy to increase exports of our vehicles to new and existing markets in significant numbers and improved performance of our subsidiary in South Korea, TDCV. Successful operations of INCAT and its subsidiaries following acquisitions by TTL also facilitated a significant increase in our sales to international market. In future years, we expect that the proportion of our revenues earned from markets outside of India will increase significantly due to our acquisition of the Jaguar Land Rover business. See “– Recent Developments – Acquisition of the Jaguar Land Rover Business” for more information.

The following table sets forth our revenue from our Indian and international operations:

Revenue	Fiscal 2006		Fiscal 2007		Fiscal 2008	
	Rs in million	Rs in million	Rs in million	Percentage	Rs in million	Percentage
Within India	198,172	82.4%	267,419	80.7%	293,719	80.4%
Outside India	42,443	17.6%	64,106	19.3%	71,512	19.6%
Total	240,615		331,525		365,231	

The revenue from our exports has been increasing in the last three years as our products are increasingly finding acceptance in key markets such as South Africa, Turkey, Sri Lanka and Russia. We have been pursuing growth in various geographic areas through organic and inorganic means in our automotive and other business operations.

Vehicles manufactured by us, in India almost exclusively use components produced in India. Many of these components, including engines, transmissions and axles, are produced by us or our subsidiaries and affiliates, and the remaining parts are procured from various suppliers through our extensive supply chain. We import a limited number of specialized parts and components for our vehicles, as well as specialized grades of steel.

Our South Korean vehicles are assembled primarily from aggregates and components manufactured in South Korea. However, some major aggregates are sourced from the United States and various European component suppliers.

Significant Factors Influencing Our Results of Operations.

Our results of operations are dependent on a number of factors, including:

- *General economic conditions.* We, similar to the rest of the automotive industry, are substantially affected by general economic conditions. See Item 3.D “—Risk Factors—Risks associated with Our Business and the Automotive Industry”. General economic conditions, particularly in India, could have a significant adverse impact on our sales and results of operations.
- *Interest rates and availability of credit for vehicle purchases.* While interest rates in India steadily declined from the beginning of fiscal 2001 and credit finance for vehicle purchases became more widely available, interest rates in India began to increase since second half of fiscal 2006 and increased further during the latter part of fiscal 2007 and through fiscal 2008. For further discussion of our credit support programs, see Item 4.B “—Business Overview—Automotive Operations—Sales and Distribution of Vehicles”.
- *Excise duty and sales tax rates.* For a detailed discussion regarding tax rates applicable to us, please see Item 4.B “—Business Overview—Government Regulations—Excise Duty”.
- *Our competitive position in the market.* For a detailed discussion regarding our competitive position, see Item 4.B “—Business Overview—Automotive Operations—Competition”.
- *Cyclicality.* Our results of operations are also dependent on the cyclicality in demand in the automotive market, new government regulations, and, to a limited extent, to fluctuations in foreign currency rates.
- *Environmental Regulations.* There has been a greater emphasis on the emission and safety norms for the automobile industry by governments in the various countries in which we operate. Compliance with these norms will have a significant bearing on the costs and product life cycles in the automotive industry. For further details with respect to these regulations, please see Item 4.B “—Business Overview—Government Regulations—Emission and Safety”.



- *Foreign Currency Rates.* We are sensitive to fluctuations in foreign currency rates with respect to our import and export activities. Our consolidated financial results are affected by foreign currency exchange fluctuations through both translation risk and transaction risk. We have experienced and expect exchange losses / gains on our foreign currency denominated borrowings. Changes in foreign currency exchange rates may positively or negatively affect our revenues, results of operations and net income.
 - To the extent that our financial results for a particular period will be affected by changes in the prevailing exchange rates at the end of the period, such fluctuations may have a substantial impact on comparisons with prior periods. However, the translation effect is a reporting consideration and does not impact our underlying results of operations.
 - Transaction risk is the risk that the currency structure of our costs and liabilities will deviate from the currency structure of sales proceeds and assets. Transaction risk relates primarily to sales proceeds from our automotive business segment exports sales produced in India. However, we enter into commercial borrowings and other hedging instruments to address some of these transaction risks. These instruments enable us to reduce, but not eliminate, the impact of fluctuations in foreign currency rates. Please see Item 11. “—Quantitative and Qualitative Disclosures About Market Risk” for further detail.

Results of Operations.

The Indian economy remained in high growth phase but witnessed moderation in GDP growth to 9% in fiscal 2008 as compared to over 9% growth achieved in the previous two years. Substantial reduction in the availability of finance, high interest rates and low consumer confidence hindered growth in the automobile industry in fiscal 2008.

In fiscal 2008, we sold 597,148 units as compared to 589,428 units in fiscal 2007, representing an increase of 1.3%. Our domestic market share in the four wheel vehicle market in India was 26.1% in fiscal 2008, as compared to 28.6% in fiscal 2007. The volumes in the international business grew 6.4% to 66,601 units sold in fiscal 2008 compared to 62,622 units sold in fiscal 2007.

In India, we achieved all time high commercial vehicle sales of 312,935 vehicles in fiscal 2008, an increase of 4.2% over fiscal 2007. The M&HCV segment witnessed a decline in fiscal 2008, partially due to a levelling off of the one-time surge in demand we experienced in fiscal 2007, triggered by strict enforcement of overloading restrictions. Our performance in the M&HCV segment during fiscal 2008 was also affected by the lack of availability of vehicle finance from outside sources and constraints that we experienced in the earlier part of the year in our components and aggregates supply chain. We revamped our M&HCV portfolio during fiscal 2008 and introduced a wide range of new products such as multi-axle and heavy duty trucks, tractor trailers and fully built solutions in the second half of the year. We also secured a prestigious order from the Delhi Transport Corporation for 500 low-floor CNG propelled buses, the supply of which commenced during fiscal 2008.

Our growth in the LCV segment was mainly led by the sales of Ace and the new commercial passenger carriers Winger and Magic.

After six years of consecutive growth, our passenger vehicle sales decreased marginally by 4.6% to 217,612 vehicles, including sale of Fiat branded cars. Between the Tata and Fiat branded vehicles, we had a 14.2% share in the passenger vehicle market in India and maintained our position among the top three manufacturers in the Indian passenger vehicle market.

During the year, we launched the Indigo sedan and Indica with the Direct Injection Common Rail (DICOR) and Sumo Grande to an encouraging response. We also rolled out the one millionth passenger car off the Indica platform at our manufacturing plant in Pune, in its ninth year since the commencement of production of the Indica in January 1999. In August 2008, we launched the new generation of India's first and only fully indigenous car, the Indica Vista.

Under the joint venture with Marcopolo, a leading bus body manufacturing company from Brazil, we have begun the construction of the manufacturing facility at Karnataka, India to manufacture and assemble fully-built buses and coaches in India which we currently expect will enable us to improve production and technological capabilities in bus body building. The initial batch of vehicles under the joint venture has been supplied from our current manufacturing facility at Lucknow, India.

Following the formation of the joint venture with Thonburi Automotive Assembly Plant Co., or Thonburi, in which we own 70% equity stake, to manufacture pickup trucks in Thailand, we launched the Tata Xenon, with a 2.2-litre common-rail engine, to an encouraging response.



In June 2008, we also completed our acquisition of the Jaguar Land Rover business. See “– Recent Developments – Acquisition of the Jaguar Land Rover Business” for further details.

The following table sets forth selected items from our consolidated statements of income for the periods indicated and shows these items as a percentage of total revenues:

	Percentage of Total Revenues			Percentage Change	
	Fiscal 2006	Fiscal 2007	Fiscal 2008	2006 to 2007	2007 to 2008
Total Revenues	100%	100%	100%	37.8	10.2
Cost of sales	78.7	79.5	78.8	39.2	9.3
Selling, general and administrative expenses	11.0	10.7	12.0	34.0	22.8
Research and development expenses	1.9	1.8	2.7	29.1	64.6
Total operating expenses	13.0	12.5	14.7	33.2	28.8
Operating income	8.3	8.0	6.5	31.9	-10.4
Non-operating income	1.5	1.4	1.8	*36.4	*34.6
Interest income	0.3	0.2	0.5	-9.7	182.6
Interest expense	-1.5	-1.6	-2.9	45.6	94.1
Income before tax	8.5	8.0	5.8	28.8	-19.3
Income tax expense	-2.3	-2.4	-1.6	44.4	-27.3
Net income	6.2	5.5	3.9	20.7	-21.6
Cost of sales to Net sales (in %)	79.9	81.1	81.6	37.0	8.7

* Includes gain on shares issued by subsidiary companies and gain on sale of equity interest in subsidiary companies with respect to fiscal 2006 and 2008

The following table sets forth selected data regarding our automotive operations for the periods indicated and the percentage change from period to period.

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Percentage Change	
				2006 to 2007	2007 to 2008
Total Revenues (Rs.Millions)	224,753	307,113	331,967	36.6	8.1
Net Income (Rs.Millions)	14,861	17,249	13,105	16.1	-24.0
Net margin (%)	6.6	5.6	4.0		
India (Unit Sales)	403,906	526,806	530,547	30.4	0.7
Outside India (Unit Sales)	55,957	62,622	66,601	11.9	6.4
Market Share in India (%)	27.1	28.6	26.1		

The following table sets forth selected data regarding our other operations for the periods indicated and the percentage change from period to period.

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Percentage Change	
				2006 to 2007	2007 to 2008
Total Revenues (Rs.Millions)	18,061	27,017	37,148	49.6	37.5
Net Income (Rs.Millions)	385	1,064	1,841	176.4	73.0
Net margin (%)	2.1	3.9	5.0		

Cost Reduction:

We have been maintaining our cost advantage vis-à-vis foreign manufacturers who have entered the Indian market, by aggressively pursuing a number of cost reduction initiatives, including the following:-

- Outsourcing and procurement of major aggregates and sub-assemblies from approved vendors.
- Procurement of parts and consumables by e-sourcing and reverse auctions.
- Sourcing of raw materials and components from global sources.



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- Value engineering and the use of alternate and new materials.
- Adopting target costs, productivity and process improvements and rationalizing of our vendor base.

In the recent past, various input materials have shown significant escalation in price globally that may impact profitability of our operations. While we endeavour to offset the input cost pressure through various cost reduction initiatives mentioned above, we may be unable to fully mitigate the impact. In the coming years, the globalization of the auto component industry in India may give us an opportunity to get international quality components at local prices. The opening of the Indian economy may also give us an opportunity to establish a global supply chain for meeting our cost and quality targets.

Fiscal 2008 Compared to Fiscal 2007

Revenues.

Our total consolidated gross revenues including finance revenues was Rs. 412,587 million in fiscal 2008, an increase of Rs.34,834 million, or 9.2%, from Rs.377,753 million in fiscal 2007. The growth was driven by an increase in total vehicle volumes of 1.3%, improved realization per vehicle, and continued growth in our vehicle financing activity which resulted in a 8.1% increase in revenues from automotive operations. Further, growth in revenues of our key non-automotive subsidiaries, namely Telcon, which registered a 50.4% increase in its revenues and TTL which registered a 11.9% increase in its revenues during fiscal 2008.

Revenues from the domestic market for fiscal 2008 increased by 9.8% to Rs. 293,719 million in fiscal 2008 from Rs.267,419 million in fiscal 2007. Revenues from markets outside India increased by 11.6% to Rs.71,512 million in fiscal 2008 from Rs.64,106 million in fiscal 2007. This has been driven by our continued focus on improving our presence in international markets, through expansion of both our automotive and non-automotive businesses. We seek to continue to grow the proportion of revenues we derive from our international operations.

The following is a discussion of our revenues for each of our business segments.

Revenues from Automotive Operations.

Automotive operations constitute the largest proportion of our total revenues. Revenues from automotive operations increased by Rs. 24,854 million to Rs. 331,967 million, or 8.1%, from Rs. 307,113 million in fiscal 2007. This increase was primarily due to:

- 0.7% increase in domestic vehicle unit sales in India;
- Price increase in our vehicles;
- 6.4% increase in international sales of vehicles; and
- 77% increase in automotive financing revenues;

Domestic sales of vehicles produced by us during fiscal 2008 grew by 0.4% in a challenging market environment. While our commercial vehicle sales witnessed a growth of 4.2% supported largely by sales of Ace, Winger and Magic, our passenger vehicle sales declined, primarily due to new product launches by our competitors. In order to cater to requirements of customers in sectors such as mining, construction, logistics and road-works, we introduced a new range of M&HCVs during fiscal 2008, including multi-axle trucks, heavy-duty trucks, tractor-trailers, tippers and fully-built solutions such as tip-trailers and load bodies. The new and improved Safari, launched in October 2007, enabled Tata Safari brand to achieve its highest sales in fiscal 2008.

International sales continued to grow during fiscal 2008 as a result of company's focused initiatives to improve business in key markets such as SAARC, Africa etc as well as the growth in sales of MCVs in the South Korean market by TDCV.

Continued focus on the Auto Financing business facilitated increased growth of this business. "Tata Motors Finance", or TMF, the brand name under which our vehicle financing division and our wholly-owned subsidiary, Tata Motors Finance Limited, operate, financed 33.6% of our domestic sales in fiscal 2008 as compared to 31.4% of our vehicles sold in the domestic market in fiscal 2007.



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Revenues from Other Operations.

Revenues from our other operations increased by Rs.10,131 million or 37.5% to Rs.37,148 million in fiscal 2008 compared to Rs.27,017 million in fiscal 2007, mainly due to an increase in revenues of our significant non-automotive subsidiaries. In fiscal 2008, revenues of TTL and Telcon increased by 11.9% and 50.4%, respectively. Telcon continues to be the market leader in the excavator segment with a market share of 53% in India. Telcon's market share in the wheel loader and backhoe loader segment in India also improved from 10% in fiscal 2007 to 11.5% in fiscal 2008. Through the INCAT acquisition, TTL has gained access to various international clients for both its onsite business as well as the opportunity to expand its offshore business.

Cost of Sales and Operating Expenses

Cost of sales as a percentage of net sales has increased to 81.6% during fiscal 2008 from 81.1% for the fiscal 2007. The increase reflects primarily the combined impact of an increase in input prices, other increases in input costs and increase in the depreciation expenses relating to production equipment and factory overheads. The cost increases were partially offset by increased price realizations and cost reductions pursuant to our continued cost cutting efforts.

Selling, general and administrative (SGA) expenses as a percentage of total revenues increased to 12.0% during fiscal 2008 compared with 10.7% during fiscal 2007. SGA expenses increased by Rs.8,108 million to Rs.43,731 million in fiscal 2008 from Rs.35,623 million in fiscal 2007. This increase was partially due to an increase of Rs.981 million in outward shipping expenses along with publicity and advertising expenses during fiscal 2008. Further consequent to increase in the vehicle financing activity the SGA expenses have gone up.

Research and development expenses increased by 64.6% from Rs.6,018 million in fiscal 2007 to Rs.9,906 million in fiscal 2008, primarily as a result of our ongoing initiative towards design and development of new vehicle models across various product categories such as the Nano and the World Truck. As a percentage of total revenues, research and development expenses was 2.7% in fiscal 2008 compared to 1.8% in fiscal 2007.

Operating Income.

In fiscal 2008, our operating income declined by Rs.2,737 million to Rs.23,694 million in fiscal 2008 from Rs.26,431 million in fiscal 2007 mainly due to a increase in expenditure on research and development by Rs.3,888.3 million.

Operating income from automotive operations was Rs.18,489 million in fiscal 2008, a decline of Rs.5,118 million or 21.7% from Rs.23,607 million in fiscal 2007. Increase in cost of sales and research and development expenses mainly affected the operating margin from automotive operations in fiscal 2008.

Operating income from our other operations increased by Rs 2,393 million or 86.10% to Rs.5,172 million in fiscal 2008 from Rs.2,779 million in fiscal 2007. This increase was primarily due to an improvement in the income of our significant non-automotive subsidiaries, especially due to revenue growth in Telcon and TTL.

Other Income and Expenses.

We had total net non-operating expenses of Rs.2,386 million in fiscal 2008 as compared to total net non-operating expenses of Rs.40 million in fiscal 2007. In fiscal 2008, we had gain of Rs.1,255 million as compared to Rs. Nil in fiscal 2007, towards sale of equity interest in subsidiaries. Interest expense (net) increased from Rs.4,816 million in fiscal 2007 to Rs.8,816 million in fiscal 2008 mainly due to an increase in interest rates and increased borrowings to fund capital expenditure, investment in affiliates/ other investment and amount held for acquisition of Jaguar Land Rover.

Income Taxes.

Income tax expense declined to Rs.5,899 million in fiscal 2008 from Rs.8,113 million during fiscal 2007 mainly due to lower pre-tax income. The effective tax rate during fiscal 2008 was 27.7% in fiscal 2008 compared to 30.7% in fiscal 2007. The decline in effective tax rate is primarily on account of higher tax benefit on research and development expenses which was partially offset by increase in tax on undistributed earnings.

Minority Interest in Consolidated Subsidiaries and Equity in Earnings of Affiliates.

Share of minority interest in profits of consolidated subsidiaries in fiscal 2008 increased to Rs.1,148 million in fiscal 2008 as compared to Rs.719 million in fiscal 2007. The increase is on account of increased profitability of our subsidiaries such as Telcon and TTL during the fiscal 2008 and increase in minority consequent to the sale of 15% of our equity stake in HV Axles Ltd. and HV Transmissions Ltd.



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Equity in the net income of affiliates was loss of Rs.55 million during fiscal 2008, compared to an income of Rs.552 million during fiscal 2007. This change was primarily due to our proportionate share of loss in our affiliate, Fiat India Automobile Private Limited which began to set up operations during fiscal 2008 but has yet to operate at full scale.

Net Income.

Our consolidated net income for fiscal 2008 was Rs.14,206 million, representing a decline of 21.6% from Rs.18,112 million in fiscal 2007. This decline was the result of the following factors:

- Increased cost of sales
- Increase in selling general and administrative expenses
- Significant increase in research and development expenses;
- Increase in interest cost which was partially offset by gain on sale of equity interest in subsidiaries.

Net income from automotive operations has declined from Rs 17,249 million in fiscal 2007 to Rs 13,105 million in fiscal 2008.

Fiscal 2007 Compared to Fiscal 2006

Revenues.

Our total consolidated gross revenues including finance revenues increased to Rs.377,753 million in fiscal 2007 from Rs.276,080 million in fiscal 2006, an increase of Rs.101,673 million, or 36.8%. The growth was driven by an increase in total vehicle volumes of 28.2%, improved realization per vehicle and continued robust growth in our vehicle financing activity resulting in 36.6% increase in revenues from automotive operations. Further, growth in revenues of our key non-automotive subsidiaries, namely Telcon, which registered a 39.8% increase in its revenues during fiscal 2007 and TTL, which registered a 97% increase in its revenues during fiscal 2007, contributed to the increase in our gross revenues.

Revenues from the domestic market for fiscal 2007 increased by 34.9% to Rs.267,419 million from Rs.198,172 million while revenues from markets outside India increased by 51% to Rs.64,106 million from Rs.42,443 million in 2006. The proportion of total revenues from markets outside India has increased from 5.4% in fiscal 2003 to 19.3% in fiscal 2007. This has been driven by our continued focus on improving our presence in international markets, through expansion of both our automotive and non-automotive businesses. We seek to continue to grow the proportion of revenues we draw from international operations.

The following is a discussion of our revenues for each of our business segments.

Revenues from Automotive Operations.

Automotive operations with revenue of Rs.307,113 million generated the largest proportion of our total revenues. Revenues from this segment increased by Rs.82,360 million, or 36.6% from Rs.224,753 million in fiscal 2006. This increase was primarily due to:

- 30.4% increase in domestic vehicle unit sales in India;
- 6.5% increase in international sales of vehicles;
- 89% increase in automotive financing revenues and;
- Increase in revenues reported by automotive subsidiaries.

Domestic sales of vehicles produced by us during fiscal 2007 grew by 30.4%, crossing the half million vehicle sales mark in a year for the first time in our history. The increase was largely due to the continuing success of the Ace, the launch of Indica facelift, Indica Xeta (1.2 litre), Indigo XL and Indigo DICOR during the fiscal year and also due to the successful implementation of the ban on overloading of trucks in India. International sales continued to grow during fiscal 2007 as a result of our successful entry into South Africa and increased focus on other traditional export markets, as well as the growth in sales of MCVs in the South Korean market



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by TDCV. Continued focus on the Auto Financing business, following the merger of TFL with us, facilitated increased growth of this business. As of the end of fiscal 2007, "TataMotorfinance" ("TMF"), the brand name under which our vehicle financing division and our wholly-owned subsidiary, Tata Motors Finance Limited, operate, financed 31.0% of our domestic sales compared to 24.0% of our vehicles sold in the domestic market in fiscal 2006.

Revenues from Other Operations.

Revenues from our other operations increased by Rs.8,956 million or 49.6% to Rs.27,017 million in fiscal 2007 compared to the previous fiscal year, mainly due to an increase in revenues of significant non-automotive subsidiaries. In fiscal 2007, revenues of TTL and Telcon increased by 97.0% and 39.8%, respectively. Similarly, efficiencies derived from the acquisition of INCAT during fiscal 2006 helped increase the revenue growth of TTL.

Cost of Sales and Operating Expenses.

Cost of sales as a percentage of net sales has increased to 81.1% from 79.9%. The increase reflects primarily the combined impact of an increase in input prices, partially offset by the impact of continued cost cutting efforts. Also, an increase in depreciation expenses relating to production equipment and factory overheads as a result of capacity expansion and ongoing product development program contributed to the increase in cost of sales.

Selling, general and administrative expenses increased by Rs.9,037 million to Rs.35,623 million in fiscal 2007 from Rs.26,586 million in fiscal 2006. This was partially due to an increase in outward shipping expenses of Rs.8,549 million during fiscal 2007 as compared to Rs.6,092 million during fiscal 2006. Selling, general and administrative expenses as a percentage of total revenues decreased to 10.7% during fiscal 2007 compared with 11.0% during fiscal 2006.

Research and development expenses increased by 29.1% to Rs.6,018 million in fiscal 2007 from Rs.4,663 million in fiscal 2006 as a result of our ongoing initiative towards design and development of new vehicle models across all product categories, including the small car. As a percentage of total revenues, research and development expenses was 1.8% in fiscal 2007 compared to 1.9% in fiscal 2006.

Operating Income.

In fiscal 2007, our consolidated operating income increased by Rs.6,388 million to Rs.26,431 million from Rs.20,042 million in fiscal 2006.

Operating income from our automotive operations was Rs.23,607 million in fiscal 2007, an increase of Rs.4,685 million or 24.8% from Rs.18,922 million in fiscal 2006. Growth in sales volume by 28.2%, growth in vehicle financing revenues, cost reduction efforts, partly offset by increase in selling and general administration expenses in line with increase in volume and increase in research and development expenses contributed to the increase in operating income for fiscal 2007.

Operating income from our other operations increased by Rs.1,720 million or 162.3% to Rs.2,779 million in fiscal 2007 from Rs.1,059 million in fiscal 2006. This increase was primarily due to an improvement in the revenues of our key subsidiaries, especially Telcon (posting a 39.8% increase) and TTL (posting a 97% increase).

Other Income and Expenses.

We had total net non-operating expenses of Rs.40 million in fiscal 2007 as compared to a total net non-operating income of Rs.446 million in fiscal 2006. The interest expense (net) increased from Rs.3,055 million to Rs.4,816 million mainly due to increased financing requirements and increase in interest rates during fiscal 2007. This increase was offset by foreign exchange gains (net) Rs.1,856 million and increase in other non-operating income of Rs.951 million. Non-operating income for fiscal 2006 included Rs.1,532 million on account of gain of sale of equity interest in subsidiary.

Income Taxes

Income tax expense increased to Rs.8,113 million from Rs.5,618 million during fiscal 2007 mainly due to Increase in pre tax income. The effective tax rate during fiscal 2007 was 30.7% compared to 27.4% in fiscal 2006. Increase in tax rate is primarily on account of tax on undistributed earnings of subsidiaries and a tax benefit recorded in fiscal 2006 on sale of shares of a subsidiary company. The increase was partially offset by higher tax benefit on research and development and tax free dividend income.



Minority Interest in Consolidated Subsidiaries and Equity in Earnings of Affiliates.

Share of minority interest in profits of consolidated subsidiaries in fiscal 2007 increased to Rs.719 million compared to Rs.331 million in fiscal 2006. The increase is on account of profits attributable to minorities consequent to increased minority holding in Telcon from 20% to 40% in December 2005, coupled with higher profits of Telcon during the fiscal 2007.

Equity in the net income of affiliates was Rs.552 million during fiscal 2007, representing an increase of 17.2% from Rs.471 million during fiscal 2006. This change was primarily due to an increase in profits of our affiliate Tata Cummins Ltd.

Net Income.

Our consolidated net income for fiscal 2007 was Rs.18,112 million, representing an increase of 20.7% from Rs.15,011 million fiscal 2006. This increase was the result of:

- 28.2% increase in vehicle unit sales in fiscal 2007 compared to fiscal 2006.
- Continued cost reductions, which were partially offset by an increase in input commodity prices. Prices of commodity items, particularly steel, non-ferrous metals, rubber and engineering plastics, witnessed an upward movement, which was partially offset by the cost reduction initiatives pursued by the company. Consequently, our raw material cost as a proportion of our total revenues increased to 62.6% in fiscal 2007 from 62.4% in fiscal 2006.
- 31.9% increase in operating income from Rs.20,042 million in fiscal 2006 to Rs.26,431 million in fiscal 2007, which was the result of an increase of 24.8% and 162.3% of the operating income of our automotive operations and other operations, respectively.

Net income as a percentage of total revenues declined to 5.5% in fiscal 2007 from 6.2% in fiscal 2006.

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS 157 Fair Valuation Measurement which provides a definition of fair value, establishes a framework for measuring fair value and requires expanded disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The provisions of SFAS 157 should be applied prospectively. In February 2008, the FASB issued FASB Staff Position No. SFAS 157-2 (FSP FAS 157-2) which delays the effective date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). This FSP partially defers the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 for items within the scope of this FSP. The company is evaluating the application of this statement.

In February 2007, the FASB issued SFAS 159, The Fair Value Option for Financial Assets and Financial Liabilities. SFAS 159 permits measurement of recognized financial assets and liabilities at fair value with certain exceptions such as investments in subsidiaries, obligations for pension or other postretirement benefits, and financial assets and financial liabilities recognized under leases. Changes in the fair value of items for which the fair value option is elected should be recognized in income or loss. The election to measure eligible items at fair value is irrevocable and can only be made at defined election dates or events, generally on an instrument by instrument basis. Items for which the fair value option is elected should be separately presented or parenthetically be disclosed in the statement of financial position. SFAS 159 also requires significant new disclosures that apply for interim and annual financial statements. SFAS 159 shall be effective for fiscal years beginning after November 15, 2007 with earlier adoption permitted, if certain conditions are met. The company is evaluating the application of this statement.

In December 2007, FASB issued SFAS No. 141(R), Business Combinations ("SFAS 141(R)", which establishes principles and requirements for how the acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed, any noncontrolling interest, and the goodwill acquired in a business combination or a gain from a bargain purchase. Also, SFAS 141(R) provides several new disclosure requirements that enable users of the financial statements to evaluate the nature and financial effects of the business combination. This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The company is evaluating the application of this statement.



In December 2007, FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51 (“FAS 160”). SFAS 160 amends the guidance in Accounting Research Bulletin (“ARB”) No. 51, Consolidated Financial Statements (“ARB 51”), to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective for fiscal year beginning on or after December 15, 2008. The presentation and disclosure requirements shall be applied retrospectively for all periods presented in the consolidated financial statements in which SFAS 160 is initially applied. The company is evaluating the application of this statement.

In March 2008, FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133 (“SFAS 161”). SFAS 161 changes and enhances the current disclosure requirements for derivative instruments and hedging activities under SFAS 133. SFAS 161 is effective for financial statements for fiscal years beginning after November 15, 2008. The company is evaluating the application of this statement.

In May 2008, the FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles. The new standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles (GAAP) for non-governmental entities. SFAS No. 162 is effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board (“PCAOB”) amendments to AU Section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.

Critical Accounting Policies.

The preparation of our consolidated financial statements in conformity with US GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we evaluate and reevaluate our estimates, which are based on historical experience, industry standards, economic conditions and various other assumptions that we believe are reasonable based on currently available information. The results of these evaluations and reevaluations form the basis for our judgments about the carrying values of our assets and liabilities and the reported amounts of our revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates, and these estimates could differ under different assumptions. We believe the following accounting policies are important to our financial condition and results and require the most significant management judgments and estimates.

Property, plant and equipment.

Property, plant and equipment is stated at cost of acquisition or construction less accumulated depreciation. Cost includes the purchase price, taxes and duties, labor cost and direct overheads for self constructed assets, interest cost during the construction period and other direct costs incurred up to the date the asset is available for use.

Depreciation is charged on a straight line basis over the estimated useful lives of the assets.

We review estimated useful lives on an ongoing basis to ensure that they are appropriate. We test our long-lived assets for impairment using undiscounted cash flows whenever events or circumstances arise that may indicate impairment. If a long lived asset is impaired, it is written down to its estimated fair value. Any assets which relate to discontinued or obsolete vehicle models are written off.

Product Warranty

Vehicle warranties are provided for a specified period of time. Our vehicle warranty obligations vary depending upon the type of the product, geographical location of its sale and other factors.

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

Changes in warranty liability as a result of changes in estimated future warranty costs and any additional costs in excess of estimated costs can materially affect our net income. Determination of warranty liability is based on the estimated frequency and amount of future claims, which are inherently uncertain. Our policy is to continuously monitor warranty liabilities to determine the adequacy of our estimate of such liabilities. Actual claims incurred in the future may differ from our original estimates, which may materially affect warranty expense.



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Employee Benefits.

Employee benefit costs and obligations are dependent on assumptions used in calculating such amounts. These assumptions include salary increase, discount rates, health care cost trend rates, benefits earned, interest cost, expected return on plan assets, mortality rates and other factors.

While we believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our employee benefit costs and obligations.

Finance Receivables, deferred origination costs and allowance for credit losses.

We finance vehicle sales with hire purchase and loan financing provided to our dealers' customers. Finance receivables are reported at their outstanding unpaid principal balance reduced by a valuation allowance.

Origination fees and certain direct origination costs are deferred and amortized as an adjustment to the yield of the related finance receivable.

We recognize specific and unallocated allowance for credit losses for finance receivables, based on our best estimate of losses inherent in the finance receivable portfolio.

The Company provides a specific allowance for credit losses for hire purchase and loan receivables that are in arrears for eleven months and six months or more, respectively, in an amount equivalent to the outstanding principal and interest balance.

B. Liquidity and Capital Resources.

We finance our capital requirements by cash from operations, debt, capital market borrowings and sale of investments. As of March 31, 2008 our borrowings (including short term debt) were Rs.127,805.3 million. We believe that we have sufficient resources available to us to meet our planned capital requirements. However, our sources of funding could be adversely affected by an economic slowdown or other macro economic factors in India, which are beyond our control. A decrease in the demand for our products and services could lead to an inability to obtain funds from external sources on acceptable terms or in a timely manner, or at all. For our loan maturity profile, see "— Liabilities and Sources of Financing".

Subsequent to March 31, 2008 our shareholders by means of Postal Ballot Notice dated June 5, 2008 (the results were announced on July 14, 2008), approved of the increase in borrowing limits (apart from temporary loans obtained or to be obtained from our bankers in the ordinary course of business) from Rs.120 billion to Rs.200 billion. By means of the same Postal Ballot Notice dated June 5, 2008, our shareholders also approved of our proposal to raise up to Rs.72 billion through three simultaneous but unlinked rights issues. Please refer to "—Recent Developments—Proposed Repayment of Bridge Financing Facility by Way of Long Term Funding Plans" for more information about our Long Term Funding Plans.

Cash Flow Data

The following table sets forth selected items from our consolidated statements of cash flows for the periods indicated and shows the percentage change between periods.

	Rs in millions			Percentage Change	
	2006	2007	2008	2006 to 2007	2007 to 2008
Net Cash provided by Operating Activities:	5,666	17,498	35,484	208.9%	102.8%
Net Income	15,011	18,112	14,206		
Adjustments	5,254	7,887	6,670		
Changes in Operating Assets and Liabilities	(14,599)	(8,501)	14,608		
Net Cash used in Investing Activities	9,050	53,964	74,019	496.3%	37.2%
Purchase of Property, Plant and Equipment and Intangible Assets (Net)	10,539	24,236	42,235		
Net Investments, Short Term deposits and Loans given	(20,215)	(6,155)	28,659		
Acquisitions	4,304	—	90		
Finance Receivables (net of proceeds from sale)	14,611	36,333	(7,851)		
Restricted deposits with Banks			11,224		
Others	(189)	(450)	(338)		
Net Cash provided by Financing Activities	4,450	38,474	43,646	764.5%	13.4%
Equity Issuance (Net of issue expenses)	259	(1)	(0.1)		
Proceeds from issue of shares by a subsidiary to minority shareholders	415	162	351		
Dividends Paid (including to minority shareholders of subsidiaries)	(5,275)	(5,830)	(7,016)		



Net Borrowings	9,051	44,143	50,311
	40		



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See consolidated statement of cash flows on Pages F-6 and F-7 for details.

Net cash provided by operating activities was Rs.5,666 million, Rs.17,498 million and Rs. 35,484 million in fiscals 2006, 2007 and 2008, respectively.

Cash provided by operating activities in 2008 was Rs. 35,484.0 million. The following factors contributed to cash increase on account of change in operating assets and liabilities of Rs. 14,608 million in 2008.

- an increase of acceptances by Rs. 17,118.9 million is mainly due to increase in credit period;
- an increase in accounts payable by Rs. 8,010.2 million is due to increase in sales/manufacturing activity.
- an increase in accrued expenses and other liability by Rs. 3,721.4 million is mainly due to increase in product warranty expenses and increase in employee compensated absences cost.

The positive factors described above were partially offset by:

- an increase of inventories by Rs. 968.2 million, which was mainly due to increase in manufacturing activity relating to our subsidiary Telcon's construction equipment business;
- an increase of accounts receivable by Rs. 9,870.5 million due to increase in sales to state/municipal transport undertakings and government undertakings and increase in export receivables.

Net cash used in investing activities was Rs.9,050 million, Rs.53,964 million and Rs. 74,019 million and in fiscal 2006, 2007 and 2008, respectively. During fiscal 2008, cash used in investing activities was primarily towards increase in capital expenditure relating mostly to a capacity expansion of our production facilities and setting up of new plants at Uttarakhand and Singur, introduction of new products, quality and reliability improvement aimed at operating cost reductions. Cash outflow on account of capital expenditures for property, plant and equipment were Rs.10,355 million, Rs.24,122 million and Rs.41,642 million in fiscal 2006, 2007 and 2008, respectively. The company has made strategic investment in affiliates Rs.7,565 million and has held Rs. 11,224 million in bank deposits for funding acquisition of Jaguar Land Rover business.

There was a net cash inflow from financing activities of Rs 4,450 million, Rs.38,474 million and, Rs.43,646 million and during fiscals 2006, 2007 and 2008, respectively. During fiscal 2008, we repaid long term debt of Rs.9,280 million, and Rs.40,707.9 million was received from proceeds related to the issue of long term debt. Proceeds from loans were primarily raised through Zero Coupon Convertible Alternative Reference Securities due 2012 (USD).

Certain of our subsidiaries and equity method affiliates have contractual and other limitations in respect of their ability to transfer funds to us in the form of cash dividends, loans or advances. However this has not had and is not expected to have any impact on our ability to meet our cash obligations.



Balance Sheet Data

Total assets were Rs. 369,279 million and Rs.271,015 million as of March 31, 2008 and 2007, respectively. The increase in total assets during fiscal 2008 was primarily due to a significant increase property, plant and equipment on account of our capital expenditure program, non-current investments, other non-current assets and restricted deposits with banks.

Total shareholders' equity was Rs.105,264 million and Rs.91,369 million as of March 31, 2008 and 2007, respectively. Share capital increased from Rs.3,854 million as of March 31, 2007 to Rs.3,855 million as of March 31, 2008 and additional paid-in- capital increased marginally from Rs.39,711 million as of March 31, 2007 to Rs.39,779 million as of March 31,2008. The increase was attributable to the conversion of outstanding convertible debt securities. As of March 31, 2008, an aggregate of 99.94% of our issued \$100 million 1% Convertible Notes due 2008 and 95.59% of our issued \$100 million Zero Coupon Convertible Notes due 2009 were converted into ADSs/ordinary shares. Retained earnings were Rs.39,125 million and Rs.32,135 million as of March 31, 2008 and March 31, 2007, respectively.

Our total debt stood at Rs. 127,805 million as of March 31, 2008 compared to Rs.79,137 million as of March 31, 2007 while the short term debt relates to increased working capital needs, the long term debt has increased to fund the capital expenditure and investment requirements. The short term debt, excluding the current portion of the long-term debt, was Rs 54,042 million as of March 31, 2008 compared to Rs.33,145 million as of March 31, 2007, while including the current portion of long-term debt, the short-term debt was Rs. 69,013 million as of March 31, 2008 compared to Rs.38,902 million as of March 31, 2007. The long-term debt, excluding the current portion, increased from Rs.40,235 million as of March 31, 2007 to Rs. 58,793 million as of March 31,2008.

Current liabilities other than short-term debt increased by Rs.33,110 million in fiscal 2008 compared to fiscal 2007 due to increase in acceptances, accounts payable and accrued expenses and other current liabilities. The increase in accounts payable and acceptances was due to extended credit period. Other accrued expenses increased mainly due to acquisition expenses and debt issue cost of Rs.3,871.3 million incurred for the acquisition of Jaguar and Land Rover business. See "Recent Developments —Acquisition of the Jaguar Land Rover Business" for more details.

As of March 31, 2008, we had cash and cash equivalents of Rs.11,395 million of which Rs.954 million is held in foreign currencies compared to Rs.7,653 million of which Rs.997 million was held in foreign currencies as of March 31, 2007. Short-term bank deposits were Rs.13 million and Rs.173 million as of March 31, 2008 and March 31, 2007 respectively.

Gross accounts receivables increased by 46.5% during fiscal 2008 by Rs. 9,317 million to Rs.29,348 million as of March 31, 2008 due to higher value of products sold and dues from certain government customers and higher export receivables.

Gross finance receivables (including non-current receivables) stood at Rs 76,325 million as of March 31,2008 compared to Rs. 83,588 million as of March 31, 2007. This decrease was primarily due to transfer of finance receivables during the fiscal 2008.

As of March 31, 2008, inventories stood at Rs.34,340 million compared to Rs.33,923 million as of March 31, 2007 primarily reflecting an increase in prices of commodities, especially steel and non-ferrous metals, inventory of raw materials and components increased during the fiscal year. Inventory number of days decreased to 31 days from 33 days in fiscal 2007.

Our investment portfolio increased from Rs.22,258 million as of March 31, 2007 to Rs.41,228 million as of March 31, 2008. primarily due to the purchase of available-for-sale investments and increase in fair values thereof. As of March 31, 2008, goodwill and intangible assets stood at Rs.10,083 million compared to Rs.10,229 million as of March 31, 2007.

Equity in affiliates increased from Rs.2,690 million as of March 31, 2007 to Rs.9,935 million as of March 31, 2008. The increase is mainly due to additional investment made in FIAPL and ACGL during fiscal 2008.

Capital Expenditure

Capital expenditure aggregated Rs.42,707 million, Rs.25,277 million and Rs.10,734 million during fiscals 2008, 2007 and 2006, respectively. Our capital expenditures during the past three years have related mostly to capacity expansion of our production facilities, the introduction of new products such as the Tata Ace, Magic, Winger and Sumo Grande, quality and reliability improvements aimed at operating cost reductions.

We will continue to invest in our business units and research and development over the next several years, including committed capital expenditures for our ongoing projects, new projects, product development programs, mergers, acquisitions and strategic alliances. In particular, we have been implementing a program to build and expand our presence in the passenger vehicle market and to expand and enhance our leading position in the Indian commercial vehicle market, both by improving our existing product range and developing new products and platforms.



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We intend to continue to invest in our business units and research and development over the next several years in order to improve our existing product range and developing new products and platforms to build and expand our presence in the passenger vehicle and commercial vehicle categories. We believe this would strengthen our position in India and help us to grow our presence in select international markets.

As a part of this future growth strategy, we also plan to make investments in product development, capital expenditure in capacity enhancement, plant renewal and modernization and to pursue other growth opportunities. These expenditures are expected to be funded largely through cash generated from operations, existing investible surplus in the form of cash and cash equivalents, investment securities and other external financing sources.

Liabilities and Sources of Financing

We fund our short-term working capital requirements with cash generated from operations, overdraft facilities with banks, short and medium term borrowings from lending institutions, banks and commercial paper. The maturities of these short and medium term borrowings and debentures are generally matched to particular cash flow requirements. We had short-term borrowings (including the current portion of long-term debt) of Rs. 69,013 million and Rs.38,902 million as of March 31, 2008 and 2007, respectively. We had unused short-term credit facilities of Rs.41,052 million and Rs.19,871 million as of March 31, 2008 and 2007, respectively.

In July 2003, we raised US\$ 100 million through an offering of 1% convertible notes, due in 2008. The notes are convertible into ordinary shares or global depositary shares, at the option of the holder, at a price of Rs.250.745 per ordinary share. The notes are subject to redemption at our option any time after July 31, 2006. Unless previously converted, redeemed or purchased and cancelled, the Notes are redeemable on July 31, 2008 at 116.824% of the principal amount. US\$ 0.06 million of these notes were outstanding as on March 31, 2008. Subsequently, on maturity these outstanding notes were redeemed.

On April 27, 2004, we raised US\$400 million through a two-tranche offering of zero coupon and 1% convertible notes due in 2009 and 2011, respectively. The US\$100 million zero coupon notes, due in 2009, are convertible into ordinary shares or global depositary shares at a price of Rs.573.106 per share, subject to adjustment, from and including June 7, 2004 to and including March 28, 2009 and are subject to redemption at our option any time on or after April 27, 2005. The US\$300 million 1% notes, due in 2011, are convertible into ordinary shares or depositary shares at a price of Rs.780.400 per share, subject to adjustment, from and including June 7, 2004 to and including March 28, 2011. For each tranche, there is a fixed rate of exchange of on conversion of Rs.43.85 = US\$ 1.00. US\$ 4.4 million of the \$100 million zero coupon notes, due in 2009, were outstanding as on March 31, 2008. None of the US\$ 300 million 1% notes, due in 2011 were converted prior to March 31, 2008.

On March 20, 2006, we issued an aggregate principal amount of JP¥ 11,760 million (Rs.4,500.3 million) of Zero Coupon Convertible Notes due on March 21, 2011, resulting in proceeds to us of US\$100 million. The noteholders have an option to convert these notes into ordinary shares or ADSs at an initial conversion price of Rs.1,001.39 per share with a fixed rate of exchange on conversion of Rs.1.00 per JP¥ 2.66, from and including May 2, 2006 to and including February 19, 2011. The conversion price will be subject to certain adjustments. Further, we have a right to redeem in whole, but not in part, these notes at any time on or after March 20, 2009 but prior to February 8, 2011, subject to certain conditions. Unless previously converted, redeemed or purchased and cancelled, these notes will be due for redemption on March 21, 2011, at 99.253% of the principal amount. None of these notes were converted prior to March 31, 2008.

On July 12, 2007, we issued an aggregate principal amount of US\$ 490 million (Rs.19,927.08 million) of zero coupon Convertible Alternative Reference Securities ("CARS") due on July 12, 2012. The noteholders have an option to convert these notes (i) in the event there has been a Qualifying Issue (as defined in the Indenture relating to the CARS) by the time of conversion, into Qualified Securities ("QSs"), or (ii) in the event that there has not been a Qualifying Issue by the time of conversion or there has been a Qualifying Issue but we notify the holders of the CARS (the "Holders") that the CARS are no longer convertible into QSs, into our newly issued ordinary shares or ADSs at the option of the Holders. The conversion may be made by the Holders at any time during the period from and including October 11, 2011 to and including June 12, 2012 at an initial conversion price (the "Conversion Price") of Rs.960.96 per share (equivalent to US\$ 23.67 at a fixed rate of exchange on conversion of Rs.40.59 = US\$ 1.00 (the "Fixed Conversion Rate")). The conversion ratio is subject to adjustment in certain circumstances. Further, we have a right to redeem in whole, but not in part, these notes at any time on or after October 11, 2011, subject to certain conditions. Unless previously converted, redeemed or purchased and cancelled, these notes will be due for redemption on July 12, 2012, at 131.82% of the principal amount.

Subsequent to the Balance Sheet date the company has availed short term finance facility of US\$ 3 billion with a consortium of banks for Jaguar and Land Rover acquisition. For detailed discussion, see "– Recent Developments – Acquisition of Jaguar Land Rover Business".

Our ability to incur additional debt in the future is subject to a variety of uncertainties including, among other things, the amount of capital that other Indian entities may seek to raise in the domestic and foreign capital markets, economic and other conditions in India that may affect investor demand for our securities and those of other Indian entities, the liquidity of Indian capital markets and our financial condition and results of operations.





The following table sets forth our short-term and long-term debt position:

	<u>Fiscal 2007</u>	<u>Fiscal 2008</u>
	(Rs. in millions)	
Total short-term debt (excluding current portion of long-term debt)	33,145	54,042
Total current portion of long-term debt	5,757	14,971
Long-term debt net of current portion	40,235	58,792
Total Debt	79,137	127,805

During fiscal 2008 and 2007, the effective weighted average interest rate on our long-term debt was 6.47% and 4.84% per annum, respectively.

As of March 31, 2008, approximately 31.83% of our long-term debt was denominated in rupees and the balance was denominated in dollars and other non-rupee currencies. During fiscal 2008, our effective cost of borrowing increased due to increase in interest rates in India during the fiscal year.

The following table sets forth a summary of the maturity profile for our outstanding long-term debt obligations as of March 31, 2008

<u>Payments Due by Period</u>	<u>Rs. in millions</u>
Within one year	14,971
After one and up to two years	12,910
After two and up to five years	45,873
After five and up to ten years	9
Total	73,763

Some of the long-term debt agreements contain financial covenants that require us to satisfy and/or maintain financial tests and ratios on a non-consolidated basis under Indian GAAP, including debt service coverage ratios, long term debt to equity ratios, minimum net worth and external liabilities to net worth ratios and maintaining non-performing assets of less than 3% of finance receivables. The terms of certain of our long-term debt agreements require us to obtain prior consent for certain specified actions including amendment of our charter documents and for creation of any lien on our properties other than for specified purposes.

As a result of our increase in our long-term debt during fiscal 2008 as compared to fiscal 2007, the ratio of net debt to shareholders' equity (total debt less cash and cash equivalents and liquid marketable securities divided by total shareholders' equity) under US GAAP increased from 0.77 as of March 31, 2007 to 1.1 as of March 31, 2008, respectively. Details of the calculation of this ratio are set forth in Exhibit 7.1 to this annual report.

The following table sets forth our contingent liabilities as of the dates indicated.

	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>	<u>Fiscal 2008</u>
	(Rs. in millions)		
Income Tax	2,837	6,342	4,564
Excise duties	479	869	1,062
Sales tax	1,907	2,463	3,138
Other taxes and claims ⁽¹⁾	1,179	1,161	1,208
Other contingencies ⁽²⁾	24,184	58,083	63,611
Total	30,586	68,918	73,583

(1) Other taxes and claims include claims by other revenue authorities and distributors. See Item 4.B "—Business Overview — Legal Proceedings", of this annual report.

(2) Other contingencies consisted of:

- Rs.6,522 million, Rs.5,700 million and Rs. Nil in fiscal 2006, 2007 and 2008, respectively, with respect to liabilities for bills discounted and export sales on deferred credit,
- Rs.5,113 million, Rs.11,767 million and Rs. 27,879 million in fiscal 2006, 2007 and 2008, respectively, with respect to other guarantees, including with respect to receivables assigned by way of securitization, and
- Rs.12,549 million, Rs.40,616 million and Rs.35,732 million in fiscal 2006, 2007 and 2008, respectively, with respect to executory contracts on capital accounts not otherwise provided for.



On an ongoing basis, our legal department reviews pending cases, claims by third parties against us and other contingencies. For the purposes of financial reporting, we periodically classify these matters into gain contingencies and loss contingencies. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable. For loss contingencies that are considered probable, an estimated loss is recorded as an accrual in our accounts and, if the matter is material, the estimated loss is disclosed in our financial statements. We do not consider any of these matters to be individually sufficiently material to warrant disclosure in our financial statements. Loss contingencies that are considered reasonably possible are not provided for in our accounts, but if we consider such contingencies to be material, individually or in the aggregate, they are disclosed in our financial statements. Most loss contingencies are classified as reasonably possible unless clearly frivolous, in which case they are classified as remote and are monitored by our legal department on an ongoing basis for possible deterioration. We do not disclose remote matters in our financial statements. See note 23 of our audited consolidated financial statements for additional information regarding our material claims and contingencies.

Since fiscal 1997, we have benefited from participation in the Export Promotion Capital Goods Scheme, or the EPCG Scheme, which permits us to import capital equipment under a special license at a substantially reduced customs duty, subject to us fulfilling an obligation to export goods manufactured or produced by the use of capital equipment imported under the EPCG Scheme to the value of a multiple of the cost insurance and freight value of these imports or customs duty saved, over a period of 8 or 12 years from the date of obtaining the special license. We currently hold 44 licenses that require us to export our products of a value of approximately Rs.88.47 billion between 2002 and 2015, and we carefully monitor our progress in meeting our incremental milestones. After fulfilling some of the export obligations, the remaining obligation to exports products of value is Rs.52.91 billion by March 2015. In the event that the export obligation under the EPCG Scheme is not fulfilled, we would have to pay the differential between the reduced and normal duty on the goods imported along with interest. In view of our past record of exceeding our export milestones, and our current plans with respect to our export markets, we do not currently foresee any impediments to meeting our export obligations in the required time frame.

Finance Receivables

In fiscal 2008 and fiscal 2007, 34% and 31%, respectively, of our sales volumes were financed under hire-purchase/loan contracts to our dealer's customers. As of March 31, 2008 and 2007, our customer finance receivable portfolio was comprised 528,307 and 383,783 contracts, respectively, with gross finance receivable of approximately Rs.203,673 million, and Rs.157,330 million respectively. We follow specified internal procedures including quantitative guidelines for selection of our finance customers to assist in managing default and repayment risk in our portfolio. We originate all the contracts through our authorized dealers and direct marketing agents with whom we have agreements. All our marketing, sales and collection activities are undertaken through dealers or directly by us including our division known as Tata Motorfinance and our subsidiary company Tata Motors Finance Limited.

We securitize or sell most of our finance receivables in the normal course of business. We undertake a sale of the receivables in respect of finance agreements due from pools of purchasers. The constitution of these pools is based on criteria that are decided by credit rating agencies and/or based on the advice that we receive as to the marketability of a pool. We undertake these securitizations of our receivables in either or both of the following forms:

- assignment of the receivables due from purchasers under hire-purchase / loan agreements; and
- securitization of receivables due from purchasers by means of private placement.

We act as collection agent on behalf of the investors, representatives, special purpose vehicles or banks in whose favor the receivables assigned, for the purpose of collecting receivables from the purchasers on the terms and conditions contained in the applicable deeds of securitization in respect of which pass-through certificates are issued to investors in case of special purpose vehicles, or SPVs. We also secure the payments to be made by the purchasers of amounts constituting the receivables under the hire-purchase/loan agreements to the extent specified by rating agencies by any one or all of the following methods:

- by furnishing to the investors collateral, in respect of the obligations of the purchasers and the undertakings to be provided by us;
- by furnishing, in favor of the investors, 10% to 30% of the gross receivables as cash collateral either by way of a fixed deposit or bank guarantee to secure the obligations of the purchasers and our obligations as the collection agent, based on the quality of receivables and rating assigned to the individual pool of receivables by the rating agency (ies); and
- by way of over-collateralization or by investing in subordinate pass-through certificates to secure the obligations of the purchasers.



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The following table sets forth details of the transfer of finance receivables undertaken by us as of the periods indicated:

	<u>Fiscal 2007</u>	<u>Fiscal 2008</u>
	<u>(Rs. million)</u>	
Securitized value	122,967	218,635
Balance payable	59,847	111,345
Overdue as a % of amount securitized	2.2%	1.7%

Recent Developments.

Acquisition of the Jaguar Land Rover Business

On June 2, 2008, we completed the acquisition of Jaguar Land Rover from Ford for a purchase consideration of US\$ 2.3 billion in an all cash transaction. Jaguar Land Rover is a global premium automotive business which designs, engineers and manufactures Jaguar luxury performance cars and Land Rover premium all-terrain vehicles. Jaguar Land Rover produces nine vehicle lines with sales of 288,544 units for the year ended December 31, 2007 and operates three vehicle manufacturing facilities in the United Kingdom and employs about 16,000 employees. The purchase consideration was paid by our indirect subsidiary, JaguarLandRover Limited. As part of the acquisition, we acquired the global businesses relating to Jaguar Land Rover including three major manufacturing facilities and two advanced design and engineering facilities in the United Kingdom, 26 national sales companies throughout the world, intellectual property rights including perpetual royalty free licenses, brands and trademarks and a minimum capital allowance of approximately US\$ 1.1 billion. Ford contributed US\$ 600 million to the Jaguar Land Rover pension plans prior to the acquisition. The acquisition was made on a cash free, debt-free basis.

The strengths of Jaguar Land Rover include its internationally recognized brands, strong product portfolio of award winning luxury performance cars and premium all-terrain vehicles, brand specific global distribution network, strong research and development capabilities, and a strong management team which has strengthened its business operations. We anticipate that our acquisition and operation of Jaguar Land Rover will result in benefits to us, including (i) immediate entry to the luxury performance car and premium all-terrain vehicle segments; (ii) an improvement in our global market position through a combination of resources and strengths; (iii) strengthening of technological and product development/ innovation capabilities to address changing market trends; (iv) sharing of best practices in manufacturing and quality assurance systems and processes; (v) enhanced human capital and managerial talent; and (vi) potential operational synergies.



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The purchase consideration of US\$ 2.3 billion paid by JaguarLandRover Limited was financed through a capital contribution of US\$ 400 million and a portion of the proceeds from a US\$ 3,000 million short term bridge loan facility extended to JaguarLandRover Limited. In addition to the purchase consideration, US\$ 100 million was paid by our subsidiary, TML Holdings Pte. Limited, towards fees and other acquisition expenses consisting of legal and advisory fees, due diligence and related expenses, structuring fees, underwriters fees and other expenses in relation to the short term bridge loan, and other acquisition related expenses.

The US\$ 3,000 million short term bridge loan facility extended to JaguarLandRover Limited in connection with the acquisition of Jaguar Land Rover was pursuant to a credit facility agreement dated March 13, 2008 with an initial group of lenders including the Bank of Tokyo-Mitsubishi UFJ Limited, Citigroup Global Markets Asia Limited, ING Bank N.V., Singapore Branch, J.P. Morgan Securities (Asia Pacific) Limited, Mizuho Corporate Bank Limited, Standard Chartered Bank, State Bank of India and BNP Paribas, Singapore Branch. TML and TML Holdings Pte Limited are also party to the aforementioned credit facility agreement. In addition to the US\$ 1,900 million borrowed by JaguarLandRover Limited to fund a portion of the purchase consideration for the acquisition of the Jaguar Land Rover businesses, US\$ 700 million of the proceeds from the short term bridge loan were utilized as a working capital loan to Jaguar Land Rover. The balance of the proceeds from the short term bridge loan are intended to be utilized by JaguarLandRover Limited towards the ongoing requirements of Jaguar Land Rover.

As part of the transaction, Ford has entered into long term agreements with Jaguar Land Rover to ensure the smooth transition of Jaguar Land Rover from Ford. In this regard,

1. Long term agreements have been entered with Ford for technology sharing and joint development providing technical support across a range of technologies focused mainly around powertrain engineering such that Jaguar Land Rover may continue to operate according to its existing business plan;
2. Supply Agreements, ranging for a duration of seven to nine years, were entered into with Ford for (i) the long term supply of engines developed by Ford, (ii) engines developed by Jaguar Land Rover but manufactured at Ford plants and (iii) engines from Ford-PSA cooperation;
3. Transitional Support Agreements of varying durations of up to 18 months were entered into with Ford for support in areas such as information technology, accounting and treasury services, marketing and purchasing services; and
4. Ford Motor Credit Company ("Ford Motor Credit") will continue to provide consumer and wholesale credit support to the dealers and customers of Jaguar Land Rover for up to 12 months in various markets following our acquisition of Jaguar Land Rover. We have selected Fiat Group Automobiles Financial Services to support the Jaguar Land Rover business in Europe and the U.K. We are in advanced stages of negotiations with leading auto finance providers for automotive financing services to support the Jaguar Land Rover business in U.S and expect to select financial services partners shortly in other key markets.

Proposed Repayment of Bridge Financing Facility by way of Long Term Funding Plans

The Company intends to refinance the short term bridge loan through the following fund raising plans, which we refer to as the Long Term Funding Plans, pursuant to resolutions passed by the Board of Directors of the Company at its meetings held on May 28, 2008 and August 20, 2008 and pursuant to resolution passed by the Committee of Directors at its meeting held on September 2, 2008,:

- 1) Simultaneous but unlinked rights issue of (i) Ordinary Shares of Rs. 21,853.9 million and (ii) 'A' Ordinary Shares having differential voting rights of Rs. 19,604.2 million. The unlinked rights issue is scheduled to open on September 29, 2008 and close on October 20, 2008. The rights issue has not been and will not be registered under the Securities Act. Our ADS depository will seek to dispose of the rights entitlements in respect of the shares represented by our ADSs and distribute any resulting net proceeds to ADS holders in accordance with the ADS deposit agreement.
- 2) Issuance of Ordinary Shares, 'A' Ordinary Shares and/or securities linked to, or convertible into Ordinary Shares/ 'A' Ordinary Shares, including, but not limited to, depository receipts in the international market for an amount aggregating approximately US\$ 500/600 million; and
- 3) Raise the balance amount through other measures such as monetization of a part of the Company's investments through a phased divestment of certain investments at prevailing market prices, and asset based lending facilities and optionally convertible loans at Jaguar Land Rover/ JaguarLandRover Limited.

Shareholders have approved of the plans outlined in paragraph 1 and 2 through a Postal Ballot Notice, the results of which were announced on July 14, 2008. With regards to paragraph 2 above, the Company has received the approval of its shareholders to raise up to US\$ 1 billion on July 14, 2008. The balance of the approved amount after considering the issuance of securities under paragraph 2 above and other contingencies will be used for raising additional resources through an appropriate debt or offer of securities to fund the future growth plans of the Company, as may be necessary.





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The issuance of Ordinary Shares and/or 'A' Ordinary Shares by the Company, whether directly or following the exercise of rights or warrants or the conversion of convertible securities, will dilute the equity interests of the Company's shareholders and could depress the prevailing market price of the Company's shares. Additionally, the Company has outstanding convertible debt securities that may be converted into equity securities and this could further dilute the equity interests of the Company's shareholders. In addition, the execution of our refinancing plan is subject to a variety of uncertainties including, among other things, the amount of capital that other entities may seek to raise in the capital markets, receipt of regulatory or corporate approvals that are necessary, market conditions, foreign exchange movements, and other conditions that may affect investor demand for the Company's securities, the liquidity of the capital markets and the Company's financial condition and results of operations.

We currently expect to use the funds raised from the Long Term Funding Plans described above for the following purposes: (i) prepay the bridge financing facility entered into in connection with our acquisition of Jaguar Land Rover and (ii) fund our working capital and for other general corporate purposes.

Board of Directors

On June 27, 2008, we appointed Mr. Nasser Munjee and Mr. Subhodh Bhargava to the Board of Directors. Please see "Item 6. Directors, Senior Management and Employees" for more information regarding Mr. Nasser Munjee and Mr. Subhodh Bhargava.

New Product Developments

On July 8, 2008, we introduced a new range of Super Milo bus chassis, which provide for a 8 to 10% greater fuel efficiency over the older models. The Super Milo range is now available in two variants, City and Highway, each with customized parameters calibrated for their individual applications. Key features of the Super Milo bus range include:

- Exclusive drivelines (gear box & rear axle) for different applications — helps customers choose the relevant variant depending on the application.
- Radial tyres – for better comfort, safety and mileage.
- Organic clutch with booster assist – for longer clutch life, enhanced driver comfort, and reduced driver fatigue.
- Bigger air intake system – for proper combustion of fuel, resulting in better fuel mileage.
- Improved oil change period of 18,000 kms for city, and 36,000 kms for highway applications, resulting in lower maintenance costs.

In August 2008, we launched the Indica Vista. The Vista is powered by a range of internationally acclaimed powertrains — the new 75 bhp 1.3L Quadrajet Common Rail Diesel engine and the 65bhp, 1.2L CVCP Safire MPFI petrol engine.



Acquisitions by Subsidiaries

During fiscal 2009, our subsidiary, Telcon, acquired two Spanish companies to strengthen its product offerings. Telcon acquired a 79% controlling stake in Serviplem S.A, an European construction equipment company based in Zaragoza, Spain. Serviplem, S.A. ranks amongst the top six in transit mixers, dry bulk tankers and pumps worldwide. This acquisition provides Telcon with the opportunity to enter the concrete value chain and participate in two important growth economies – India and China. Telcon also acquired 60% of the controlling stake in Comoplesa Lebrero S.A., an European construction equipment company based in Zaragoza, Spain. Telcon's acquisition of Comoplesa Lebrero S.A. will provide Telcon with access to compaction equipment technology.

Capacity Expansion at Singur

The plant under construction at Singur for manufacture of 'Tata Nano' on the land leased to us by the State Government is currently facing opposition due to political disputes over the process followed by the State Government in the acquisition of the land. While the land acquisition has been validated by the Calcutta High Court, the political disputes have persisted. Due to recent disturbances, we have temporarily suspended activities at the Singur site and are exploring alternative options at our existing/new sites.

Divestment of stake in Tata Companies

During fiscal 2009, we divested 24% stake in Tata AutoComp Systems Limited (TACO) aggregating Rs.1,610.2 million to Tata Capital. Post divestment, we hold 26% stake in TACO. During fiscal 2009, we sold 1.36% stake in Tata Steel Limited to Tata Sons Limited aggregating Rs.4,854.5 million. The said sale proceeds would form part of the resources to be raised for repaying the bridge loan taken for the Jaguar Land Rover acquisition.

C. Research and Development, Patents and Licenses, etc.

Please see Item 4.B of this annual report for the information required by this item.

D. Trend Information.

Please see Item 5.A of this annual report for the information required by this item.

E. Off-balance Sheet Arrangements

We use off-balance sheet arrangements where the economics and sound business principles warrant their use. Our principal use of off-balance sheet arrangements occurs in connection with the securitization and sale of finance receivables generated in the ordinary course of our business. The receivables securitized and transferred consist primarily of retail loans secured by vehicles sold through our dealer network.

Assets in off-balance sheet entities were as follows:

	<u>Fiscal 2007</u>	<u>Fiscal 2008</u>	<u>Fiscal 2008</u>
	(Rs. in millions)		(in US\$ millions)
Finance receivables	59,847	111,345	2,782

We have provided guarantees/collaterals aggregating Rs. 27,879 million as of March 31, 2008 relating to certain securitized receivables to certain special purpose entities, or SPEs. Our liability would become non-contingent in the event customers fail to fulfill their obligations under the contract and the SPE serves us a notice of shortfall in collections. The term of each guarantee depends upon the weighted average term of each pool of finance receivables securitized. In the event the guarantee is invoked, we have the right against the borrower to repossess the vehicle financed and to auction the vehicle. The maximum potential amount of future payment that we may be required to make under these guarantees is Rs 27,879 million as of March 31, 2008. We have recognized a liability of Rs 1,808 million for these guarantees.



Tabular Disclosure of Contractual Obligations

	Payments due by Period				
	(Rs. in millions)				
	Total	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years or more
Long Term Debts	73,764	14,971	24,218	34,565	10
Capital Leases	335	111	185	39	—
Operating Leases	9,439	213	313	228	8,685
Purchase obligations	35,732	34,090	1,642	—	—
Other Liabilities	9,469	15	5,877	876	2,701
Total	128,739	49,400	32,235	35,708	11,396

Item 6. Directors, Senior Management and Employees.

A. Directors and Senior Management.

Board of Directors.

Under our Articles of Association, the number of our Directors cannot be less than three nor more than fifteen. At present, there are twelve Directors, including a nominee Director of Tata Steel Limited, or Tata Steel. Our Board of Directors, or the Board, has the power to appoint Managing Directors and Executive Directors.

Our Articles of Association provide that the Board of Directors of Tata Steel, which, with its subsidiary, owns, as of March 31, 2008, 8.62% of our shares, has the right to nominate one Director (the Steel Director) to the Board. Dr. J.J. Irani is the current nominee Director of Tata Steel.

In addition, our Articles of Association provide that (a) our debenture holders have the right to nominate one Director (the Debenture Director) if the trust deeds relating to outstanding debentures require the holders to nominate a Director; and (b) Financial Institutions in India, have the right to nominate two Directors, (the Financial Institutions Director) to the Board pursuant to the terms of loan agreements. Currently, there is no Debenture Director or Financial Institutions Director on the Board.

The Directors may be appointed by the Board or by a General Meeting of the shareholders. The Board may appoint any person as an additional Director, but such a Director must retire at the next Annual General Meeting unless re-elected by the shareholders after complying with the provisions of the Companies Act. A casual vacancy caused on the Board due to death or resignation of a sitting member can be filled by the Board; but such a person can remain in office only for the unexpired term of the person in whose place he was appointed. On the expiry of the term, he will retire unless re-elected by the shareholders. The Board may appoint an Alternate Director in accordance with the provisions of the Companies Act to act for a Director during his absence, which period of absence shall not be less than three months.

Two-thirds of the total numbers of Directors on the Board are subject to retirement by rotation, and of these Directors, one third must retire every year. The Directors to retire are those who have been the longest in office. Our Directors are not required to hold any of our shares by way of qualification shares.

As of March 31, 2008, our Directors and Executive Officers, in their sole and joint names, beneficially held an aggregate of 77,572 shares (approximately 0.02% of our issued share capital). In addition, some of our Directors hold as trustees for various non-affiliated trusts, an aggregate of 354,976 shares (representing approximately 0.09% of our issued share capital).

The following table provides information about our current Directors, Executive Officers and Chief Financial Officer as at September 24, 2008:

Name	Position	Date of Birth/ Business Address ⁽¹⁾	Year appointed as Director or Executive Officer or Chief Financial Officer	Expiration of Term	Number of shares beneficially owned as of September 24, 2008 ⁽²⁾
Ratan N. Tata	Chairman	Dec. 28, 1937	1981	2011	65,510
N.A. Soonawala	Director	Jun. 27, 1935	1989	2010	Nil
J.J. Irani	Director	Jun. 2, 1936	1993	Non-rotational	3,265



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Name	Position	Date of Birth/ Business Address ⁽¹⁾	Year appointed as Director or Executive Officer or Chief Financial Officer	Expiration of Term	Number of shares beneficially owned as of September 24, 2008 ⁽²⁾
V.R. Mehta	Director	Jan. 12, 1934	1998	2009	9,332
R. Gopalakrishnan	Director	Dec. 25, 1945	1998	2011	3,750
N.N. Wadia	Director	Feb. 15, 1944	1998	2009	Nil
Ravi Kant	Managing Director & CEO	Jun. 1, 1944	2000	Non-rotational	Nil
S. M. Palia	Director	Apr. 25, 1938	2006	2010	200
P. M. Telang	Executive Director	Jun. 21, 1947	2007	Non-rotational	2,680
R. A. Mashelkar	Director	Jan. 1, 1943	2007	2011	Nil
Nasser Munjee	Director	Nov 18, 1952	2008	2009	Nil
Subodh Bhargava	Director	Mar 30, 1942	2008	2009	Nil
C. Ramakrishnan	Chief Financial Officer	Jun. 27, 1955	2007	—	372

- (1) The business address of each of our Directors, Executive Officers and Chief Financial Officer, other than as described immediately below, is Bombay House, 24 Homi Mody Street, Mumbai 400 001. The business address of V.R. Mehta is G12, South Extension, Part II, New Delhi 110049, India, the business address of N.N. Wadia is The Bombay Dyeing & Manufacturing Co. Ltd., Hemming Building Office, Pandurang Budhkar Marg, Prabhadevi, Mumbai 400 025, India, the business address of S. M. Palia is 16, Ruchir Bungalows, Vastrapur, Beyond Sarathi Hotel, Ahmedabad-380054, the business address of R. A. Mashelkar is Raghunath, D-4, Varsha Park, Baner, Pune 411045, India, the business address of Mr. Nasser Munjee is Benedict Villa, House No.471, Saudevado, Chorao Island, Tiswadi, Goa - 403102, India, the business address of Mr. Subhodh Bhargava is Tata Communications Limited, VSB Bangla Sahib Road, New Delhi - 110001, India.
- (2) Each of our Directors, Executive Officers and Chief Financial Officer beneficially owns less than 1% of our shares as of March 31, 2008.

Biographies

Set forth below is a short biography of each of our Directors, Executive Officers and Chief Financial Officer:

Mr Ratan N Tata (Chairman), Mr Tata holds a B.Sc. (Architecture) degree with structural engineering from Cornell University, USA and has completed the Advanced Management Program at Harvard Business School, USA. He joined the Tata Group in 1962. As Chairman of Tata Industries Limited since 1981, he was responsible for transforming the company into a Group strategy think-tank and a promoter of new ventures in high technology businesses. In 1991, Mr Tata was appointed Chairman of Tata Sons Limited, the holding company of the Tata Entities and currently holds the chairmanships of major Tata companies. During his tenure, the Group's revenues have grown over ten-fold to annualised Group revenues of \$62.5 billion. Mr Tata is on the Central Board of the Reserve Bank of India, a Member of the Prime Minister's Council on Trade and Industry besides being a member of various global councils. He is also the chairman of two of the largest private sector promoted philanthropic trusts in India. Mr Tata is associated with various organizations in India and abroad.

The Government of India honored Mr Tata with its second highest civilian award, the Padma Vibhushan, in 2008. Earlier, in 2000, he had been awarded the Padma Bhushan. He has also been conferred an honorary doctorate in business administration by the Ohio State University, an honorary doctorate in technology by the Asian Institute of Technology, Bangkok, an honorary doctorate in science by the University of Warwick, and an honorary fellowship by the London School of Economics. Mr Tata has been on the Company's Board since over 19 years including 13 years in an executive capacity and is actively involved with product development and other business strategies pursued by the Company. One of his achievements include designing and developing an indigenous Indian car - "Indica" which besides creating a record of sorts, is one of the leading products in its category in the car market.

Mr. N A Soonawala: Mr. N A Soonawala is a commerce graduate from the University of Bombay and a Chartered Accountant from the Institute of Chartered Accountants of India. He has wide exposure in the field of Finance, having worked with ICICI, the World Bank and the International Finance Corporation, Washington. He joined Tata Sons Limited in 1968 and is a director of various Tata Companies and committees. Mr. Soonawala has been on the Board of the Company since May 1989.

Dr. J J Irani: Dr. Jamshed Irani obtained a B.Sc. degree from Science College, Nagpur in 1956 with a Gold Medal in Geology and a M.Sc. (Geology) degree from the Nagpur University in 1958, both with first class. He also obtained M.Met. and Ph.D. degrees from the University of Sheffield, UK, in 1960 and 1963 respectively, with a Gold Medal for the Ph.D. Thesis. In 1993, the University of Sheffield conferred upon him the honorary degree of "Doctor of Metallurgy". In 1996, the Royal Academy of Engineering, London elected him as a foreign member and he is amongst the five Indians who have been bestowed with this honour. Dr. Irani was conferred honorary knighthood in 1997 by the Queen of England for his contribution towards strengthening the Indo-British Partnership. He is also on the boards of various Tata Companies and has been on the Company's Board as a Tata Steel Nominee since June 1993.



Mr. V R Mehta: Mr. V R Mehta holds a Bachelor of Engineering (Honours) degree and has considerable financial and project evaluation expertise, both at national and international levels. He worked as a senior expert for the Asian Development Bank, Manila and earlier held senior level positions in the Ministries of Railways and Shipping & Transport. He played a key role in financial



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revamping and rationalization of operations of major ports in India and participated in diplomatic missions and represented the Government in international conferences. Mr. Mehta was the founder managing director of the Dredging Corporation of India. Mr. Mehta has been and continues to be also on the boards of a number of other companies in his individual capacity or representing financial institutions or foreign companies. Mr. Mehta has been on the Board of Company since June 1998 as a representative of a financial institution. He ceased to be an Institutional Director and was appointed as an Additional Director of the Company on October 25, 2005.

Mr. R Gopalakrishnan: Mr. Gopalakrishnan holds a Bachelor's degree in Science and a B.Tech (Electronics) degree from the IIT, Kharagpur. He is also an executive director of Tata Sons Limited and a member of the group executive office of Tata Sons Limited, besides being on the Boards of various Tata Companies. Prior to joining the Tata Group in August 1998, Mr. Gopalakrishnan was the vice chairman of Hindustan Lever Limited. Mr. Gopalakrishnan has been a non-executive Director on the Board of the Company since December 22, 1998.

Mr. Nusli N Wadia: Educated in the UK, Mr. Wadia is the chairman of Bombay Dyeing & Manufacturing Company Limited and heads the Wadia Group. He is also the chairman/trustee of various charitable institutions and non-profit organizations. Mr. Wadia has been on the Company's Board since December 22, 1998.

Mr. S M Palia: Mr S M Palia, a B.Com., LLB., CAIIB and AIB (London) is a Development Banker by profession. He was with IDBI from 1964-1989 during which period he held various responsible positions including that of an executive director. He has also acted as an advisor to Industrial Bank of Yeman, Saana (North Yeman) and Industrial Bank of Sudan, Khartoum (Sudan) under World Bank Assistance programmes. He was also the managing director of Kerala Industrial and Technical Consultancy Organisation Limited, set up to provide consultancy services to micro enterprises and small and medium enterprises. Mr. Palia is on the Boards of various companies in the industrial and financial service sectors and is also actively involved as a trustee in various NGOs and Trusts. He was appointed as a Director of the Company on May 19, 2006.

Dr. R A Mashelkar: Dr. Mashelkar is an eminent chemical engineering scientist and has recently retired from the post of director general from the Council of Scientific & Industrial Research. Dr. Mashelkar is the President of Indian National Science Academy, National Innovation Foundation, Institution of Chemical Engineers, UK and Global Research Alliance, a network of 60,000 scientists from five continents and has been honoured with honorary doctorates from 26 universities, including Universities of London, Salford, Pretoria, Wisconsin and Delhi. Dr. Mashelkar has also been elected as Fellow/Associate of Royal Society, London, National Academy of Science, USA, US National Academy of Engineering, Royal Academy of Engineering, U.K. and World Academy of Art & Science, USA. Dr. Mashelkar has won over 50 awards and medals at national and international levels, including the JRD Tata Corporate Leadership Award and the Stars of Asia Award (2005). Dr. Mashelkar through leadership of various organizations/ Government Committees has propagated innovation and intellectual property rights and India's science and technology policies. He is a Padmashri (1991) and Padmabhushan (2000) winner. He was appointed as a Director of the Company on August 28, 2007.

Mr. Nasser Munjee: Mr. Munjee holds a Bachelor's degree from Chicago and a Master's degree from the London School of Economics, UK. His journey in financial sector began with HDFC where he served for over 20 years at various positions including as its executive director. He was the managing director of Infrastructure Development Finance Company Limited till March 2004. Presently he is the chairman of Development Credit Bank since June 2005 and is also on the board of directors of various multinational companies and trusts. Mr. Munjee is a technical advisor on the World Bank-Public Private Partnership Infrastructure and Advisory Fund. He is also associated with several public and private institutions as chairman and member of the board or trustee. He was appointed as a Director of the Company on June 27, 2008.

Mr. Subodh Bhargava: Mr. Subodh Bhargava holds a degree in Mechanical Engineering from the University of Roorkee and retired from Eicher Group of Companies as group chairman and chief executive in March 2000. He was the past president of the confederation of Indian Industry and the Association of Indian Automobile Manufacturers and the vice president of the Tractor Manufacturers Association. He was also a member of the Insurance Tariff Advisory Committee, the Economic Development Board of the government of Rajasthan. He has held various prominent positions on various Chambers/Associations in the field of research in engineering and technology and technical and management education and is currently associated as a director of several Indian corporates, including Tata Communications Limited and Tata Steel Limited. He was appointed as a Director of the Company on June 27, 2008.

Mr. Ravi Kant: Mr. Ravi Kant holds a Bachelor of Technology degree from the Indian Institute of Technology, Kharagpur and a Masters in Science from the University of Aston, Birmingham, UK. Mr. Kant has wide and varied experience in the manufacturing and marketing field, particularly in the automobile industry. Prior to joining the Company, he was with Philips India Limited as director of Consumers Electronics business and prior to which with LML Limited as senior executive director (marketing) and Titan Watches Limited as vice president (sales & marketing). Mr. Kant was also employed with Kinetic Engineering Limited and Hawkins Cookers Limited. Mr. Kant has been with the Company since July 2000 as the executive director (commercial vehicle business unit) responsible for manufacturing & marketing of the Commercial Vehicle Business Unit. He has been appointed as Managing Director of the Company effective July 29, 2005.





Mr. P M Telang: Mr. Prakash Telang holds a Bachelor's Degree in Mechanical Engineering and a MBA from IIM, Ahmedabad. Mr. Telang has over three decades of functional expertise in the automotive industry and machinery manufacturing. After spending the first three years of his career with M/s Larsen & Toubro, he joined the Tata Group through the Tata administrative service cadre. He is responsible for product development, manufacturing, sales and marketing functions of the strategic business unit of light & small commercial vehicles. Mr. Telang has been appointed as Executive Director (Commercial Vehicles) of the Company on May 18, 2007.

(Chief Financial Officer)

Mr. C. Ramakrishnan. Mr. C. Ramakrishnan, aged 51 years, joined Tata Motors Limited in 1980. He handled corporate treasury and accounting functions as well as management accounting. After a two- year company-wide IT project responsibility covering R&D, manufacturing, sourcing and sales & service, he has been working in the Chairman's Office for the last 6 years. Mr. Ramakrishnan holds a B.Com. degree and is a qualified Chartered Accountant and Cost Accountant. Mr. Ramakrishnan was appointed as the Chief Financial Officer of Tata Motors with effect from September 18, 2007.

There is no family relationship between any of our Directors, Executive officers or Chief Financial Officer.

B. Compensation.

The following table provides the annual compensation paid to our Directors and Executive Officers for fiscal 2008.

Name	Position	Remuneration ² (in Rupees)
Ratan N. Tata ^{4,5}	Chairman	16,302,000
N.A. Soonawala	Director	4,570,000
J.J. Irani	Director	2,050,000
V.R. Mehta ⁴	Director	7,425,000
R. Gopalakrishnan ⁵	Director	2,740,000
N.N. Wadia	Director	1,660,000
S.A. Naik ⁸	Director	560,000
S.M. Palia	Director	2,860,000
R A Mashelkar	Director	1,180,000
Ravi Kant ³	Managing Director & CEO	31,750,000
P.P. Kadle ^{3,5,6}	Executive Director & CFO	13,465,000
P.M.Telang ¹	Executive Director	19,345,000
C. Ramakrishnan ^{3,5,7}	Chief Financial Officer	11,026,000

1 Appointed as Executive Director w.e.f. May 18, 2007

2 Includes salary, allowance, taxable value of perquisites, commission and our contribution to provident fund and superannuation fund for Managing/Executive Directors/Chief Financial Officer and sitting fees and commission for Non-Executive Directors.

3 Rounded to nearest thousands of rupees and excludes provision for encashable leave and gratuity as a separate actuarial valuation is not available.

4 The remuneration paid to Mr. V. R. Mehta includes sitting fees and commission paid by Telco Construction Equipment Company Limited and sitting fees paid by Tata Motors Finance Ltd. and for Mr. R. N. Tata sitting fees paid by Tata Motors European Technical Centre plc.

5 The above does not include Employee Stock Options granted by TTL, our unlisted subsidiary. Mr. R. N. Tata has been granted 100,000 options under the TTL ESOP Plan. He did not exercise any options during the FY ended March 31, 2008. The total options exercised by him as on March 31, 2008 were NIL. Mr. R. Gopalakrishnan, Mr. C. Ramakrishnan and Mr P P Kadle had already exercised 25,000 options each, granted to them under the TTL ESOP Plan. Therefore, no stock options were exercised by them during the year ended on March 31, 2008. No new stock options were granted to them during the year ended on March 31, 2008.

6 Ceased to be Executive Director and Chief Financial Officer with effect from September 18, 2007.

7 Chief Financial Officer with effect from September 18, 2007.

8 Ceased to be Director w.e.f. July 9, 2007.

Apart from the above, the Managing and Executive Director are also eligible to receive special retirement benefits at the discretion of the Board on their retirement, which include housing, monthly pension and medical benefits.

Our Managing Director and our Executive Director are entitled to six months' salary as severance fees upon termination of their contracts by us.



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C. Board Practices.

The Board size of twelve directors is commensurate with our size and in line with the industry. The Board consists of executive, non-executive and independent directors. Appointments of new directors are considered by the full Board and our shareholders at each year's Annual General Meeting.

The roles of the Chairman and the Chief Executive Officer are distinct and separate with appropriate powers being delegated to the Managing Director and the Executive Directors to perform the day to day activities of the Company.

The Board, along with its Committees, provides leadership and guidance to our management, in particular with respect to corporate governance, business strategies and growth plans, the identification of risks and their mitigation strategies, entry into new businesses, product launches, demand fulfillment and capital expenditure requirements, and the review of our plans and targets.

The Board has delegated powers to the Committees of the Board through written/stated terms of reference and oversees the functioning operations of the Committees through various circulars/minutes circulated to it. The Board also undertakes our subsidiaries' oversight functions through review of their performance against their set targets, advises them on growth plans and, where necessary, gives strategic guidelines.

Committees.

The Audit Committee comprises the following three independent directors: V. R. Mehta, Chairman, S. M. Palia, S. A. Naik (until July 2007), N. N. Wadia (from July 2007 to September 2007) and Dr. R. A. Mashelkar (from September 2007). The scope of the Audit Committee includes:

- Reviewing the quarterly financial statements before submission to the Board, focusing primarily on:
 - any changes in accounting policies and practices and reasons for any such change;
 - major accounting entries involving estimates based on an exercise of judgment by Management;
 - qualifications in draft audit reports;
 - significant adjustments arising out of audits;
 - compliance with accounting standards;
 - analysis of the effects of alternative GAAP requirements on the financial statements;
 - compliance with listing and other legal requirements concerning financial statements;
 - disclosure of related party transactions;
 - review Reports on the Management Discussion and Analysis of financial condition Report, Results of Operations and the Directors' Responsibility Statement;
 - overseeing our financial reporting process and the disclosure of its financial information, including any earnings press release, to ensure that the financial statements are correct, sufficient and credible; and
 - disclosures made under the CEO and CFO certification to the Board and investors.
- Reviewing with the management, external auditor and internal auditor the adequacy of our internal control systems and recommending improvements to the management.
- Recommending the appointment / removal of the statutory auditor, fixing audit fees and approving non-audit, consulting services provided by the firms of statutory auditors to us and our subsidiaries; evaluating auditors performance, qualifications and independence.
- Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, coverage and frequency of internal audits, appointment, removal, performance and terms of remuneration of the chief internal auditor.
- Oversight of the companies external financial reporting and monitoring components of internal control over financial reporting.
- Discussing with the internal auditor and senior management, significant internal audit findings and follow-up thereon.
- Reviewing the findings of any internal investigation by the internal auditor into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting any such matters to the Board.
- Discussing with the external auditor before the audit commences the nature and scope of such audit, as well as conducting post-audit discussions to ascertain any area of concern.
- Reviewing our financial and risk management policies.



- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
- Initiating investigations into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Reviewing the functioning of the Whistle-Blower mechanism (which is an extension of the Tata Code of Conduct).
- Reviewing the financial statements and investments made by our subsidiary companies.



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The Committee has also adopted policies for the approval of services to be rendered by our independent statutory auditor, based on a procedure for ensuring such auditor's independence and objectivity, as well as for the oversight of audit work for streamlining the audit process across our subsidiaries.

The Remuneration Committee is empowered to review the remuneration of whole-time directors, retirement benefits to be paid to them and dealing with matters pertaining to Employees' Stock Option Scheme.

We have not issued any stock options to our directors/employees. The Remuneration Committee comprises two independent and two non-executive directors, namely N.N. Wadia, Chairman, V.R. Mehta, Ratan N. Tata, and N.A. Soonawala

The Investor Grievance Committee oversees the redressing of investors' complaints pertaining to securities transfers, interest/dividend payments, non-receipt of annual reports, issue of duplicate certificates and other miscellaneous complaints. Its scope also includes delegation of powers to the executives of the Company or the share transfer agents to process share transfers and other investor-related matters. The Investor Grievance Committee comprises R. Gopalakrishnan, S. M. Palia and Ravi Kant.

The Executive Committee of the Board is comprises Ratan N. Tata, Chairman, N. A. Soonawala, J. J. Irani, R. Gopalakrishnan, N. N. Wadia, Directors, Ravi Kant, Managing Director. This Committee came into effect from July 25, 2006, upon the dissolution of the Finance Committee and the Committee of the Board. The Committee reviews revenue and capital expenditure budgets, long-term business strategy, the organizational structure, raising of finance, property related issues, review and sale of investments and the allotment of securities within established limits.

The Ethics and Compliance Committee sets forth policies relating to the implementation of the Tata Code of Conduct for Prevention of Insider Trading, and takes on record the monthly reports and dealings in securities by the "Specified Persons". It also implements appropriate actions in respect of violations of the Tata Code of Conduct. The Ethics and Compliance Committee is comprises S.M. Palia, Chairman and R. Gopalakrishnan. Mr. C. Ramakrishnan, our Chief Financial Officer, currently performs the functional equivalent of the position of compliance officer and is expected to be appointed as the new Compliance Officer.

The Nominations Committee was constituted with the objective of identifying independent directors to be inducted on the Board from time to time to refresh its constitution. The Nominations Committee comprised N. N. Wadia, Chairman, Ratan N. Tata, N. A. Soonawala and S. M. Palia.

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

Summary Comparison of Corporate Governance Practices

The following is a summary comparison of significant differences between our corporate governance practices and those required by the NYSE for non-U.S. issuers.

Independent directors: The Board has determined the independence of its directors pursuant to applicable Indian listing requirements. Four directors of the Board of Directors are independent directors pursuant to such requirements. Under such requirements, a non-executive director is considered independent if he:

- apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with us or our promoters, our directors, our senior management or our holding company, its subsidiaries and associates which may affect the independence of the director;
- is not related to promoters or person occupying management position at the board level or at one level below the board;
- has not been our executive in the immediately preceding three financial years;
- is not a partner or an executive or was not a partner or an executive during the preceding three years, of our statutory audit firm or internal audit firm or a legal/consulting firm that has a material association with us.
- is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect their independence; and
- is not our substantial shareholders, owning two percent or more of our voting shares.

Non-management directors meetings: There is no such requirement under applicable Indian legal requirements.

Board Governance and Remuneration Committee and the Audit Committee: The requisite number of members of our Board Governance and Remuneration Committee are independent, as defined under applicable Indian legal requirements. All members of our Audit Committee are independent as defined under Rule 10A-3 under the Exchange Act. The constitution and main functions of these committees as approved by our Board are described above and, we believe, comply with the spirit of the NYSE requirements for non-U.S. issuers.





D. Employees.

We consider our human capital as a critical factor to our success. Under the aegis of Tata Sons and the Tata Sons promoted entities, we have drawn up a comprehensive human resource strategy that addresses key aspects of human resource development such as:

- Code of conduct and fair business practices.
- A fair and objective performance management system linked to the performance of the businesses which identifies and differentiates high performers while offering separation avenues for non-performers.
- Creation of a common pool of talented managers across Tata Sons and the Tata Sons promoted entities with a view to increasing their mobility through inter-company job rotation.
- Evolution of performance based compensation packages to attract and retain talent within Tata Sons and the Tata Sons promoted entities.
- Development of comprehensive training programs to impart and continuously upgrade the industry/function specific skills.

In line with the Human Resource strategy, we, in turn, have recently implemented various initiatives in order to build better organizational capability that we believe will enable us to sustain competitiveness in the global market place. Our human resources focus is to attract talent, retain the better and advance the best.

Some of the initiatives to meet this objective include:

- Recruitment across the country to meet the requirements of the expansion plans.
- Extensive process mapping exercise to benchmark and align the human resource processes with global best practices.
- Introduction of a globally benchmarked employee engagement survey.
- Succession planning through identification of second level of managers for all units, locations, functions.
- Implementation of a “Fast Track Selection Scheme”, which is a system for identifying potential talent in the areas of general, commercial and operations management and offering them opportunities for growth within the organization. Our human resources team has been invited to replicate this system in other Tata Companies.
- Our “Talent Management Scheme” which includes the identification of high performers and high potentials through various routes such as our Performance Management System and Development Centers. Subsequent to the identification process, we provide them with challenging assignments for faster development.
- Introduction of performance rating based salary review and quality linked variable payment for supervisory category of employees.

Other initiatives include:

- Extensive brand building initiatives at university campuses to increase recruiting from premium universities
- Introduction of an employee self service portal and employee help desk for the benefit of employees.

We employed approximately 33,536; 33,900 and 36,364 permanent employees as of March 31, 2006, 2007 and 2008 respectively. The average number of temporary employees for the fiscal year ended March 31, 2008, was approximately 18,207.

The following table set forth a breakdown of persons employed by our business segments and by geographic location as of March 31, 2008.

<u>Segment</u>	<u>No. of Employees</u>	<u>Location</u>	<u>No. of Employees</u>
Automotive	30,849	India	33,570
Other	5,515	Abroad	2,794
Total	36,364	Total	36,364

Training and Development

We are committed to building the competences of our employees and improving their performance through training and development. Our focus is on identifying gaps in our employees’ competencies and preparing employees for changes in competitive environments, as well as to meet organizational challenges.



Some of the focus areas in training in the last year centered on leadership, innovation management and internationalization besides other training programmes to drive a change in our employees' outlook as we continue to develop as a global competitor. Developmental initiatives for our senior leadership were undertaken through international programs at various premier institutions around the world. The entire senior leadership was also taken through cultural sensitivity programme conducted by world renowned faculty. Certain employees have also been selected for the Fulbright fellowships for leadership in management. In addition, in order to emphasize the sharing of skills across our locations and functions extensive technical training programs were organized in Pune, Jamshedpur and Lucknow. The technical exposure was enhanced further through international training and participation at international seminars.

At Jamshedpur, Pune and Lucknow in India, we have also established training divisions that impart basic skills in various trades like milling, grinding and welding to our young apprentices. We received the National Best Training Establishment award from the Government of India for the eighth time.

Union Wage Settlements

All our regular employees in India, other than management, are members of labor unions. We have generally enjoyed cordial relations with our employees at our factories and offices.

Employee wages are paid in accordance with wage agreements that have varying terms (typically three years) at different locations. The expiration dates of the wage agreements with respect to various locations are as follows:

<u>Location</u>	<u>Wage Agreement valid until</u>
Pune CVBU	August 31, 2009
Pune PCBU	March 31, 2010
Jamshedpur	March 31, 2010
Mumbai	December 31, 2009
Lucknow	March 31, 2011

A cordial industrial relations environment prevailed in all our manufacturing units.

The performance rating system, introduced for the first time, for the bargainable category in Mumbai and PCBU, has completed two full cycles and the feedback of the process received from all the quarters has been encouraging. Return-ability in wage settlements was built in by introducing quality linked payments based on a quality index as perceived by the customer.

Operatives support in the outsourcing low value added activities and in the implementation of other reforms that impact quality, cost cutting and productivity improvements across all locations.

E. Share Ownership.

The information required by this item is set forth in Item 6.A of this annual report.

Item 7. Major Shareholders and Related Party Transactions.

A. Major Shareholders

We are a widely held, listed company with approximately 309,530 shareholders of record. To our knowledge, as of July 1, 2008, the following persons beneficially owned 1% or more of our 385,618,723 Ordinary Shares outstanding at that time:

<u>Name of Shareholder</u>	<u>Holding</u>	<u>Percentage</u>
Tata Sons and subsidiaries	84,988,908	22.04
Citibank N.A., as Depositary (1)	55,808,167	14.47
Life Insurance Corporation of India Ltd.	41,756,227	10.83
Tata Steel and subsidiaries	33,226,383	8.62
DaimlerChrysler AG	25,596,476	6.64



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- (1) Citibank, N.A. as depositary for our ADRs, was the holder on record on June 30, 2008 of 55,808,167 shares on behalf of the beneficial owners of deposited shares.

From March 31, 2005 to March 31, 2008, the holdings of our largest shareholder, Tata Sons Limited (together with its subsidiaries), have marginally declined from 22.06% to 22.05%. Tata Steel Ltd. (together with its subsidiaries) has substantially increased its shareholdings, but its percentage shareholding has decreased slightly from 9% as of March 31, 2005 to 8.62% as of March 31, 2008, as a result of our new issuances of shares. Daimler Chrysler AG has kept its shareholdings steady, but its percentage shareholding has declined from 7.08% to 6.64% as a result of our new issuances of shares. Citibank N.A. as depositary for our ADRs, has increased its shareholding from 9.19% to 12.69% because of the two-way fungibility of Depositary Receipts. Life Insurance Corporation of India Ltd. has increased its shareholding and has seen its shareholding percentage increase from 6.75% to 9.83%.

According to our register of shareholders and register of beneficial shareholders, as of June 30, 2008, there were 247 record holders of our shares with addresses in the United States, whose shareholdings represented approximately 0.05% of our outstanding Ordinary Shares on that date, excluding any of our shares held by United States residents in the form of depositary shares. Because some of these shares were held by brokers or other nominees, the number of record holders with addresses in the United States may be fewer than the number of beneficial owners in the United States.

The total permitted holding of Foreign Institutional Investors, or FIIs, in our paid up share capital has been increased to 35% by a resolution passed by our shareholders on January 22, 2004. The holding of FIIs in us as of June 30, 2008, was approximately 15.24%. See Item 10.D “— Exchange Controls” for further details.

None of our shares of common stock entitles the holder to any preferential voting rights.

Under the Takeover Regulations of India, any person who acquires more than 5%, 10%, 14%, 54% or 74% of our shares or who is entitled to exercise voting rights with respect to more than 5%, 10%, 14%, 54% or 74% of our shares must file a report concerning the shareholding or the voting rights with us and the stock exchanges on which our ordinary shares are traded. Please see Item 9.A “— The Offer and Listing — Markets” for information with respect to these stock exchanges. Similar disclosures would be applicable under the Insider Trading Regulations of India with respect to any person who acquires more than 5% of our shares or voting rights with respect to the shares. Any increases or decreases by 2% or more in the shareholding by such persons must also be disclosed. Furthermore, under our listing agreement with the stock exchanges where our shares are listed, we are required to periodically disclose to such stock exchanges the name and percentage of shares held by persons or entities that hold more than 1% of our Ordinary Shares. For the purposes of the above, reporting and takeover requirements under our listing agreements, shares withdrawn from our ADS facility will be included as part of a person’s shareholding in us.

To our knowledge, we are not, directly or indirectly, owned or controlled by any other corporation or by any government or by any other natural or legal persons severally or jointly. We are not aware of any arrangements the operation of which may at a later time result in our change of control.

For details regarding voting rights, please refer to Item 10.B “— Memorandum and Articles of Association — Voting Rights”.

B. Related Party Transactions. Business Relationships.

We purchase materials, supplies, assets and services from numerous suppliers throughout the world in the ordinary course of business, including from our affiliates and firms with which certain members of our board of directors are interested. We purchased materials, supplies, fixed assets and services from these entities in the amount of Rs.16,498 million, Rs.21,857 million and Rs.29,706 million in fiscals 2006, 2007 and 2008, respectively. We also sell our products, assets and services to our affiliates and firms with which certain members of our board of directors are interested. We sold products, assets and services to these entities in the amount of Rs.1,468 million Rs.2,059 million and Rs.2,370 million in fiscals 2006, 2007 and 2008, respectively. In fiscal 2008, we sold equity interest in subsidiaries (15% holding in both HVAL and HVTI) for a consideration of Rs 1,643 million and recorded a gain of Rs.1,105 million. In fiscal 2008 we sold certain finance receivables for a consideration of Rs 10,226 million and recorded a gain of Rs.923.5 million.



See note 27 of our audited consolidated financial statements for additional information regarding our related party transactions with our affiliates and other related parties. The foregoing do not include transactions with and among our consolidated subsidiaries, the amounts of which are eliminated upon consolidation when preparing our financial statements.

Loans

We regularly have trade accounts and other receivables payable by, and accounts payable to, our affiliates and firms with which certain members of our board of directors are interested. We had outstanding trade accounts and other receivables payable by these entities in the amount of Rs. 392 million, Rs.158 million and Rs.910 million as of March 31, 2006, 2007 and 2008, respectively. We had accounts payable to these entities in the amount of Rs.1,284 million and Rs.2,242 million as of March 31, 2007 and 2008, respectively.

From time to time, we provide short to medium-term loans to our affiliates, as well as loans under a loan program established by us and our affiliates to assist executives and directors with the purchase of housing. We believe that each of these loans was entered into in the ordinary course of business. The total amount receivable by us from our affiliates and other companies in which certain members of our board of directors are interested as at March 31, 2006, 2007 and 2008 was Rs.645 million Rs.297 million and Rs.540 million respectively. We had amounts payable for medium term loans taken from our affiliates to the tune of Rs.105 million and Rs.100 million as at March 31, 2007 and 2008, respectively.

From time to time, we also provide security deposits to the lessors of residential properties that we lease for our employees, including our Executive Directors. No extension of credit has been made, arranged or renewed by us, directly or indirectly, in the form of a personal loan to or for any of our directors or executive officers, nor has there been any material modification to any term of any such extension of credit or any renewal of any such extension of credit on or after July 30, 2002.

C. Interests of Experts and Counsel.

Not applicable.

Item 8. Financial Information.

A. Consolidated Statements and Other Financial Information. Financial Statements.

The information required by this item is set forth beginning on page F-1 of this annual report.

Legal or Arbitration Proceedings.

The information on legal or arbitration proceedings required by this item is set forth in Item 4.B of this annual report.

Dividend Policy.

Based on the net income available for appropriation, dividends are recommended by the Board of Directors for approval by the shareholders at our Annual General Meeting. Further, the Board of Directors may also pay an interim dividend at its discretion. Since fiscal year 1956, we have had an uninterrupted dividend distribution except for the fiscal years 2001 and 2002. We returned to dividend distribution in fiscal 2003. In view of our profitable performance, we declared dividends (excluding dividend tax) totaling Rs.4,979 million, Rs5,781 million and Rs.5,784 million for fiscal 2006, 2007 and 2008, respectively.

B. Significant Changes.

Other than as set forth in this annual report, no significant change has occurred with respect to us since the date of our audited consolidated US GAAP financial statements included elsewhere in this annual report.

Item 9. The Offer and Listing

A. Offer and Listing Details.

There has been no SEC-registered offering of our shares in the United States.

The details on our share and ADS price history are included in Item 9.C “— Markets” below.



B. Plan of Distribution.

Not Applicable.

C. Markets.

Our ADSs are have been listed on the New York Stock Exchange or NYSE, since September 27, 2004. Each ADS represents one Ordinary Share. Our shares are listed on The Bombay Stock Exchange Limited, which is also referred to as the Bombay Stock Exchange, Mumbai or the BSE, and the National Stock Exchange of India, or NSE. The following table shows closing price and trading volume data for our ordinary shares on the NSE and BSE and for our ADSs on the NYSE:

	NSE		Avg. Daily Trading Volume (in '000)	BSE		Avg. Daily Trading Volume (in '000)	NYSE		Avg. Daily Trading Volume (in '000)
	Closing Price per Share			Closing Price per Share			Closing Price per ADS		
	Period High	Period Low		Period High	Period Low		Period High	Period Low	
	(Rs. Per Share)			(Rs. Per Share)			(\$ Per ADS)		
Fiscal									
2008	830.55	609.4	1311.0	778.15	623.45	274.54	20.85	14.98	515.74
2007	986.25	659.2	1590.12	985.35	658.05	435.96	22.1	14.27	417.14
2006	941.35	406.4	2003.55	939.00	406.2	659.20	21.5	9.3	282.99
2005	525.2	366.7	3837.70	524.8	366.6	1604.90	12.1	8.7	237.92
2004	563.5	422.3	4443.1	563.3	150.2	1765.10	●	●	●
Fiscal									
2009									
1st Quarter	691.5	426.0	796.3	688.85	408.4	149.9	17.15	9.97	431.31
Fiscal									
2008									
1st Quarter	766.6	641.2	1615.1	766.9	641.35	362.3	19.09	15.94	630.40
2nd Quarter	776.9	619.5	1432.2	778.15	618.95	382.2	19.14	15.56	511.89
3rd Quarter	830.5	684.3	1105.6	830.4	684.95	684.9	20.85	16.75	449.09
4th Quarter	793.5	609.4	1090.4	794.25	606.35	606.3	19.95	14.98	482.94
2007									
1st Quarter	986.25	660.45	1981.12	985.35	659.9	620.93	21.96	14.91	538.69
2nd Quarter	899.5	659.2	1600.88	898	658.05	473.04	19.5	14.27	308.81
3rd Quarter	912.2	802.1	1349.76	911.75	802.2	353.57	20.83	17.92	307.75
4th Quarter	964.75	716.45	1416.47	964.55	715.1	298.32	22.1	16.21	516.57
2006									
1st Quarter	450.2	406.4	1,715.32	449.3	406.2	532	10.4	9.3	168.21
2nd Quarter	546.1	427	1780.54	545.2	426.75	563.11	12.41	9.7	245.04
3rd Quarter	659.55	461.6	2323.85	659.5	460.8	770.35	14.37	10.44	269.38
4th Quarter	941.35	617.2	2210.21	939	617.45	781.31	21.46	13.93	453.32
Month									
August 2008	447.95	395.25	781.46	447.20	396.25	224.12	10.51	9.26	466.30
July 2008	440.85	377.60	656.64	439.60	376.35	152.24	10.75	8.90	852.07
June 2008	570.45	426.05	851.61	570.30	426.50	148.96	13.32	9.97	575.70
May 2008	691.55	575.70	824.11	690.45	576.90	159.60	17.15	13.32	396.21
April 2008	664.50	612.70	710.19	662.20	613.65	143.48	16.54	15.15	333.62
March 2008	704.35	609.40	1195.54	702.65	619.00	304.46	17.60	14.98	537.44
February 2008	770.00	693.90	755.85	774.32	695.83	132.32	19.83	17.52	335.34



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On September 22, 2008, the reported closing price of our shares on the BSE was Rs.414.90 per share, and Rs.415.30 per share on NSE on September 19, 2008, the ADS closing price on NYSE was \$9.81 per ADS.

D. Selling shareholders.

Not applicable.

E. Dilution.

Not applicable.

F. Expenses of the issue.

Not applicable.

Item 10. Additional Information.**A. Share Capital**

Our Authorised Share Capital is Rs.39,000,000,000 divided into 700,000,000 Ordinary Shares of Rs.10/- each, 200,000,000 'A' Ordinary Shares of Rs.10/- each (The Ordinary Shares and the 'A' Ordinary Shares are hereinafter together referred to as Ordinary Shares or shares unless otherwise specifically mentioned to the contrary) and 300,000,000 Convertible Cumulative Preference Shares of Rs.100/- each.

Under the Companies Act, as well as our Articles of Association, if our share capital is divided into different classes of shares, all or any of the rights or privileges attached to each class of shares may be varied, modified or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class. Our Articles of Association further provide that the rights conferred upon the holders of the shares of any class issued with preferential or other rights shall not, unless otherwise expressly prohibited by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* thereto.

In accordance with the Articles and under the Companies Act, may issue Ordinary Shares with differential rights as to voting and/or dividend ('A' Ordinary Shares) up to an amount not exceeding 25% of the total issued Ordinary Share Capital of the Company or such other limit as may be prescribed by applicable laws/regulations.

B. Memorandum and Articles of Association**Objects and Purposes**

Our principal objects, as provided by Clause 3 of our Memorandum of Association, include:

- manufacturing, marketing, import, export, hiring and letting on hire of commercial vehicles, automobile cars, two wheeler vehicles, heavy and construction equipment including components, accessories and spare parts in relation thereto;
- to carry on the business as manufacturers and dealers of machinery articles and goods of all classes;
- to carry on the business of manufacturing materials which may be usefully combined with our manufacturing and engineering business; and
- to carry on the business of financing and re-financing of all types of vehicles, construction equipment, capital equipment and services by way of credit, hire purchases, leases and loans.

Directors

Under the Companies Act, as well as our Articles of Association, each of our Directors, who is in any way directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on our behalf is required to disclose the nature of his interest at a meeting of the first meeting of the Board held after the Director becomes concerned. Under the Companies Act, as well as the Articles of Association, an interested Director is not allowed to take part in the discussion of, or vote on, any contract, arrangement or proposal in which the Director is interested.

Under the Companies Act and our Articles of Association, we are restricted from making loans to Directors and the prior approval of the Central Government is required before we can make any loans, directly or indirectly, to any Director or provide, directly or indirectly, any guarantees or security in connection with any loan made by a third party to a Director.



Under our Articles of Association, a director is not required to hold any qualification shares. Our Articles of Association do not prescribe an age limit for the retirement of the Directors. As per the policy adopted by our Board, executive directors retire at the age of 65 and non-executive directors retire at the age of 75.

Under our Articles of Association, the number of our Directors cannot be less than three nor more than fifteen.

Dividends

Under the Companies Act, unless the Board recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 205 of the Companies Act, no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) calculated pursuant to the provisions of the Companies Act.

Under our Articles of Association, the shareholders at a general meeting may declare a lower, but not higher, dividend than that recommended by the Board. Dividends are generally declared as a percentage of the par value. The dividend recommended by the Board and approved by the shareholders at a general meeting is distributed and paid to shareholders in proportion to the paid-up value of their shares as on the record date for which such dividend is payable. In addition, the Board may declare and pay interim dividends. The shares to be issued upon the conversion of the ADSs will be fully paid-up when delivered as provided herein. Under the Companies Act, dividends can only be paid in cash to shareholders listed on the register of shareholders on the date which is specified as the "record date" or "book closure date". No shareholder is entitled to a dividend while any lien in respect of unpaid calls on any of their shares is outstanding.

Shares issued upon conversion of ADSs will rank *pari passu* with our existing Ordinary Shares of Rs. 10/- each in all respects including entitlement of the dividend declared.

Dividends must be paid within 30 days from the date of the declaration and any dividend which remains unpaid or unclaimed after that period must be transferred within seven days to a special unpaid dividend account held at a scheduled bank. Any money which remains unpaid or unclaimed for seven years from the date of such transfer must be transferred by us to the Investor Education and Protection Fund established by the Government pursuant to which no claim shall lie against us or the said Fund.

Under the Companies Act, we may only pay a dividend in excess of 10% of paid-up capital in respect of any year out of the profits of that year after we have transferred to our reserves a percentage of our non consolidated Indian GAAP profits for that year ranging between 2.5% to 10% depending on the rate of dividend proposed to be declared in that year. The Companies Act further provides that if the profit for a year is insufficient, the dividend for that year may be declared out of the non consolidated Indian GAAP accumulated profits earned in previous years and transferred to reserves, subject to the following conditions: (i) the rate of dividend to be declared may not exceed the lesser of the average of the rates at which dividends were declared in the five years immediately preceding the year, or 10% of paid-up capital; (ii) the total amount to be drawn from the accumulated profits from previous years may not exceed an amount equivalent to 10% of paid-up capital and free reserves and the amount so drawn is first to be used to set off the losses incurred in the financial year before any dividends in respect of preference or equity shares; and (iii) the balance of reserves after withdrawals must not be below 15% of paid-up capital.

'A' Ordinary shareholders will receive dividend for any financial year at five percentage points more than the aggregate rate of dividend declared on Ordinary Shares for that financial year.

Capitalization of Reserves and Issue of Bonus Shares

Our Articles of Association permit us by a resolution of our shareholders in a general meeting to resolve that amounts standing to the credit of reserves or securities premium can be capitalized by the issue of fully paid bonus shares (also referred to as a stock dividend) or by crediting shares not fully paid-up with the whole or part of any sum outstanding. Bonus shares must be issued pro rata to the amount of capital paid-up on existing shareholdings. Any issue of bonus shares would be subject to the guidelines issued by SEBI in this regard.

Calls on Shares, Pre-Emptive Rights and Alteration of Share Capital

Under the Companies Act, as well as our Articles of Association, the Board of Directors may from time to time make such calls as they think fit upon the members of the Company in respect of all moneys unpaid on the shares held by them respectively and each member is required to pay the amount of every call so made on him to the Company.

Subject to the provisions of the Companies Act, we may increase our share capital by issuing new shares on such terms and with such rights as we, by action of shareholders in a general meeting, determine. These new shares will be offered to existing shareholders listed on the members' register on the record date in proportion to the amount paid-up on these shares at that date. The offer will be



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made by notice specifying the number of shares offered and the date (being not less than 15 days from the date of the offer) after which the offer, if not accepted, will be deemed to have been declined. After this date, the Board may dispose of the shares offered in respect of which no acceptance has been received, in such manner as the Board thinks most beneficial to us. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to such person in favor of any other person provided that the person in whose favor these shares have been renounced is approved by the Board in their absolute discretion.

Under the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, if a special resolution to that effect is passed by the shareholders of the company in a general meeting. The issuance of shares upon conversion of our outstanding Convertible Notes has been duly approved by a special resolution of our shareholders and our shareholders have waived their pre-emptive rights with respect to these shares.

The Company can also alter its share capital by way of a reduction of capital or by undertaking a buy-back of shares under the prescribed SEBI guidelines.

Our Articles of Association provide that, by a special resolution passed at the general meeting, we may consolidate or sub-divide our share capital, convert all or any of our fully paid-up shares into stock and re-convert that stock into fully paid-up shares or cancel shares which have not been taken up by any person. The Company may also from time to time by special resolution reduce its capital.

General Meetings of Shareholders

We must hold our Annual General Meeting each year within 15 months of the previous Annual General Meeting and in any event not later than six months after the end of each accounting year, unless extended by the Registrar of Companies at our request for any special reason. Our Board of Directors may convene an Extraordinary General Meeting of shareholders when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than 10% of our capital. Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received from all shareholders in the case of an Annual General Meeting, and from shareholders holding not less than 95% of our paid-up capital in the case of any other general meeting. Currently, we give written notices to all members and, in addition, give public notice of general meetings of shareholders in a daily newspaper of general circulation in Mumbai. General meetings are generally held at some place in Mumbai. The quorum for a general meeting of the company is five shareholders personally present.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the memorandum, buy back of shares under the Companies Act, giving loans or extending guarantee in excess of limits prescribed under the Companies Act, and guidelines issued thereunder, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the general meeting of the company. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot voting also allows shareholders to cast their votes by electronic means.

Voting Rights

At a general meeting upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid-up on each share held by such holder bears to the total paid-up capital. Voting is by show of hands, unless a poll is ordered by the Chairman of the meeting or demanded by shareholder or shareholders holding at least 10% of the voting rights in respect of the resolution or by those holding paid-up capital of at least Rs.50,000. The Chairman of the meeting has a casting vote.

Holders of ADSs may exercise voting rights with respect to the Ordinary Shares represented by ADSs only in accordance with the provisions of our ADS deposit agreement and Indian law. Holders of ADSs are not entitled to attend or vote at shareholders meetings. A holder of ADSs may withdraw from the ADS facility the related underlying shares and vote as a direct shareholder, but there may not be sufficient time to do so after the announcement of an upcoming vote. If requested by us, the depositary will notify holders of ADSs of upcoming votes and arrange to deliver our voting materials to holders of ADSs. The materials will describe the matters to be voted on and explain how holders of ADSs on a record date specified by the depositary may instruct the depositary to vote on the deposited securities underlying the ADSs as directed by the holders of ADSs. For the instructions to be valid, the depositary must receive them in writing on or before a date specified by the depositary. The depositary will try, insofar as practicable, subject to Indian laws and the provisions of our Articles of Association, to vote or have its agents vote the deposited securities as instructed. The depositary will only vote as instructed and is not entitled to exercise any voting discretion. If the depositary timely receives voting instructions from a holder of ADSs and which fails to specify the manner in which the depositary is to vote the shares underlying such holder's ADSs, such holder will be deemed to have instructed the depositary to vote in favor of the items set forth in



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such voting instructions. If the depository does not receive timely instructions from a holder of ADSs, the holder shall be deemed to have instructed the depository to give a discretionary proxy to a person designated by us, subject to the conditions set forth in the deposit agreement. If requested by us, the depository is required to represent all shares underlying the outstanding ADSs, regardless whether timely instructions have been received from the holders of such ADSs, for the sole purpose of establishing a quorum at a meeting of shareholders.

Ordinary resolutions may be passed by simple majority of those shareholders present and voting at the meeting. Special resolutions require that the votes cast in favor of the resolution must be at least three times the votes cast against the resolution. The Companies Act provides that in order to amend the Articles of Association, a special resolution is required to be passed in a general meeting. Dissolutions, mergers or consolidations, transfers of the whole or a significant part of our business to another company or taking over the whole of the business of any other company and, in any case where shareholding of public financial institutions and banks exceeds 25%, appointment of statutory auditors, each require a special resolution. Our Articles of Association do not permit cumulative voting for the election of our directors.

A shareholder may exercise his voting rights by proxy to be given in the form required by our Articles of Association. The instrument appointing a proxy is required to be lodged with the company at least 48 hours before the time of the meeting. A shareholder may, by a single power of attorney, grant a general power of representation regarding several general meetings of shareholders. Any of our shareholders may appoint a proxy. A corporate shareholder is also entitled to nominate a representative to attend and vote on its behalf at general meetings. A proxy may not vote except on a poll and does not have a right to speak at meetings. A shareholder which is a legal entity may appoint an authorized representative who can vote in all respects as if a shareholder both on a show of hands and a poll.

The Companies Act allows for a company to issue shares with differential rights as to dividend, voting or otherwise subject to other conditions prescribed under applicable law. In this regard, the laws require that for a company to issue shares with differential voting rights the company must have had distributable profits in terms of the Companies Act for a period of three financial years, the company has not defaulted in filing annual accounts and annual returns for the immediately preceding three years, the articles of association of such company must allow for the issuance of such shares with differential voting rights and such other conditions set forth in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001 must be fulfilled.

In the case where a resolution is put to vote on a poll, such voting entitlement (excluding fractions, if any), will be applicable to holders of 'A' Ordinary Shares.

In the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.

Convertible Securities/Warrants

We may issue from time to time debt instruments that are partly and fully convertible into shares and/or warrants to purchase shares.

Register of Shareholders and Record Dates

We are obliged to maintain a register of shareholders at our registered office in Mumbai or at some other place in the same city. The register and index of our beneficial owners maintained by a depository under the Depositories Act, 1996 is deemed to be a part of the index of members and register of shareholders. We recognize as shareholders only those persons who appear on our register of shareholders and we cannot recognize any person holding any Share or part of it upon any trust, express, implied or constructive, except as permitted by law. In the case of shares held in physical form, we register transfers of shares on the register of shareholders upon lodgment of the share transfer form duly complete in all respects accompanied by a share certificate or if there is no certificate, the letter of allotment in respect of shares transferred together with duly stamped transfer forms. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, we enter the name of the depository in our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares that are held by the depository.

For the purpose of determining the shareholders, the register may be closed for periods not exceeding 45 days in any one year or 30 days at any one time. In order to determine the shareholders entitled to dividends, we keep the register of shareholders closed for approximately 21 days, generally in June or July of each year. Under the listing regulations of the stock exchanges on which our outstanding shares are listed, we may, upon at least 15 days' advance notice to these stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders entitled to the dividend. The trading of shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Annual Report and Financial Results

Our Indian GAAP audited financial statements for the relevant fiscal year, the directors' report and the auditors' report,



(collectively the Annual Report), must be laid before the Annual General Meeting. These also include other financial information, a corporate governance section and management’s discussion and analysis report and general shareholders’ information and are also made available for inspection at our registered office during normal working hours for 21 days prior to our annual general meeting.



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Under the Companies Act, we must file the Annual Report with the Registrar of Companies within seven months from the close of the accounting year or within 30 days from the date of the annual general meeting, whichever is earlier. As required under listing agreements with the applicable stock exchanges, copies are required to be simultaneously sent to all the stock exchanges on which our shares are listed. We must also publish our financial results in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a newspaper published in the language of the region where our registered office is situated.

We submit information, including our Annual Report, half yearly financial statements, report on corporate governance and the shareholding pattern statement, in accordance with the requirements of the listing agreement with the Singapore Stock Exchange.

Transfer of Shares

Shares held through depositories are transferred in book-entry form or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. We have entered into an agreement for these depository services with National Securities Depository Limited and the Central Depository Services (India) Limited.

The SEBI requires that all investors hold our shares in book-entry form for trading and settlement purposes, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange.

The requirement to hold shares in book-entry form will apply to ADS holders when the shares are withdrawn from the depository facility upon surrender of the ADSs. In order to trade in our shares in the Indian market, the withdrawing ADS holder will be required to comply with the procedures above.

Our ordinary shares are freely transferable, subject only to the provisions of the Companies Act under which, if a transfer of shares contravenes the SEBI provisions or the regulations issued under it or any other law for the time being in force or the Sick Industrial Companies (Special Provisions) Act, 1985, or SICA, or any other similar law, the Indian Company Law Board may, on an application made by the company, a depository incorporated in India, an investor, the SEBI or other parties, direct a rectification of the register of records. If a company without sufficient cause refuses to register a transfer of shares within two months from the date on which the instrument of transfer is delivered to the company, the transferee may appeal to the Indian Company Law Board seeking to register the transfer of equity shares. The Indian Company Law Board may in its discretion, issue an interim order suspending the voting rights attached to the relevant equity shares before completing its investigation of the alleged contravention. Under the Companies (Second Amendment) Act, 2002, the operative provisions of which are yet to come into force, the Indian Company Law Board is proposed to be replaced with the National Company Law Tribunal. Further, under the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, the SICA is sought to be repealed and the Board of Industrial and Financial Reconstruction, as constituted under the SICA, is to be replaced with the National Company Law Tribunal.

Pursuant to the Listing Agreement, in the event we have not effected the transfer of shares within one month or where the Issuer has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of one month, the Issuer is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay.

The Companies Act provides that the shares or debentures of the public listed company (like the Issuer) shall be freely transferable. Our Articles of Association provide for restrictions on the transfer of shares, including granting power to the board of directors in certain circumstances to refuse to register or acknowledge transfer of shares or other securities issued by us. However, under the Companies Act the enforceability of these transfer restrictions is unclear.

Acquisition of Our Own Shares

The Company is prohibited from acquiring its own shares unless the consequent reduction of capital is effected by an approval of at least 75% of its shareholders voting on the matter in accordance with the Companies Act, 1956 and is also sanctioned by a High Court of competent jurisdiction. Moreover, subject to certain conditions, a company is prohibited from giving, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or its holding company. However, pursuant to amendments to the Companies Act, a company has been empowered to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of any shares or other specified securities (other than the kind of shares or other specified securities proposed to be bought back) subject to the following conditions:

- (i) the buy back should be authorized by the Articles of Association;



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- (ii) a special resolution has been passed at our general meeting authorizing the buy back;
- (iii) the buy back is limited to 25% of the total paid up capital and free reserves;
- (iv) the debt owed by us (including all amounts of unsecured and secured debt) is not more than twice the capital and free reserves after the buy back; and
- (v) the buy-back is in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998.

The condition mentioned above in (ii) would not be applicable if the buy-back is for less than 10% of the total paid-up equity capital and free reserves of the company and provided that this buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy-back any securities for a period of one year from the buy-back and to issue securities for six months. The aforesaid restriction relating to the one year period does not apply to a buyback authorized by a special resolution of the shareholders in general meeting. Every buy-back has to be completed within a period of one year from the date of passing of the special resolution or resolution of the Board, as the case may be.

A company is also prohibited from purchasing its own shares or specified securities through any subsidiary company including its own subsidiary companies or through any investment company (other than a purchase of shares in accordance with a scheme for the purchase of shares by trustees of or for shares to be held by or for the benefit of employees of the company) or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with other provisions of the Companies Act.

Liquidation Rights

Subject to the rights of creditors, workmen and of the holders of any other shares entitled by their terms of issue to preferential repayment over the shares, in the event of our winding up, the holders of our shares are entitled to be repaid the amounts of capital paid-up or credited as paid-up on these shares, or in case of shortfall, proportionately. All surplus assets after payments due to workmen, the holders of any preference shares and other creditors belong to the holders of the equity shares in proportion to the amount paid up or credited as paid-up on these shares respectively at the commencement of the winding-up.

C. Material Contracts.

Except as given below, neither Tata Motors Limited nor any of its consolidated subsidiaries or associated companies is a party to any material contract other than contracts entered into in the ordinary course of business:

- the Tata Brand Equity and Business Promotion Agreement incorporated by reference into this annual report as Exhibit 4.1, which is described in Item 4.C of this annual report;
- the agreement entered into by us with Mr. Ravi Kant for his appointment as Managing Director, which is incorporated by reference in this annual report as Exhibit 4.2;
- the supplemental agreement entered into by us with Mr. Ravi Kant on his revised remuneration as Managing Director, which is included as Exhibit 4.3 of this annual report; and
- the agreement for the sale and purchase of Jaguar and Land Rover, which is included as Exhibit 4.4 of this annual report.

D. Exchange Controls.

General

Prior to June 1, 2000, foreign investment in Indian securities, including the acquisition, sale and transfer of securities of Indian companies, was regulated by the Foreign Exchange Regulation Act, 1973, or FERA, and the notifications issued by the Reserve Bank of India or RBI thereunder.

With effect from June 1, 2000, foreign investment in Indian securities is regulated by the Foreign Exchange Management Act 1999, or FEMA (as amended from time to time), and the rules, regulations and notifications made under FEMA. A person resident outside India can transfer any security of an Indian company or any other security to an Indian resident only under the terms and conditions specified in FEMA and the rules and regulations made thereunder or as permitted by the RBI.



The RBI issued the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations 2000, or the Regulations, to regulate the issue of Indian securities including American depository receipts to persons resident outside India and the transfer of Indian securities by or to persons resident outside India.

The Regulations provide that an Indian entity may issue securities to a person resident outside India or record in its books any transfer of security from or to such person only in the manner set forth in FEMA and the rules and regulations made thereunder or as permitted by the RBI.

Foreign Direct Investment

The Government of India, pursuant to its liberalization policy, set up the Foreign Investment Promotion Board, or the FIPB, to regulate all foreign direct investment into India. Foreign Direct Investment, means investment by way of subscription and/or purchase of securities of an Indian company by a non resident investor. FIPB approval is required for investment in some sectors, including housing, petroleum (other than refining), defense and strategic industries. Also, the following investments would require the prior permission of the FIPB:

- investments, including a transfer of shares, in excess of specified sectoral caps;
- investments by a foreign investor who has an existing joint venture or technology transfer/trade mark agreement in the same field. However, prior FIPB approval will not be required in case of investment made by a venture capital fund registered with SEBI or where the investment in the existing joint venture is less than 3.0 per cent. or where the existing joint venture is defunct or sick;
- investment being more than 24% in the equity capital of units manufacturing items reserved for small scale industries;
- investments by an unincorporated entity;
- investment in industries for which industrial licensing is compulsory; and
- all proposals relating to acquisition of shares of an Indian company by a foreign investor (including individuals of Indian nationality or origin residing outside India (a "Non-Resident Indian"), the activities of which company are not under the "automatic" route under existing Indian foreign investment policy or where the Indian company is engaged in the financial services sector or where the acquisition of shares attracts the provisions of the Takeover Code. However, pursuant to a recent Press Note issued by the Government of India, the prior permission of the FIPB would not be required for the transfer of shares from residents to non-residents in the financial services sector or, in transactions subject to the Indian Takeover Code in cases where approvals are required from the RBI, under the Takeover Code, or the Insurance Regulatory and Development Authority.

Subject to certain exceptions, Foreign Direct Investment and investment by individuals of Indian nationality or origin residing outside India, or Non-Resident Indians, in Indian companies does not require the prior approval of the FIPB or the RBI. The Government has indicated that in all cases where Foreign Direct Investment is allowed on an automatic basis without FIPB approval the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies.

The Government has set up the Foreign Investment Implementation Authority, or the FIIA in the Ministry of Commerce and Industry. The FIIA has been mandated to (i) translate foreign direct investment approvals into implementation, (ii) provide a proactive one-stop after-care service to foreign investors by helping them obtain necessary approvals, (iii) sort out operational problems and (iv) meet with various Government agencies to find solutions to foreign investment problems and maximize opportunities through a co-operative approach.

Pricing

The price of shares of a listed Indian company issued to non-residents under the foreign direct investment scheme on an automatic basis cannot be less than the price worked out in accordance with the guidelines issued by the SEBI for the preferential



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allotment of shares. Where an Indian company is not listed on any recognized stock exchange in India the minimum issue price of the shares would be based on a fair valuation of shares done by a chartered accountant as per the guidelines issued by the erstwhile Controller of Capital Issues.

Every Indian company issuing shares or convertible debentures in accordance with the Regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser. The above description applies only to an initial issue of shares or convertible debentures by an Indian company.

The above description applies only to a fresh issue of shares or convertible debentures by an Indian company.

Portfolio Investment by Foreign Institutional Investors

In September 1992, the Government issued guidelines that enable foreign institutional investors, including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated/institutional portfolio managers referred to as Foreign Institutional Investors, or FIIs, to make portfolio investments in all securities of listed and unlisted companies in India. Investments by registered Foreign Institutional Investors or Non-Resident Indians made through a stock exchange are known as Portfolio Investments. Foreign investors wishing to invest and trade in Indian securities in India under these guidelines are required to register with the SEBI and obtain a general permission from the RBI under the Foreign Exchange Management Act, 1999. However, since the SEBI provides a single window clearance, a single application must be made to the SEBI. Foreign investors are not necessarily required to register with the SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995 (the "Foreign Institutional Investor Regulations") as Foreign Institutional Investors and may invest in securities of Indian companies pursuant to the Foreign Direct Investment route discussed above.

Foreign Institutional Investors who are registered with the SEBI are required to comply with the provisions of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, or Foreign Institutional Investor Regulations. A registered foreign institutional investor may buy, subject to the ownership restrictions discussed below, and sell freely securities issued by any Indian company, (excluding companies engaged in the print media sector) realize capital gains on investments made through the initial amount invested in India, subscribe to or renounce rights offerings for shares, appoint a domestic custodian for custody of investments made and repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights offerings of shares. A Foreign Institutional Investor may not hold more than 10% of the total issued capital of a company in its own name; a corporate/individual sub-account of the Foreign Institutional Investor may not hold more than 5% of the total issued capital of a company, and a broad based sub-account may not hold more than 10% of the total issued capital of a company. The total holding of all Foreign Institutional Investors in a company is subject to a cap of 24% of the total paid up capital of a company, which can be increased to the relevant sectoral cap/ceiling applicable to the said company under the Foreign Direct Investment Regime with the passing of a special resolution by the shareholders of the company in a general meeting.

In terms of recent amendments made to the Foreign Institutional Investor Regulations, FIIs are permitted to purchase shares and convertible debentures, subject to the FII limits, of an Indian company either through:

- a public offer, where the price of the shares to be issued is not less than the price at which the shares are issued to Indian residents, or
- a private placement, where the price of the shares to be issued is not less than the price according to the terms of the relevant guidelines or the guidelines issued by the former Controller of Capital Issues.

Registered FIIs are generally subject to tax under Section 115AD of the Income Tax Act of 1961. There is uncertainty under Indian law as to the tax regime applicable to FIIs that hold and trade in ADSs and Shares. See Item 10.E "— Taxation — Taxation of Capital Gains — Indian Taxation".

Portfolio Investment by Non-Resident Indians

A variety of methods for investing in shares of Indian companies are available to Non-Resident Indians. These methods allow Non-Resident Indians to make Portfolio Investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. In addition to Portfolio Investments in Indian companies, non-resident Indians may also make foreign direct investments in Indian companies pursuant to the Foreign Direct Investment route discussed above.



Transfer of shares and convertible debentures of an Indian company by a person resident outside India

Until recently, the sale of shares of an Indian company from a non-resident to a resident required RBI approval, unless the sale was made on a stock exchange at the market price. The Government has granted general permission to persons residing outside India to transfer shares and convertible debentures held by them to an Indian resident, subject to compliance with certain terms and conditions and reporting requirements. A resident who wishes to purchase shares from a non-resident must, pursuant to the relevant notice requirements, file a declaration with an authorised dealer in the prescribed Form FC-TRS, together with the relevant documents and file an acknowledgment thereof with the Indian company to effect transfer of the shares to his name. However, in such cases, the person to whom the shares are being transferred is required to obtain the prior permission of the Central Government of India to acquire the shares if such person has an existing venture (in which such person holds over 3% shares) or tie-up in India through investment in shares or debentures or a technical collaboration or a trade mark agreement or investment by whatever name in the same field to that in which the Indian company whose shares are being transferred is engaged. Further, a non-resident may transfer any security held by such resident to a person resident in India by way of gift.

Moreover, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the Government or RBI, provided that: (i) the activities of the investee company are under the automatic route pursuant to FDI Policy and the transfer is not subject to regulations under the Indian Takeover Code; (ii) the non-resident shareholding complies with sector limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Sponsored ADR Schemes

By notification dated November 23, 2002, the RBI has permitted existing shareholders of Indian companies to sell their shares through the issuance of ADRs against the block of existing shares of the Indian company, subject to the following conditions:

- The facility to sell the shares would be available *pari passu* to all categories of shareholders.
- The sponsoring company whose shareholders propose to divest existing shares in the overseas market through issue of ADRs will give an option to all its shareholders indicating the number of shares to be divested and the mechanism how the price will be determined under the ADR norms. If the shares offered for divestment are more than the pre-specified number to be divested, shares would be accepted from the existing shareholders in proportion to their existing shareholdings.
- The proposal for divestment of the shares would have to be approved by a special resolution of the Indian company.
- The proceeds of the ADR issue raised abroad shall be repatriated into India within a period of one month from the closure of the issue. However, the proceeds of the ADR issue can also be retained abroad to meet the future foreign exchange requirements of the company and by a recent notification this facility has been extended indefinitely until further notice.
- The issue related expenses in relation to public issue of ADRs under this scheme would be subject to a ceiling of 4% of the issue size in the case of public issues and 2% of the issue size in the case of private placements. The issue related expenses would include underwriting commissions, lead managers' charges, legal expenses and reimbursable expenses. The issue expenses shall be passed on to the shareholders participating in the sponsored issue on a *pro rata* basis.

Transfer of ADRs by Non-residents

The Ministry of Finance, Government of India, has granted general permission for the transfer of ADRs outside India and also permitted non-resident holders of ADRs to surrender ADRs in exchange for the underlying shares. Pursuant to the terms of the Deposit Agreement an investor who surrenders ADRs and withdraws shares is permitted to re-deposit such shares subject to the total issued ADRs and obtain ADRs at a later time.

Fungibility of ADRs

In March 2001, the RBI permitted the re-conversion of shares of Indian Companies into ADRs, subject to the following conditions:

- the Indian company has issued ADRs;
- the shares of the Indian company are purchased by a registered stock broker in India in the name of the Depository, on behalf of the non-resident investor who wishes to convert such shares into ADRs;



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- shares are purchased on a recognized stock exchange;
- the shares are purchased with the permission of the custodian of the ADRs of the Indian company and are deposited with the custodian;
- the issuer company has authorized the custodian to accept shares from non-resident investors for re-issuance of ADRs;
- the number of shares so purchased do not exceed the ADRs converted into underlying shares, and are in compliance with the sectoral caps applicable under the Foreign Direct Investment regime; and
- the non-resident investor, broker, custodian and the overseas depository comply with the provisions of the Depository Receipt Mechanism and the guidelines issued thereunder from time to time.

Also the RBI has prescribed that the domestic custodians are the entity required to ensure compliance with the RBI guidelines and to file reports with the RBI from time to time. The domestic custodian is also required to perform the following functions:

- provide a certificate to the RBI and the SEBI stating that the sectoral caps for foreign investment in the relevant company have not been breached;
- monitor the total number of ADRs that have been converted into underlying shares by non-resident investors;
- liaise with the issuer company to ensure that the foreign investment restrictions, if any, are not being breached; and
- file a monthly report about the ADR transactions under the two-way fungibility arrangement with the RBI and the SEBI.

E. Taxation.

This section describes the material United States federal income tax and Indian stamp duty and income and service tax consequences of owning shares or ADSs. It applies to you only if you hold your shares or ADSs as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities,
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings,
- a tax-exempt organization,
- a life insurance company,
- a person liable for alternative minimum tax,
- a person that actually or constructively owns 10% or more of our voting stock,
- a person that holds shares or ADSs as part of a straddle or a hedging or conversion transaction, or
- a U.S. holder (as defined below) whose functional currency is not the dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, and the laws of India all as currently in effect, as well as on the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "Treaty"). These laws are subject to change, possibly on a retroactive basis. In addition, this section is based in part upon the representations of the Depository and the assumption that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms.



You are a U.S. holder if you are a beneficial owner of shares or ADSs and you are, for U.S. federal income tax purposes:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

With regard to Indian tax, the following discussion addresses only the tax consequences for persons that are "non-residents" of India, as defined in the Indian Income Tax Act of 1961, or the Income Tax Act and is based on the provisions of Section 115AC and other applicable provisions of the Income Tax Act and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme 1993 promulgated by the Government of India, or together the Section 115AC Regime.

You should consult your own tax advisor regarding the United States federal, state and local and the Indian and other tax consequences of owning and disposing of shares and ADSs in your particular circumstances.

If a partnership holds shares or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. If you hold shares or ADSs as a partner in a partnership, you should consult your tax advisor with regard to the U.S. federal income tax treatment of an investment in our shares and ADSs.

This discussion addresses only United States federal income taxation and Indian stamp duty and income and service taxation.

In general, and taking into account the earlier assumptions, for United States federal income and Indian tax purposes, if you hold ADRs evidencing ADSs, you will be treated as the owner of the shares represented by those ADRs. Exchanges of shares for ADRs, and ADRs for shares, generally will not be subject to United States federal income or to Indian tax, but such exchange may give rise to Indian stamp duty as described below under "— Stamp Duty".

Taxation of Dividends

Indian Taxation. Dividends paid to non-residents of India will not be liable to tax. However, the Company will be liable to pay a "dividend distribution tax" currently at the rate of 15% (plus a surcharge at 10% and education cess at the rate of 3% on the dividend distribution tax and surcharge) on the total amount distributed as a dividend. The effective rate of dividend distribution tax is 17%.

Distributions to non-residents of India of additional ADSs or shares or rights to subscribe for such shares made with respect to ADSs or shares are not subject to Indian tax.

United States Federal Income Taxation

U.S. Holders. Under the United States federal income tax laws, and subject to the passive foreign investment company, or PFIC rules described below, if you are a U.S. holder, the gross amount of any dividend we pay out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes) is subject to United States federal income taxation. If you are a noncorporate U.S. holder, dividends paid to you in taxable years beginning before January 1, 2011 that constitute qualified dividend income will be taxable to you at a maximum tax rate of 15% provided that you hold the shares or ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends we pay with respect to the shares or ADSs generally will be qualified dividend income.

The dividend is taxable to you when you, in the case of shares, or the Depository, in the case of ADSs, receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. dollar value of the rupee payments made, determined at the spot rupee/U.S. dollar rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.



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Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the shares or ADSs and thereafter as capital gain.

Dividends will be income from sources outside the United States. Dividends paid in taxable years beginning before January 1, 2007 generally will be "passive" or "financial services" income, and dividends paid in taxable years beginning after December 31, 2006 will, depending on your circumstances, be "passive" or "general" income which, in either case, is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you.

Distributions of additional shares to you with respect to shares or ADSs that are made as part of a pro rata distribution to all of our shareholders generally will not be subject to United States federal income tax.

Taxation of Capital Gains

Indian Taxation

Capital Gains Generally. Under Section 115AC and other applicable provisions of the Income tax act 1961, any gain realized on the sale outside India of the ADSs from one non-resident of India to another non-resident holder is not subject to Indian capital gains tax. However, it is unclear whether a capital gain derived from the sale of rights by a non-resident of India to another non-resident holder outside India may be subject to Indian capital gains tax.

Capital gains arising to the non-resident investor on the transfer of the equity shares (including shares received in exchange of the ADSs) whether in India or outside India to a non-resident investor or Indian resident, will be liable for income tax under the provisions of the Income Tax Act.

Equity shares (including shares issuable on the exchange of the ADSs) held by the non-resident investor for a period of more than 12 months are treated as long-term capital assets. If the equity shares are held for a period of 12 months or less, the capital gains arising on the sale thereof is to be treated as short-term capital gains. A non-resident holder's holding period (for purposes of determining the applicable Indian capital gains tax rate) in respect of shares received in exchange for ADSs commences on the date of the advice of withdrawal of such shares by the relevant depository to its custodian.

For the purpose of computing capital gains tax on the sale of the equity shares, the cost of acquisition of equity shares received in exchange for ADSs will be determined on the basis of the prevailing price of the shares on the Indian Stock Exchanges as on the date on which the relevant depository gives notice to its custodian for the delivery of such equity shares upon redemption of the ADSs, while the cost of acquisition of shares directly converted from the ADSs will be determined on the basis of the price prevailing on the Indian Stock Exchanges on the date of conversion into equity shares.

Gain realized on the sale of listed equity shares held for more than 12 months will not be subject to Indian capital gains tax if the Securities Transaction Tax ("STT") has been paid on the transaction. The STT will be levied on and collected by a domestic stock exchange on which equity shares are sold at the rate of 0.025% to 0.125% depending upon the nature of the transaction.

Any gain realized on the sale of equity shares held for more than 12 months on which no STT has been paid will be subject to Indian capital gains tax at the rate of 10% plus applicable surcharge on income tax and education cess at the applicable rates.

Capital gains realised in respect of equity shares held (calculated in the manner set forth in the prior paragraph) for 12 months or less (short term gain) on which STT is paid in the manner and rates set out above, is subject to tax at the rate of 10% plus applicable surcharge on income tax and an education cess at the applicable rate. In the event that no STT is paid, short term gain is subject to tax at variable rates with the maximum rate of 40% plus applicable rate of surcharge on income tax and education cess at the rate of 3% of the tax and surcharge. The actual rate of tax on short term gains depends on a number of factors, including the legal status of the non-resident holder and the type of income chargeable in India.

Tax on capital gains is to be deducted at source by the person paying for the shares in accordance with the relevant provisions of the Income Tax Act.

Capital Losses. The Section 115AC Regime does not deal with capital losses arising on a transfer of shares. In general terms, losses arising from a transfer of a capital asset in India can only be set off only against capital gains and not against any other income. A short-term capital loss can be set off against a capital gain, whether short-term or long-term. However, long term capital



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loss can only be set off against long term capital gain and not against short term capital gain. To the extent that the losses are not absorbed in the year of transfer, they may be carried forward for a period of eight assessment years immediately succeeding the assessment year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent assessment years. In order to set off capital losses in this manner, the non-resident investor would be required to file appropriate and timely tax returns in India. The long term capital loss arising on sale of equity shares in respect of which STT is paid may not be available for set-off against any capital gains.

United States Federal Income Taxation.

U.S. Holders. Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell or otherwise dispose of your shares or ADSs, you will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the dollar value of the amount that you realize and your tax basis, determined in dollars, in your shares or ADSs. Capital gain of a non-corporate U.S. holder that is recognized in taxable years beginning before January 1, 2011 is generally taxed at a maximum rate of 15% where the holder has a holding period greater than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

PFIC

We believe that shares and ADSs should not be treated as stock of a PFIC for United States federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change. If we were to be treated as a PFIC, unless a U.S. holder elects to be taxed annually on a mark-to-market basis with respect to the shares or ADSs, gain realized on the sale or other disposition of your shares or ADSs would in general not be treated as capital gain. Instead, if you are a U.S. holder, you would be treated as if you had realized such gain and certain "excess distributions" ratably over your holding period for the shares or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charged in respect of the tax attributable to each such year. With certain exceptions, your shares or ADSs will be treated as stock in a PFIC if we were a PFIC at any time during your holding period in your shares or ADSs. Dividends that you receive from us will not be eligible for the special tax rates applicable to qualified dividend income if we are treated as a PFIC with respect to you either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income.

Tax Treaties.

The provisions of the Agreement of Avoidance of Double Taxation entered into by Government with the country of residence of the non-resident investor will be applicable to the extent that they are more beneficial to the non-resident investor.

Dividend income is not subject to tax in India in the hands of the holder of the shares. If any Shares are held by a non resident investor following withdrawal thereof from the depository facility under the Deposit Agreement, provisions of double taxation treaty, if any, entered into by India with the country of residence of such non resident investor will be applicable to taxation of any capital gain arising from transfer of such shares.

However, during the period of fiduciary ownership of Shares in the hands of the Overseas Depository Bank, the provisions of Double Taxation Avoidance Agreement entered into by the Government of India with the country of residence of the Overseas Depository Bank will be applicable in the matter of taxation of capital gains in respect of ADSs.

Stamp Duty. Under Indian law, any transfer of ADSs will be exempt from liability to Indian stamp duty. Purchasers of shares who seek to register such shares on the share register of the company are required to pay Indian stamp duty at the rate of Rs.0.25 for every Rs.100 or part thereof of the market value of such shares. In order to register a transfer of shares in the physical form with the company, it is necessary to present a stamped deed of transfer. An acquisition of shares in physical form from the Depository in exchange for ADSs representing such shares will not render an investor liable to Indian stamp duty but the company will be required to pay stamp duty at the applicable rate on the Share Certificate. However, since our shares are compulsorily deliverable in dematerialized form (except for trades of up to 500 shares which may be delivered in physical form), no stamp duty is payable on the acquisition or transfer of shares in dematerialized form.

Service Tax. Brokerage or commission fees paid to stockbrokers in India in connection with the sale or purchase of shares are now subject to an Indian service tax of 12% (plus a 2% education cess). A stockbroker is responsible for collecting such service tax at such rate and for paying the same to the relevant authority.

F. Dividends and Paying Agents

Not applicable.



G. Statement by Experts

Not applicable.

H. Documents on Display.

You may review a copy of this annual report at the Securities and Exchange Commission's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may call the SEC at 1-800-732-0330 for additional information on how to obtain copies of all or any portion of the documents we file with or furnish to the SEC. The Securities and Exchange Commission also maintains a web site www.sec.gov that contains reports, proxy statements and other information regarding registrants that file electronically with the Securities and Exchange Commission.

We are subject to the information requirements of the Securities Exchange Act of 1934 and, in accordance therewith, will file annual reports on Form 20-F within six months of our fiscal year end and furnish other reports and information on Form 6-K with the Securities and Exchange Commission. These reports and other information can be inspected at the public reference room at the Securities and Exchange Commission and at the Securities and Exchange Commission regional offices listed above. You can also obtain copies of this material from the public reference room, the regional offices or by calling or writing the Securities and Exchange Commission upon payment of a prescribed fee. As a foreign private issuer, we are exempt from the rules under the Securities Exchange Act of 1934 prescribing the furnishing and content of proxy statements to shareholders.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk.

Our exposure to financial risks derives primarily from changes in interest rates and foreign exchange rates. To mitigate these risks, we utilize derivative financial instruments, including interest rate option contracts and currency swap agreements, the application of which is primarily for hedging purposes and not for speculative purposes.

Interest Rate and Swap Agreements

Our exposure to interest rate risks relates primarily to:

- our long term debt, which is normally utilized to finance capital expenditure;
- our investment in marketable securities; and
- our finance receivables.

We are subject to market risk from exposure to changes in interest rates based on our financing, investing and cash management activities. We enter into various financial instrument transactions to maintain the desired level of exposure to the risk of interest rate fluctuations and to minimize interest expense. We have entered into exchange traded forwards and option contracts, interest rate caps and floors, along with various investments, to reduce the interest rate risk related to these activities.

There are particular shortcomings inherent in the sensitivity analyses presented below. The model assumes interest rate changes are instantaneous parallel shifts in the yield curve; however, in reality, changes are rarely instantaneous. Although some assets and liabilities may have similar maturities or periods to repricing, they may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may lag behind changes in market rates.

The sensitivity to a change in interest rates of 1% on our unhedged floating rate loans as at March 31, 2008 and March 31, 2007 is Rs.176.2 million and Rs.252 million, respectively, on an annual basis. The sensitivity to a change in interest rates of 1% on the value of our portfolio of marketable securities as at March 31, 2008 and 2007 is Rs.50 million and Rs.29 million, respectively.

We may have a prepayment and default risk with respect to our finance receivables due to any change in interest rates.



Foreign Exchange Risk

The following table sets forth information relating to our foreign currency debt exposure for the periods indicated:

	Fiscal 2008	Fiscal 2007
	Percentage (%)	
Total Foreign Currency denominated debt as percentage of total outstanding debt	46.7	46.6
Total US\$ debt as percentage of total outstanding debt	39.3	37.4

We have foreign currency exposure related to buying, selling and financing in currencies, primarily in the dollar, other than the local currencies in which we operate. We are also exposed to foreign currency risk related to future earnings or assets and liabilities that are exposed due to operating cash flows and various financial instruments that are denominated in foreign currencies.

We use derivative instruments primarily to hedge our foreign exchange exposure, and also to hedge our interest rate exposure. Nevertheless, a weakening of the rupee against the dollar and other major foreign currencies may have an adverse effect on our cost of borrowing and cost of imported goods/technology and consequently may increase the cost of financing our capital expenditures. In addition, we have experienced and expect to continue to experience foreign exchange losses and gains on obligations denominated in foreign currencies in respect of our borrowings.

The sensitivity to a change in currency prices of 1% per US\$ on our unhedged foreign currency loans as at March 31, 2008 and 2007 is Rs.503 million and Rs.362 million, respectively.

We hedge most of our exports. However, some of our imports and exports have remained unhedged during the year. The sensitivity to a 1% change in exchange rates of individual currencies against the rupee for the unhedged portion of our imports payables for the year ending March 31, 2008 and 2007 is Rs.49 million and Rs.11 million, respectively, and sensitivity to a 1% change in exchange rates of individual currencies against the rupee for the unhedged portion of our exports receivables for the year ending March 31, 2008 is Rs.36 million.

Investment price risk

The fair value of some of our investments in available-for-sale securities exposes us to equity price risks. In general, these securities are not held for trading purposes. These investments are subject to changes in the market prices of the securities. The fair value of our available-for-sale, equity securities as of March 31, 2008 and 2007 was Rs.27,277 million and Rs.15,870 million respectively. A 1% change in equity prices of available-for-sale securities held as at March 31, 2008 and 2007 would result in an impact of Rs.273 million and Rs.159 million, respectively.

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of commodities, such as non-ferrous metals (like aluminum), ferrous alloys (like steel) and others (like rubber), which we use in the production of automotive vehicles and their components. We do not use derivative instruments to hedge the price risk associated with the purchase of these commodities. However, we cover some of these risks through long-term purchase contracts.

Our exposure to financial risks derives primarily from changes in interest rates and foreign exchange rates. To mitigate these risks, we utilize derivative financial instruments, including interest rate option contracts and currency swap agreements, the application of which is primarily for hedging purposes and not for speculative purposes.

Item 12. Description of Securities Other than Equity Securities.

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies.

None.



Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

None.

Item 15. Controls and Procedures.

Disclosure Controls and Procedures. Based on their evaluation as of March 31, 2008, our Managing Director, Mr. Ravi Kant, who is our chief executive officer and Mr. C. Ramakrishnan who is our chief financial officer, respectively, have concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act) are effective.

Management's Annual Report on Internal Control Over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed under the supervision of our principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with Indian GAAP and U.S. GAAP. Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian GAAP and U.S. GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Our disclosure committee comprising of our senior executives has reviewed the adequacy of disclosure pertaining to its respective functions.

Our management conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that our internal control over financial reporting as at March 31, 2008 is effective.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

The effectiveness of our internal control over financial reporting as at March 31, 2008 has been audited by Deloitte Haskins and Sells, an independent registered public accounting firm, as stated in their report appearing on the accompanying consolidated financial statements in Item 18, which expresses an unqualified opinion on the effectiveness of our internal control over financial reporting as at March 31, 2008.

Attestation Report of the Registered Public Accounting Firm. The attestation report of Deloitte Haskins and Sells, an independent registered public accounting firm, regarding its audit of our internal control over financial reporting is set forth in Item 18 “—Financial Statements”.

Changes in Internal Control over Financial Reporting. During the period covered by this annual report, there were no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 16.A. Audit Committee Financial Expert.

Our Board has determined that Mr. Palia, an independent director and a member of our Audit Committee, is an audit committee financial expert as defined under the applicable rules of the SEC issued pursuant to Section 407 of the Sarbanes – Oxley Act of 2002.

Item 16B. Code of Ethics.

We have adopted the “Tata Code of Conduct” (hereinafter referred as to ‘the Code’) a written Code of Ethics which is applicable to all our employees, including the chief executive officer, chief financial officer, principal accounting officer, senior management, as well as all officers working in accounts, finance, treasury, internal audit, taxation, legal, secretarial, investor relations, Disclosure Committee, Audit Committee, Board of Directors and other departments. We have a separate Code of Conduct applicable to Non-Executive Directors. The Codes are available at all our offices and are publicly available on our website.



In August 2004, our Audit Committee adopted a Policy (the Whistle Blower Policy) that provided a formal mechanism for all our employees to approach our Management (or the Audit Committee in cases where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violations of the Company's Code of Conduct or ethics policy. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event such employee becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Whistle Blower Policy.

Item 16C. Principal Accountant Fees and Services.

Our financial statements prepared in accordance with US GAAP, are audited by Deloitte Haskins and Sells (DHS), a firm registered with the Public Company Accounting Oversight Board (PCAOB) in the United States and an Indian firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI).

DHS has served as our independent public accountant for each of the years ended March 31, 2008 and March 31, 2007, for which audited financial statements appear in this annual report.

The following table presents the aggregate fees for professional services and other services rendered by DHS and the various member firms of Deloitte to us including some of our subsidiaries in fiscal 2007 and fiscal 2008

	Year ended March 31,			Description of Services
	2007 Rs. in million	2008 Rs. in million	2008 US \$ in million	
Audit Fees	121.2	124.3	3.1	Audit and review of financial statements.
Tax Fees	5.7	8.7	0.2	Tax audit, certification of foreign remittances and tax advisory services.
All Other Fees	2.9	5.4	0.1	Other certifications and advisory services.
Total	129.8	138.4	3.4	

Audit Committee pre-approval for services rendered by independent accountants:

- We have adopted a policy for pre-approval of services to be rendered by our independent accountants for us and our subsidiaries based on an elaborate procedure for ensuring auditor independence and objectivity.
- At the beginning of each year, the Audit Committee approves the proposed services, including the nature, type and scope of services contemplated and/or the related fees to be rendered by these firms during the year.
- In addition, Audit committee pre-approval is also required for those engagements that may arise during the course of the year that are outside the scope of the initial services and such fees are pre-approved by the audit Committee.
- We do not engage our independent accountants for 'prohibited services'.
- Our Audit Committee recommends the appointment and compensation of independent accountants.
- In case of urgent requirements, our CFO and the Chairman of our Audit Committee jointly approve any services that may be rendered by our independent accountants or their member firms and such services are subsequently ratified at the next Audit Committee meeting.
- The pre-approval is not required where the fees proposed to be paid for the non-audit services do not exceed 5% of the total amount of fees paid by us to our independent accountants and their member firms during the fiscal year, provided that such services were not recognized as non audit services at the time of the engagement of services. Such services are also brought to the attention of the Audit Committee at the next meeting.

Item 16D. Exemptions from the Listing Standards for Audit Committees.

Not applicable.



Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

None.

Item 17. Financial Statements.

We have elected to provide the financial statements and related information specified in Item 18 in lieu of Item 17.

Item 18. Financial Statements.

The information required by this item is set forth beginning on page F-1 of this annual report.

Item 19. EXHIBITS.

Exhibit Number	Description
1.1—	Our Certificate of Incorporation ***
1.2—	Our Memorandum and Articles of Association, as amended.
2.2—	Form of Amended and Restated Deposit Agreement among Tata Motors Limited, Citibank, N.A. as Depositary and all owners and holders from time to time of American Depositary Receipts, including the form of American Depositary Receipt**
4.1—	Tata Brand Equity & Business Promotion Agreement, dated December 18, 1998, between Tata Sons Limited and Tata Engineering and Locomotive Company Limited (now Tata Motors Limited) *
4.2—	Agreement for appointment of Mr. Ravi Kant as our Managing Director****
4.3—	Supplemental Agreement for revision in terms of remuneration of Mr. Ravi Kant as our Managing Director
4.4—	Agreement for the sale and purchase of Jaguar and Land Rover, dated March 25, 2008, among Ford Motor Company, TML Holdings Limited and Tata Motors Limited
7.1—	Computation of Net Debt to Shareholders' Equity Ratio
8.1—	List of our Subsidiaries
11.1—	The Tata Code of Conduct*
12.1—	Certification of the Principal Executive Officer required by Rule 13a – 14(a)
12.2—	Certification of the Principal Financial Officer required by Rule 13a – 14(a)
13—	Certification of the Chief Executive Officer and Chief Financial Officer required by Rule 13a – 14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code

We have not included as exhibits certain instruments with respect to our long-term debt, the amount of debt authorized under each of which does not exceed 10% of our total assets, and we agree to furnish a copy of any such instrument to the Securities Exchange Commission upon request.

- * Incorporated by reference to our Registration Statement on Form 20-F File No. 001-32294 filed on September 15, 2004
- ** Incorporated by reference to our Registration Statement on Form F-6 (File no 333-119066) filed on September 16, 2004
- *** Incorporated by reference to our Annual Report on Form 20-F File No. 001-32294 filed on September 27, 2005
- **** Incorporated by reference to our Annual Report on Form 20-F File No. 001-32294 filed on September 26, 2006



SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

September 28, 2008

TATA MOTORS LIMITED

By /s/ Ravi Kant
Name: Ravi Kant
Title: Managing Director

By /s/ C. Ramakrishnan
Name: C. Ramakrishnan
Title: Chief Financial Officer



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Tata Motors Limited
Mumbai, India

We have audited the accompanying consolidated balance sheets of Tata Motors Limited and subsidiaries (the "Company") as of March 31, 2008 and 2007, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended March 31, 2008. 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 audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of March 31, 2008, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated September 24, 2008, expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

As described in Note 2 (a) to the consolidated financial statements, these consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which differ in certain material respects from accounting principles generally accepted for companies in India, which form the basis of the Company's general purpose financial statements.

Our audit for the year ended and as of March 31, 2008, also comprehended the translation of Indian rupee amounts into U.S. dollar amounts and in our opinion, such translation has been made in conformity with the basis stated in Note 2 (ae). Such U.S. dollar amounts are presented solely for the convenience of readers in the United States of America.

DELOITTE HASKINS & SELLS
Chartered Accountants
Mumbai, India
September 24, 2008



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Tata Motors Limited
Mumbai, India

We have audited the internal control over financial reporting of Tata Motors Limited (the “Company”) as of March 31, 2008, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Item 15 under Controls and Procedures of the accompanying Form 20F titled Management’s Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the effectiveness of the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by or under the supervision of, the company’s principal executive and principal financial officers or persons performing similar functions and effected by the company’s board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company has maintained, in all material respects, effective internal control over financial reporting as of March 31, 2008, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets as of March 31, 2008 and 2007, and the related consolidated statements of income, shareholders’ equity and cash flows for each of the three years in the period ended March 31, 2008 of the Company and our report dated September 24, 2008, expressed an unqualified opinion on those financial statements.

DELOITTE HASKINS & SELLS

Chartered Accountants

Mumbai, India

September 24, 2008



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Tata Motors Limited

Consolidated Balance Sheets
As of March 31, 2007 and 2008

	As of March 31,		
	2007	2008	2008
	(In millions, except share and per share amounts)		
ASSETS:			
Current assets:			
Cash and cash equivalents	Rs. 7,652.5	Rs. 11,394.6	US\$ 284.7
Short-term deposits with banks	173.2	13.3	0.3
Investments – current	2,589.6	772.7	19.3
Finance receivables (net of allowances of Rs. 1,063.2 million and Rs. 994.2 million, respectively)	28,371.4	24,078.9	601.7
Accounts receivable (net of allowances of Rs. 710.1 million and Rs. 1,004.8 million, respectively)	19,320.7	28,343.3	708.2
Inventories	33,923.1	34,340.2	858.1
Deferred income taxes	2,531.2	2,979.7	74.5
Other current assets (net of allowances of Rs. 997.3 million and Rs. 939.1 million, respectively)	19,372.1	22,597.9	564.7
Total current assets	113,933.8	124,520.6	3,111.5
Investments – non-current	19,668.7	40,455.4	1,010.9
Equity in affiliates	2,690.2	9,934.6	248.2
Finance receivables – non-current	54,153.5	51,251.6	1,280.6
Property, plant and equipment, net	63,649.7	99,637.6	2,489.7
Goodwill and intangible assets	10,229.1	10,082.6	251.9
Restricted deposits with banks (See Note 12)	—	11,224.0	280.5
Other non-current assets	6,690.4	22,172.9	554.0
Total assets	Rs. 271,015.4	Rs. 369,279.3	US\$ 9,227.3
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Liabilities:			
Current liabilities:			
Accounts payable	Rs. 45,474.0	Rs. 55,061.3	US\$ 1,375.7
Acceptances	24,608.1	41,420.5	1,035.0
Accrued expenses and other current liabilities	11,794.4	18,504.3	462.4
Short-term borrowings and current portion of long term debt	38,902.0	69,012.5	1,724.5
Total current liabilities	120,778.5	183,998.6	4,597.6
Long-term debt	40,235.1	58,792.8	1,469.1
Other liabilities	8,595.2	9,469.1	236.6
Deferred income taxes	5,983.6	6,119.9	152.9
Total liabilities	175,592.4	258,380.4	6,456.2
Commitments and contingencies (See Note 23)			
Minority interest	4,054.1	5,634.8	140.8
Shareholders' equity:			
Ordinary shares; Par value Rs. 10 per share; authorized 450,000,000 shares as of March 31, 2007 and 2008, issued and fully paid up 385,360,135 and 385,490,204 shares as of March 31, 2007 and 2008 respectively; issued and partly paid-up 13,750 shares, both years	3,854.1	3,855.4	96.3
Additional paid-in capital	39,711.0	39,778.6	994.0
Capital redemption reserve	52.8	22.8	0.6
Debenture redemption reserve	3,341.5	3,341.5	83.5
Reserve for research and human resource development	669.5	965.4	24.1
Special reserve	127.8	249.8	6.2
Earned surplus reserve	—	14.2	0.4
Retained earnings	32,135.2	39,125.0	977.6
Accumulated other comprehensive income	11,477.0	17,911.4	447.6
Total shareholders' equity	91,368.9	105,264.1	2,630.3
Total liabilities and shareholders' equity	Rs. 271,015.4	Rs. 369,279.3	US\$ 9,227.3

See accompanying notes to consolidated financial statements



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Tata Motors Limited

Consolidated Statements of Income
For each of the years ended March 31, 2006, 2007 and 2008

	Years ended March 31,			
	2006	2007	2008	2008
	(In millions, except share and per share amounts)			
Revenues				
Gross sales	Rs. 272,350.8	Rs. 370,709.1	Rs. 400,144.0	US\$ 9,998.6
Less: Excise duty	35,465.0	46,227.9	47,356.0	1,183.3
Net sales	236,885.8	324,481.2	352,788.0	8,815.3
Finance revenues (See Note 20)	3,728.7	7,043.4	12,442.6	310.9
Total revenues	240,614.5	331,524.6	365,230.6	9,126.2
Cost of sales	189,318.7	263,449.7	287,895.6	7,193.8
Operating expenses				
Selling, general and administrative	26,586.2	35,623.3	43,731.4	1,092.7
Research and development	4,663.0	6,018.1	9,906.4	247.5
Employee separation compensation (See Note 18)	4.2	2.6	3.1	0.1
Total operating expenses	31,253.4	41,644.0	53,640.9	1,340.3
Operating income	20,042.4	26,430.9	23,694.1	592.1
Non-operating (expense) income				
Gain on shares issued by subsidiary	86.5	30.4	70.9	1.8
Gain on sale of equity interests in subsidiaries (See Note 19)	1,532.1	—	1,254.7	31.4
Other non-operating income, net	1,882.6	4,745.4	5,104.7	127.6
Interest income	662.8	598.3	1,690.8	42.2
Interest expense	(3,717.8)	(5,413.8)	(10,507.2)	(262.5)
Total non-operating (expense) income	446.2	(39.7)	(2,386.1)	(59.5)
Income before equity in affiliates, minority interest and income taxes	20,488.6	26,391.2	21,308.0	532.6
Income tax expense	(5,618.3)	(8,113.0)	(5,898.8)	(147.4)
Minority interest, net of tax	(331.1)	(718.5)	(1,148.1)	(28.7)
Equity in net income of affiliates, net of tax	471.4	551.9	(55.2)	(1.4)
Net income	Rs. 15,010.6	Rs. 18,111.6	Rs. 14,205.9	US\$ 355.1
Weighted average equity shares outstanding:				
Basic	373,268,040	384,544,205	385,438,663	385,438,663
Diluted	399,310,236	407,166,995	407,167,207	407,167,207
Earnings per share:				
Basic	Rs. 40.2	Rs. 47.1	Rs. 36.9	US\$ 0.9
Diluted	Rs. 38.7	Rs. 45.4	Rs. 35.8	US\$ 0.9

See accompanying notes to consolidated financial statements



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Tata Motors Limited

Consolidated Statements of Cash Flows
For each of the years ended March 31, 2006, 2007 and 2008

	Years ended March 31,			
	2006	2007	2008	2008
	(In millions)			
Cash flows from operating activities:				
Net income	Rs. 15,010.6	Rs. 18,111.6	Rs. 14,205.9	US\$ 355.1
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	5,470.3	5,943.1	6,944.2	173.5
Amortization of intangible assets	373.1	663.2	842.3	21.0
Gain on sale of finance receivables	(294.3)	(412.8)	(1,934.5)	(48.4)
Write offs of delinquent finance receivables	294.2	1,333.9	2,366.0	59.1
Allowances for delinquent finance receivables, net of recoveries	717.2	(116.6)	(69.0)	(1.8)
Equity in earnings of affiliates	(471.4)	(551.9)	55.2	1.4
Gain on sale of property, plant and equipment	(58.0)	(132.3)	(173.1)	(4.3)
Loss on liquidation of subsidiaries	—	25.8	—	—
Gain on sale of investment in affiliate/ equity interests in subsidiary	(1,532.1)	(214.1)	(1,399.5)	(35.0)
Gain on shares issued by subsidiary	(86.5)	(30.4)	(70.9)	(1.8)
Deferred tax expense	684.6	828.8	(428.1)	(10.7)
Gain on sale of investments	(173.8)	(176.4)	(189.9)	(4.7)
Non-cash dividend income	—	—	(421.0)	(10.5)
Impairment of investments	—	8.6	—	—
Minority interest	331.1	718.5	1,148.1	28.7
Changes in :				
Accounts receivable	(2,782.2)	(4,993.5)	(9,870.5)	(246.6)
Finance receivable	—	—	(906.3)	(22.6)
Other current assets	(10,372.9)	(6,571.7)	(1,667.0)	(41.7)
Inventories	(4,605.2)	(7,569.8)	(968.2)	(24.2)
Other non-current assets	(1,835.9)	(812.8)	(830.5)	(20.8)
Accounts payable	3,457.4	14,203.2	8,010.2	200.2
Acceptances	562.8	(4,908.7)	17,118.9	427.8
Accrued expenses and other current liabilities	977.3	2,152.3	3,721.4	93.0
Net cash provided by operating activities	5,666.3	17,498.0	35,483.7	886.7
Cash flows from investing activities:				
Short-term bank deposits	10,884.8	4,741.6	159.9	4.0
Loans given to affiliate and others	—	—	(533.6)	(13.3)
Restricted deposits with Banks	—	—	(11,224.0)	(280.5)
Payment made to Liquidators of subsidiaries	—	(4.4)	—	—
Purchases of available-for-sale investments	(390.6)	(123.5)	(12,032.9)	(300.7)
Purchase of Held to Maturity securities	—	(15.0)	—	—
Purchases of other investments	(300.0)	(45.0)	(372.7)	(9.4)
Proceeds from sale of available-for-sale investments	8,199.7	1,539.6	1,057.7	26.4
Proceeds from sale of equity interests in subsidiary	2,078.3	—	2,006.8	50.1
Proceeds from sale of investments in affiliates	—	396.4	183.9	4.6
Proceeds from sale of other investments	76.6	4.9	356.0	8.9
Deposits of margin money	—	—	(11,918.8)	(297.8)
Investments in affiliates	(181.4)	(340.1)	(7,564.9)	(189.0)
Dividends received from affiliates	188.8	449.6	337.8	8.4
Net change in finance receivables	(43,368.4)	(79,072.3)	(72,670.0)	(1,815.8)
Proceeds from sale of finance receivables, net of retained interests	28,128.3	43,027.0	80,408.2	2,009.2
Cash flow from retained interests in securitized transactions	629.4	(286.6)	112.7	2.8
Purchases of property, plant and equipment	(10,354.9)	(24,121.8)	(41,642.2)	(1,040.5)
Proceeds from sale of property, plant and equipment	195.8	1,040.9	471.8	11.8
Purchase of intangible assets	(379.5)	(1,155.2)	(1,065.0)	(26.6)
Shares of subsidiary purchased from minority shareholders	(152.9)	—	—	—
Payments for acquisitions, net of cash acquired	(4,304.2)	—	(89.7)	(2.2)
Net cash used in investing activities	(9,050.2)	(53,963.9)	(74,019.0)	(1,849.6)



Tata Motors Limited

Consolidated Statements of Cash Flows
For each of the years ended March 31, 2006, 2007 and 2008

	Years ended March 31,							
	2006		2007		2008		2008	
	(In millions)							
Cash flows from financing activities:								
Proceeds from issuance of shares, net of issue expenses	Rs.	259.2	Rs.	(0.9)	Rs.	(0.1)	US\$	—
Proceeds from issue of shares by a subsidiary to minority shareholders		415.1		161.8		351.2		8.8
Dividend paid (including dividend tax)		(5,147.5)		(5,678.6)		(6,763.2)		(169.0)
Dividends paid to minority shareholders of subsidiaries		(127.9)		(152.0)		(253.0)		(6.3)
Net change in short-term debt		4,074.9		24,768.9		18,883.3		471.8
Proceeds from issuance of long-term debt		8,759.7		21,667.1		40,707.9		1,017.1
Repayments of long-term debt		(3,783.1)		(2,292.7)		(9,280.0)		(231.9)
Net cash provided by financing activities		4,450.4		38,473.6		43,646.1		1,090.5
Net change in cash and cash equivalents		1,066.5		2,007.7		5,110.8		127.6
Cash and Bank balance on liquidation of subsidiaries taken over by Administrator		—		(5.5)		—		—
Cash and Bank balance on sale of subsidiary						(12.9)		(0.3)
Effect of foreign exchange on cash flows		376.1		(665.6)		(1,355.8)		(33.8)
Cash and cash equivalents, beginning of the year		4,873.3		6,315.9		7,652.5		191.2
Cash and cash equivalents, end of the year	Rs.	6,315.9	Rs.	7,652.5	Rs.	11,394.6	US\$	284.7
Supplemental cash flows information:								
Interest paid	Rs.	3,507.2	Rs.	5,017.7	Rs.	10,947.9	US\$	273.6
Income taxes paid	Rs.	5,609.8	Rs.	7,056.3	Rs.	6,879.5	US\$	171.9
Non-cash transactions:								
1% Foreign Currency Convertible Notes due 2008 converted into 312,955, 1,620,003 and nil ordinary shares	Rs.	75.9	Rs.	412.7	Rs.	—	US\$	—
Zero Coupon Foreign Currency Convertible Notes due 2009 converted into 6,264,476; 919,297 and 130,069 ordinary shares	Rs.	3,638.1	Rs.	551.0	Rs.	69.0	US\$	1.7
14,053,791 ordinary shares issued on acquisition of Tata Finance Limited as purchase consideration	Rs.	6,867.9	Rs.	—	Rs.	—	US\$	—
Shares/warrants allotted on settlement of legal cases against the rights entitlement, which were held in abeyance	Rs.	—	Rs.	—	Rs.	—	US\$	—
Non-cash dividend on AFS investments	Rs.	—	Rs.	—	Rs.	421.0	US\$	10.5

See accompanying notes to consolidated financial statements



Tata Motors Limited
Statements of Shareholders' Equity
For each of the years ended March 31, 2006, 2007 and 2008

	Shares (including partly paid up shares)	Par value	Additional paid-in capital	Comprehensive income	Accumulated other comprehensive income (In millions, except number of shares)	Capital redemption reserve	Debtenture redemption reserve	Reserve for research and human resource development	Special reserve	Retained earnings	Total shareholders' equity
Balance at March 31, 2005	361,751,751	Rs.3,617.9	Rs.28,143.3		Rs.10,614.1	Rs. 22.8	Rs.3,341.5	Rs. —	Rs.60.9	Rs.10,608.7	Rs.56,409.2
Shares issued upon conversion of 1% Foreign Currency Convertible Notes	312,955	3.1	72.8								75.9
Shares issued upon conversion of Zero Coupon Foreign Currency Convertible Notes (Net of issue expenses)	6,264,476	62.6	3,571.8								3,634.4
Shares issued on acquisition of Tata Finance Limited	14,053,791	140.6	6,727.3								6,867.9
Issue of shares	451,158	4.5	258.4								262.9
Net income				15,010.6						15,010.6	15,010.6
Dividend paid (including dividend tax)										(5,147.5)	(5,147.5)
Transfer to special reserve									14.3	(14.3)	—
Transfer to reserve for research and human resource development								56.2		(56.2)	—
Unrealized gain on available-for-sale securities, net of tax and realized earnings				3,761.7	3,761.7						3,761.7
Translation adjustment				135.4	135.4						135.4
Additional minimum pension liability				5.3	5.3						5.3
Comprehensive income				Rs. 18,913.0							
Balance at March 31, 2006	382,834,131	Rs.3,828.7	Rs.38,773.6		Rs.14,516.5	Rs. 22.8	Rs.3,341.5	Rs. 56.2	Rs.75.2	Rs.20,401.3	Rs.81,015.8

See accompanying notes to consolidated financial statements



Tata Motors Limited
Statements of Shareholders' Equity
For each of the years ended March 31, 2006, 2007 and 2008

	Shares (including partly paid up shares)	Par value	Additional paid-in capital	Comprehensive income	Accumulated other comprehensive income (In millions except number of shares)	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Retained earnings	Total shareholders' equity
Balance at March 31, 2006	382,834,131	Rs. 3,828.7	Rs. 38,773.6		Rs. 14,516.5	Rs. 22.8	Rs. 3,341.5	Rs. 56.2	Rs. 75.2	Rs. 20,401.3	Rs. 81,015.8
Shares issued upon conversion of 1% Foreign Currency Convertible Notes (Net of issue expenses)	1,620,003	16.2	395.6								411.8
Shares issued upon conversion of Zero Coupon Foreign Currency Convertible Notes (Net of issue expenses)	919,297	9.2	541.8								551.0
Shares/warrants allotted on settlement of legal cases against the rights entitlement, which were held in abeyance	454	—	—								—
Net income				18,111.6						18,111.6	18,111.6
Dividend paid (including dividend tax)										(5,678.6)	(5,678.6)
Transfer to capital redemption reserve						30.0				(30.0)	—
Transfer to special reserve									52.6	(52.6)	—
Transfer to reserve for research and human resource development								613.3		(613.3)	—
Liquidation of Subsidiaries										(3.2)	(3.2)
Unrealized gain on available-for-sale securities (net of deferred tax)				(1,634.9)	(1,634.9)						(1,634.9)
Translation adjustment				612.0	612.0						612.0
Initial application of SFAS 158 (net of deferred tax)					(1,434.8)						(1,434.8)
Unamortized actuarial gains and losses/prior service cost (net of deferred tax)				(581.8)	(581.8)						(581.8)
Comprehensive income				Rs. 16,506.9							
Balance at March 31, 2007	385,373,885	Rs. 3,854.1	Rs. 39,711.0		Rs. 11,477.0	Rs. 52.8	Rs. 3,341.5	Rs. 669.5	Rs. 127.8	Rs. 32,135.2	Rs. 91,368.9

See accompanying notes to consolidated financial statements



Tata Motors Limited
Statements of Shareholders' Equity
For each of the years ended March 31 2006, 2007 and 2008

	Shares (including partly paid up shares)	Par value	Additional paid-in capital	Comprehensive income	Accumulated other comprehensive income	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Retained earnings	Total shareholders' equity
	(In millions except number of shares)											
Balance at March 31, 2007	385,373,885	Rs. 3,854.1	Rs. 39,711.0		Rs. 11,477.0	Rs. 52.8	Rs. 3,341.5	Rs. 669.5	Rs. 127.8	—	Rs. 32,135.2	Rs. 91,368.9
Shares issued upon conversion of Zero Coupon Foreign Currency Convertible Notes (Net of issue expenses)	130,069	1.3	67.6									68.9
Net income				Rs. 14,205.9							Rs. 14,205.9	14,205.9
Dividend paid (including dividend tax)											(6,763.2)	(6,763.2)
Transfer to earned surplus reserve										14.2	(14.2)	—
Transfer to special reserve									122.0		(122.0)	—
Transfer to reserve for research and human resource development								295.9			(295.9)	—
Sale of controlling stake in a subsidiary						(30.0)					(20.8)	(50.8)
Unrealized gain on available-for-sale securities (net of deferred tax)				7,386.8	7,386.8							7,386.8
Translation adjustment				(722.2)	(722.2)							(722.2)
Unamortized actuarial gains and losses/ prior service cost (net of deferred tax)				(230.2)	(230.2)							(230.2)
Comprehensive income				Rs. 20,640.3								
Balance at March 31, 2008	385,503,954	Rs. 3,855.4 US\$ 96.3	Rs. 39,778.6 US\$ 994.0		Rs. 17,911.4 US\$ 447.6	Rs. 22.8 US\$ 0.6	Rs. 3,341.5 US\$ 83.5	Rs. 965.4 US\$ 24.1	Rs. 249.8 US\$ 6.2	Rs. 14.2 US\$ 0.4	Rs. 39,125.0 US\$ 977.6	Rs. 105,264.1 US\$ 2,630.3



Tata Motors Limited

Notes to Consolidated Financial Statements

1. Background and Operations

Tata Motors Limited and its subsidiaries, collectively referred to as “the Company”, primarily designs, manufactures and sells a wide range of vehicles. The Company provides financing for the vehicles sold by it. The Company also manufactures and sells spare parts for its vehicles and engines for industrial and marine applications, as well as construction equipment, including hydraulic excavators, cranes and wheel loaders, aggregates such as axles and transmissions for commercial vehicles and factory automation equipment, and provides information technology services.

Tata Sons Limited (or Tata Sons), together with its subsidiaries, owns 22.05% of the shares of Tata Motors Limited, and has the ability to significantly influence the Company’s operations.

2. Significant Accounting Policies

a. Basis of Presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). US GAAP differs in certain material respects from accounting principles generally accepted in India and the requirements of India’s Companies Act, 1956 (collectively Indian GAAP), which form the basis of the general purpose financial statements of the Company in India.

Principal differences insofar as they relate to the Company includes the identification of subsidiaries and affiliates, differences in the measurement basis for acquisitions accounted for using the purchase method, the valuation of investments, accounting for retirement benefits, compensated absences, startup expenses, foreign exchange, debt issuance and extinguishment costs, intangible assets, research and development costs and employee separation costs and the presentation and format of the financial statements and related notes.

b. Basis of Consolidation

The Company consolidates all entities in which it has a majority financial interest. There are no Variable Interest Entities to be consolidated in accordance with Financial Accounting Standards Board (FASB) Interpretation No. 46(R), *Consolidation of Variable Interest Entities, an interpretation of ARB No. 51* [FIN 46(R)]. Inter-company transactions, balances and unrealized profit or loss on inter-company transactions are eliminated on consolidation.

The results of subsidiaries acquired have been consolidated from the date of acquisition. Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. The excess of fair value over the purchase consideration is first allocated to reduce the amounts otherwise assigned to the eligible acquired long-term assets, and any excess remaining is recognized as an extraordinary gain in the income statement in the period in which the business combination is consummated.

At March 31, 2007 and 2008 the company had 39 and 41 consolidated subsidiaries respectively.

c. Affiliates

Entities where the Company exerts significant influence, generally where the Company controls between 20% and 50% of the voting stock of the investee company, are considered affiliates, and are accounted for using the equity method. Inter-company unrealized profit or loss on transactions with affiliates is eliminated.



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d. Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results could differ from these estimates. Material estimates in these financial statements that are susceptible to change as more information becomes available include allowances for uncollectible accounts and finance receivables, certain deferred tax assets and warranty obligation.

e. Revenue Recognition

The Company recognizes revenues on the sale of products, net of trade discounts and rebates, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sales include export and other incentives from the Governments at the national and state levels as per the Government policies, which are subject to change from time to time. Sales also include excise duties, charges for shipping and handling to the point of delivery and exclude other indirect taxes

Revenues are recognized when collectibility of the resulting receivable is reasonably assured.

Finance and service charges are accrued on the unpaid principal balance of finance receivables using the effective interest method. Hire purchase and loan receivables are placed on "non-accrual" status when interest or principal payments are eleven months and six months past due, respectively, at which time no further interest is accrued and overdue interest is written off against interest income. Finance receivables are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

During the year ended March 31, 2007, an amount of Rs. 479.0 million has accrued and has been included under revenues, representing the loss of profits claim consequent to the disruption due to fire in the paint shop of the car manufacturing facility in Pune

f. Cost Recognition

Costs and expenses are recognized when incurred and are classified according to their primary functions in the following categories:

Cost of sales

These costs primarily include raw materials, compensation of production personnel, depreciation and amortization of production equipment and factory overheads.

Selling, general and administrative expenses

Selling expenses primarily include compensation for sales and marketing personnel, travel costs, advertising, business promotion expenses, allowances for delinquent receivables and outward shipping expenses. (Selling expenses include outward shipping expenses of Rs. 6,091.5 million, Rs. 8,548.9 million and Rs.9,042.1 million for the year ended March 31, 2006, 2007 and 2008 respectively and advertisement/ publicity expenses of Rs.1,935.3 million, Rs. 2,591.2 million and Rs. 3,078.6 million for the year ended March 31, 2006, 2007 and 2008 respectively)

General and administrative costs primarily include employee compensation for administrative, supervisory and managerial personnel, depreciation and amortization of non-production equipment and software, non-factory overheads including rent, insurance, electricity, telecommunication costs, legal and professional fees, amortization of intangibles, valuation allowances and other general expenses.



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Research and development expenses

All research and development expenses are expensed when incurred. Research and development expenses include all costs relating to the Company's Engineering Research Center ("ERC") and all costs incurred for the design and development of new vehicle models.

g. *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 incidences based on actions on product failures.

h. *Sales of Receivables*

The Company sells finance receivables to qualifying special purpose entities ("SPE")/ financial institutions and banks. 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 receivables 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.

Gains or losses from the sale of receivables 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, and are reported net of the estimated cost of servicing.

i. *Foreign Currency*

The functional currency of Tata Motors and its domestic subsidiaries is the Indian rupee. Foreign currency transactions are accounted into Indian rupees at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated into Indian rupees using exchange rates prevailing on the balance sheet dates. Gains and losses arising on translation of foreign currency denominated monetary assets and liabilities and on foreign currency transactions are included in net income.

The financial statements of foreign subsidiaries have been translated into Indian rupees for the purposes of consolidation as follows: income statement items have been converted at the average exchange rates during the period, and assets and liabilities have been translated at exchange rates prevailing on the balance sheet date. Any resulting unrealized gains or losses are reported in other comprehensive income, a separate component of shareholders' equity.

j. *Income Taxes*

Income tax consists of the current tax provision and the net change in the deferred tax asset or liability for the year.

Current income taxes are provided for in accordance with the provisions of the Indian Income Tax Act 1961 or applicable law in foreign tax jurisdictions.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards. Such deferred tax assets and liabilities are computed separately for each taxable entity in the consolidated enterprise and for each taxable jurisdiction. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized and are separately estimated at each such entity without offsetting.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.



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The company has implemented FIN 48, *Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109, Accounting for Income Taxes* during the year ended March 31, 2008. Refer Note -10

k. Earnings Per Share

Basic earnings per ordinary share has been computed by dividing net income by the weighted average number of ordinary shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per ordinary share has been computed using the weighted average number of ordinary shares and dilutive potential ordinary shares outstanding during the year using the "if-converted" method for warrants and convertible instruments, except where the result would be antidilutive.

l. Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible to cash and have an original maturity on the date of purchase of three months or less to be cash equivalents.

m. Finance Receivables, Deferred Origination Costs and Allowance for Credit Losses

Tata Motors' primary business is manufacturing and sale of motor vehicles. Vehicles and spare parts are predominantly sold to dealers and directly to a few customers such as governments and other large organisation. Nearly all of the Company's financing loans are provided to purchasers of vehicles from independent third party dealers.

The Company also finances vehicle sales with hire purchase and loan financing provided to some of its customers. Such contracts are accounted for as sales type leases and give rise to a normal manufacturer's margin. Finance receivables are reported at their outstanding unpaid principal balances reduced by a valuation allowance.

Origination fees and certain direct origination costs are deferred and amortized as an adjustment to the yield of the related finance receivable.

The Company establishes a specific and unallocated allowance for credit losses for finance receivables based on management's best estimate of losses inherent in the finance receivable portfolio.

The Company considers a finance receivable to be impaired when, based on current information and events, it is probable that the Company will be unable to collect scheduled payments of principal or interest when due according to the contractual terms of the financing agreement.

The Company provides a specific allowance for credit losses for hire purchase and loan receivables that are in arrears for eleven months and six months or more, respectively, in an amount equivalent to the outstanding principal and interest balance.

The allowance for credit losses is evaluated on a regular basis by management and is based upon management's view of the probability of recovery of receivables in light of historical experience, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, amounts that may be recoverable from originating dealers, factors affecting the industry which the receivable exposure relates to and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

Credit losses are charged against the allowance when management believes that the balance cannot be recovered. Subsequent recoveries and proceeds from auctions of repossessed vehicles are credited to the allowance.



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Repossessed Vehicles

Vehicles repossessed from delinquent financing customers and held for auction are recorded at the lower of the unpaid principal balance and estimated net realizable value. Gains or losses on disposal are recorded when the vehicles are sold.

n. *Inventories*

Inventories are valued at the lower of cost and market. Cost of raw materials and components is ascertained on a weighted average basis. Cost of work-in-progress and finished goods are determined on a full absorption cost basis.

o. *Concentrations of Credit Risk*

Financial instruments that potentially subject the Company to concentrations of credit risk principally consist of cash and cash equivalents, investments in mutual funds, other investments securities, derivative financial instruments, accounts receivable and loans and advances. None of the financial instruments result in material concentrations of credit risk.

p. *Investments*

Debt securities for which management has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are reported at amortized cost.

Debt securities and equity securities with readily determinable fair market values that are not classified as held-to-maturity, and retained interests in sold receivables are classified as available-for-sale and recorded at fair value. Unrealized gains and losses on such securities, net of applicable taxes, are reported in other comprehensive income, a separate component of shareholders' equity.

Retained interests in sold receivables are initially measured at fair value determined by an external credit rating process considering various factors; principally, the expected credit losses, the age of the receivables portfolio, expected prepayments and the credit rating of the Company. These retained interests are not quoted and therefore, subsequent fair values are determined based on a valuation model that takes account of various assumptions such as the shortfall in collections, prepayments, the age of the portfolio and other assumptions. These fair values are usually certified by the special purpose entities.

The Company does not have any securities classified as trading.

Equity securities that do not have readily determinable market values are accounted for at original cost. The fair values of these securities are not estimated if there are no events or changes in circumstances that may have a significant effect on the fair value.

Declines in the fair value of securities below cost that are other than temporary are reflected in earnings as realized losses.

The cost in respect of securities sold is determined on a weighted average basis.

q. *Shares issued by Subsidiary*

The issuance of stock by a subsidiary to third parties reduces the proportionate ownership interest in the investee. Unless the issuance of such stock is part of a broader corporate reorganization or unless realization is not assured, the Company recognizes a gain or loss, equal to the difference between the issuance price per share and the Company's carrying amount per share. Such gain or loss is recognized in the statement of income when the transaction occurs.



r. *Property, Plant and Equipment*

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation.

Cost includes the purchase price, taxes and duties, labor cost and direct overheads for self constructed assets and other direct costs incurred up to the date the asset is available for use.

Interest cost incurred for constructed assets is capitalized up to the date the asset is ready for its intended use based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Depreciation is provided on a straight-line basis over estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

<u>Type of Asset</u>	<u>Estimated useful life (years)</u>
Building	20 to 40
Plant and equipment	9 to 20
Computers	3 to 6
Vehicles	3 to 10
Furniture and fixtures	3 to 20

Depreciation on capital lease assets is recorded over the shorter of the estimated useful life of the asset or the period of the lease.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

In respect of the assets of the Company whose estimated useful lives are revised, the unamortized depreciable amount is expensed prospectively over the revised remaining useful life.

s. *Leases*

Assets acquired under capital leases are initially recognized 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 finance charges and reduction of the outstanding liability. Finance charges are allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

t. *Impairment of Long-Lived Assets*

Whenever events or circumstances indicate that the carrying amount of long-lived assets may not be recoverable, the Company subjects such assets to a test of recoverability based on the undiscounted cash flows from use or disposition of the asset. If the asset is impaired, the Company recognizes an impairment loss as the difference between the carrying value of the asset and the lower of its fair value and net realizable value.

As of March 31, 2007 and 2008, none of the Company's long-lived assets was considered impaired.

Un-depreciated cost of any assets that are abandoned or plant that relates to discontinued models is expensed.

u. *Goodwill and Other Intangible Assets (acquired in a business combination)*

In accordance with Statement of Financial Accounting Standards (SFAS) No. 141, *Business Combinations*, the Company uses the purchase method of accounting for all business combinations. Intangible assets acquired in a business combination are recognized and reported apart from goodwill if they meet the criteria specified in SFAS No. 141.



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The Company tests goodwill for impairment annually.

The intangible assets are amortized over their estimated useful life, which are as follows:

Type of Asset	Estimated useful life (years)
Software	7
Customer related intangibles	10
Supplier related intangibles	5

v. Purchased Intangible Assets (other than in a business combination)

Purchased intangible assets other than intangible assets with indefinite lives, primarily consist of technology know-how, patents and software that are valued at acquisition cost and is amortized over their useful life of two to twenty years.

Purchased intangible assets with an indefinite useful life are capitalized. Such intangibles are not amortized but are evaluated for impairment annually or when significant events occur that indicate that the fair value is less than its carrying value. The Company determines fair value of these assets by estimating the present value of expected future cash flows.

w. Derivative Instruments

Derivative financial instruments are reported as assets or liabilities in the balance sheet at fair value. Changes in fair value are reported in earnings. Fair values of derivative financial instruments are generally based on quoted market prices or quotations obtained from inter-bank market participants.

Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended, as they are not designated as hedges.

x. Employee Benefits

Pension benefits

Gratuity

Tata Motors 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. Tata Motors and such subsidiaries make annual contributions to gratuity funds established as trusts. Some subsidiaries have obtained insurance policies with the Life Insurance Corporation of India. Tata Motors and such subsidiaries account for the liability for gratuity benefits payable in the future based on an actuarial valuation.



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Superannuation

Tata Motors 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. Tata Motors and such subsidiaries account for superannuation benefits payable in future under the plan based on an 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.

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

Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors 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. Tata Motors and such subsidiaries account for the liability for BKY benefits payable in the future based on an actuarial valuation.

Severance indemnity

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.

Post-retirement Medicare Scheme

Under this unfunded plan, employees of Tata Motors and some of its subsidiaries receive 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 an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the plan. Tata Motors and such subsidiaries account for the liability for post-retirement medical scheme based on an actuarial valuation.

Measurement date

The measurement date of retirement plans is March 31.

Provident fund

In accordance with Indian law, eligible employees of Tata Motors and some of its subsidiaries are entitled to receive benefits in respect of 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 made to the provident fund and pension fund set up as an irrevocable trust by Tata Motors and its subsidiaries or to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. Tata Motors and its subsidiaries are generally liable for any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognizes such shortfall, if any, as an expense in the year incurred.



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Compensated absences

The Company provides for the cost of vacation earned based on the number of days of unutilized leave at each balance sheet date.

y. *Long Term Debts*

The Company reports long-term debt at the outstanding principal balance. The proceeds from debt issued with detachable warrants is allocated between the debt instrument and the warrant based on the relative fair values of the two instruments determined by reference to quoted market prices. The proceeds from convertible debt which has a beneficial conversion feature at inception is allocated between the host contract and the option based on the intrinsic value of the option. Amounts allocated to warrants are reported as additional paid in capital. Amounts allocated to any beneficial conversion features are deferred and amortized as a yield adjustment using the interest method over the life of the debt.

z. *Debt Issuance Costs*

Issuance costs of long-term debt are amortized over the tenure of the debt.

aa. *Dividends*

Any dividends declared by Tata Motors are based on the profits available for distribution as reported in the unconsolidated statutory financial statements of Tata Motors prepared in accordance with Indian GAAP. Further, Indian law mandates that any dividend be declared out of distributable profits only after the transfer of a specified percentage of net income computed in accordance with current regulations to a general reserve. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable. As at March 31, 2007 and March 31, 2008, the amounts available for distribution were Rs. 50,670.1 million and Rs. 64,190.3 million respectively. Subsequent to March 31, 2008, Tata Motors has paid a dividend of Rs. 15.00 per share. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable taxes.

ab. *Comprehensive Income*

The Company reports comprehensive income in accordance with SFAS No.130, *Reporting Comprehensive Income*. Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Unrealized gains and losses on available-for-sale securities, translation adjustments arising on the consolidation of foreign subsidiaries, unamortized actuarial gains and losses and net income are components of comprehensive income.

ac. *Segments*

The Company operates in one identified reportable segment, Automotive. Other operating segments do not meet the quantitative thresholds for disclosure and have been aggregated.

ad. *New accounting pronouncements*

In September 2006, the FASB issued SFAS 157 *Fair Valuation Measurement* which provides a definition of fair value, establishes a framework for measuring fair value and requires expanded disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The provisions of SFAS 157 should be applied prospectively. In February 2008, the FASB issued FASB Staff Position No. SFAS 157-2 (FSP FAS 157-2) which delays the effective date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). This FSP partially defers the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 for items within the scope of this FSP. The company is evaluating the application of this statement.



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In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS 159 permits measurement of recognized financial assets and liabilities at fair value with certain exceptions such as investments in subsidiaries, obligations for pension or other postretirement benefits, and financial assets and financial liabilities recognized under leases. Changes in the fair value of items for which the fair value option is elected should be recognized in income or loss. The election to measure eligible items at fair value is irrevocable and can only be made at defined election dates or events, generally on an instrument by instrument basis. Items for which the fair value option is elected should be separately presented or parenthetically be disclosed in the statement of financial position. SFAS 159 also requires significant new disclosures that apply for interim and annual financial statements. SFAS 159 shall be effective for fiscal years beginning after November 15, 2007 with earlier adoption permitted, if certain conditions are met. The company is evaluating the application of this statement.

In December 2007, FASB issued SFAS No. 141(R), Business Combinations (“SFAS 141(R)”), which establishes principles and requirements for how the acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed, any noncontrolling interest, and the goodwill acquired in a business combination or a gain from a bargain purchase. Also, SFAS 141(R) provides several new disclosure requirements that enable users of the financial statements to evaluate the nature and financial effects of the business combination. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The company is evaluating the application of this statement.

In December 2007, FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51 (“SFAS 160”). FAS 160 amends the guidance in Accounting Research Bulletin (“ARB”) No. 51, Consolidated Financial Statements (“ARB 51”), to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective for fiscal year beginning on or after December 15, 2008. The presentation and disclosure requirements shall be applied retrospectively for all periods presented in the consolidated financial statements in which SFAS 160 is initially applied. The company is evaluating the application of this statement.

In March 2008, FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133 (“SFAS 161”). SFAS 161 changes and enhances the current disclosure requirements for derivative instruments and hedging activities under FAS 133. SFAS 161 is effective for financial statements for fiscal years beginning after November 15, 2008. The company is evaluating the application of this statement.

In May 2008, the FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles. The new standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles (GAAP) for non-governmental entities. SFAS No. 162 is effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board (“PCAOB”) amendments to AU Section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.

ae. Convenience Translation

The accompanying consolidated financial statements have been expressed in Indian rupees (“Rs.”), the Company’s functional currency. For the convenience of the reader, the financial statements as at and for the year ended March 31, 2008 have been translated into U.S. dollars at US\$1.00 = Rs. 40.02 based on the noon buying rate for cable transfers on March 31, 2008 as certified for customs purposes by the Federal Reserve Bank of New York. Such translation should not be construed as representation that the rupee amounts have been or could be converted into U.S. dollars at that or any other rate, or at all.



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3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As of March 31,		
	2007	2008	2008
		(In millions)	
Cash on hand	Rs. 65.3	Rs. 52.0	US\$ 1.3
Balances with banks in Indian rupees	6,590.5	10,389.0	259.6
Balances with banks in foreign currencies	996.7	953.6	23.8
Total	Rs.7,652.5	Rs.11,394.6	US\$284.7

4. Finance receivables

Finance receivables consist of loans, sales type and direct financing leases, the details are as follows:

	As of March 31,		
	2007	2008	2008
		(In millions)	
Total minimum lease payments / loan installments to be received	Rs.97,482.5	Rs.92,327.6	US\$2,307.0
Less: Unearned income	13,894.4	16,002.9	399.9
	83,588.1	76,324.7	1,907.1
Less: Allowance for credit losses	1,063.2	994.2	24.8
Net investment in financing leases/ loans	Rs.82,524.9	Rs.75,330.5	US\$1,882.3
Current portion	28,371.4	24,078.9	601.7
Non-current portion	54,153.5	51,251.6	1,280.6
Net investment in financing leases/ loans	Rs.82,524.9	Rs.75,330.5	US\$1,882.3

The amount of sales type and direct financing leases were Rs.5,632.7 million and Rs.1,345.0 million as at March 31, 2007 and March 31, 2008, respectively. The remaining amounts of finance receivables as at those dates consists of loan contracts.

Changes in the allowance for credit losses are as follows:

	As of March 31,			
	2006	2007	2008	2008
			(In millions)	
Beginning balance	Rs. 129.6	Rs. 846.8	Rs. 1,063.2	US\$26.6
Additional allowances for credit losses for the year (net of recoveries)	717.2	216.4	(69.0)	(1.8)
Ending balance	Rs.846.8	Rs.1,063.2	Rs. 994.2	US\$24.8

Minimum lease and loan receivables are contractually due as follows:

	As of March 31, 2008	
	(In millions)	
Years ending March 31:		
2009	Rs.34,431.6	US\$ 860.4
2010	26,585.2	664.3
2011	19,859.3	496.2
2012	9,515.1	237.8
2013	1,913.7	47.8
Thereafter	22.7	0.5
Gross minimum lease payments/ loan installment to be received	Rs.92,327.6	US\$2,307.0



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Retained interests in sold receivables, which consist of subordinated / other securities that have been included in available-for-sale investments, were as follows:

	As of March 31,		
	2007	2008	2008
	(In millions)		
Subordinated / other securities	Rs.640.1	Rs.566.7	US\$14.2

Retained interests in sold receivables which are not in the nature of securities are Rs. 694.5 million and Rs. 407.4 million as of March 31, 2007 and March 31, 2008 respectively.

The following table summarizes pre-tax gains on new transfers of finance receivables and certain cash flows received from customers and paid to SPEs /financial institutions and banks for sales that were completed in year ended March 31, 2006, 2007 and 2008:

	For the years ended March 31,			
	2006	2007	2008	2008
	(In millions)			
Gross proceeds from new transfers of finance receivables	Rs.28,128.3	Rs.43,027.0	Rs.84,941.8	US\$2,122.5
Less:				
Fair value of finance receivables derecognized	27,403.5	41,955.2	81,950.9	2,047.7
Estimated cost of servicing by dealers	430.5	659.0	1,056.4	26.4
Pre-tax gains on new transfers of finance receivables	Rs. 294.3	Rs. 412.8	Rs. 1,934.5	US\$ 48.4
Cash flow information				
Collections against transfers of finance receivables	Rs.15,170.2	Rs.26,407.1	Rs.44,169.8	US\$1,103.7
Payments made to SPEs/financial institutions and banks	Rs.13,743.6	Rs.25,759.3	Rs.43,274.5	US\$1,081.3
Cash flows on retained interests:				
Subordinated securities	Rs. 629.4	Rs. (286.6)	Rs. 112.7	US\$ 2.8
Others	Rs. 354.0	Rs. (236.2)	Rs. 287.1	US\$ 7.2

Tata Motors retained servicing rights for transfers of finance receivables. The servicing portfolio is summarized in the table as follows:

	As of March 31,		
	2007	2008	2008
	(In millions)		
Balance at the beginning	Rs. 35,971.6	Rs. 59,847.0	US\$ 1,495.4
Receivables sold	50,282.5	95,667.6	2,390.5
Collections	(26,407.1)	(44,169.8)	(1,103.7)
Balance at the end	Rs. 59,847.0	Rs.111,344.8	US\$ 2,782.2

Key assumptions used in measuring the retained interests in transfers of finance receivables completed in year ended March 31, 2006, 2007 and 2008 as of the dates of such sales were as follows:

	For the years ended March 31,		
	2006	2007	2008
Key assumptions: (rates per annum)			
Annual prepayment rate	0.42-1.74%	0.60%	0.50%
Expected credit losses	0.24-1.34%	0.26-1.23%	0.91-1.19%



Changes in the allowance for credit losses in securitized receivables were as follows:

	As of March 31,			
	2006	2007	2008	2008
	(In millions)			
Beginning balance	Rs. 186.0	Rs. 411.5	Rs. 746.2	US\$18.6
Additional allowances for credit losses for the year (net of recoveries) (includes Rs.217.1million liability assumed on acquisition for 2006)	225.5	334.7	1,061.9	26.6
Ending balance	Rs.411.5	Rs.746.2	Rs.1,808.1	US\$45.2

The table below outlines the economic assumptions and the sensitivity of the estimated fair value of retained interests in finance receivables at March 31, 2008 to immediate 10% and 20% changes in those assumptions:

		As of March 31, 2008	
		(In millions)	
Carrying value/fair value of retained interests			
Annual prepayment rate			
Impact of 10% adverse change		Rs.0.44	US\$—
Impact of 20% adverse change		0.88	—
Expected credit losses			
Impact of 10% adverse change		1.04	—
Impact of 20% adverse change		2.09	0.1

The discount rate used for the valuation of retained interests is the rate of return to the transferees of the various pools of securitized receivables and, therefore, is not subject to change. The weighted average life in years of the securitized receivables is also not subject to change except in case of change in the prepayment rate assumption. Consequently, the above sensitivity analysis does not include the impact on the estimated fair values of the retained interests due to adverse change in the weighted average life in years or the discount rate.

The above sensitivities are hypothetical and should be used with appropriate caution. A 10% change in the assumptions may not result in lineally proportionate changes in the fair values of retained interests. Adverse changes assumed in the above analysis and resultant changes in the fair values of retained interests are calculated independently of each other. In reality, any change in one factor may cause changes in the other factors.

5. Inventories

Inventories consist of the following:

	As of March 31,		
	2007	2008	2008
	(In millions)		
Raw materials and manufacturing supplies	Rs. 16,110.6	Rs. 16,380.8	US\$409.3
Work-in-progress	4,009.7	4,029.3	100.7
Finished products	13,802.8	13,930.1	348.1
Total	Rs.33,923.1	Rs.34,340.2	US\$858.1



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6. Other current assets

Other current assets consist of the following:

	2007	As of March 31,	
		2008	2008
		(In millions)	
Advances to suppliers, contractors and others	Rs. 7,392.1	Rs. 6,402.1	US\$160.1
Deposits with government and public bodies	2,782.5	3,555.0	88.8
Prepaid expenses	862.5	1,137.2	28.4
Advance taxes (net)	2,986.7	3,846.9	96.1
Others	5,348.3	7,656.7	191.3
Total	Rs.19,372.1	Rs.22,597.9	US\$564.7

Others as of March 31, 2008 include Rs.1,380.6 millions towards debt issue costs incurred for arranging a financing facility for the acquisition of Jaguar and Land Rover business.

7. Investments

Investments consist of the following:

	2007	As of March 31,	
		2008	2008
		(In millions)	
Investments available-for-sale, at market	Rs. 19,484.2	Rs. 38,439.2	US\$ 960.5
Investments held-to-maturity, at amortized cost	76.5	76.5	1.9
Investments at cost, net	2,697.6	2,712.4	67.8
Total	Rs.22,258.3	Rs.41,228.1	US\$1,030.2

Information on unrealized gains and losses for investments available-for-sale is as follows:

	Amortized Cost	Gross unrealized gains	Gross unrealized losses	Fair value
(In millions)				
Available-for-sale securities				
As of March 31, 2007:				
Equity shares	Rs. 2,623.1	Rs.13,264.3	Rs. 17.3	Rs. 15,870.1
Investments in mutual funds	1,327.8	50.6	—	1,378.4
Corporate bonds and other debt securities	1,620.3	—	24.7	1,595.6
	5,571.2	13,314.9	42.0	18,844.1
Interests that continue to be held in securitized transactions				640.1
Total available-for-sale securities				Rs. 19,484.2
As of March 31, 2008:				
Equity shares	Rs. 6,617.4	Rs.20,659.4	—	Rs. 27,276.8
Investments in mutual funds	9,667.4	5.5	—	9,672.9
Corporate bonds and other debt securities	898.9	23.9	—	922.8
	17,183.7	20,688.8	—	37,872.5
Interests that continue to be held in securitized transactions				566.7
Total available-for-sale securities				Rs. 38,439.2
Total available-for-sale securities				US\$ 960.5



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The contractual maturity of the Company's available-for-sale debt securities as of March 31, 2008 is as follows:

	<u>Amortized Cost</u>	<u>Fair value</u>
	(In millions)	
Due in year ending March 31,		
2009	Rs. 467.1	Rs. 469.7
2010	88.2	103.5
2011	89.3	103.9
2012	21.3	30.0
2013	173.3	176.5
Thereafter	59.7	39.2
	Rs. 898.9	Rs. 922.8
	US\$ 22.5	US\$ 23.1

Information on unrealized gains and losses for held-to-maturity investments is as follows:

	<u>Amortized Cost / Fair Value</u>
	(In millions)
Held-to-maturity securities	
As of March 31, 2007:	
Debentures	Rs. 76.5
As of March 31, 2008:	
Debentures	Rs. 76.5
	US\$ 1.9

The contractual maturity of the Company's fixed income held-to-maturity securities as of March 31, 2008 is as follows:

	<u>In millions</u>
Due in year ending March 31,	
2010	Rs. 61.5
Thereafter	15.0
	Rs. 76.5

Available-for-sale equity securities include compulsorily convertible debt securities, cost – Rs. 2,395.0 million and fair value – Rs. 2,544.7 million.

Information on equity investments without readily determinable market values is as follows:

	<u>In millions</u>
As of March 31, 2007:	
Original cost	Rs. 2,790.8
Less: Other than temporary impairment	93.2
Total securities carried at cost, net	Rs. 2,697.6
As of March 31, 2008:	
Original cost	Rs. 2,808.4
Less: Other than temporary impairment	96.0
Total securities carried at cost, net	Rs. 2,712.4
Total securities carried at cost, net	US\$ 67.8



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The current and non – current break up of investments are as under

	2007	As of March 31,	
		2008 (In millions)	2008
Current Investments	Rs. 2,589.6	Rs. 772.7	US\$ 19.3
Non-current Investments	19,668.7	40,455.4	1,010.9
Total	Rs.22,258.3	Rs.41,228.1	US\$1,030.2

Investments in mutual funds of Rs 9,411.8 million as on March, 31, 2008 have been classified as non-current since they will be utilized for acquisitions of Jaguar and Land Rover businesses and Serviplem S.A. and Comoplesa Lebrero S.A.

Interest and dividends on investments were Rs. 661.5 million, Rs. 1,076.0 million and Rs. 1,275.9 million in the years ended March 31, 2006, 2007 and 2008, respectively. Realized gains on sale of investments for years ended March 31, 2006, 2007 and 2008 amounted to Rs. 173.8 million, Rs.176.4 million and Rs.189.9 million respectively.

The proceeds and gross realized gains from sale of available-for-sale securities for the years ended March 31, 2006 were Rs. 8,199.7 million and Rs. 173.8 million, respectively. Unrealized gains of Rs. 89.7 million were reclassified from accumulated other comprehensive income to earnings, on sale of these securities.

The proceeds and gross realized gains from sale of available-for-sale securities for the years ended March 31, 2007 were Rs. 1,539.6 million and Rs. 176.4 million, respectively. Unrealized gains of Rs. 108.3 million were reclassified from accumulated other comprehensive income to earnings, on sale of these securities.

The proceeds and gross realized gains from sale of available-for-sale securities for the year ended March 31, 2008 were Rs. 1,057.7 million and Rs. 189.9 million, respectively. Unrealized gains of Rs. 17.0 million were reclassified from accumulated other comprehensive income to earnings, on sale of these securities.

8. Property, plant and equipment, net

Property, plant and equipment consist of the following:

	2007	As of March 31,	
		2008 (In millions)	2008
Land and buildings	Rs.13,043.6	Rs. 15,840.6	US\$ 395.8
Plant and equipment	71,179.8	87,593.3	2,188.7
Vehicles	1,287.0	1,429.3	35.7
Computers	4,924.9	6,544.5	163.5
Furniture and fixtures	1,315.9	1,705.7	42.6
	91,751.2	113,113.4	2,826.3
Less: Accumulated depreciation	45,612.8	51,083.6	1,276.4
	46,138.4	62,029.8	1,549.9
Add: Capital work-in-progress	17,511.3	37,607.8	939.8
Property, plant and equipment, net	Rs.63,649.7	Rs. 99,637.6	US\$2,489.7

Depreciation expense for the years ended March 31, 2006, 2007 and 2008 was Rs. 5,470.3 million, Rs. 5,943.1 million, and Rs. 6,944.2 million respectively.

Interest capitalized in the years ended March 31, 2006, 2007 and 2008 was Rs. 54.4 million, Rs.250.8 million and Rs. 1,539.6 million, respectively.



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Included in property, plant and equipment are the following assets under capital lease:

	As of March 31,		
	2007	2008 (In millions)	2008
Land and buildings	Rs. 368.6	Rs. 634.7	US\$15.9
Plant and equipment	1,585.0	507.4	12.7
Vehicles	5.4	4.5	0.1
Computers	53.6	368.6	9.2
Furniture and fixtures	96.9	72.8	1.8
	2,109.5	1,588.0	39.7
Less: Accumulated depreciation	1,018.5	563.6	14.1
Total leased property, plant and equipment, net	Rs.1,091.0	Rs.1,024.4	US\$25.6

9. Leases

The Company has taken on lease land, property, machinery, equipment and vehicles under operating and capital leases. The following is a summary of future minimum lease rental payments under non cancelable operating leases and capital leases entered into by the Company:

	As of March 31, 2008	
	Operating	Capital
	(In millions)	
Years ending March 31,		
2009	Rs. 213.2	Rs. 110.9
2010	172.6	97.1
2011	140.3	88.4
2012	123.7	34.7
2013	104.1	4.1
Thereafter	8,684.9	—
Total minimum lease commitments	Rs. 9,438.8	335.2
	US\$ 235.9	
Less: Interest on capital leases		33.8
Present value of minimum lease payments		Rs. 301.4
		US\$ 7.5

Total operating lease rental expense was Rs. 168.7 million, Rs. 158.2 million and Rs. 292.2 million in the year ended March 31, 2006, 2007 and 2008, respectively.



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Net Investment in assets leased under operating leases

The Company has entered into operating lease arrangement for use of its property, machinery, equipment with one of its affiliate. The following is a summary of future minimum lease rental receipts under non cancelable operating leases due to the Company:

	<u>As of March 31, 2008</u>
	<u>Operating</u>
	<u>(In millions)</u>
Years ending March 31,	
2009	26.6
2010	26.6
2011	26.6
2012	26.6
2013	26.6
Thereafter	252.7
Total minimum lease receipts due	<u>Rs. 385.7</u>
	<u>US\$ 9.6</u>

Total operating lease rental received was Rs. Nil, Rs. Nil and Rs 11.5 million in the years ended March 31, 2006, 2007 and 2008, respectively.

10. Income taxes

The income tax expense consists of the following:

	<u>For the years ended March 31,</u>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008</u>
	<u>(In millions)</u>			
Current	Rs.4,933.7	Rs.7,284.2	Rs.6,326.9	US\$158.1
Deferred	684.6	828.8	(428.1)	(10.7)
Total income tax expense	<u>Rs.5,618.3</u>	<u>Rs.8,113.0</u>	<u>Rs.5,898.8</u>	<u>US\$147.4</u>

The domestic and foreign components of income taxes:

	<u>For the years ended March 31,</u>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008</u>
	<u>(In millions)</u>			
Current taxes				
Domestic	Rs.4,710.7	Rs.6,654.2	Rs.5,355.5	US\$133.8
Foreign	223.0	630.0	971.4	24.3
Deferred taxes				
Domestic	505.9	796.0	(224.7)	(5.6)
Foreign	178.7	32.8	(203.4)	(5.1)
Total income tax expense	<u>Rs.5,618.3</u>	<u>Rs.8,113.0</u>	<u>Rs.5,898.8</u>	<u>US\$147.4</u>



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The reconciliation of estimated income taxes at the Indian statutory income tax rate to income tax expense is as follows:

	For the years ended March 31,			
	2006	2007	2008	2008
	(In millions)			
Income before income taxes	Rs.20,488.6	Rs.26,391.2	Rs.21,308.0	US\$532.6
Statutory tax rate	33.66%	33.66%	33.99%	33.99%
Expected income tax expense at statutory tax rate	Rs. 6,896.5	Rs. 8,883.3	Rs. 7,242.6	US\$181.0
Add/(less): Tax effect of permanent differences				
Research and development	(808.2)	(1,316.4)	(1,925.5)	(48.1)
Dividend income	(161.6)	(315.7)	(255.9)	(6.4)
Long term gain on sale of shares of subsidiary	(515.7)	—	(99.6)	(2.5)
Undistributed earnings of subsidiaries	390.1	603.1	750.4	18.8
Effect of change in tax laws and rates	(391.3)	—	40.1	1.0
Change in valuation allowance	(6.7)	68.9	251.0	6.3
Others (Net)	215.2	189.8	(104.3)	(2.7)
Income tax expense reported	<u>Rs. 5,618.3</u>	<u>Rs. 8,113.0</u>	<u>Rs. 5,898.8</u>	<u>US\$147.4</u>

Significant components of deferred tax asset and liability are as follows:

	As of March 31,		
	2007	2008	2008
	(In millions)		
Deferred tax assets:			
Depreciation carryforwards	Rs. 133.8	Rs. 114.9	US\$ 2.9
Business loss carryforwards	1,067.8	1,187.5	29.7
Employees separation scheme	152.8	85.9	2.1
Expenses deductible in future years	409.8	175.3	4.4
On valuation adjustment of assets of acquired company	1,388.4	980.2	24.5
Allowances for doubtful receivables and other current assets	1,046.2	1,459.4	36.5
Upfront fees and debt issuance costs	288.8	610.0	15.2
Minimum alternate tax	—	1,365.2	34.1
Compensated absences	1,175.5	1,349.3	33.7
Retirement benefits	624.0	770.2	19.3
Others	476.6	1,475.3	36.9
Total deferred tax asset	6,763.7	9,573.2	239.3
Less: Valuation allowance	1,180.7	1,397.2	34.9
Net deferred tax asset	5,583.0	8,176.0	204.4
Deferred tax liabilities:			
Property, plant and equipment	7,245.4	7,976.1	199.3
Undistributed earnings in subsidiaries	1,166.6	1,917.0	47.9
Reserve for Research & Human resource development	270.2	174.5	4.4
Others	353.2	1,248.6	31.2
Total deferred tax liability	9,035.4	11,316.2	282.8
Net deferred tax liability	<u>Rs. (3,452.4)</u>	<u>Rs. (3,140.2)</u>	<u>US\$ (78.4)</u>
Current	Rs. 2,531.2	Rs. 2,979.7	US\$ 74.5
Non-current	Rs. (5,983.6)	Rs. (6,119.9)	US\$(152.9)



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Valuation allowances have been created for deferred tax assets arising at subsidiaries that are making losses and that do not expect a return to tax profitability in the foreseeable future. The net change in the total valuation allowance for deferred tax assets for the years ended March 31, 2006, 2007 and 2008 consist of the following:

	For the years ended March 31,			
	2006	2007	2008	2008
	(In millions)			
Valuation allowance at the beginning of the year	Rs. 364.3	Rs. 503.1	Rs. 1,180.7	US\$29.5
Additions	186.6	735.2	287.1	7.2
Deductions	(47.8)	(57.6)	(70.6)	(1.8)
Valuation allowance at the end of the year	Rs. 503.1	Rs. 1,180.7	Rs. 1,397.2	US\$34.9

In assessing the realisability of deferred tax assets representing loss carry forwards, management considers whether these assets could be realized on the basis of generation of future taxable income during the periods in which these carry forwards become deductible. Accordingly suitable valuation allowance has been created.

Deferred tax assets and liabilities are offset if they arise in the same legal entity and taxing jurisdiction but not otherwise.

Under the Indian Income Tax Act, 1961, unutilized business losses expire eight years after the year in which they originate whereas unutilized depreciation allowances can be carried forward indefinitely. In respect of a foreign subsidiary in Singapore, the unutilized business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

During the year ended March 31, 2006, INCAT International Plc, UK and Tata Technologies Pte Limited Singapore, were acquired by subsidiaries of the Company. Based on evaluation of possibility of utilization of the pre-acquisition carried forward losses, a valuation allowance of the entire amount of Rs. 149.5 million has been created. Reversal, if any, of the valuation allowance would be recorded as the reduction of goodwill arising from the respective acquisition.

For the current fiscal year Tata Motors (on standalone basis, being its tax status) is liable to tax under Minimum Alternate Tax (MAT). Under the Indian Income tax laws, the tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future income tax liabilities computed under normal tax provisions within a period of seven years. Accordingly, a deferred tax asset of Rs. 1,365.2 million has been recognized on the balance sheet being set-off to be claimed in future years.

Effective April 1, 2007, the Company adopted the provisions of FIN 48.

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows:

	As of March 31, 2008
	(In millions)
Balance as of April 1, 2007	Rs. 1,538.5
Increases related to current year tax positions	—
Increases related to prior year tax positions	—
Decreases related to prior years tax positions	—
Reductions related to lapsing of statutes of limitation	—
Impact of foreign currency translation	—
Balance as of March 31, 2008	Rs. 1,538.5
	US\$ 38.4



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Significant changes in the amount of unrecognized tax benefits within the next 12 months cannot be reasonably estimated as the changes would depend upon the progress of tax examination with various tax authorities.

The Company's total unrecognized tax benefits, if recognized, would reduce the tax provisions by Rs. 1,538.5 million and Rs. 1,538.5 million as of April 1, 2007 and March 31, 2008, respectively, and thereby could effect the Company's effective tax rate.

The tax jurisdiction of the company and its subsidiaries is mainly in India and some of the subsidiaries file their returns outside India. The open tax years (first assessment by the tax authorities) is pending from fiscal 2005 and onwards. Additionally, certain tax positions relate to earlier years, which are currently under appellate process with the tax authorities and courts.

Contingencies relating to income tax matters, see note - 23.

Business loss carry forwards expire unutilized based on the year of origination as follows:

	In millions	
March 31,		
2009	Rs. 70.9	US\$ 1.8
2010	177.7	4.4
2011	213.0	5.3
2012	215.8	5.4
2013	13.5	0.3
2014	40.6	1.0
2015	79.6	2.0
Thereafter	1,974.6	49.3

Tax effects allocated to each component of other comprehensive income are as follows:

	As of March 31,		
	2007	2008	2008
		(In millions)	
Unrealized gain on available-for-sale securities	Rs. 47.9	Rs. (30.2)	US\$ (0.8)
Unamortized actuarial gains and losses/ prior service cost	1,081.3	1,212.3	30.3
Total	Rs.1,129.2	Rs.1,182.1	US\$29.5

11. Goodwill and Other Intangible Assets

	As of March 31,		
	2007	2008	2008
		(In millions)	
Goodwill	Rs. 7,239.1	Rs. 6,968.5	US\$174.1
Other intangible assets	2,990.0	3,114.1	77.8
Total	Rs.10,229.1	Rs.10,082.6	US\$251.9

As of March 31, 2007 Goodwill of Rs. 4,660.1 million and Rs. 2,579.0 million relates to the automotive segment and other segment respectively. As of March 31, 2008 Goodwill of Rs. 4,553.6 million and Rs.2,414.9 million relates to the automotive segment and other segment respectively. The movement of goodwill is shown below:

	Years ended March 31,			
	2006	2007	2008	2008
			(In millions)	
Balance at the beginning	Rs. 289.9	Rs. 7,034.1	Rs. 7,239.1	US\$180.9
On acquisition	6,744.2	—	—	—
On sale of subsidiary	—	—	(106.5)	(2.7)
Effect of currency translation	—	225.8	(164.1)	(4.1)
Deduction on liquidation of subsidiaries	—	(20.8)	—	—
Balance at the end	7,034.1	Rs.7,239.1	Rs.6,968.5	US\$174.1



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In year ended March 31, 2006, 2007 and 2008, there were no goodwill impairments.

Intangible assets consist of the following:

	As of March 31,		
	2007	2008 (In millions)	2008
Software	Rs. 1,749.1	Rs. 2,682.6	US\$ 67.1
Patents and Technology know-how	944.9	1,017.8	25.4
Customer Related	1,023.1	982.2	24.5
Supplier Related	759.0	709.8	17.7
	4,476.1	5,392.4	134.7
Less: Accumulated amortization			
Software	649.8	1,153.9	28.8
Patents and Technology know-how	412.0	469.9	11.7
Customer Related	196.6	299.6	7.5
Supplier Related	227.7	354.9	8.9
	1,486.1	2,278.3	56.9
Intangible assets, Total	Rs. 2,990.0	Rs. 3,114.1	US\$ 77.8

Amortization expense for the year ended March 31, 2006, 2007 and 2008 was Rs. 373.1 million, Rs. 663.2 million, and Rs. 842.3 million respectively.

The estimated year wise amortization for Intangible assets is as follows:

	As of March 31, (In millions)	
Due in the year ending March 31,		
2009	Rs. 962.5	US\$24.1
2010	765.2	19.1
2011	517.9	12.9
2012	320.6	8.0
2013	151.7	3.8
Thereafter	396.2	9.9
Total	Rs. 3,114.1	US\$77.8

12. Non-current assets

Restricted deposits with banks

The unutilized proceeds (in foreign currency) from issuance of Zero Coupon Convertible Alternative Reference Securities due 2012 (CARS) of Rs.11,224.0 million have been classified as non-current since they will be utilized for the acquisition of Jaguar and Land Rover businesses. These are short term in nature.



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Other non-current assets consist of the following:

	2007	As of March 31,	
		2008 (In millions)	2008
Deposits with Government and public bodies	Rs. 533.6	Rs 761.1	US\$ 19.0
Margin money	2,675.7	14,847.5	371.0
Loans to employees	1,052.0	937.1	23.4
Others	2,429.1	5,627.2	140.6
Total	Rs. 6,690.4	Rs. 22,172.9	US\$ 554.0

Margin money with banks is in the nature of restricted cash, and consists of collateral provided in support of guarantees issued by banks on the Company's behalf as may be required in the transaction of transfer of finance receivables.

Others as of March 31, 2008 include Rs.2,490.7 million towards acquisition expenses incurred for the acquisition of Jaguar and Land Rover businesses.

13. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following:

	2007	As of March 31,	
		2008 (In millions)	2008
Advances	Rs. 3,470.7	Rs. 3,909.3	US\$ 97.7
Accrued interest	282.6	366.2	9.2
Product warranties	2,187.3	2,681.9	67.0
Liability for compensated absences	3,835.5	4,442.6	111.0
Provision for employee benefits	190.4	233.5	5.8
Others	1,827.9	6,870.8	171.7
Total	Rs. 11,794.4	Rs. 18,504.3	US\$ 462.4

Others as of March 31, 2008 include Rs.3,871.3 million towards acquisition expenses and debt issue cost incurred for arranging a financing facility for the acquisition of Jaguar and Land Rover business.

14. Short-term borrowings and current portion of long term debt

Short-term borrowings and current portion of long term debt consists of the following:

	2007	As of March 31,	
		2008 (In millions)	2008
Inter-corporate deposits	Rs. 42.5	Rs. 188.5	US\$ 4.7
Commercial paper	1,400.0	1,196.0	29.9
Bank debt	26,265.1	50,654.2	1,265.7
Short term Non Convertible debentures	—	1,000.0	25.0
Loan from Banks (foreign currency, floating rate demand loan)	5,436.9	1,003.1	25.1
Current portion of long-term debt	5,757.5	14,970.7	374.1
Total	Rs. 38,902.0	Rs. 69,012.5	US\$ 1,724.5
Weighted average interest rate	7.17%	8.04%	8.04%
Unused short-term credit facilities available	Rs. 19,870.5	Rs. 41,051.5	US\$ 1,025.8

Inter corporate deposits and Commercial paper are unsecured while bank debt and foreign currency loan from Banks are secured by hypothecation of existing and future stocks of raw materials, stock in trade, stores, work in progress, book debts, hire purchase book debts and outstanding amounts on vehicle loan contracts.



Short term 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.

15. Long-term debt

Long-term debt consists of the following:

		As of March 31,					
		2007		2008		2008	
				(In millions)			
		Redemption/ Maturity date					
Debentures:							
14.75% Non-convertible debentures	October 11, 2008	Rs.	703.3	Rs.	704.1	US\$	17.6
Floating rate non convertible debentures			50.0		—		—
11.03% Non Convertible Debentures-A	May 21, 2009		—		900.0		22.5
11.03% Non Convertible Debentures-B	June 22, 2009		—		250.0		6.2
10.97% Non Convertible Debentures-C	August 25, 2009		—		250.0		6.2
10.92% Non Convertible Debentures-D	November 30, 2009		—		100.0		2.5
10.93% Non Convertible Debentures-E	June 28, 2010		—		1,172.0		29.3
10.64% Non Convertible Debentures-F	July 13, 2009		—		1,500.0		37.5
10.35% Non Convertible Debentures-G	July 20, 2010		—		1,000.0		25.0
9.73% Non Convertible Debentures-H	July 30, 2010		—		1,000.0		25.0
Foreign Currency Convertible Notes:							
1% Foreign Currency Convertible Notes (USD)	July 31, 2008		3.0		2.8		0.1
Zero Coupon Foreign Currency Convertible Notes (USD)	April 27, 2009		250.4		167.4		4.2
1% Foreign Currency Convertible Notes (USD)	April 27, 2011		13,998.7		13,316.0		332.7
Zero Coupon Foreign Currency Convertible Notes (JPY)	March 21, 2011		4,267.4		4,672.1		116.7
Zero Coupon Convertible Alternative Reference Securities (USD)	July 12, 2012		—		20,265.8		506.4
7.875% US Notes			1,937.0		—		—
4.85%—5.78% Buyers credit			4,312.6		8,324.5		208.0
Others:							
Loan from Standard Chartered Bank (USD)	February 03, 2009		2,168.0		2,001.6		50.0
Loan from other banks	2009 to 2010		13,500.0		13,800.0		344.9
Others Term loans			3,118.8		2,286.1		57.1
Foreign currency loans from banks			890.0		1,524.6		38.1
Zero coupon sales tax deferment loan			705.2		483.2		12.1
Other			88.2		43.3		1.1
Total			Rs. 45,992.6		Rs. 73,763.5		US\$ 1,843.2
Less: current portion			5,757.5		14,970.7		374.1
Long-term debt			Rs. 40,235.1		Rs. 58,792.8		US\$ 1,469.1
Weighted average interest rate			4.84%		6.47%		6.47%



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Interest rates shown in the table above are the stated coupon interest rates as per the terms of the loan. The effective interest rates and the face amount of the loans included in the above table, for which the coupon and effective rates are different, are as follows:

	Effective interest rate		As of March 31,		
	2007	2008	Face amount		
			2007	2008	2008
			(In millions)		
14.75% non convertible Debentures	14.88%	14.88%	Rs. 705.0	Rs. 705.0	US\$ 17.6
Floating rate non convertible debentures	8.48%	—	50.0	—	—
1% Foreign Currency Convertible Notes due 2008 (USD)	—	—	2.6	2.4	0.1
Zero Coupon Foreign Currency Convertible Notes due 2009 (USD)	4.62%	4.62%	265.8	177.0	4.4
1% Foreign Currency Convertible Notes due 2011(USD)	3.91%	4.02%	13,048.5	12,037.5	300.8
Zero Coupon Foreign Currency Convertible Notes 2011 (JPY)	0.17%	0.20%	4,330.0	4,732.2	118.2
Zero Coupon Convertible Alternative Reference Securities 2012 (USD)	—	5.68%	—	19,661.3	491.3
7.875% US Notes	7.87%	—	1,937.0	—	—
5.12% Loan from Standard Chartered Bank	5.93%	5.52%	2,172.8	2,004.7	50.1
Zero coupon sales tax deferment loan	7.40%	8.21%	754.9	484.4	12.1

The scheduled maturity of long-term debt as of March 31, 2008 is set out as below:

	As of March 31, 2008	
	(In millions)	
Due in the years ending March 31,		
2009	Rs. 14,970.7	US\$ 374.1
2010	12,910.2	322.6
2011	11,308.0	282.6
2012	13,965.8	349.0
2013	20,599.3	514.7
Thereafter	9.5	0.2
Total	Rs. 73,763.5	US\$ 1,843.2

Non-refundable fees and loan origination costs amounting Rs. 495.0 million, Rs 417.1 million and Rs. 1,232.7 million have been recognized as interest expense in years ended March 31, 2006, 2007 and 2008, respectively, as an adjustment of yield over the lives of the related loans.

Premium on early redemption of loans and debentures of Rs. 22.0 million, Rs.Nil and Rs. Nil has been recognized in earnings in years ended March 31, 2006, 2007 and 2008, respectively.



The following are specific terms relating to long-term debt:

Debentures

The 14.75% Non-Convertible Debentures (2008) are secured by pari passu charges by way of equitable mortgages of immovable properties and fixed assets in or attached thereto, both present and future, and a first lien on all other assets except inventory and book debts, present and future, two of the Company's showrooms in Mumbai, land and buildings in Mumbai; the Company's residential flats at Mumbai, Pune and Jamshedpur; freehold land measuring approximately 4,245 sq. mtrs. situated in Thane.

Other Debentures pertaining to Tata Motors' subsidiaries are secured by charges on:

First charge on the subsidiaries' residential flat in Thane

Pari-passu charge by way of hypothecation along with the security trustee for loans from banks on:

Receivables arising out of loan, lease and hire purchase transactions and trade advances,

Book debts arising out of loan/lease/hire purchase transactions and advances to dealers, and

Receivables from senior and junior pass through certificates in which the borrower has invested.

First charge on secured/unsecured loans given by the company as identified from time to time and accepted by the debenture trustee, and any other security as identified by the company and acceptable to the debenture trustee.

Foreign Currency Convertible Notes

1% Foreign Currency Convertible Notes due 2008

On July 31, 2003, Tata Motors issued 1% foreign currency convertible Notes (or the "Notes") amounting to Rs. 4,615.6 million (US\$100 million). Unless previously redeemed, or purchased and cancelled the Notes may be converted into newly issued ordinary shares of the Company or American Depositary Shares ("ADSs"), at the option of the holders of the Notes, at any time from September 11, 2003 to July 1, 2008, at an initial conversion price of Rs.250.745 per share at a fixed rate of exchange on conversion of Rs. 46.16 per USD

The Notes may be redeemed, in whole or in part, at the option of the Company, at any time on or after July 31, 2006, at a specified early redemption amount plus accrued and unpaid interest, if the closing price of the shares is greater than 125% of the conversion price for a period of at least 25 consecutive business days or in the event of certain changes relating to taxation in India. Unless previously converted, redeemed or purchased and cancelled, the Notes are redeemable on July 31, 2008 at 116.824% of their principal amount.

18,398,055 ordinary shares were allotted during the period September 11, 2003 to March 31, 2007, consequent to conversion of 99,940 Notes with an aggregate value of Rs. 4,530.9 million.

There was no conversion during the year ended March 31, 2008. Further, 60 Notes with an aggregate value of Rs. 2.4 million (US\$ 0.06 million) outstanding as at March 31, 2008, may at the option of the noteholders be converted into 11,045 ADSs / shares at any time upto July 1, 2008

Zero Coupon Foreign Currency Convertible Notes due 2009

On April 27, 2004, Tata Motors raised US\$ 100 million by way of Zero Coupon Convertible Notes due for redemption on April 27, 2009. The noteholders have an option to convert these Notes into ordinary shares or ADSs determined at an initial conversion price of Rs. 573.106 per share with a fixed rate of exchange on conversion of Rs.43.85 per USD, from and including June 7, 2004 to and including March 28, 2009. The conversion price will be subject to certain adjustments. Further, Tata Motors has a right to redeem in whole, but not in part, these Notes at any time on or after April 27, 2005, subject to certain conditions. Unless previously converted, redeemed or purchased and cancelled, these Notes will be due for redemption on April 27, 2009, at 95.111% of the principal amount.

7,183,773 ordinary shares were allotted during the period April 27, 2004 to March 31, 2007, consequent to conversion of 93,890 Notes with an aggregate value of Rs. 4,185.4 million.



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During the year ended March 31, 2008, 130,069 ordinary shares were allotted consequent to conversion of 1,700 Notes with an aggregate value, net of Rs. 0.1 million being stamp duty expenses on conversion, of Rs. 68.9 million (US\$ 1.7 million). Further, 4,410 Notes with an aggregate value of Rs. 177 million (US\$ 4.4 million) outstanding as at March 31, 2008, may at the option of the noteholders be converted into 337,422 ADSs / shares at any time upto March 28, 2009.

1% Foreign Currency Convertible Notes due 2011

On April 27, 2004, Tata Motors also raised US\$ 300 million by way of one percent Convertible Notes due for redemption on April 27, 2011. The note holders have an option to convert these Notes into ordinary shares / ADSs determined at an initial conversion price of Rs. 780.400 per share at a fixed rate of conversion of Rs. 43.85 per USD, from and including June 7, 2004 to and including March 28, 2011. The conversion price will be subject to certain adjustments. In the event of certain changes affecting taxation, Tata Motors has an option to redeem in whole but not in part, these Notes at any time. Unless previously converted, redeemed or purchased and cancelled, these Notes will be due for redemption on April 27, 2011 at 121.781% of the principal amount. There has been no conversions during the year ended March 31, 2008. Outstanding notes may at the option of the Noteholders be converted into 16,856,740 ADSs or shares at any time upto March 28, 2011.

Zero Coupon Foreign Currency Convertible Notes due 2011

On March 20, 2006, Tata Motors issued Yen 11,760 million (Rs. 4,500.3 million) Zero Coupon Convertible Notes due for redemption on March 21, 2011. The noteholders have an option to convert these Notes into ordinary shares or ADSs determined at an initial conversion price of Rs.1,001.39 per share with a fixed rate of exchange on conversion of Rs.1.00 per Yen 2.66, from and including May 2, 2006 to and including February 19, 2011. The conversion price will be subject to certain adjustments. Further, Tata Motors has a right to redeem in whole, or in part, these Notes at any time on or after March 20, 2009 but prior to February 8, 2011, subject to certain conditions. In the event of certain changes affecting taxation, Tata Motors has an option to redeem in whole but not in part, these Notes at any time. Unless previously converted, redeemed or purchased and cancelled, these Notes will be due for redemption on March 21, 2011, at 99.253% of the principal amount. There has been no conversion during the year ended March 31, 2008. Outstanding notes may at the option of the Noteholders be converted into 4,414,916 ADSs or shares at any time upto February 19, 2011

Zero Coupon Convertible Alternative References Securities due 2012(CARS)

On July 12, 2007, Tata Motors has raised funds aggregating US\$ 490 Million (Rs. 19,927.1 million at issue) by issue of Zero Coupon Convertible Alternative Reference Securities (CARS) due on July 12, 2012. The noteholders have an option, subject to the terms and conditions of the issue, to convert these notes into Qualified Securities or the Company's newly issued ordinary shares or ADSs. The conversion may be made by the noteholders from and including October 11, 2011 to and including June 12, 2012 at an initial conversion price of Rs. 960.96 per Share (equivalent to US\$23.67 at a fixed rate of exchange on conversion of Rs. 40.59 = US\$1.00) that is subject to adjustment in certain circumstances. The Company has a right to redeem in whole, but not in part, these notes at any time on or after October 11, 2011, subject to certain conditions. Unless previously converted, redeemed or purchased and cancelled as per the terms of issue, these will be redeemed on July 12, 2012 at 131.82% of the outstanding principal amount

None of these above convertible borrowings contained a beneficial conversion feature at the time of issue.

Buyers Credit

The buyers line of credit from State Bank of India (SBI) and Hongkong and Shanghai Banking Corporation (HSBC) is secured by Hypothecation of existing and future stocks of raw materials, stock in trade, stores, work in progress and book debts except Hire Purchase book debts and outstanding amounts on vehicle loan contracts and is repayable at the end of three years from drawdown dates.

Others

Other loans from banks pertaining to Tata Motors' subsidiaries are secured by charges on certain movable and immovable assets including finance receivables of the respective subsidiary companies. One of the subsidiaries of the company has to maintain a non performing asset ratio of less than 3%. The interest rates of these loans range from 8.3% to 9.75%.



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The Sales Tax Deferment Loan is secured by a residual charge on the immovable and movable properties at Lucknow.

16. Shareholders' equity

Ordinary Shares

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.

Capital redemption reserve

The Indian Companies Act, 1956 (the "Companies Act") requires that where a company purchases its own shares not out of proceeds of a fresh issue but out of free reserves, then a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account, which may be applied to issue fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier years.

Debenture redemption reserve

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve from profits every year until such debentures are redeemed. Manufacturing companies are required to maintain a minimum proportion of the outstanding redeemable debentures as a reserve. The amounts credited to the debenture redemption reserve may not be utilized by the Company except to redeem debentures. As at March 31, 2008, the company has an excess of Rs. 3,176.8 million in the debenture redemption reserve than statutorily required and, therefore, this excess amount is unrestricted.

Special Reserve

The special reserve represents the reserve created by two subsidiaries of Tata Motors pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and related regulations applicable to those companies. Under the RBI Act, a non-banking finance company is required to transfer an amount not less than 20 per cent of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

Earned surplus reserve

Under the Korean Commercial code Tata Daewoo Commercial Vehicle Company Limited (TDCV, a subsidiary company) is required to appropriate at least 10% of cash dividend declared each year to a legal reserve until such reserves equal to 50% of capital stock. 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.

Reserve for Research and Human Resource Development

In terms of Article 9 of the Act on Special Taxation Restriction in Korea, Tata Daewoo Commercial Vehicle Company Limited (TDCV, a subsidiary company) is entitled for deferment of tax in respect of expenditure incurred on research and development subject to fulfillment of certain conditions, by way of deduction from the taxable income, provided TDCV appropriates an equivalent amount from 'Retained Earnings' to 'Reserve for Research and Human Resource Development'.

The deferment is for a period of three years and from the fourth year onwards one-third of the reserve is offered to tax and an equal amount is then transferred from the reserve to 'Retained earnings available for appropriation'.



Accumulated other comprehensive income

The cumulative balances included in accumulated other comprehensive income (net of minority interest) are:

	2007	As of March 31, 2008 (In millions)	2008
Translation adjustment	Rs. 980.1	Rs. 257.9	US\$ 6.4
Unamortized actuarial gains and losses/ prior service cost (net of deferred tax)	(2,251.4)	(2,481.6)	(62.0)
Unrealized gain on available-for-sale securities (net of deferred tax)	12,748.3	20,135.1	503.2
Total	Rs.11,477.0	Rs.17,911.4	US\$447.6

17. Other non-operating income, net

Other non-operating income, net consists of the following:

	2006	Years ended March 31, 2007 (In millions)	2008	2008
Investment income	Rs. 790.6	Rs.1,185.9	Rs.1,391.7	US\$ 34.8
Gain on sale of investments in affiliate	—	214.1	144.8	3.6
Premium on long-term debt prepaid	(22.0)	—	—	—
Foreign exchange gains (losses), net	(279.4)	1,576.4	1,894.7	47.3
Other	1,393.4	1,769.0	1,673.5	41.9
Total	Rs.1,882.6	Rs.4,745.4	Rs.5,104.7	US\$127.6

During the year ended March 31, 2008 the Company sold its holding in an affiliate company to a related party.

18. Employee separation compensation

Tata Motors and some of its subsidiary companies offered voluntary separation to employees under an early separation scheme during the years ended March 2006, 2007 and 2008. The scheme provided for payment of pension based on salary drawn at the time of separation and certain medical benefits up to the age of normal superannuation. Compensation payable to the separated employees is accounted for based on an actuarial valuation.

The number of employees who accepted voluntary separation under the scheme was 6, 8 and 6 for the years ended March 31, 2006, 2007 and 2008, respectively.

19. Gain on sale of equity interests in subsidiary

During year ended March 31, 2006, Tata Motors sold a part of its equity interest in its subsidiary, Telco Construction Equipment Company Limited (Telcon) to Hitachi Construction Machinery Company Limited (Tata Motors' technology and equity partner in Telcon) for a cash consideration of Rs. 2,078.3 million. A gain of Rs. 1,532.1 million has been recorded on this transaction. Consequently, Tata Motors' holding in Telcon has been reduced from 80% to 60%.

During the year ended March 31, 2008, Tata Motors sold a part of its equity interest in its subsidiaries, HV Axles Limited (HVAL) and HV Transmission Limited (HVTL) to a related party for a cash consideration of Rs. 1,012.5 million and Rs. 630.0 million respectively. A gain of Rs. 1,104.8 million has been recorded on these transactions. Consequently, Tata Motors' holding in both of these subsidiaries has been reduced from 100% to 85%.

During the year ended March 31, 2008, Tata AutoComp Systems Ltd (TACO), subsidiary of Tata Motors Ltd sold part of its equity interest in its subsidiary, Automotive Stampings and Assemblies Ltd (ASAL) to Gestamp Auto (Joint venture partner of TACO) for a cash consideration of Rs. 364.3 million. A gain of Rs. 149.9 million has been recorded in this transaction. Consequently, TACO's holding in ASAL has been reduced from 81.35% to 43.86%.



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20. Sale of finance receivables

During the year ended March 31, 2008, Tata Motors sold certain finance receivables and certain other rights related to this activity to a related party for a cash consideration of Rs 10,226.0 million resulting in a gain of Rs. 923.5 million.

21. Employee benefits

Defined Benefit Scheme

Pension and postretirement plans

The following table sets out the funded status and the amounts recognized in the financial statements for the pension and the post retirement plans:

	As of March 31,					
	Pension Benefits			Post retirement Benefits		
	2007	2008	2008	2007	2008	2008
	(In millions)					
Change in projected benefit obligation:						
Projected benefit obligation, beginning of the year	Rs. 4,529.4	Rs. 5,196.4	US\$ 129.8	Rs. 443.0	Rs. 614.4	US\$ 15.4
Service cost	227.7	265.8	6.6	29.1	29.3	0.7
Interest cost	315.5	404.9	10.1	31.9	50.3	1.3
Actuarial (gain) / loss	831.3	638.9	16.0	143.9	57.4	1.4
Benefits paid	(522.0)	(683.7)	(17.1)	(33.5)	(46.5)	(1.2)
Settlements	(185.5)	(215.9)	(5.4)	—	—	—
Projected benefit obligation, end of the year	Rs. 5,196.4	Rs. 5,606.4	US\$ 140.0	Rs. 614.4	Rs. 704.9	US\$ 17.6
Change in plan assets:						
Fair value of plan assets, beginning of the year	Rs. 3,522.5	Rs. 4,360.4	US\$ 109.0	Rs. —	Rs. —	US\$ —
Actual return on plan assets	403.5	447.1	11.2	—	—	—
Employer's contributions	1,128.3	1,029.3	25.7	33.5	46.5	1.2
Benefits paid	(522.0)	(683.7)	(17.1)	(33.5)	(46.5)	(1.2)
Settlements	(171.9)	(167.2)	(4.2)	—	—	—
Fair value of plan assets, end of the year	Rs. 4,360.4	Rs. 4,985.9	US\$ 124.6	—	—	—
Shortfall of plan assets over obligation	Rs. (836.0)	Rs. (620.5)	US\$ (15.4)	Rs. (614.4)	Rs. (704.9)	US\$ (17.6)
Accumulated benefit obligation	Rs. 3,926.5	Rs. 4,065.8	US\$ 101.5	Rs. 435.5	Rs. 511.5	US\$ 12.8

Amount recognised in the statement of financial position consist of:

	As of March 31,					
	Pension Benefits			Post retirement Benefits		
	2007	2008	2008	2007	2008	2008
	(In millions)					
Non current assets	Rs. 3.9	Rs. 17.1	US\$ 0.4	Rs. —	Rs. —	—
Current liabilities	(35.1)	(30.2)	(0.7)	(29.2)	(31.7)	US\$ (0.8)
Non current liabilities	(804.8)	(607.4)	(15.1)	(585.2)	(673.2)	(16.8)
Accrued benefit cost	Rs. (836.0)	Rs. (620.5)	US\$ (15.4)	Rs. (614.4)	Rs. (704.9)	US\$ (17.6)



Amount recognised in accumulated other comprehensive income consist of:

	As of March 31,					
	Pension Benefits			Post retirement Benefits		
	2007	2008	2008	2007	2008	2008
	(In millions)					
Net loss (gain)	Rs. 2,436.5	Rs. 2,750.2	US\$ 68.7	Rs. 251.9	Rs. 297.7	US\$ 7.4
Prior service cost (gain)	(81.3)	(10.0)	(0.2)	—	—	—
	Rs. 2,355.2	Rs. 2,740.2	US\$ 68.5	Rs. 251.9	Rs. 297.7	US\$ 7.4

Information for funded plans with an accumulated benefit obligation in excess of plan assets:

	As of March 31,		
	Pension Benefits		
	2007	2008	2008
	(In millions)		
Projected benefit obligation	Rs.1,132.6	Rs. 873.0	US\$ 21.8
Accumulated benefit obligation	1,132.6	873.0	21.8
Fair value of plan assets	Rs. 703.6	Rs. 670.0	US\$ 16.7

Information for funded plans with an accumulated benefit obligation less than plan assets:

	As of March 31,		
	Pension Benefits		
	2007	2008	2008
	(In millions)		
Projected benefit obligation	Rs. 3,652.9	Rs. 4,299.0	US\$107.4
Accumulated benefit obligation	2,454.5	2,839.1	70.9
Fair value of plan assets	Rs. 3,656.8	Rs. 4,315.9	US\$107.9



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Information for unfunded plans with an accumulated benefit obligation in excess of plan assets:

	As of March 31,					
	Pension Benefits			Post retirement Benefits		
	2007	2008	2008	2007	2008	2008
	(In millions)					
Projected benefit obligation	Rs. 410.9	Rs. 434.4	US\$ 10.8	Rs. 614.4	Rs. 704.9	US\$ 17.6
Accumulated benefit obligation	339.4	353.7	8.8	435.5	511.5	12.8

Net pension and post retirement cost consists of the following components:

	Years ended March 31,							
	Pension Benefits				Post retirement Benefits			
	2006	2007	2008	2008	2006	2007	2008	2008
	(In millions)							
Service cost	Rs. 217.8	Rs. 227.7	Rs. 265.8	US\$ 6.6	Rs. 16.1	Rs. 29.1	Rs. 29.3	US\$ 0.7
Interest cost	315.3	315.5	404.9	10.1	32.5	31.9	50.3	1.3
Amortisation of prior service cost / (gain)	(71.3)	(71.3)	(71.3)	(1.8)	—	—	—	—
Actuarial loss / (gain)	181.5	158.1	172.5	4.3	5.7	4.4	11.6	0.3
Expected return on plan assets	(265.2)	(282.7)	(360.4)	(9.0)	—	—	—	—
Cost of settlement	85.3	52.1	17.3	0.4	—	—	—	—
Net periodic cost	Rs. 463.4	Rs. 399.4	Rs. 428.8	US\$ 10.6	Rs. 54.3	Rs. 65.4	Rs. 91.2	US\$ 2.3

Other changes in plan assets and benefit obligation recognized in other comprehensive income

	Years ended March 31,							
	Pension Benefits				Post retirement Benefits			
	2006	2007	2008	2008	2006	2007	2008	2008
	(In millions)							
Increase (decrease) in additional minimum liability	Rs. 26.0	Rs. —	Rs. —	US\$ —	Rs. —	Rs. —	Rs. —	US\$ —
Net loss	—	696.7	503.5	12.6	—	143.9	57.4	1.4
Cost of settlement	—	(52.1)	(17.3)	(0.4)	—	—	—	—
Amortisation of Net loss	—	(158.1)	(172.5)	(4.3)	—	(4.4)	(11.6)	(0.3)
Amortisation of prior service (cost) / gain	—	71.3	71.3	1.8	—	—	—	—
Total recognised in other comprehensive income	Rs. 26.0	Rs. 557.8	Rs. 385.0	US\$ 9.7	—	Rs. 139.5	Rs. 45.8	US\$ 1.1
Total recognised in net periodic cost and other comprehensive income	Rs. 489.4	Rs. 957.2	Rs. 813.8	US\$ 20.3	Rs. 54.3	Rs. 204.9	Rs. 137.0	US\$ 3.4

The estimated net loss and prior service cost that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are:

	Pension Benefits (In millions)		Post retirement Benefits (In millions)	
Prior service cost / (gain)	Rs. (10.0)	US\$ (0.2)	—	—
Actuarial loss / (gain)	Rs. 146.9	US\$ 3.7	Rs. 13.7	US\$ 0.3



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The following table presents estimated future benefit payments relating to the pension and post retirement plans:

	As of March 31,			
	Pension Benefits		Post retirement Benefits	
	(In millions)		(In millions)	
	Rs.	US\$	Rs.	US\$
2009	365.5	9.1	31.7	0.8
2010	506.2	12.6	32.1	0.8
2011	604.3	15.1	34.5	0.9
2012	569.6	14.2	35.5	0.9
2013	633.6	15.8	36.9	0.9
2014 – 2018	Rs. 3,654.9	US\$91.3	Rs. 229.6	US\$ 5.7

The weighted average assumptions used in accounting for the pension and post retirement plans are set out below:

	Years ended March 31,					
	Pension Benefits			Post retirement Benefits		
	2006	2007	2008	2006	2007	2008
Discount rate	7.50%	8.00%-8.50%	7.75%-8.50%	7.50%	8.50%	8.50%
Rate of increase in compensation level of covered employees	3.00% - 5.00%	4.00% - 7.50%	5.00%-8.50%	NA	NA	NA
Increase in health care cost	NA	NA	NA	4.00%	4.00%	4.00%
Expected long-term rate of return on plan assets	7.50%	8.00%-8.50%	8.00%	NA	NA	NA

The expected return on plan assets is determined considering several applicable factors mainly including the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

Plan Assets

The Company's pension plans asset allocation as of March 31, 2007 and 2008 by category are as follows:

Asset category:	Pension benefits	
	Plan assets as of March 31,	
	2007	2008
Debt securities	64%	69%
Balances with banks	36%	31%
	100%	100%



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The Company's policy and objective for plan asset management is to maximize return on plan assets to meet future benefit payment requirements while at the same time accepting only a low level of risk. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published bench marks.

The Company expects to contribute Rs. 813.0 million to the funded pension plans in fiscal 2009.

The table below outlines the impact on the service cost, the interest cost and the Projected Benefit Obligation in the event of an increase of 1% in the assumed rate of increase in health care cost:

	Years ended March 31,		
	2007	2008 (In millions)	2008
PBO at the beginning of the year	Rs. 494.7	Rs. 677.8	US\$ 16.9
PBO at the end of the year	677.8	721.0	18.0
Service cost	32.1	31.2	0.8
Interest cost	Rs. 35.2	Rs. 55.4	US\$ 1.4

The table below outlines the impact on the service cost, the interest cost and the Projected Benefit Obligation in the event of a decrease of 1% in the assumed rate of decrease in health care cost:

	Years ended March 31,		
	2007	2008 (In millions)	2008
PBO at the beginning of the year	Rs. 397.7	Rs. 560.0	US\$ 14.0
PBO at the end of the year	560.0	646.8	16.2
Service cost	26.5	23.5	0.6
Interest cost	Rs. 29.1	Rs. 45.4	US\$ 1.1

Severance indemnity plan

Severance indemnity plan is a foreign plan of Tata Daewoo Commercial Vehicles Ltd (TDCV), a subsidiary of Tata Motors Ltd.

The following table sets out the amounts recognized in the financial statements for the Severance indemnity plan:

	As of March 31,		
	2007	2008 (In millions)	2008
Change in projected benefit obligation:			
Projected benefit obligation, beginning of the year	Rs. 1137.0	Rs. 1,496.0	US\$ 37.4
Service cost	158.8	189.0	4.7
Interest cost	62.5	68.7	1.7
Actuarial loss	227.9	72.2	1.8
Benefits paid	(94.3)	(78.7)	(2.0)
Exchange Fluctuation	4.1	(182.4)	(4.6)
Projected benefit obligation, end of the year	Rs. 1,496.0	Rs. 1,564.8	US\$ 39.0
Change in plan assets:			
Fair value of plan assets, beginning of the year	—	—	—
Actual return on plan assets	—	—	—
Employer's contributions	94.3	Rs. 78.7	US\$ 2.0
Benefits paid	(94.3)	Rs. (78.7)	US\$ (2.0)
Fair value of plan assets, end of the year	—	—	—
Shortfall of plan assets over obligation	(1,496.0)	Rs. (1,564.8)	US\$ (39.0)
Accumulated benefit obligation	Rs. 727.8	Rs. 794.2	US\$ 19.8



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Amount recognised in the statement of financial position consist of:

	As of March 31,		
	2007	2008	2008
	(In millions)		
Current liabilities	Rs. (79.4)	Rs. (104.4)	US\$ (2.5)
Non current liabilities	(1,416.6)	(1,460.4)	(36.5)
Accrued pension cost	Rs. (1,496.0)	Rs. (1,564.8)	US\$ (39.0)

Amount recognised in accumulated other comprehensive income consist of:

	As of March 31,		
	2007	2008	2008
	(In millions)		
Net loss (gain)	Rs. 741.0	Rs. 684.7	US\$ 17.1
	Rs. 741.0	Rs. 684.7	US\$ 17.1

Net severance indemnity cost consists of the following components:

	Years ended March 31,			
	2006	2007	2008	2008
	(In millions)			
Service cost	Rs. 138.6	Rs. 158.8	Rs. 189.0	US\$ 4.7
Interest cost	50.8	62.5	68.7	1.7
Actuarial loss/ (gain)	49.3	39.2	49.0	1.2
Net periodic pension cost	Rs. 238.7	Rs. 260.5	Rs. 306.7	US\$ 7.6

Other changes in plan assets and benefit obligation recognised in other comprehensive income:

	Years ended March 31,			
	2006	2007	2008	2008
	(In millions)			
Increase (decrease) in additional minimum liability	Rs. (45.4)	Rs. —	Rs. —	US\$ —
Net loss (gain)	—	227.9	72.2	1.8
Amortisation of Net loss	—	(39.2)	(49.0)	(1.2)
Exchange Fluctuation	—	6.5	(79.5)	(2.0)
Total recognised in other comprehensive income	Rs. (45.4)	Rs. 195.2	Rs. (56.3)	US\$ (1.4)
Total recognised in net periodic pension cost and other comprehensive income	Rs. 193.3	Rs. 455.7	Rs. 250.4	US\$ 6.2

The estimated net loss that will be amortized from accumulated other comprehensive income into net periodic pension cost over the next fiscal year is Rs. 38.1 million.



The following table presents estimated future benefit payments relating to the severance indemnity plan:

	As of March 31, (In millions)	
2009	Rs. 104.4	US\$ 2.5
2010	90.8	2.3
2011	106.8	2.7
2012	106.3	2.7
2013	119.7	3.0
2014 – 2018	Rs. 906.6	US\$ 22.7

The weighted average assumptions used in accounting for the severance indemnity plan are set out below:

	Years ended March 31,		
	2006	2007	2008
Discount rate	5.50%	5.00%	5.38%
Rate of increase in compensation level of covered employees	7.00%	7.00%	7.00%

Defined contribution schemes

The Company's contribution to defined contribution plans aggregated Rs. 1,110.1 million, Rs. 1,383.8 million and Rs. 1,528.6 million for years ended 2006, 2007 and 2008 respectively.

The table below outlines the incremental effect of applying FASB Statement No. 158 on individual line items in the statement of financial position as on March 31, 2007

	Before Application of statement FAS 158	Adjustments (In millions)	After Application of statement FAS 158
Prepaid for pension benefits	Rs. 1,889.7	Rs. (1,885.8)	Rs. 3.9
Total assets	272,901.2	(1,885.8)	271,015.4
Liability for pension benefits	1,960.3	990.0	2,950.3
Deferred income taxes (liabilities)	6,905.9	(922.3)	5,983.6
Total liabilities	175,524.7	67.7	175,592.4
Accumulated other comprehensive income	13,430.4	(1,953.4)	11,477.0
Total shareholders' equity	Rs. 93,322.3	Rs. (1,953.4)	Rs. 91,368.9

22. Acquisitions

During the year, the Company entered into joint venture agreement with Fiat Group Automobiles SpA (FGA). Tata Motors acquired 49% share in the joint venture, Fiat India Automobiles Pvt. Ltd. (FIAPL) for a total consideration of Rs.4,420.9 million. The Company's 49% share of the fair value of net assets of the joint venture when acquired by the Company amounted to Rs. 3,112.1 million. Goodwill arising out of this transaction amounted to Rs.1,308.8 million which is recorded as a part of the equity in affiliates. Further, the Company has increased its holding to 49.48% in FIAPL in the year ended March 31, 2008.

During the year ended March 31, 2008, the Company acquired 27.79% equity shareholding of 'Automobile Corporation of Goa Ltd' (ACGL), engaged in a business of bus body building, for a total cash consideration of Rs. 919.1 million. The Company's 27.79% share of the fair values of net assets of ACGL when acquired by the Company amounted to Rs. 458.2 million. Consequently, goodwill arising out of this transaction amounted to Rs.460.9 million which is recorded as a part of the equity in affiliates. With this acquisition, the total stake in ACGL is 37.79% as of March 31, 2008.



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FIAPL and ACGL are accounted as equity method affiliates.

23. Commitments and contingencies

In the normal course, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered reasonably possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is reasonably possible, but not probable. Management believes that none of the contingencies described below, either individually or in aggregate, would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Litigation

The company is involved in legal proceedings in various states in India, both as plaintiff and as defendant. There are claims which management does not believe to be of material nature, other than those described below.

Income Tax

The Company has ongoing disputes with Income Tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company as deductions, and the computation of, or eligibility of, certain tax incentives or allowances. Some of the disputes relate to the year in which the tax consequences of financial transactions were recognized and in the event these disputes are not resolved in the Company's favour in that year, the tax consequences can be reflected in the tax year in which it is allowed by the income tax authorities and are, therefore, timing differences.

Most of these disputes/disallowances, being repetitive in nature, have been raised by the Income tax authorities consistently in most of the years.

The Company has a right of appeal to the High Court or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The Income Tax authorities have similar rights of appeal.

As of March 31, 2008, the income tax demands by the Income Tax authorities aggregated Rs. 3,714 million (Rs.1,540 million, net of consequential relief) which are being contested by the Company on appeal and in respect of which the Company expects to succeed based on favourable decisions in earlier assessment years. There are matters aggregating Rs.1,175 million (Rs. 1,031 million, net of consequential relief) in respect of which the Company has won in appeals which have been further contested by the income tax department before the higher appellate authorities. There are other matters/disputes pending in appeal aggregating Rs. 2,130 million (Rs.1,993 million, net of consequential relief) which includes Rs. 1,298 million pertaining to the former Tata Finance Limited.

Excise Duty & Service Tax

As of March 31, 2008, there were pending litigations on various counts relating to Excise Duty and Service Tax involving demand of Rs. 1,062 million. These demands challenged the basis of valuation of the Company's products and denial of the 'Central Value Added Tax' ("CENVAT") on inputs. The details of the demands involving more than Rs. 50 million are as follows:

Excise demands amounting to Rs. 193 million mainly relating to denial of CENVAT credit on various technical grounds, where the Company had won the appeals, have been further contested by the excise authorities.

The Excise authorities had denied CENVAT credit of Rs. 143 million in earlier years, on certain accessories supplied with the vehicles and on other technical grounds. The matter is being contested by the Company before the appellate authorities. On the basis of judicial precedents and favorable decisions in Company's own earlier cases, the Company believes that it has a strong case.



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The Excise Authorities have raised a demand of Rs 371 million. This is a Classification Dispute wherein the Department had alleged that certain models of company's commercial vehicle- Tippers will attract NCCD (National Calamity Cess Duty) of 1% on the ground that there are similarities between Tippers & Dumpers. The company is contending that there are many technical differences between the two models. The appeal is pending before the Tribunal.

The Excise Authorities have raised demand of Rs. 103 million in HVAL denying the CENVAT credit of Rs. 52 million availed on inputs sold to Tata Motors Ltd. and demanding consequential penalty of an equal amount. HVAL is contending that CENVAT credit cannot be denied on the inputs sold to Tata Motors as duty has been paid on the final product, i.e. Axles using the subject inputs on the assessable value including the materials consumed.

The total amount of Service tax demand, included in above, is Rs. 50 million in relation to Tata Motor Finance, a division of Tata Motors Limited and Tata Technologies Ltd.

Sales tax

The total sales tax demands (including interest and penalty), which are being contested by the Company amount to Rs. 3,138 million as of March 31, 2008. The details of the demands involving more than Rs. 50 million are as follows:

The sales tax authorities in certain states have raised disputes totaling up to Rs. 529 million as of March 31, 2008, treating the stock transfers of vehicles from the Company's manufacturing plants to sales offices and the transfers between two sales offices as sales liable for levy of sales tax.

Under a notification issued by the State Government of Rajasthan, vehicles having gross weight of more than 8,000 kgs were classified for certain tax rate. The sales tax authorities had raised demand of Rs. 121 million on the ground that the Company's bare chassis weight being less than 8,000 kgs, it does not fall under relevant tax entry. The gross vehicle weight of the vehicle was not considered by the sales tax authorities.

Sales tax demand aggregating Rs. 194 million as of March 31, 2008, were raised by the sales tax authorities on interest/hire premium charges and other issues relating to the use of Trademarks and denial of resale claims on the vehicles sold under hire purchase. The interest/ hire premium charges are in the nature of Service charges and hence should not be liable to sales tax.

Under the notification issued by the Sales Tax authority, Jharkhand, the rate of sales tax was reduced to 4%. Consequently, the interstate sales tax also became 4% and since it was not concessional rate against a Declaration Form, the collection of Declaration Forms was not mandatory. However the Jharkhand Sales tax authorities raised the demand aggregating Rs. 909 million, on the ground that Declaration Forms were not collected. Based on the above notification, the company has a strong case. The notification was valid until May 10, 2002. In addition to the above issue, the Sales tax authorities have raised demands aggregating Rs. 74 Million as of March, 31, 2008, for Non-Submission of Declaration Forms at various locations. The Company is confident of getting relief in appeal on submission of Forms.

Sales Tax demand aggregating Rs 626 million as of March 31, 2008 has been raised by Jamshedpur Sales Tax authorities disallowing the purchase of raw material from Jharkhand vendors at concessional rate of 2% in case the final product is stock transferred for sale outside the state. The Sales Tax Department is relying on a notification issued by the Jharkhand Government which is not applicable on the Company's transactions.

Sales tax demand aggregating Rs. 81 million as of March 31, 2008, has been raised by the Jaipur sales tax authorities. Certain vehicles sold by the Company to Indian Infrastructure equipment Ltd (IIEL) against the Declaration Form have been rejected by the Department on the ground that the Notification issued by the State Government of Rajasthan under which IIEL has been granted concession is in dispute. The original demand has been raised on IIEL and hence demand on the company is not sustainable as such demand cannot be raised on two assesses on the same issue. The company has filed the rectification application before the Assessing authority which is pending.



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Enhanced rate of sales tax were demanded by Sales Tax authorities aggregating Rs 51 million on vehicles sold to customers but lying in the yard undelivered alleging that the sale is not complete & charging sales tax at higher rate on actual subsequent dispatches. Under the Sale of Goods Act, the sale is complete when the goods are appropriated or identified for a particular customer and title of goods passes to the buyer by raising invoices. The Company had won the appeals which have been further contested by the Sales tax authorities.

As per the then Bihar Industrial Policy, Tata Cummins Ltd was entitled to sales tax exemption given for new industrial units. Such exemption was denied by the Sales Tax Department. Hon'ble Supreme Court had allowed the sales tax exemption on an appeal filed by Tata Cummins Ltd. The State Government in the modification petition had sought clarification whether the exemption applied also to Additional sales tax and surcharge thereon. The Company is liable for Rs. 92 million on account of Additional Sales Tax & Rs 71 million surcharge thereon.

In respect of matters pertaining to the erstwhile Tata Finance Ltd now merged with Tata Motors Limited, Sales Tax authorities at Bangalore, pursuant to a Karnataka High Court decision, passed revision orders demanding tax of Rs. 61 million on hire purchase and lease transactions, which were accepted as exempt during regular assessments. The Supreme Court has allowed the appeal and set aside the order of the Karnataka High Court. Applications have been filed to the sales tax authority along with a copy of the Supreme Court Order for passing of a rectification order dropping the demand

Other taxes and dues

Other amounts for which the Company may contingently be liable aggregating Rs. 1,208 million as on March 31, 2008 include the following cases involving more than Rs. 50 million:

The municipal authorities in certain states levy octroi duty (a local indirect tax) on goods brought inside the municipal limits at rates based on the classification of goods. Demands aggregating Rs. 496 million have been raised demanding higher octroi duties on account of classification disputes relating to components purchased for the manufacture of vehicles and on retrospective demand of octroi at enhanced rate. The dispute relating to classification is presently pending before the Supreme Court and the other dispute is pending before the Bombay High Court on remand by the Supreme Court.

The motor vehicles taxation authorities have demanded Road Tax aggregating Rs. 85 million as of March 31, 2008, on vehicles stored inside the Company's manufacturing plants. The Company has filed appeal before the Supreme Court in the matter, which is pending for disposal. The contention of the Company is that the vehicles are subjected to tax when put on the road and the law does not have a provision for double taxation. Moreover, the definition of "Dealer" under the said Act does not include a manufacturer of the vehicles.

As of March 31, 2008, Property Tax amounting to Rs. 124 million has been demanded by Pimpri Chinchwad Municipal Corporation (PCMC) on vacant land in possession of the Company. The Company filed an SLP (Special Leave Petition) before the Supreme Court against an unfavorable decision of the Bombay High Court. The Supreme Court has disposed of the SLP and remanded the matter back to PCMC for fresh adjudication.

Regional Provident Fund Commissioner (RPFC) at Jamshedpur had demanded payment towards Provident Fund amounting to Rs. 153 million treating the convoy drivers appointed by Telco Transporters Convoy Driver's Association (TTCA) as employees of the Company. The Company filed a Writ Petition in the High Court against the order, which was admitted.



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Other claims

There are other claims against the Company, majority of which pertain to motor accident claims (involving third parties getting affected in accidents while the Company's vehicles were being transferred from the Company's manufacturing plants to regional sales offices or from one sales office to the other) and consumer complaints. Some of the cases also relate to replacement of parts of vehicles and/or compensation for deficiency in the services by the Company or its dealers.

Guarantees

The Company has provided guarantees / collaterals aggregating Rs. 27,879 million as of March 31, 2008 relating to certain transfer of finance receivables to Special purposes entities ("SPE")/ financial institutions and banks. The Company's liability would crystallize in the event customers fail to fulfill their obligations under the contract and the ("SPE")/ financial institutions and banks serves a notice of shortfall in collections on the Company. The term of each guarantee depends upon the weighted average term of each pool of finance receivables transferred. In the event the guarantee is invoked, the Company has the right against the borrower to repossess the vehicle financed and to auction the vehicle. This also includes a guarantee amounting to Rs. 50 million given by the former Tata Finance Ltd. in respect of sale of shares of Tata Home Finance Ltd. to IDBI. The maximum potential amount of future payment, the Company would be required to make is Rs 27,879 million as of March 31, 2008. The Company has recognized a liability of Rs 1,808 million for this guarantee.

Commitments

The Company has entered into various contracts with vendors and contractors for the purchase of machinery, tools and equipment and various civil contracts of a capital nature aggregating Rs 35,732 million as of March 31, 2008 which are yet to be executed.

For commitments related to leases, see note no - 9

Product warranties

Estimated warranty costs are accrued at the time vehicles are sold. The following is a tabular reconciliation of the product warranty accrual for years ended March 31, 2007 and 2008:

	Years ended March 31,		
	2007	2008 (In millions)	2008
Balance at the beginning	Rs. 1,811.5	Rs. 2,187.3	US\$ 54.7
Payments made during the year	(2,058.8)	(2,603.7)	(65.1)
Changes in the accrued warranties	2,438.6	3,176.5	79.4
Impact of foreign exchange rate changes	(4.0)	(78.2)	(2.0)
Balance at the end	Rs. 2,187.3	Rs. 2,681.9	US\$ 67.0



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24. Estimated fair value of financial instruments

The following table presents a comparison of the fair values and carrying values of Tata Motors' principal financial instruments:

	As of March 31,			
	2007	Estimated fair value	2008	Estimated fair value
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
(In millions)				
ASSETS:				
Cash and cash equivalents	Rs. 7,652.5	Rs. 7,652.5	Rs.11,394.6	Rs.11,394.6
Short-term deposits with banks	173.2	173.2	13.3	13.3
Finance receivables	82,524.9	84,682.4	75,330.5	77,205.0
Accounts receivable	19,320.7	19,320.7	28,343.3	28,343.3
Other current assets	19,372.1	19,372.1	22,597.9	22,597.9
Investments	22,258.3	22,258.3	41,228.1	41,228.1
Other non-current assets	6,690.4	6,509.1	22,172.9	21,767.5
Restricted deposits with banks	—	—	11,224.0	11,224.0
LIABILITIES:				
Accounts payable	Rs.45,474.0	Rs.45,474.0	Rs.55,061.3	Rs.55,061.3
Acceptances	24,608.1	24,608.1	41,420.5	41,420.5
Accrued expenses and other current liabilities	11,794.4	11,794.4	18,504.3	18,504.3
Short-term borrowings and current portion of long term debt	38,902.0	38,902.0	69,012.5	69,012.5
Long-term debt	40,235.1	41,874.1	58,792.8	56,696.6

The carrying amounts of cash and cash equivalents, short-term deposits with banks, accounts receivable, other current assets, accounts payable, acceptances, accrued expenses and other current liabilities, and short-term borrowings and current portion of long term debt approximate their fair values due to the short terms of these instruments.

The fair value of finance receivables is estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made as of March 31, 2007 and 2008.

Available-for-sale securities are carried at their fair values, which are generally based on market price quotations. Fair values of investments classified as held-to-maturity have been determined by discounting the future cash flows at the market rate as at the balance sheet dates of similar investments. The fair values of investments carried at cost cannot be reasonably estimated. Restricted deposits with banks represent the unutilized proceeds from issuance of Zero Coupon Convertible Alternative Reference Securities due 2012 (CARS), have been classified as non-current since they will be utilized for the acquisition of Jaguar and Land Rover businesses, the carrying amounts approximate their fair values due to short terms of these deposits. The fair values of borrowings have been estimated by discounting expected future cash flows using a discount rate equivalent to the risk free rate of return adjusted for the market spread required by the Company's lenders for instruments of the given maturity.

Management uses its best judgment in estimating the fair value of its financial instruments; however, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts the Company could have realized in a sales transaction as of either March 31, 2007 or 2008. The estimated fair value amounts for the years ended March 31, 2007 and 2008 have been measured as of the respective year ends, and have not been reevaluated or updated for purposes of these financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

25. Derivative financial instruments and risk management

The Company is party to a variety of foreign exchange rate, interest rate and foreign currency forward contracts and options entered into to manage its exposure to fluctuations in foreign exchange rates and interest rates. The counter party is generally a bank. These financial exposures are managed in accordance with the corporate risk management policies and procedures.

The Company enters into interest rate swaps, and interest rate currency swap agreements mainly to manage exposure on its fixed-rate or variable-rate debt. The Company uses interest rate derivatives or currency swap agreements to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in currencies other than the functional currency of the Company.



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The fair value of derivative financial instruments is as follows:

	As of March 31,		
	2007	2008 (In millions)	2008
Interest rate swaps	Rs. (16.1)	Rs. (4.5)	US\$ (0.1)
Forward exchange contracts, options and currency swaps	27.7	(686.5)	(17.2)
Total	Rs. 11.6	Rs. (691.0)	US\$ (17.3)

The gain on derivative contracts recognised in the income statement was Rs.141.6 million, Rs.378.6 million and Rs.815.6 million for the years ended, March 31, 2006, 2007 and 2008 respectively

26. Segment reporting

SFAS No.131, *Disclosures about Segments of an Enterprise and Related Information*, establishes standards for reporting information about operating segments in financial statements. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. Tata Motors' chief operating decision maker is the managing director of the Company

Tata Motors primarily operates in the Automotive segment. The Automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories. The Company evaluates segment performance of this operating segment based on standalone net income of the segment and generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties. Revenues are allocated between 'within India' and 'exports' based on the location of the dealer/customer.

The Company's other segment comprises primarily activities relating to production, designing and selling of construction equipment, engineering solutions and software operations. None of the other operating segments meets the quantitative thresholds specified in SFAS No. 131, and accordingly, have been aggregated.

	For the year ended March 31, 2006			
	Automotive	Other	Inter-segment eliminations	Total
	(In millions)			
Revenues				
External revenue	Rs.224,534.0	Rs.16,080.5	Rs. —	Rs.240,614.5
Inter-segment revenue	219.1	1,980.5	(2,199.6)	—
Total revenues	224,753.1	18,061.0	(2,199.6)	240,614.5
Depreciation and amortization	5,231.5	611.9	—	5,843.4
Operating income	18,922.4	1,059.4	60.6	20,042.4
Non-operating income, net	3,541.6	288.3	(328.7)	3,501.2
Interest income	734.1	64.5	(135.8)	662.8
Interest expense	(3,592.9)	(260.7)	135.8	(3,717.8)
Income tax expense	(5,074.3)	(576.2)	32.2	(5,618.3)
Equity in income of affiliates, net of tax	470.5	0.9	—	471.4
Minority interest, net of tax	(140.1)	(191.0)	—	(331.1)
Net income	Rs. 14,861.3	Rs. 385.2	Rs. (235.9)	Rs. 15,010.6



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	For the year ended March 31, 2007			
	Automotive	Other	Inter-segment eliminations	Total
	(In millions)			
Revenues				
External revenue	Rs. 306,805.5	Rs. 24,719.1	Rs. —	Rs. 331,524.6
Inter-segment revenue	307.9	2,298.1	(2,606.0)	—
Total revenues	307,113.4	27,017.2	(2,606.0)	331,524.6
Depreciation and amortization	6,026.7	579.6	—	6,606.3
Operating income	23,606.7	2,778.9	45.3	26,430.9
Non-operating income, net	4,674.8	376.5	(275.5)	4,775.8
Interest income	580.1	65.7	(47.5)	598.3
Interest expense	(5,181.0)	(280.3)	47.5	(5,413.8)
Income tax expense	(6,973.3)	(1,168.6)	28.9	(8,113.0)
Equity in income of affiliates, net of tax	550.5	1.4	—	551.9
Minority interest, net of tax	(8.6)	(709.9)	—	(718.5)
Net income	Rs. 17,249.2	Rs. 1,063.7	Rs. (201.3)	Rs. 18,111.6

	As of March 31, 2007			
	Automotive	Other	Inter-segment eliminations	Total
	(In millions)			
Segment assets	Rs. 250,850.5	Rs. 22,982.5	Rs. (2,817.6)	Rs. 271,015.4
Capital expenditure	Rs. 24,729.4	Rs. 579.9	Rs. (32.3)	Rs. 25,277.0
Equity in affiliates	Rs. 2,657.5	Rs. 32.7	Rs. —	Rs. 2,690.2

	For the year ended March 31, 2008				
	Automotive	Other	Inter-segment eliminations	Total	Total
	(In millions)				
Revenues					
External revenue	Rs. 331,517.5	Rs. 33,713.1	Rs. —	Rs. 365,230.6	US\$9,126.2
Inter-segment revenue	449.3	3,434.5	(3,883.8)	—	—
Total revenues	331,966.8	37,147.6	(3,883.8)	365,230.6	9,126.2
Depreciation and amortization	7,186.8	599.7	—	7,786.5	194.6
Operating income	18,488.6	5,171.5	34.0	23,694.1	592.1
Non-operating income, net	7,013.1	236.2	(819.0)	6,430.3	160.8
Interest income	1,648.8	92.8	(50.8)	1,690.8	42.2
Interest expense	(10,357.3)	(200.7)	50.8	(10,507.2)	(262.5)
Income tax expense	(3,776.5)	(2,167.2)	44.9	(5,898.8)	(147.4)
Equity in income of affiliates, net of tax	(63.7)	8.5	—	(55.2)	(1.4)
Minority interest, net of tax	151.7	(1,299.8)	—	(1,148.1)	(28.7)
Net income	Rs. 13,104.7	Rs. 1,841.3	Rs. (740.1)	Rs. 14,205.9	US\$ 355.1



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	As of March 31, 2008				
	Automotive	Other	Inter-segment eliminations (In millions)	Total	Total
Segment assets	Rs.346,275.9	Rs.26,298.4	Rs.(3,295.0)	Rs.369,279.3	US\$9,227.3
Capital expenditure	Rs. 41,186.2	Rs. 1,722.3	Rs. (201.3)	Rs. 42,707.2	US\$1,067.1
Equity in affiliates	Rs. 9,885.7	Rs. 48.9	Rs. —	Rs. 9,934.6	US\$ 248.2

Information concerning principal geographic areas is as follows:

	Years ended March 31,					
	2006		2007		2008	
	Within India	Outside India	Within India	Outside India	Within India	Outside India
	(In millions)					
External revenues	Rs.198,171.6	Rs.42,442.9	Rs.267,418.6	Rs.64,106.0	Rs. 293,718.9 US\$ 7,339.3	Rs. 71,511.7 US\$ 1,786.9

	As of March 31,			
	2007		2008	
	Within India	Outside India	Within India	Outside India
	(In millions)			
Long-lived assets	Rs.61,388.2	Rs.2,261.5	Rs. 94,739.9	Rs. 4,897.7
			US\$ 2,367.3	US\$ 122.4

27. Related party transactions

The company's related parties principally consist of subsidiaries of Tata Sons Limited, Tata Sons Limited, and affiliates of the Company. The company routinely enters into transactions with these related parties in the ordinary course of business. The Company mainly enters into transactions for sale and purchase of products with Tata Cummins Limited, an affiliate. Transactions and balances with its own subsidiaries are eliminated on consolidation.

The following table summarizes related party transactions and balances included in the financial statements:

	Years ended March 31,			
	2006	2007	2008	2008
	(In millions)			
Purchases of products	Rs.15,602.0	Rs.21,058.6	Rs.28,367.5	US\$708.8
Purchase of fixed assets	223.7	0.1	70.9	1.8
Sale of fixed assets	0.4	—	34.6	0.9
Sale of products	1,109.4	1,196.6	1,571.6	39.3
Services received	672.1	798.0	1,267.4	31.7
Services rendered	358.5	862.3	752.0	18.8
Interest/dividend expense, net	842.2	588.9	763.5	19.1
Lease Income (See note-9)	—	—	11.5	0.3
Sale of portion of equity interest in subsidiaries (See note-19)	—	—	1,642.5	41.0
Gain on sale of portion of equity interest in subsidiaries (See note-19)	—	—	1,104.8	27.6
Sale of finance receivables (See note-20)	—	—	10,226.0	255.6
Gain on sale of finance receivables (included in Finance income)(See note-20)	—	—	923.5	23.1
Sale of investment	—	—	350.0	8.7
Sale of investment in affiliate	—	—	183.9	4.6
Gain on sale of investment in affiliate	—	—	144.8	3.6



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	As of March 31,		
	2007	2008 (In millions)	2008
Amounts receivable in respect of loans	Rs. 296.7	Rs. 540.4	US\$13.5
Amounts payable in respect of loans	105.0	100.0	2.5
Accounts receivable	157.7	909.6	22.7
Accounts payable	1,283.5	2,241.5	56.0

28. Subsequent events

On March 26, 2008, the Company entered into a sale and purchase agreement with Ford Motor Company for purchase of Jaguar and Land Rover businesses, comprising brands, plants and intellectual property rights for a price of US \$2.3 billion. The acquisition has been completed on June 2, 2008. Ford has contributed about US \$600 million to the Jaguar Land Rover pension plans.

The Company has availed short term finance facility of US \$3 billion with a consortium of banks for Jaguar and Land Rover acquisition. The coupon rate is Libor plus 85 to 150 basis points. The maturity date is one year from the date of availment (June 2, 2009).

On March 27, 2008, Telco Construction Equipment Company Limited (Telcon), a subsidiary, has entered into an agreement with shareholders of Serviplem S.A. to acquire 79% of the equity shareholding for Euro 35.6 million and on 3rd April 2008, Telcon has entered in to an agreement with the shareholders of Comoplesa Lebrero S.A. to acquire 60% equity shareholding for Euro 3.6 million. Telcon has completed the acquisition subsequent to the balance sheet date.

Subsequent to the year ended March 31, 2008, Tata Motors sold a part of its equity interest in its subsidiary company Tata AutoComp Systems Ltd (TACO) to its related party for a consideration of Rs. 1,610.2 million. Consequent to this sale, Tata Motors' holding in TACO has been reduced to 26%.

Subsequent to March 31, 2008, 2,000 Zero Coupon Foreign Currency Convertible Notes (2009) representing 2% of the said Notes, have been converted into 153,025 Ordinary shares of Rs. 10 each at a premium as per the terms of issue. Further, the outstanding 1% Foreign Currency Convertible Notes (2008) got repaid on July 31, 2008 as per the terms of issue.

The Indian Income Tax Act, levies dividend distribution tax on dividends paid by the Indian Companies. Accordingly the Company provides for such tax on the undistributed earnings of its Indian subsidiary companies to the extent of their earnings available for payment of dividend. An enactment has been passed after the balance sheet date, which allows set-off against dividend distribution tax paid by the parent company, of such tax paid by its subsidiaries, subject to certain conditions.

On September 2, 2008, the Committee of Directors of the Company approved the terms of simultaneous and unlinked issue of ordinary shares on a rights basis in the ratio of one ordinary share for every six shares held, the ordinary shares would be issued at a price of Rs.340/- per share of face value of Rs.10/- each aggregating Rs.21,860 million, and 'A' ordinary shares on a rights basis in the ratio of one ordinary share for every six shares held, the 'A' ordinary shares would be issued at a price of Rs.305/- per share of face value of Rs.10/- each aggregating Rs.19,610 million. The 'A' ordinary shares would have differential rights as to voting and dividend i.e. the 'A' ordinary shareholder shall be entitled to one vote for every ten 'A' ordinary shares held and will be entitled to receive dividend at 5 percentage points more than the rate of dividend declared on the ordinary shares.



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The proposed issue, subject to the necessary regulatory approvals/process, is slated to open near the end of September, 2008. The proceeds of the issue will be used to prepay part of the short term loan borrowed for financing the acquisition of Jaguar Land Rover businesses from Ford, which was completed on June 2, 2008. Since the shares offered in the rights issue are being offered at a price lower than the market value of shares, the existing convertible notes / CARS holders will receive additional equity shares on conversion in addition to shares as per the issue terms of respective convertible notes / CARS. This will result in further dilution in the earnings per share.

The plant under construction at Singur is currently facing opposition due to political disputes over the process followed by the State Government in the acquisition of the land which has been leased (operating lease) to us by the State Government. While the land acquisition has been validated by the Calcutta High Court, the political disputes have persisted. Due to recent disturbances, we have temporarily suspended activities at the Singur site and are exploring alternative options at our existing/new sites.

29. Earnings per share ("EPS")

	Net Income (In millions)	Weighted average shares (Nos.)	Earnings per share (Rs./US\$)
For the year ended March 31, 2006			
Basic net earnings per share	Rs. 15,010.6	373,268,040	Rs. 40.2
Effect of foreign currency convertible notes	Rs. 427.1	26,042,196	Rs. (16.4)
Diluted earnings per share	Rs. 15,437.7	399,310,236	Rs. 38.7
For the year ended March 31, 2007			
Basic net earnings per share	Rs. 18,111.6	384,544,205	Rs. 47.1
Effect of foreign currency convertible notes	Rs. 369.6	22,622,790	Rs. (16.3)
Diluted earnings per share	Rs. 18,481.2	407,166,995	Rs. 45.4
For the period ended March 31, 2008			
Basic net earnings per share	Rs. 14,205.9	385,438,663	Rs. 36.9
	US\$ 355.1		US\$ 0.9
Effect of foreign currency convertible notes	Rs. 362.4	21,728,544	Rs. (16.7)
	US\$ 9.1		US\$ (0.4)
Diluted earnings per share	Rs. 14,568.3	407,167,207	Rs. 35.8
	US\$ 364.2		US\$ 0.9

The effect of 14,985,616 shares if converted pursuant to Zero Coupon Convertible Alternative References Securities (CARS) due 2012, issued by the company during the year, is anti dilutive in nature for the year ended March 31, 2008 and hence these shares have not been considered in the computation of diluted EPS.



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Exhibit 1.2



MEMORANDUM OF ASSOCIATION

AND

ARTICLES OF ASSOCIATION

TATA MOTORS LIMITED

(duly amended as on 14th July, 2008.)



No.11- 4520.

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME
IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,
MUMBAI.

In the matter of **TATA ENGINEERING AND LOCOMOTIVE
COMPANY LIMITED.**

I hereby approve and signify in Writing under Section 21
of the Companies Act, 1956 (Act of 1956) read with the
Government of India, Department of Company Affairs,
Notification No.G.S.R. 507E dated the 24th June 1985 the
change of name of the company :

from **TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED.**

to **TATA MOTORS LIMITED.**

and I hereby certify that

TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED.

Which was originally incorporated on **FIRST**
day of **SEPTEMBER 1945** under the Companies Act, I of ~~1956~~ **1913**
under the name **TATA LOCOMOTIVE AND ENGINEERING COMPANY
LIMITED.**
having duly passed necessary resolution in terms of section
21 / / / / of the Companies Act, 1956 the name of the
said company is this day changed to **TATA MOTORS LIMITED.**
and this certificate is issued
pursuant to Section 23(1) of the said Act.

Given under my hand at MUMBAI this **TWENTYNINTH**
day of **JULY** Two Thousand **THREE.**




(**S.C.GUPTA**)

DEPUTY REGISTRAR OF COMPANIES
MAHARASHTRA MUMBAI.



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: SECOND CERTIFICATE OF INCORPORATION :

Co. No. 4520 1945-46.

I hereby certify that TATA LOCOMOTIVE AND
ENGINEERING COMPANY LIMITED. was on FIRST
day of SEPTEMBER One thousand nine hundred and
FORTY FIVE incorporated under the
Companies Act, ¹⁹¹³ ~~1933~~ (No. ^{VII} ~~I~~ of ¹⁹¹³ ~~1933~~) and that the
Company is Limited.

Given under my hand at BOMBAY this *****
THIRD day of JULY One thousand nine
hundred and SEVENTY NINE.




(Sd/-)
ASSTT. REGISTRAR OF COMPANIES,
MAHARASHTRA, BOMBAY.



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No. 11-4520

(Section 18(1) of the Companies Act, 1956)

CERTIFICATE OF REGISTRATION OF SPECIAL
RESOLUTION PASSED FOR ALTERATION OF OBJECTS
IN THE OFFICE OF REGISTRAR OF COMPANIES, MAHARASHTRA,
MUMBAI

TATA MOTORS LIMITED

having by the Bombay High Court Order dated 24/06/2005

and Special Resolution passed on 26/04/2005

altered the provisions of its Memorandum of Association

with respect to its objects, and a copy of the said

resolution having been filed with this office on 08/07/2005.

I hereby certify that the Special Resolution passed
on 26/04/2005 together with the printed copy of the
Memorandum of Association as altered, has this day
been registered.

Given under my hand at MUMBAI this ELEVENTH
day of AUGUST TWO THOUSAND FIVE.



(M. V. CHAKRANARAYAN)
Dy. Registrar of Companies,
Maharashtra, Mumbai.

Certificate for Commencement of Business.



(Pursuant to section 103 (2) of the Indian Companies Act, 1913.)

I hereby certify that the Tata Locomotive
& Engineering Company Limited
... ..

which was incorporated under the Indian Companies Act, 1913, on the First day of September 1945; and which has this day filed a duly verified declaration in the prescribed form that the conditions of section 103 (1) (a) to (d) of the said Act have been complied with, is entitled to commence business.

Given under my hand at Bombay
this Twentieth day of November
one thousand nine hundred and forty-five.



Behramji Modi

Registrar of Companies.

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

No. 4520

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, BOMBAY

[Under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF Tata Locomotive and Engineering Company Limited

I hereby certify that TATA LOCOMOTIVE AND ENGINEERING COMPANY LIMITED, which was originally incorporated on First day of September 1945 under the Indian Companies Act, 1913 and under the name TATA LOCOMOTIVE AND ENGINEERING COMPANY LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956, and the approval of the Central Government signified in writing having been accorded thereto in the Ministry of Commerce and Industry, Department of Company Law Administration/Regional Director, Western Region, Bombay by his letter No. RD: 12(27)-50/Change dated 17th September, 1960, the name of the said company is this day changed to TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at BOMBAY this Twenty-Fourth day of September One thousand nine hundred and Sixty. (2nd Ashvina, 1882)

The Seal of
the Registrar
of Companies,
Maharashtra.

Sd/- J. G. GATHA
Asst. Registrar of Companies,
Bombay.



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Certificate of Incorporation.

No. 4520 of 1945-1946.

I hereby certify that "TATA LOCOMOTIVE AND ENGINEERING COMPANY, LIMITED", is this day incorporated under the Indian Companies Act, VII of 1913, and that the Company is Limited.

Given under my hand at Bombay this First day of September
One thousand nine hundred and Forty-Five.



BEHRAMJI M. MODI.
Registrar of Companies.



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**ABSTRACT
OF
ARTICLES OF ASSOCIATION
OF
TATA MOTORS LIMITED**

TABLE A EXCLUDED

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**MEMORANDUM OF ASSOCIATION
OF
TATA MOTORS LIMITED**

- I. The name of the Company is **“TATA MOTORS LIMITED”**
- II. The Registered Office of the Company will be situate in the State of Maharashtra.
- III. The objects for which the Company is established are:-
 1. To carry on the business of manufacturing, assembling, buying, selling, re-selling, exchanging, altering, importing, exporting, hiring, letting on hire, or distributing or dealing in locomotives, boilers, engines steam gas electrical or otherwise, turbines, tanks, motor vehicles, trucks, lorries, omnibuses, buses, motorcycles, cycle cars, scooters, bicycles, tricycles, cycles, tractors, bulldozers and steam rollers of every description and kind and all component parts, spare parts, accessories, equipment and apparatus for use in connection therewith.
 - 1A. *To carry on the business of financing, re-financing of all kinds and descriptions of motor vehicles, tractors and other farm equipment, construction equipment, capital equipment, spares and components, whether manufactured by the Company or not, including used/second hand products as also services of every kind and description, through credit/financing products, including by way of hire purchase, financial and/or operating leases, loans and guarantees or otherwise.
 2. To carry on the business of iron foundries, mechanical and general engineers and manufacturers of implements and other machinery, tool-makers, brass-foundries, metalworkers, boilermakers, millwrights, machinists, iron and steel converters, smiths, wood-workers, builders, painters, metallurgists, water supply engineers, gas-makers, printers, carriers and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery, implements, rolling-stock and hardware of all kinds.
 3. To carry on any business relating to the winning and working of minerals, the production and working of metals (other than the production of pig iron or steel) and the production, manufacture and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company, or any contracts undertaken by the Company, and either for the purpose only of such contracts or as an independent business.
 4. To carry on business as manufacturers, importers and exporters of and dealers in machinery articles and goods of all classes and kinds whatsoever including electrical and engineering materials, goods, machinery and requisites and as Electrical, Mechanical and General Engineers and Contractors and as manufacturers and workers in materials of any nature and kind.
 5. To carry on business as manufacturers and makers of and dealers in metal (other than as manufacturers and makers of pig iron or steel), wood, enamel, aluminum, alloys, plastics and any other products, articles and things of every description and kind and to carry on and conduct workshops, engineering works of every description and kind and foundries of iron, brass and other metals, wood and any other substances and to buy, sell, manipulate and deal both wholesale and retail in such products, commodities, goods, articles and things.
 6. To carry on the trades or business of manufactures of ferromanganese, colliery proprietors, Coke manufacturers, Miners, smelters, engineers and tin plate makers in all their respective branches.
 7. To prospect and search for, get, work, raise, make merchantable, sell and deal in coal, oil, limestone, manganese, ferro-manganese, magnesite, copper, clay, fire-clay, slate, stone, brick earth, bricks, and other materials (excluding the making and selling of pig iron from iron ore), minerals and substances, and to manufacture and sell briquettes and other fuel, and generally to undertake and carry on any business transaction or operation commonly undertaken or carried on by explorers, prospectors or concessionaries and to search for, win, work, get, calcine, reduce, amalgamate, dress, refine and prepare for the market any quarts and ore and mineral substances and to buy, sell, manufacture and deal in minerals and mineral products, plant and machinery, and other things capable, of being used in connection with mining or metallurgical operations or required by the workmen and others employed by the Company.
 8. To purchase, take on lease or otherwise acquire, any mines, mining rights, and metalliferous land and any interest therein, and to explore, work, exercise, develop and turn to account the same. To expend such sums of moneys as may seem desirable for all such prospecting and surveying operations with the object of obtaining any such mines, mining rights and metalliferous lands and deposits as aforesaid and otherwise for the acquisition of any property and rights whatsoever which the Company is authorised to acquire under any of its objects.
 9. To buy, sell, manufacture, and deal in minerals, plant, machinery, implements, conveniences, provisions and things capable of being used in connection with metallurgical operations, or required by workmen and others employed by the Company.
 10. To carry on the business of manufacturing, assembling, buying, selling, re-selling, exchanging, altering, importing, exporting, hiring, letting on hire, or distributing or dealing in ships, boats, barges, launches, submarines and other under-water vessels, aeroplanes, aero-engines, airships, seaplanes, flying boats, hydroplanes and aircrafts and aerial conveyances of every description and kind for transport or conveyance of passengers, merchandise or goods of every description whether propelled or moved or assisted by means of petrol, spirit, electricity, steam, oil, vapour, gas, petroleum, mechanical, animal or any other motive power and all component parts, spare parts, accessories, equipment and apparatus for use in connection therewith.



11. To carry on the trade or business of manufacturing, assembling, buying, selling, re-selling, exchanging, altering, importing, exporting, hiring, letting on hire, or distributing or dealing in railway carriages, wagons, carts, vehicles, rolling stocks and conveyances of all kinds whether for railway, tramway, road, field or other traffic or purposes, and also railways and tramway plant, and all machinery, materials, and things applicable or used as accessory thereto and of letting or supplying all or any of the things hereinbefore specified to coal proprietors, railway and other companies, and other persons, from year to year or for a term of years, or otherwise, at annual or other rents, and of repairing and maintaining the same respectively, whether belonging to this Company or not, and of selling exchanging and otherwise dealing in the same respectively.

*Amended vide Court Order dated June 24, 2005, pursuant to Scheme of Reorganisation and Amalgamation of Tata Finance Limited with Tata Motors Limited.



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12. To enter into any contracts or arrangements with any government, state or authorities, municipal, local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such government, state or authority, any rights, privileges and concessions which the Company may think it desirable to obtain and to carry out, execute and comply with any such contracts, arrangements, rights, privileges and concessions.
13. To construct, execute, carry out, equip, improve, work, develop, administer, manage or control public works and conveniences of all kinds, which expression in this memorandum, includes railways, tramways, docks, harbours, piers, wharves, canals, reservoirs, embankments, irrigations, reclamation, improvement, sewage, drainage, sanitary, water, gas, electric light, telephonic, telegraphic, and power supply works, and hotels, warehouses, markets and public buildings, and all other works or conveniences of public utility.
14. To carry on business as quarry masters and stone merchants and to buy, sell, get, work, shape, hew, carve, polish, crush and prepare for market or use stone of all kinds.
15. To carry on business as road and pavement makers and repairers and manufacturers of and dealers in lime, cement, mortar, concrete and building materials of all kinds and as builders and contractors for the execution of works and buildings of all kinds in the construction of which stone is required.
16. To construct, carry out, maintain, improve, manage, work, control, and superintend any roads, ways, tramways, railways, bridges, reservoirs, watercourses, aqueducts, warves, furnaces, saw-mill, crushing works, hydraulic works, electrical works, factories, warehouses, shops and other works and conveniences which may seem directly or indirectly conducive to any of the objects of the Company, and to contribute to, subsidise, or otherwise aid or take part in any such operations.
17. To carry on the trades or businesses of manufacturers of blasting ballistic and pyrotechnic apparatus and other articles and things of a similar or analogous description or use or of and in the several components parts thereof.
18. To carry on the trades or businesses of manufacturers of and dealers in explosives, ammunition, fireworks and other explosive products and accessories of all kinds and of whatsoever composition and whether for military, sporting, mining or industrial, purposes or for pyrotechnical display or for any other purpose.
19. To carry on the business of manufacturers of every sort of missile, arm and weapon for warlike, sporting or other purposes.
20. To carry on the business of waterproofers and manufacturers of India-rubber, leather, imitation leather, leather cloth, plastic, oil cloth, linoleum, tarpaulins, hospital sheetings and surgical bandages.
21. To carry on the business of a water-works Company in all its branches and to sink wells and shafts and to make, build and construct, lay down and maintain dams, reservoirs, waterworks, cisterns, culverts, filterbeds, mains and other pipes and appliances and to execute and do all other acts and things necessary or convenient for obtaining, storing, selling, delivering, measuring, distributing and dealing in water.
22. To purchase, take on lease or in exchange, or otherwise acquire, either absolutely or by lease, license, concession, grant or otherwise any lands, mines and mineral rights, easements, rights and privileges and licenses for mining in, or over any lands which may be acquired by the Company, and to lease out any such lands for building or agricultural use and to sell or otherwise dispose of the lands, mines and other property of the Company.
23. To acquire by concession, grant, purchase, barter, lease, license or otherwise any tract or tracts of country, together with such, rights as may be agreed upon and granted by Government or the rulers or owners thereof, and to expend such sums of money as may be deemed requisite and advisable in the exploration, survey and, development thereof.
24. To acquire by concession, grant, purchase, amalgamation, barter, lease, license or otherwise, either absolutely or conditionally and either solely or jointly with others any houses, lands, farms, quarries, water rights, way leaves and other works, privileges, rights and hereditaments and any machinery, plant, utensils, trademarks and other moveable, and immoveable property of any description.
25. To acquire, provide and maintain hangars, garages, sheds, aerodromes and accommodation for or in relation to aerial conveyances.
26. To carry on the business of railway, tramway, airway, omnibus, van, carriage and boat proprietors and carriers of passengers and goods by land, sea or air.
27. To search for and to purchase or otherwise acquire from any government, state or authority any licenses, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account, and in particular any water rights or concession, either for the purpose of obtaining motive power or otherwise and to work, develop, carry out, exercise and turn to account the same.
28. To carry on the businesses of a General Electric Power and Supply Company and Gas Works Company in all their respective branches, and to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines accumulators, lamps and works and to generate, accumulate, distribute and supply electricity and gas and to light cities, towns, streets, docks, markets, theatres, buildings and places both public and private.
29. To acquire the right to use or manufacture and to put up telegraphs, telephones, phonographs, dynamos, accumulators and all apparatus now known or which may hereafter be invented, in connection with the generation, accumulation, distribution, supply



- and employment of electricity, or any power that can be used as a substitute therefor, including all cables, wires or appliances for connecting apparatus at a distance with other apparatus, and including the formation of exchanges or centres.
30. To carry on the business of electricians and electrical engineers, suppliers of electricity for the purposes of light, heat, motive power or otherwise, and manufacturers of and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, galvanism, magnetism or otherwise.



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31. To deal with, manufacture and render saleable, coke, coal-tar, pitch, asphaltum, ammoniacal liquor, and other residual products obtained in the manufacture of gas.
32. To construct, manufacture, and maintain works for holding, receiving and purifying gas, and all other buildings and works, meters, pipes, fittings, machinery, apparatus, and appliances convenient or necessary for the purposes of the Company.
33. To manufacture, buy, sell, let on hire and deal in stoves, engines, and other apparatus and conveniences.
34. To carry on the business of a telephone and telegraph Company, and in particular to establish work, manage, control and regulate telephone exchanges and works, and to transmit and facilitate the transmission of telephonic and telegraphic communications and messages.
35. To construct, maintain, lay down, carry out, work, sell, let on hire and deal in telephonic and all kinds of works machinery apparatus conveniences and things capable of being used in connection with any of these objects and in particular any cables, wires, lines, stations, exchanges, reservoirs, accumulators, lamps, meters and engines.
36. To carry on all or any of the business of lithographers, printers, publishers and stationers.
37. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on all scientific, and technical researches, experiments, and tests of all kinds and to promote studies and research both scientific and technical, investigation and invention by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remunerations of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes, grants and bursaries to students or independent students or otherwise and generally to encourage, promote and reward studies, researches, investigation, experiment, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
38. To erect, construct, enlarge, alter and maintain buildings and structures of every kind necessary or convenient for the Company's business.
39. To let out on hire all or any of the property of the Company whether immoveable or moveable including all and every description of apparatus or appliances, and to hold, use, cultivate, work, manage, improve, carry on and develop the undertaking land and immoveable and moveable property and assets of any kind of the Company or any part thereof.
40. To purchase or by any other means acquire and protect prolong and renew, any patents, patent rights, brevets d'invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account and manufacture under or grant licenses or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patent, inventions or rights which the Company may acquire or propose to acquire.
41. To buy, sell, manufacture, refine, manipulate, import, export, and deal both wholesale and retail in commodities, substances, apparatus, articles and things of all kinds capable of being used or which can conveniently be dealt in by the Company in connection with any of its objects.
42. To transact and carry on all kinds of agency business.
43. To carry on any other trade whether manufacturing or otherwise which may seem to the Company capable of being carried on in connection with any of the Company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's properties or rights.
44. To be interested in, promote and undertake the formation and establishment of such institutions, businesses or companies (industrial, agricultural, trading, manufacturing or other) as may be considered to be conducive to the profit and interest of the Company, and to carry on any other business, (industrial, agricultural, trading, manufacturing or other) which may seem to the Company capable of being conveniently carried on in connection with any of these objects or otherwise calculated directly or indirectly to render any of the Company's properties or rights for the time being profitable, and also to acquire, promote, aid, foster, subsidise or acquire interests in any industry or undertaking.
45. To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interests, co-operation, joint adventure, reciprocal concessions or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in, or any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit this Company.
46. To amalgamate with any Company or Companies.
(Alteration confirmed by an Order passed on the 15th January, 1971 by the Bombay High Court)
47. To pay for any properties, rights or privileges acquired by the Company, either in shares of the Company or partly in shares and partly in cash, or otherwise.
48. To pay all the costs, charges, and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any underwriting or other commissions, brokers' fees and charges in connection therewith, and to remunerate or make donations (by cash or other assets or by the allotment of fully or partly paid shares or by a



call or option on shares, debentures, debenture stock or securities of this or any other company or in any other manner, whether out of the Company's capital or profits or otherwise) to any person, firm or company for services rendered or to, be rendered in introducing any property or business to the Company or in placing or assisting to place or guaranteeing the subscription, of any shares, debentures, debenture stock or other securities of the Company, or in or about the formation or promotion of the Company or for any other reason which the Company may think proper.

49. To draw, accept and make and to endorse, discount and negotiate promissory notes, hundies, bills of exchange, bills of lading and other negotiable or transferable instruments.



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50. To borrow or raise money or to receive money on deposit at interest, or otherwise in such manner as the Company may think fit, and in particular by the issue of debentures or debenture stock perpetual or otherwise including debentures or debenture stock convertible into shares of this Company, or perpetual annuities; and in security of any such money so borrowed, raised, or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient; and to purchase, redeem, or payoff any such securities.
 51. To accumulate funds and to lend, invest or otherwise employ moneys belonging to or entrusted to the Company upon any shares, securities or investments upon such terms as may be thought proper and from time to time to vary such transactions in such manner as the Company may think fit.
 52. To invest moneys of the Company in any investments moveable or immoveable and vary such investments in such manner as may from time to time seem expedient and be determined.
 53. To sell and in any other manner deal with or dispose of the undertaking of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular for shares, debentures and other securities of any other company having objects altogether or in part similar to those of the Company.
 54. To sell, improve, manage, work, develop, lease, mortgage, abandon or otherwise deal with all or any part of the property, rights and concessions of the Company.
 55. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture stock, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of any person whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.
 56. To undertake and execute any trust the undertaking of which may seem to the Company desirable either gratuitously or otherwise.
 57. To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.
 58. To subscribe or otherwise to assist, support, endow or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions, societies, clubs, funds or objects, which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
 59. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works or art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
 60. To distribute any of the property of the Company amongst the members in specie or kind but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
 61. To dedicate, present or otherwise dispose of either voluntarily with or without consideration or for value, any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation, or authority or any trustees for or on behalf of any of the same or of the public.
 62. To appropriate, use or lay out land belonging to the Company for streets, parks, pleasure grounds, allotments, and other conveniences and to present any such land so laid out to the public or to any persons or company conditionally or unconditionally as the Company thinks fit.
 63. To aid pecuniarily or otherwise, any association body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
 64. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in India or elsewhere in any other part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others and so that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body or persons, whether incorporated or not incorporated and the intention is that the objects set forth in each of the several paragraphs of this Clause shall have the widest possible construction and shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph of this Clause or the name of the Company.
- IV. The liability of the Members is limited.
- V. * The Capital of the Company is Rs.3,900,00,00,000 divided into 70,00,00,000 Ordinary Shares of Rs.10/- each, 20,00,00,000 'A' Ordinary Shares of Rs.10/- each (The Ordinary Shares and the 'A' Ordinary Shares are hereinafter together referred to as Ordinary Shares or shares unless otherwise specifically mentioned to the contrary) and 30,00,00,000 Convertible Cumulative



Preference Shares of Rs.100/- each.

* Amended vide a postal ballot resolution passed by the Shareholders of the Company dated July 14, 2008.



We the several persons whose names and addresses are subscribed are desirous of being formed into a Company, in pursuance of this Memorandum of Association and respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Dated this first day of September 1945.

Names of Subscribers	Address and Description of Subscribers	Number of Shares taken by each Subscriber	Witnesses
J. R. D. TATA	Director, Tata Sons Ltd., Bombay House, Bruce Street, Fort, Bombay	One	
S.D.SAKLATVALA	Director, Tata Sons Ltd., Bombay House, Fort, Bombay	One	
H. P. MODY	Do	One	Witness to all signatures
A. D. SHROFF	Do	One	A. B. PARAKH
JOHN MATTHAI	Do	One	Assistant to Director-in-
J. D. CHOKSI	Director, Tata Sons Ltd., Bombay House, Bruce Street, Fort, Bombay	One	Charge Tata Iron and Steel Company Ltd., Bombay House, Bruce Street Fort, Bombay
R. D. LAM	Secretary, Tata Sons Ltd., Bombay House, Bruce Street, Fort, Bombay	One	
K. M. MADAN	Secretary and Chief Accountant, Tata Iron & Steel Co. Ltd., Bombay House, Fort, Bombay	One	



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These Articles of Association were approved and adopted by the Company by Special Resolution at the Annual General Meeting held on 10th August 1961

ARTICLES OF ASSOCIATION**OF****TATA MOTORS LIMITED****TABLE A EXCLUDED**

- Table A not to apply but Company to be governed by these Articles
1. The regulations contained in Table A, in the First Schedule to the Companies Act, 1956, shall not apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

INTERPRETATION

2. In the interpretation of these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context:-

Interpretation Clause	
“The Act” or “the said Act”	“The Act” or “the said Act” means “The Companies Act, 1956” as amended up to date or other the Act or Acts for the time being in force, in India containing the provisions of the Legislature in relation to Companies.
“The Board” or “Board of Directors”	“The Board” or the “Board of Directors” means a meeting of the Directors duly called and constituted or as the case may be the Directors’ assembled at a Board, or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles.
“The Company” or “This Company”	“The Company” or “This Company” means “Tata Motors Limited”.
“Directors”	“Directors” means the Directors for the time being of the Company or as the case may be the Directors assembled at a Board.
“Dividend”	“Dividend” includes bonus.
Gender	Words importing the masculine gender also include the feminine gender.
“Month”	“Month” means a calendar month.
“Office”	“Office” means the Registered Office for the time being of the Company.
“Persons”	“Persons” includes corporations as well as individuals.
Plural number	Words importing the plural number also include the singular number.
“These presents” or “Regulations”	“These presents” or “Regulations” means these Articles of Association as originally framed or altered from time to time and includes the Memorandum where the context so requires.
“Seal”	“Seal” means the Common Seal for the time being of the Company.
Singular number	Words importing the singular number include the plural number.
“Writing”	“Writing” shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.
Expressions in the Act to bear the same meaning in Articles	Subject as aforesaid any words or expression defined in the Act shall except where the subject or context forbids bear the same meaning in these Articles.
Marginal notes	The marginal notes hereto shall not affect the construction hereof.



TENURE OF OFFICE OF MANAGING AGENTS

Tenure of office of Managing Agents 2.A All references whatsoever to Managing Agents, their powers, functions and duties under these Articles and under any agreement entered into by them with the Company, shall be applicable only if and so long as there are Managing Agents in accordance with the provisions of the law.



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PRELIMINARY

Agreements
entered into by
the Company

3. The Company has entered into the following Agreements:-

- (1) An agreement dated the Twenty-seventh day of September One thousand nine hundred and forty-five and made between TATA SONS LTD, of the one part and the COMPANY of the other part
 - (a) for acquiring (through Tata Sons Ltd.) the Singhbhum Workshops situate at Tatanagar, Singhbhum in the Province of Bihar, belonging to the Government of India;
 - (b) for obtaining a transfer from Tata Sons Ltd. to itself of the rights subject to the obligations of Tata Sons Ltd. contained in the arrangements made by that Company with the Government of India for the manufacture of locomotive boilers and locomotives at the said Singhbhum Workshops.
- (2) An agreement dated the Twenty-seventh day of September One thousand nine hundred and forty-five and made between the COMPANY of the one part and TATA SONS LTD., of the other part which Agreement provided for the appointment of Tata Sons Ltd., their successors and assigns as the Managing Agents of the Company.

The basis on which the Company was established was that the Company should enter into the said Agreements upon the terms therein set forth and should be bound by the conditions therein contained and accordingly it should be no objection to the said documents or any of them that Mr. Jehangir Ruttonji Dadabhoy Tata, Sir Hormusji Peroshaw Mody and Dr. John Matthai who were members and Directors of Tata Sons Ltd., were interested in the Agreements 1 and 2 above and in the consideration thereby conferred as Directors of the Company or that any person being interested in either or both of the said Agreements was or might be a promoter or a Director of the Company or stood in a fiduciary position towards the company or that in the circumstances the Directors did not constitute an independent Board and every member present or future shall be deemed to join the Company on this basis.

Copies of
Memorandum
and Articles of
Association to
be given to
members

4. Copies of the Memorandum of Association and these presents and other documents mentioned in Section 39 of the Act shall be furnished by the Company to any member at his request within 7 days of the requirement subject to the payment of a fee of Re. 1/-.

SOCIAL RESPONSIBILITIES OF THE COMPANY

Social
Responsibilities
of the Company

- 4A. The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations; and the Company, shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

CAPITAL**SHARES**

Capital

5. *The Capital of the Company is as reflected in Clause V of the Memorandum of Association from time to time.
6. **"DELETED"**
- 6A. **"DELETED"**
- 6B. **"DELETED"**
- 6C. **"DELETED"**
7. The unclassified shares for the time being in the capital of the Company may be issued either with the sanction of the Company in General Meeting or by the Directors and upon such terms and conditions and with such right and privileges annexed thereto as by the General Meeting sanctioning the issue of such shares shall be directed and if no direction be given and in all other cases as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of



the Company and any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

- * Amended vide Court Order dated June 24, 2005, pursuant to Scheme of Re-organisation and amalgamation of Tata Finance Limited with Tata Motors Limited



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Issue of 'A'
Ordinary
Shares

- *7A (i) The Board may issue Ordinary Shares with differential rights as to voting and/or dividend (hereinafter referred to as 'A' Ordinary Shares) upto an amount not exceeding 25% of the total issued Ordinary Share Capital of the Company or such other limit as may be prescribed by applicable laws/regulations. Such issue of 'A' Ordinary Shares shall be in accordance with the Act, other applicable laws, Article 67A and other terms and conditions that may be specified at the time of issue.
- (ii) The 'A' Ordinary Shares so issued by the Company will stand to be in the same class as the Ordinary Shares. The 'A' Ordinary Shares issued by the Company will enjoy all rights and privileges that are attached to Ordinary Shares in law and by the provisions of these presents, except as to voting and/or dividend, as provided in these Articles and as may be permitted under applicable law from time to time.
- (iii) The Board may issue 'A' Ordinary Shares of more than one series carrying differential rights as to voting and/or dividend, as the case may be.
- (iv) The Board shall have the power and authority to remove any difficulties, and do such other acts and deeds, in relation to the applicability of this Article to the rights and obligations of the holders of the 'A' Ordinary Shares, including, but not limited to the issue and deciding the stock exchanges on which the 'A' Ordinary Shares will be listed.
- (v) The Board shall follow the general principles set out under Article 7A (ii) at all times whilst making any decision in regard to 'A' Ordinary Shares.'

* Amended vide a postal ballot resolution passed by the Shareholders of the Company dated July 14, 2008

Shares under the
control of the
Directors

8. Subject to the provisions of the Act and Article 64 and the other Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time, think fit and proper, and with full power with the sanction of the Company in General Meeting to give to any person the option to call for or be allotted shares of any class of the Company either at par or at a premium or subject as aforesaid at a discount such option being exercisable at such time and for such consideration as the Directors think fit.

Power of
General Meeting
to offer shares to
such Company
may resolve

9. In addition to and without derogating from the powers for that purpose conferred on the Directors under Articles 7 and 8 and on the Company under Articles 7 and 8, the Company in general meeting may determine to issue further shares of the authorised but unissued capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par or, subject to compliance with the provisions of Section 79 of the Act, at a discount, as such general meeting shall determine and with full power to give to any person (whether a member or holder of debentures of the Company or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares. Subject to any direction given by general meeting as aforesaid, the provisions of Article 64 hereof shall apply to any issue of new shares.

Directors may
allot shares as
fully paid-up

10. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid or partly paid-up otherwise than in cash, and, if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

Shares to be
numbered
Progressively
and no share to
be sub-divided

11. The shares in the capital of the Company shall be numbered progressively according to their several denominations, and except in the manner hereinafter mentioned, no shares shall be sub-divided.

Acceptance of
shares

12. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.



- Deposit and calls etc. to be a debt payable immediately
13. The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall, immediately on the insertion of the name of the allottee in the Register of Members as the name or the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- Instalments on shares to be duly paid
14. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
- Company not bound to recognise any interest in shares other than that of the registered holders
15. Except as required by law no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way, to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or any interest in any fractional part of a share, (or except only as by these Articles or as ordered by a Court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.



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UNDERWRITING AND BROKERAGE

- Commission for 16. The Company may subject to the provisions of Section 76 and other applicable provisions (if any) of the Act
Placing shares, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his
Debentures, etc. procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or
debentures of the Company but so that the amount or rate of commission does not exceed in the case of shares
5% of the price at which the shares are issued and in the case of debentures 2 1/2% of the price at which the
debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or
partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on
any issue of shares or debentures pay such brokerage as may be lawful.

CERTIFICATES

- Certificates of 17. (a) The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in
Shares the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly
registered Power of Attorney; and (ii) the Secretary or some other person appointed by the Board for the
purpose;

PROVIDED that, if the composition of the Board permits or if, at least one of the aforesaid two Directors shall be a person other than a Managing Director or Whole-time Director or, so long as the Company has Managing Agents, a person other than a Director appointed by the Managing Agents under Article 126 or a Director to whom Article 133 applies.

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography.

PROVIDED ALWAYS that notwithstanding anything contained in this article the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time.

- Members' rights 17. (b) Every member shall be entitled without payment to one certificate for all the shares of each class or
to certificates denomination registered in his name or if the Directors so approve (upon paying such fee or fees or at the
discretion of the Directors without payment of fees as the Directors may from time to time determine) to
several certificates each for one or more shares of each class. Every certificate of shares shall specify the
number and denoting numbers of the shares in respect of which it is issued and the amount paid thereon
and shall be in such form as the Directors shall prescribe or approve.

- Discretion to 17A. Notwithstanding anything contained in Article 17, the Board may in its absolute discretion refuse applications
refuse sub- for the sub-division or consolidation of share, debenture or bond certificates in denominations of less than the
division or marketable lot except when sub-division or consolidation is required to be made to comply with a statutory
consolidation of provision or an order of a competent Court of law.
certificates

- Limitation of 18. The Company shall within three months after the allotment of any of its shares or debentures and within two
time for issue of months after the application for the registration of the transfer of any such shares or debentures complete and
certificates have ready for delivery the certificates of all shares and debentures allotted or transferred, unless the
conditions of issue of the shares or debentures otherwise provided and the Company shall otherwise comply
with the requirements of Section 113 and other applicable provisions (if any) of the Act.

- As to issue of 19. If any certificate be worn out, defaced, torn or be otherwise mutilated or rendered useless from any cause
new certificate whatsoever, or if there be no space on the back thereof for endorsement of transfers, then upon production
in place of one thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu
defaced, lost or thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors
destroyed and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be
given to the party entitled to such lost or destroyed certificate on payment, if any, of such sum not exceeding
Re.1/- as the Directors may in their discretion determine. The Directors may in their discretion waive payment
of such fee in the case of any certificate or certificates.

CALLS

- Board may 20. The Board of Directors may from time to time, but subject to the conditions hereinafter mentioned, make such
make calls calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them
respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall



pay the amount of every calls so made on him to the Company or where payable to a person other than the Company to the person and at the time or times appointed by the Directors. A call may be made payable by instalments.



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- Calls on shares of same class to be made on uniform basis 21. Where after the commencement of the Act, any calls for future share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article, shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
- Notice of call 22. Fifteen days' notice at the least of every call otherwise than on allotment shall be given specifying the time of payment and if payable to any person other than the Company the name of the person to whom the call shall be paid; provided that before the time for payment of such call the Directors may by notice in writing to the members, revoke the same.
- Call to date from Resolution 23. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.
- Directors may extend time 24. The Directors may from time to time, at their discretion, extend the time fixed for the payment of any call; and may extend such time as to all or any of the members who from residence at a distance or other cause, the Director may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
- Amount payable at fixed time or by instalments as calls 25. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times (whether on account of the amount of share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Board or Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.
- When interest on call or instalment payable 26. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due shall pay interest on the same at such rate of interest as may be determined by the Directors from time to time from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.
- Judgement, Decree or partial payment not to preclude forfeiture 27. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as herein provided.
- Proof on trial of suit for money due on shares 28. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Payment in Anticipation of calls may carry Interest 29. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for; and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon and the Company may at any time repay the amount so advanced upon giving to such member three months' notice in writing.

FORFEITURE, SURRENDER AND LIEN

- If call or Instalment not paid notice must be given 30. If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by



reason of such non-payment.



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|--|---|
| Terms of notice | 31. The notice shall name a day (not being less than 14 days from the date of the notice) on or before which such call instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the Company the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) to the person appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. |
| In default of payment, shares to be forfeited | 32. If the requirement of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys or dues in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. |
| Entry of forfeiture in Register of Members | 33. When any share shall have been so forfeited, an entry of the forfeiture with the date thereof shall be made in the Register of Members. |
| Forfeited shares to be property of the Company and may be sold etc. | 34. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re- allotted or otherwise disposed of either to the original holder thereof, or to any other person, upon such terms and in such manner as the Directors shall think fit. |
| Power to annul Forfeiture | 35. The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annul the forfeiture thereof upon such conditions as they think fit. |
| Shareholder still liable to pay money owing at time of forfeiture and interest | 36. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls instalments interest expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate of interest as may be determined by the Directors from time to time and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so. |
| Surrender of shares | 37. The Directors may subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering on such terms as they think fit. |
| Company's lien on shares | 38. The Company shall have no lien on its fully paid shares. In the case of partly paid-up shares the Company shall have a first and paramount lien only for all moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article. |
| As to enforcing lien by sale | 39. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment or discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned. |
| Application of Proceeds of sale | 40. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of the debts, liabilities or engagements of such member and the residue (if any) paid to such member or the person (if any) entitled by transmission to the shares so sold. |
| Certificate of forfeiture | 41. A certificate in writing under the hands of two Directors, and countersigned by the Managing Agents, that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made, by a resolution of the Directors to that effect, shall be |



conclusive evidence of the fact stated therein as against all persons entitled to such share.



Title of Purchaser and Allottee of Forfeited shares 42. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

TRANSFER AND TRANSMISSION OF SHARES

Register of Transfers 43. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly distinctly entered the particulars of every transfer or transmission of any share.

Form of Transfer 44. Shares in the Company may be transferred by an instrument in writing in such form and by such procedure as may from time to time be prescribed by law. Subject thereto the Directors may prescribe a common form for instruments of transfer, which may from time to time be altered by the Directors.

TATA MOTORS LIMITED

I,
Of _____ in consideration of
The sum of Rupees _____
Paid to me by _____
of _____
(hereinafter called "the Transferee") do hereby transfer to the Transferee _____ share (or shares) numbered _____ in the undertaking called Tata Motors Limited, to hold unto the said Transferee his (or her) executors administrators and assigns subject to the several conditions on which I held the same immediately before the execution hereof, and I, the Transferee, do hereby agree to take the said share (or shares) and to be a member of the Company subject to the said conditions aforesaid.

Signed this _____ day of _____ 19____

Witness: _____ Signature(s).
The Directors may from time to time alter or vary the form of such transfer.

Application for Transfer 45. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.
(2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
(3) For the purposes of clause (2) above notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

To be executed by transferor and transferee 46. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Transfer not to be registered except on production of instrument of transfer 47. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares, or if no such share certificate is in existence, along with the letter of allotment of the shares; Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit; Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.



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- Directors may refuse to register transfer
48. Subject to the provisions of Section 111 of the Act, or any statutory modification thereof for the time being in force, the Directors may, at their absolute and uncontrolled discretion decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of shares upon which the Company has a lien or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Directors and such refusal shall not be affected by the fact that the proposed transferee is already a member. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee.
- Notice of refusal to be given to transferor and transferee
49. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within two months from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.
- Transfer by legal representative
50. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.
- Custody of transfer
51. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
- Closure of transfer books
52. The Directors shall have power on giving not less than seven days' previous notice by advertisement as required by Section 154 of the Act to close the transfer books of the Company for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time as to them may seem fit.
- Title to shares of deceased holder
53. The executors or administrators or a holder of a Succession Certificate in respect of the estate of a deceased member (whether European, Hindu, Mahomedan, Parsi or otherwise) not being one of two or more joint holders shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the case may be, from a duly Constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with production of Probate or Letters of Administration or Succession Certificate and under the next Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.
- Registration persons entitled to shares otherwise than by transfer (Transmission Clause)
54. Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares; Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of such shares. This Clause is herein referred to as the Transmission Clause.
- Refusal to register nominee
55. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
- Board may require evidence of transmission
56. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.



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Fee on transfer or
transmission

57. A fee not exceeding Rupees two and fifty naye Paise per share may be charged in respect of the transfer or transmission to the same party of any number of shares of any class or denomination subject to such maximum on any one transfer or transmission as may from time to time be fixed by the Directors. Such maximum may be a single fee payable on any one transfer or on transmission of any number of shares of one class or denomination or may be on a graduated scale varying with the number of shares of any one class comprised in one transfer or transmission or may be fixed in any other manner as the Directors may in their discretion determine.



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Company not
liable for
disregard of a
notice
prohibiting
registration of
transfer

58. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

CONVERSION OF SHARES INTO STOCK

Conversion of
shares into stock
and reconversion

59. The Company may, by ordinary resolution of the Company in General Meeting:—

- (a) convert any paid-up shares into stock;
And
- (b) convert any stock into paid-up shares of any denomination.

Transfer of stock

60. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Rights of stock
holders

61. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except dividends, participation in profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Regulations

62. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up shares shall apply to stock and the words “share” and “member” in those regulations shall include “stock” and “stockholder” respectively.

INCREASE, REDUCTION AND ALTERATION IN CAPITAL

Increase of
Capital

63. (a) The Company may from time to time in General Meeting increase its share capital by the issue of new shares of such amount as it thinks expedient.
- (b) Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall be directed and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

Rights of
ordinary
shareholders to
further issue of
capital

64. Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the ordinary shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 81 of the Act. Provided that notwithstanding anything hereinbefore contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holders of the ordinary shares of the Company in any manner whatsoever:—

- (a) If a Special Resolution to that effect is passed by the Company in General Meeting, or



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(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be), in favour of the proposal contained in the Resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.

Same as original capital 65. Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original ordinary capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

Restrictions on purchase by Company of its own shares 66. (1) The Company shall not have the power to buy its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Article 68 or in pursuance of Sections 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

(2) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise any financial assistance for the purpose, of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.

(3) Nothing in this Article shall affect the right of the Company to redeem any redeemable Preference shares issued under Article 63 or under Section 80 or other relevant provisions (if any) of the Act or of any previous Companies Law.

Buy-Back of Shares 66A. Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by law.

Provisions in case of redeemable Preference shares 67. On the issue of redeemable Preferences shares under the provisions of Article 63 the following provisions shall take effect :-

(a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(b) No such shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's share premium account, before the shares are redeemed;

(d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend be transferred to a Reserve Account to be called "The Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of a Company shall except as provided under Section 80 of the Act or herein apply as if the Capital Redemption Reserve Account were paid up share Capital of the Company;

(e) Subject to the provisions of Section 80 of the Act and this Article the redemption of Preferences shares hereunder may be effected in accordance with the terms and conditions of their issue and failing that in such manner as the Directors may think fit.



Provisions
in case of
'A' Ordinary
Shares
Voting

*67A. Notwithstanding s anything contained in these presents, the rights, powers and preferences relating to 'A' Ordinary Shares and the qualifications, limitations and restrictions thereof are as follows:

- (a) (i) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that:
 - in the case where a resolution is put to vote on a poll, such voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.
 - in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares in accordance with Article 111(1).
- (ii) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted to a vote of shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such Shares including in relation to any scheme under Sections 391 to 394 of the Act.

Dividend
Entitlement

- (b) The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

Rights Issues
and Bonus
Issues of 'A'
Ordinary Shares

- (c) (i) Where the Company proposes to make a rights issue of Ordinary Shares or any other securities convertible into Ordinary Shares, the Company shall simultaneously make an offer to the holders of 'A' Ordinary Shares in the same proportion of 'A' Ordinary Shares to Ordinary Shares prior to the issue. The holders of 'A' Ordinary Shares shall receive further 'A' Ordinary Shares whereas holders of Ordinary Shares shall receive further Ordinary Shares.
- (ii) Where the Company proposes to make a bonus issue of Ordinary Shares, the holders of 'A' Ordinary Shares shall, subject to the terms of such issue, receive further 'A' Ordinary Shares whereas the holders of Ordinary Shares shall receive further Ordinary Shares to the end and intent that the proportion of Ordinary Shares to 'A' Ordinary Shares after such offer, shall, as far as possible remain unaffected.

Conversion

- (d) The 'A' Ordinary Shares issued in accordance with these presents will not be convertible into Ordinary Shares at any time.

Mergers,
Amalgamations,
etc.

- (e) In the event of any scheme, arrangement or amalgamation in accordance with the Act, and subject to other approvals and other applicable laws and these presents for amalgamation of the Company with or into any other entity and which results in a share swap or exchange, the holders of the 'A' Ordinary Shares shall receive allotment as per the terms of the scheme and as far as possible, unless specified to the Company in such scheme, the said holders shall receive Ordinary Shares with differential rights to voting or dividend of such entity.

Substantial
acquisition of
shares

- (f) (i) Where an offer is made to purchase the outstanding Ordinary Shares or voting rights or equity capital or share capital or voting capital of the Company in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and other applicable laws, the applicability of such regulation on 'A' Ordinary Shares will result in an offer also being made to purchase 'A' Ordinary Shares in the same proportion as the offer to purchase Ordinary Shares.

Illustration: In accordance with the said Regulations where an offer is made to purchase twenty (20) percent of the outstanding Ordinary Shares or voting rights or equity capital or share capital or voting capital of the Company, such offer shall be deemed to include an offer for twenty (20) percent of the outstanding Ordinary Shares and also an offer for twenty (20) percent of the outstanding 'A' Ordinary Shares.

- (ii) The pricing guidelines and other provisions as specified in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 shall mutatis mutandis apply to an offer for 'A' Ordinary Shares and the percentage premium offered for the 'A' Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Ordinary Shares to its floor price. All consideration to be received by holders of 'A' Ordinary Shares in accordance with any offer as stated in sub-clause (i) above shall be paid in the same form and at the same time as that received by holders of Ordinary Shares.



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Explanation: For the purposes of the said Regulations, the terms “shares”, “voting rights”, “equity capital”, “share capital” or “voting capital” shall mean and include Ordinary Shares and ‘A’ Ordinary Shares as the case may be.

Delisting

- (g) Where the promoter (as provided in the last quarterly filing with the stock exchanges prior to making the offer) or any other acquirer proposes at any time to voluntarily delist the Ordinary Shares of the Company in accordance with the SEBI (Delisting of Securities) Guidelines, 2003 from the stock exchanges on which such Ordinary Shares are listed, such promoter or acquirer shall also make a delisting offer for the ‘A’ Ordinary Shares and the percentage premium offered for the ‘A’ Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Ordinary Shares to its floor price.

Buyback of ‘A’
Ordinary Shares
by the Company

- (h) Subject to Article 66, Article 66A and Article 68, the Company when exercising its power under these presents to buyback the Ordinary Shares of the Company, will offer to buyback ‘A’ Ordinary Shares in the same proportion and on equitable pricing terms as offered to the holders of Ordinary Shares, in accordance with applicable laws including the SEBI (Buy-Back of Securities) Regulations, 1998.



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Modification
of rights
pertaining to
'A'

Ordinary
Shares

- (i) (i) Any alteration proposed by the Company to this Article 67A which affects the rights pertaining to the 'A' Ordinary Shares is required to be approved by not less than three-fourths of the holders of the outstanding 'A' Ordinary Shares present and voting.

- (ii) For the purposes of (i) above, the Company will call a separate meeting of holders of 'A' Ordinary Shares.

Issue of
Convertible
Cumulative
Preference
Shares

- *67B The Convertible Cumulative Preference Shares for the time being in the capital of the Company may be issued either with the sanction of the Company in General Meeting or by the Board.

The rights, privileges and conditions attached to the Convertible Cumulative Preference Shares of Rs.100/- each shall be as follows:-

- (a) The Convertible Cumulative Preference Shares shall confer on the holders thereof, the right to a fixed preferential dividend at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up and/or credited as and from time to time paid up thereon.
- (b) The Convertible Cumulative Preference Shares shall rank for capital and dividend (including all dividends undeclared upto the commencement of winding up) and for repayment of capital in a winding up, *pari passu inter se* and in priority to the Ordinary Shares (including 'A' Ordinary Shares) of the Company but shall not confer any further or other right to participate either in profits or assets and that preferential rights shall automatically cease on conversion of these shares into Ordinary Shares and/or 'A' Ordinary Shares.
- (c) The Convertible Cumulative Preference Shares shall be converted into Ordinary Shares and/or 'A' Ordinary Shares as per the terms determined by the Board at the time of issue; as and when converted, such Ordinary Shares and/or 'A' Ordinary Shares shall rank *pari passu* with the then existing Ordinary Shares and / or 'A' Ordinary Shares of the Company in all respects as the case may be.
- (d) The holders of the Convertible Cumulative Preference Shares shall have the right to receive all notices of general meetings of the Company, but will not have the right to vote at any meetings of the Company, except to the extent and in the manner provided in the Act.
- (e) The Convertible Cumulative Preference Shares shall not confer any right on the holders thereof, to participate in any offer or invitation by way of rights or otherwise to subscribe for additional Ordinary Shares and/or 'A' Ordinary Shares in the Company, nor shall the Convertible Cumulative Preference Shares confer on the holders thereof any right to participate in any issue of bonus shares or shares issued by way of capitalization of reserves (except that the conversion price would be appropriately adjusted in the event of bonus/rights issues).
- (f) The Board shall be authorised to fix the terms and conditions of the Convertible Cumulative Preference Shares including but not limited to the terms pertaining to dividend, conversion and/or redemption, if any. The rights and terms attached to the Convertible Cumulative Preference Shares may be modified or dealt with by the Board in accordance with the provisions of the Articles of Association of the Company.

- * Amended vide a postal ballot resolution passed by the Shareholders of the Company dated July 14, 2008



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Reduction of Capital 68. The Company may from time to time by Special Resolution reduce its share capital in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

Consolidations and sub division 69. The Company may in General Meeting alter the conditions of its Memorandum as follows :-

- (a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.
- (b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to be provisions of the Act and of these Articles.



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- (c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Issue of further
pari passu shares
not to affect the
right of shares
already issued

70. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

No issue with
disproportionate
right after 1st
April, 1956

71. The Company shall not after 1st April, 1956, issue any shares (not being Preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being Preference shares).

MODIFICATION OF CLASS RIGHTS

Power to modify
class rights

72. If at any time the share capital by reason of the issue of Preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up, be varied modified abrogated or dealt with, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions contained in these Articles as to General Meetings (including the provisions relating to quorum at such meetings) *shall mutatis mutandis* apply to every such meeting. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly prohibited by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* herewith.

JOINT – HOLDERS

Joint-holders

73. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles :-

Company may
refuse to register
more than six
persons

- (a) The Company shall be entitled to decline to register more than six persons as the joint-holders of any share.

Joint and several
Liability for all
payments in
respect of shares

- (b) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

Title of
survivors

- (c) On the death of any such joint-holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Receipts of one
sufficient

- (d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

Delivery of
certificate and
giving of notice
to first named
holders

- (e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents (which expression shall be deemed to include all documents served on or sent to such person) shall be deemed service on all the joint-holders.



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Votes of Joint-holders

(f) Any one of two or more joint-holders may vote at any meeting either personally or by attorney duly authorised under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting; Provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by an attorney duly authorised under power of attorney or by proxy although the name of such joint-holder present in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint-holders.

DEMATERIALISATION OF SECURITIES

Definitions

73A. 1. For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository; 'SEBI' means the Securities and Exchange Board of India; 'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and 'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities

2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for investors

3. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

5. A Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

B Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

C Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents

6. Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

7. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a

8. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.



depository

Distinctive
numbers of
Securities held in
a depository

9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.



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Register and
Index of
beneficial
owners

10 The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

BORROWING POWERS

Power to
Borrow

74. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power from time to time at their discretion to borrow any sum or sums of money for the purposes of the Company provided that the total amount borrowed at any time together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose.

Conditions on
which money
may be
borrowed

75. Subject to the provisions of the Act and these Articles the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Bonds,
debentures etc.
to be subject to
control of
Directors

76. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Securities may
be assignable
free from
equities

77. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at
discount etc. or
with special
privileges

78. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending and voting at General Meetings, appointment of Directors and otherwise; Provided that an option to call for or be allotted shares of the Company or a privilege of voting at General Meetings of the Company otherwise than when any interest is in arrears shall not be attached to any such bonds, debentures, debenture-stock or other securities except with the sanction of the Company in General Meeting.

Mortgage of
uncalled capital

79. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or if permitted by the Act may by instrument under the Seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

Indemnity may
be given

80. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.



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GENERAL MEETINGS CONVENING MEETINGS

- Annual General Meetings 81. (1) The Company shall, in addition to any other meetings, hold a general meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provisions herein specified. The Annual General Meeting of the Company shall be held within six months after the expiry of each financial year; Provided however, that if the Registrar of Companies shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the Registrar. Except in the cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.
- (2) Every Annual General Meeting shall be called for a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the registered office of the Company or at some other place within the City of Bombay. The notice calling the meeting shall specify it as the Annual General Meeting.
- Extraordinary General Meeting 82. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- Directors may call Extraordinary General Meeting 83. The Board of Directors may call an Extraordinary General Meeting whenever they think fit.
- Calling of Extraordinary General Meeting on requisition 84. (1) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.
- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.
- (3) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- (4) Where two or more distinct matters are specified in the requisition, the provisions of Clause (1) above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that Clause is fulfilled.
- (5) If the Board of Directors does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in Clause (1) above whichever is less.
- (6) A meeting called under Clause (5) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.
- (7) Any reasonable expense incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
- Notice of Meeting 85 (1) A General Meeting of the Company may be called by giving not less than 21 days' notice in writing.



(2) However, a General Meeting may be called after giving shorter notice than 21 days, if the consent is accorded thereto:

- (i) In the case of an Annual General Meeting, by all the members entitled to vote thereat; and
- (ii) In the case of any other meeting, by members of the Company holding not less than 95% of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

PROVIDED that where any members of the Company are entitled to vote only on some Resolution or Resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this Clause in respect of the former Resolution or Resolutions but not in respect of the latter.

Contents of
Notice

- 86. (1) Every notice of a meeting of the Company shall specify the place, date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.
- (2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company.



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- Special Business 87. (1) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to :-
- (i) the consideration of the Accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and of the Auditors;
 - (ii) the declaration of dividend;
 - (iii) the appointment of Directors in the place of those retiring;
 - (iv) the appointment of and the fixing of the remuneration of the Auditors.
- (2) In the case of any other meeting all business shall be deemed special.
- (3) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the concern or interest, if any, therein of every Director and of the Managing Agents.
- Provided, however, that where any item of special business as aforesaid to be transacted at a Meeting of the Company relates to, or any other company, the extent of shareholding interest in that company of every Director and the Managing Agent of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other company.
- (4) Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.
- Service of Notice 88. Notice of every meeting shall be given to every member of the Company in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act and by these Articles. It shall be given to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a pre-paid letter addressed to them by name, or by the title of the representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
- Notice to be given to the Auditors 89. Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in any manner authorised by Section 53 in the case of any member or members of the Company.
- As to omission to give Notice 90. The accidental omission to give notice of any meeting to or the non-receipt of any notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
- Resolution requiring Special Notice 91. (1) Where, by any provision contained in the Act or in these Articles special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.
- (2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by the Articles not less than seven days before the meeting.

PROCEEDINGS AT GENERAL MEETING

- Quorum at 92. Five members entitled to vote and present in person shall be a quorum for a General Meeting and no



General
Meeting

business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.

Proceedings 93.
when
quorum not
present

If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present the meeting if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum be not present those members present shall be a quorum and may transact the business for which the meeting was called.

Business at 94.
Adjourned
meetings

No business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place.



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- Chairman of Directors or Deputy Chairman, or Vice- Chairman or a Director to be Chairman of General Meeting 95. (1) The Chairman of the Board of Directors shall if willing, preside as Chairman at every General Meeting, whether Ordinary or Extraordinary, but if there be no such Chairman, or in case of his absence or refusal, the Deputy Chairman or Vice-Chairman of the Board of Directors shall, if willing, preside as Chairman at such meeting and if there be no such Deputy Chairman or Vice-Chairman, or in case of his absence or refusal, some one of the Directors present shall be chosen to be the Chairman of the meeting.
- In case of their absence or refusal a member may act (2) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman of the Board or by the Deputy Chairman or the Vice-Chairman or by a Director at the expiration of half an hour from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the chair, the members present shall choose one of their own number to be Chairman of the meeting.
- Business confined to election of Chairman whilst chair vacant 96. (1) No business shall be discussed at any General Meeting whilst the chair is vacant except the election of a Chairman.
- (2) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles, the Chairman so elected on a show of hands exercising all the powers of the Chairman under the Act and these Articles.
- (3) If some other person is elected Chairman as a result of the poll he shall be Chairman for the rest of the meeting.
- Chairman with consent may adjourn meeting 97. The Chairman with the consent of any meeting at which a quorum is present, may adjourn any meeting from time to time and from place to place in Bombay.
- Notice to be given where a meeting adjourned for 30 days or more 98. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- What would be the evidence of the passing of resolution where poll not demanded 99. At any General Meeting, a resolution put to the vote of the meeting shall unless a poll is demanded, be decided on a show of hands. A declaration by the Chairman that on a show of hands a resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
- Demand for poll 100. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at anytime by the person or persons who make the demand.
- Time and manner of taking poll 101. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place in Bombay and at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct. Subject to the provisions of the Act the Chairman of the Meeting shall have power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
- Scrutineers at 102. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes



poll	given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause. Of the two scrutineers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.
Demand for poll not to prevent transaction of other business	103. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of on which the poll has been demanded.



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Motion how
decided in case
of equality of
votes

104. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Reports,
Statements and
Registers to be
laid on the table

105. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited Statement of Accounts, Auditors' Report (if not already incorporated in the audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' and Managing Agents' holdings maintained under Section 307 of the Act. The Auditors' Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

Registration of
certain
Resolutions and
Agreements

106. A copy of each of the following resolution (together with a copy of the Statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed) or agreements shall, within thirty days after the passing or making thereof be printed or typewritten and duly certified under the signature of an officer of the Company and filed with the Registrar:—

- (a) special resolutions;
- (b) resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purposes unless they had been passed as special resolutions;
- (c) resolutions of the Board or agreements relating to the appointment, re-appointment or the renewal of the appointment or variations of the terms of appointment of a Managing Director;
- (d) any agreement relating to the appointment, re-appointment or renewal of the appointment of a managing agent or secretaries and treasurers for the Company, or varying the terms of any such agreement, executed by the Company;
- (e) resolutions or agreements which have been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind all the members of any class of shareholders though not agreed to by all those members;
- (f) resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub-section (1) of Section 484 of the Act;
- (g) resolutions passed by the Company according consent to the exercise by its Board of Directors of any of the powers under clause (a), clause (d) and clause (e) of sub-section (1) of Section 293 of the Act; and
- (h) resolutions passed by the Company approving the appointment of sole selling agents under Section 294 of the Act.

A copy of every resolution which has the effect of altering the Articles of Association of the Company and a copy of every Agreement referred to in the above sub-clauses (c), (d) and (e) shall be embodied in and annexed to every copy of the Articles issued after the passing of the resolution or the making of the Agreement.

Minutes of
General
Meetings

107. The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act, by making within thirty days of the conclusion of each such meeting entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

Inspection of
minute books of
General
Meetings

108. The book containing the aforesaid minutes shall be kept at the registered office and be open during business hours to the inspection of any member without charge subject to such reasonable restriction as the Company may by these Articles or in General Meeting impose in accordance with Section 196 of the Act. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of the minutes on payment of such amount for such number of words required to be copied as may be prescribed by the Government from time to time.



Publication of reports of proceedings of General Meetings	109. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles of Section 193 of the Act to be contained in the minutes of the proceedings of such meeting.
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VOTES OF MEMBERS

- | | | |
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| <p>Votes may be given by proxy or attorney</p> | 110. | Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and Article 112. |
| <p>Number of votes to which Members entitled</p> | 111. | <p>(1) Subject to the provisions of the Act and these Articles upon show of hands every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and Article 112) or by attorney or in the case of a body corporate by proxy shall have one vote.</p> <p>(2) Subject to the provisions of the Act and these Articles, upon a poll every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and shall have the following voting rights:—</p> <p style="padding-left: 40px;">(a) In respect of every Ordinary Share (whether fully paid or partly paid) his voting right shall be in the same proportion as the capital paid up on such Ordinary Share bears to the total paid-up ordinary capital of the Company;</p> <p style="padding-left: 40px;">(b) In respect of every fully paid Preference Share his voting right shall be equal to the voting right for a fully paid Ordinary Share.</p> <p style="padding-left: 40px;">(c) In respect of every fully paid 'A' Preference Shares, his voting right shall be as provided in clause (b) of Article 6A(1).</p> |
| <p>No voting by proxy on show of hands</p> | 112. | No member not personally present shall be entitled to vote on a show of hands unless such member is present by attorney or unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act or by a proxy in which case such attorney or representative or proxy may vote on a show of hands as if he were a member of the Company. |
| <p>Votes in respect of shares of deceased or insolvent members</p> | 113. | Any person entitled under the Transmission Clause (Article 54 hereof) to transfer any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof. |
| <p>No member to vote unless calls are paid up</p> | 114. | Subject to the provisions of the Act no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or as a proxy or attorney for any other member or be reckoned in whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. |
| <p>Rights of member to use his votes differently</p> | 115. | On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. |
| <p>Proxies</p> | 116. | Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting. |
| <p>Appointment of proxy</p> | 117. | Every proxy shall be appointed by an instrument in writing signed by the appointor or his attorney duly authorised in writing, or, if the appointor is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it. |
| <p>Deposit of instrument of appointment</p> | 118. | <p>(1) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company not less than forty-eight hours before the time of holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or</p> |



notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney given at least fourteen days before the meeting require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.



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Inspection of proxies (2) Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

Form of proxy 119. An instrument appointing a proxy shall be in the following form, or shall contain words to the following effect :-

TATA MOTORS LIMITED

I/We,

of

in the district of

being a member/members of the abovenamed Company hereby appoint

of

in the district of

or failing him,

of

in the district of

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting /Extraordinary General Meeting of the Company to be held on the

day of

and at any adjournment thereof.

Signed this

day of

19

Custody of the instrument 120. If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Validity of votes given by proxy notwithstanding death of member 121. A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the power of attorney as the case may be or of the power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death revocation or transfer shall have been received at the office of the Company before the meeting.

Time for objection to votes 122. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of any meeting to be the judge of validity of any vote 123. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting, and subject as aforesaid the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

Number of Directors 124. Until otherwise determined by a General Meeting, the number of Directors shall not be less than 3 or more than 15.

First Directors 125. The First Directors of the Company were :-

- (1) MR. JEHANGIR RATANJI DADABHOY TATA, (Chairman and Special Director).
- (2) SIR PURSHOTAMDAS THAKURDAS, K.B.E., C.I.E. (Steel Director)
- (3) SIR CHUNILAL V. MEHTA, K.C.S.I.
- (4) SIR COWASJEE JEHANGIR, BART., C.B.E., K.C.I.E.
- (5) SIR HOMI MODY, K.B.E.
- (6) DR. JOHN MATTHAI, C.I.E.



Special Director 126. During such time as Tata Industries Private Ltd., or their successors in business or assigns shall be the Managing Agents of the Company, that Company or their successors in business or assigns shall have the right to appoint one person as a Director of the Company and to remove such person from office and on a vacancy being caused in such office from any cause whether by resignation, death, removal or otherwise of any such person so appointed, to appoint another Director in the vacant place. The Director appointed under this Article is herein referred to as “Special Director” and the term “Special Director” means the Director for the time being in office under this Article. The Special Director shall not be liable to retire by rotation or subject to the provisions of the Act be removed from office except by Tata Industries Private Ltd., or its successors in business or assigns as aforesaid. The Special Director shall not be bound to hold any qualification shares.



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- Steel Director 127. The Tata Iron and Steel Co. Ltd., or their successors in business or assigns shall have the right to appoint one person as a Director of the Company and to remove such person from office and on a vacancy being caused in such office from any cause whether by resignation, death, removal or otherwise of any such person so appointed, to appoint another Director in the vacant place. The Director appointed under this Article is herein referred to as "Steel Director" and the term "Steel Director" means the Director for the time being in office under this Article. The Steel Director shall not be liable to retire by rotation or subject to the provisions of the Act be removed from office except by the Tata Iron and Steel Co. Ltd., or their successors in business or assigns. The Steel Director shall not be bound to hold any qualification shares.
- ICICI Director 127A. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Credit and Investment Corporation of India Limited out of any loan granted by the said Corporation to the Company, the said Corporation shall have a right from time to time to appoint nominee acceptable to the Board of Directors of the Company as a Director on the Board of the Company (hereinafter described as 'ICICI Director') and to remove from such office any person so appointed and to appoint any other person in his place;
- The Board of Directors of the Company shall have no power to remove from office the ICICI Director;
- The ICICI Director shall not be required to hold any share qualification in the Company nor shall be liable to retirement by rotation. Subject as aforesaid, the ICICI Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- Financial Institutions' Directors 127B. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys by way of loans/private placed debentures remain owing by the Company to the Industrial Development Bank of India, Industrial Finance Corporation of India, Life Insurance Corporation of India, Unit Trust of India and General Insurance Corporation of India and its subsidiaries (hereinafter cumulatively referred to as the financial institutions), the financial institutions shall jointly have a right to appoint two nominees as directors on the Board of the Company (hereinafter described as Financial Institutions' Directors).
- The Directors so appointed will not be required to hold qualification shares and they will not be liable to retire by rotation. The financial institutions may at any time and from time to time remove the nominee or nominees appointed by them and on a vacancy being caused in such office from any cause, whether by resignation, removal or otherwise, appoint another or others in his/their place. Such appointment or removal shall be by notice in writing to the Company. The Board of Directors of the Company shall have no power to remove such nominee or nominees from office. Each such nominee shall be entitled to the same rights, privileges and obligations as any other director of the Company, and shall also be entitled to attend any general meeting of the Company. The Company shall pay to such directors normal fees and expenses to which the other directors are entitled. The Company shall also pay or reimburse any expenses that may be incurred by financial institutions or such directors in connection with their appointment. Such directors as well as financial institutions shall be entitled to receive all notices and other communications (including agenda) relating to meetings of the Board and its Committees and general meetings of the Company and the minutes of all such meetings.
- Debenture Director 128. Notwithstanding anything to the contrary contained in the Articles, so long as any Debentures issued by the Company remain outstanding the holders of such debentures shall in accordance with the provisions of the Trust Deed securing such Debentures have a right to appoint and nominate from time to time any person or persons as a Director or Directors on the Board of the Company and to remove and re-appoint any person or persons in his or their place or places. A Director so appointed under this Article is herein referred to as "the Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. The Board of Directors of the Company shall have no power to remove from office the Debenture Director. The Debenture Director shall have all the rights and privileges as any other Director of the Company other than a Managing or Wholetime Director.
- Debenture Director not bound to hold qualification shares 129. The Debenture Director shall not be bound to hold any qualification shares nor shall he be liable to retirement by rotation subject however to the provisions of the Trust Deed securing such Debentures.



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Appointment of 130. Alternate Director		The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from the State of Maharashtra and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State of Maharashtra. If the term of office of the original Director is determined before he so returns to the State of Maharashtra, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the Alternate Director.
Casual Vacancy	131.	Subject to the provisions of Article 133 and Sections 261, 262(2) and 284(6) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determination by retirement by rotation may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date up to which the Director in whose place he is appointed would have held office, if the vacancy had not occurred.
Appointment of 132. Additional Directors		Subject to the provisions of Article 133 and Sections 260, 261 and 284(6) and other applicable provisions (if any) of the Act, the Directors shall have powers at any time and from time to time to appoint a person as an Additional Director. The Additional Director shall retire from office at the next following Annual General Meeting, but shall be eligible for re-election.
Certain persons 133. not to be appointed Directors except by Special Resolution	(1)	<p>So long as the Company has a Managing Agent and such Managing Agent is authorised by the Articles or by an Agreement to appoint a Director to the Board, none of the following persons shall be appointed as a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation or to fill a casual vacancy in the office of a Director under Section 262, or as an Additional Director under Section 260, or as an Alternate Director under Section 313, except by a Special Resolution passed by the Company:—</p> <ul style="list-style-type: none"> (a) any person who is an officer or employee of, or who holds any office or place of profit under the Company or any subsidiary thereof; Provided that nothing in this sub-clause shall apply to a Director of the Company or its subsidiary or to the holder of any office or place of profit under the Company or its subsidiary which may be held by a Director of the Company by virtue of Article 143 or Section 314 of the Act; (b) where any office or place of profit which would disqualify a person under sub-clause (a) above read with the proviso thereto is held by any firm, any partner in, or employee of the firm; (c) where any such office or place of profit is held by a private company; any member, officer or employee of such company; (d) where any such office or place of profit is held by a body corporate any officer or employee of such body corporate; (e) any person who is entitled by virtue of any agreement to any share of, or any amount out of, the remuneration received by the Managing Agents; (f) any associate or officer or employee of the Managing Agents; or (g) any person who is an officer or employee of, or who holds any office or place of profit under, any body corporate under the management of the Managing Agents or any subsidiary of such body corporate; Provided that nothing in this sub-clause shall apply to the Director of such body corporate or subsidiary or to the holder of any office or place of profit under such body corporate or subsidiary which may be held by a Director of such body corporate by virtue of Article 143 and Section 314 of the Act. <p>(2) Special notice shall be given of any resolution appointing or approving the appointment of any person referred to in clause 1(a) to (g) of this Article as a Director or an Additional or Alternate Director of the Company or fill a casual vacancy in the office of a Director. The notice given to the Company of any such resolution and the notice thereof given by the Company to its members shall set out the reasons which make the resolution necessary.</p>
Share Qualification of	134.	A Director of the Company shall not be required to hold qualification shares.



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Directors

- Remuneration of Directors 135 (1) The maximum remuneration of a Director for his services shall be such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors attended by him. Subject to the limitation provided by the Act, such additional remuneration as may be fixed by the Directors, may be paid to any one or more of the Directors for services rendered by him or them; and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine and in default of such determination within the year equally. Such remuneration and/or additional remuneration may be by way of salary or commission on dividends, profits or turnover or by participation in profits or by any or all of those modes:



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Provided that any commission on dividends, profits or turnover or any participation in profits of the Company shall not exceed in the aggregate the equivalent of 3 per cent of the net profits of the Company as defined in Section 349 of the Act. Nothing in this Article shall restrict the right of the Directors as regards the distribution of general bonus to all members of the staff.

- Directors not bona fide residents of the place where meetings held may receive extra compensation and remuneration of committee (2) The Directors may subject as aforesaid allow and pay to any Director who is not a bona fide resident of the place where a meeting is to be held who shall come to such place for the purpose of attending a meeting such sum as the Directors may consider fair compensation for travelling expenses, in addition to his fee for attending such meeting as above specified, and the Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles, and may pay the same.
- Special remuneration to Director on Company's business or otherwise performing extra services (3) If any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing out or otherwise for any of the purposes of the Company, the Company shall subject as aforesaid remunerate such Director either by a fixed sum or by a percentage of profits not exceeding 3 per cent of the net profits of the Company as defined in Section 349 of the Act or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.
- Directors may act notwithstanding vacancy 136. The continuing Directors may act notwithstanding any vacancy in their body; but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purpose of filling up vacancies or for summoning a General Meeting of the Company or in emergencies.
- When office of Director to become vacant 137. (1) Subject to the provisions of Section 283(2) of the Act the office of a Director shall become vacant if:—
- (a) he fails to obtain within the time specified in Article 134 and sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold, the share qualification if any, required of him by these Articles; or
 - (b) he is found to be of unsound mind by a Court of competent jurisdiction; or
 - (c) he applies to be adjudicated an insolvent, or
 - (d) he is adjudged an insolvent; or
 - (e) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has, by notification in the Official Gazette; removed the disqualification incurred by such failure; or
 - (f) any office or place of profit under the Company or any subsidiary thereof is held by him in contravention of Section 314(1) of the Act; or
 - (g) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board of Directors; or
 - (h) he becomes disqualified by an Order of the Court under Section 203 of the Act; or
 - (i) he is removed in pursuance of Article 157 or Section 284 of the Act; or
 - (j) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Article 144 or Section 295 of the Act; or



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- (k) he acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed to have vacated office; or
- (l) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereto imprisonment for not less than six months; or
- (m) he having been appointed a Director by virtue of his holding any office or other employment in the Company, or as a nominee of the Managing Agents of the Company, ceases to hold such office or other employment in the Company or, as the case may be, the Managing Agency comes to an end.

Resignation

- (2) Subject to the provisions of the Act a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.



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Directors may contract with Company 138(1). Subject to the provisions of Clauses (2), (3), (4) and (5) of this Article and the restrictions imposed by Article 145 and the other Articles hereof and the Act and the observance and fulfilment thereof, no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him as provided by Clauses (2), (3) and (4) hereof.

Disclosure of interest (2) Every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided by Clause (4) hereof.

(3) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by Director under Clause (2) above, shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

General Notice of interest (4) For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into which that body corporate or firm shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further periods of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read at the first meeting, of the Board after it is given.

(5) Nothing in clauses (2), (3) and (4) hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Directors of the Company or two or more of them together holds or hold not more than 2 per cent of the paid-up share capital in the other company.

Interested Director not to participate or vote in Board's proceedings (6) An interested Director shall not take any part in the discussions of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote, his vote shall be void;

Provided that this prohibition shall not apply

- (i) to any contract of indemnity against any loss which the Director or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;
- (ii) to any contract or arrangement entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof he having been nominated as such director by the Company or in his being a member holding not more than two percent of the paid-up capital of such company.
- (iii) in case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

Register of contracts in 139(1) The Company shall keep one or more Registers in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies, including the following



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which Directors
are interested

particulars to the extent they are applicable in each case, namely :—

- (a) the date of the contract or arrangement;
 - (b) the names of the parties thereto;
 - (c) the principal terms and conditions thereof;
 - (d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies, the date on which it was placed before the Board;
 - (e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.
- (2) Particulars of every such contract or arrangement to which Section 297 of the Act or, as the case may be, sub-section (2) of Section 299 of the Act applies, shall be entered in the relevant Register aforesaid:—
- (a) In the case of a contract or arrangement requiring the Board's approval, within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;



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- (b) In the case of any contract or arrangement, within seven days of the receipt at the registered office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement, whichever is later;

and the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.

- (3) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.
- (4) Nothing in the foregoing Clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials and services, if the value of such goods and materials or the cost of such services does not exceed one thousand rupees in the aggregate in any year.

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| Directors may be directors of companies promoted by the Company | 140. | A Director of the Company may be, or become a director of any company promoted by the Company, or in which it may be interested as a vendor, member or otherwise, and subject to the provisions of the Act and these Articles, no such Director shall be accountable for any benefit received as director or member of such company. |
| Disclosure by Director of appointments | 141. | A Director shall within twenty days of his appointment to or relinquishment of his office as Director, Managing Agent, Managing Director, Manager or Secretary, in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under Section 303(1) of the Act. The Company shall enter the aforesaid particulars in a Register kept for that purpose in conformity with Section 303 of the Act. |
| Disclosure of holdings | 142. | A Director shall give notice in writing to the Company of his holding of shares and debentures of the Company or its subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provisions of Section 307. If such notice be not given at a meeting of the Board, the Director shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter particulars of a Director's holding of shares and debentures as aforesaid in a Register kept for that purpose in conformity with Section 307 of the Act. |
| Directors not to hold office or place of profit | 143. | DELETED |
| Loans to Directors | 144. | The Company shall observe the restrictions imposed on the Company in regard to grant of loans to Directors and other persons as provided in Section 295 and other applicable provisions (if any) of the Act. |
| Board Resolutions at a meeting necessary for certain contracts | 145.(1) | Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company (a) for the sale, purchase or supply of any goods, materials or services, or (b) for underwriting the subscription of any shares in, or debentures of, the Company. |
- (2) Nothing contained in the foregoing Clause (1) shall affect :—
- (a) The purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be, regularly trades or does business;

Provided that such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.



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- (3) Notwithstanding anything contained in the foregoing Clauses (1) and (2), a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods materials or services even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
- (4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under Clause (1) above shall not be deemed to have been given within the meaning of that Clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- (5) If consent is not accorded to any contract under this Article anything done in pursuance of the contract shall be voidable at the option of the Board.



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- (6) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

RETIREMENT AND ROTATION OF DIRECTORS

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| Retirement by rotation | 146.(1) | Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save and otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting. |
| | (2) | The remaining directors shall be appointed in accordance with the provisions of these Articles and the Act. |
| Directors to retire annually how determined | 147. | At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. |
| Ascertainment of Directors retiring by rotation | 148. | Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his re-appointment is decided or his successor is appointed. |
| Eligibility for re-appointment | 149. | Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment. |
| Company to fill up vacancy | 150. | Subject to the provisions of Section 261 and other applicable provisions (if any) of the Act and these Articles, the Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the retiring Director or one other person thereto. |
| Provisions in default of appointment | 151.(1) | If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place; or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place. |
| | (2) | If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless – |
| | (a) | at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost; |
| | (b) | the retiring director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed; |
| | (c) | he is not qualified or is disqualified for appointment; |
| | (d) | a resolution, whether special or ordinary, is required for the appointment or re-appointment in virtue of any provisions of the Act; |
| | (e) | Article 153 or sub-section (2) of Section 263 of the Act is applicable to the case. |
| Notice of candidature for office of Director | 152.(1) | Subject to the provisions of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has at least fourteen clear days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidature for that office as the case may be, alongwith a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director. |
| | (2) | Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as |



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a Director, if appointed.

(3) A person other than –

- (a) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
- (b) an additional or alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office or
- (c) a person named as a Director of the Company under its Articles as first registered shall not act as a Director of the Company unless he has within thirty days of his appointment, signed and filed with the Registrar his consent in writing to act as such Director.



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Individual resolution for Directors' appointments 153. At a General meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection was taken at the time to its being so moved; Provided that where a resolution so moved is passed no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

Age Limit for Directors 154 **DELETED**

155 **DELETED**

156 **DELETED**

REMOVAL OF DIRECTORS

- Removal of Directors 157
- (1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any director before the expiry of his period of office.
 - (2) Special notice as provided by Article 91 or Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
 - (3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
 - (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the Company state the fact of the representations having been made, and (b) send a copy of the representations to every member of the Company, and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; Provided that copies of the representations need not be sent or read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Clause are being abused to secure needless publicity for defamatory matter.
 - (5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 131 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed; Provided special notice of the intended appointment has been given under Clause (2) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
 - (6) If the vacancy is not filled under Clause (5) hereof it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of Article 131 or Section 262 of the Act, and all the provisions of that Section shall apply accordingly.
 - (7) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.
 - (8) Nothing contained in this Article shall be taken :-
 - (a) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as a Director; or
 - (b) as derogating from any power to remove a Director which may exist apart from this Article.

INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS AND ALTERATION IN THEIR QUALIFICATIONS



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The Company may increase or reduce number of Directors and alter their qualifications 158.

Subject to the provisions of the Act and these Articles, the Company may by Ordinary Resolution from time to time increase or reduce the number of Directors and alter their qualification; Provided that any increase in the number of Directors except an increase which is within the permissible maximum of 16 (excluding the Special Director, Steel Director and Debenture Director, if any) under the Articles in force as on the 21st day of July, 1951 shall not have any effect unless approved by the Central Government and shall become void if and so far as it is disapproved by that Government.

PROCEEDINGS OF BOARD OF DIRECTORS

Meetings of Directors 159.

The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum.



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- When meetings to be convened 160. A Director or the Managing Agents may at any time and the Managing Agents upon the request of a Director, shall convene a meeting of the Directors. Notice of every meeting of the Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director.
- Quorum 161. Subject to the provisions of Section 287 and other applicable provisions (if any) of the Act the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher; Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested and are present at the meeting, not being less than two shall be the quorum during such time. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.
- Adjournment of meeting for want of quorum 162. If a meeting of the Board cannot be held for want of a quorum, then the meeting shall stand adjourned to such day, time and place as the Director or Directors present at the meeting may fix.
- Appointment of Chairman, Deputy Chairman and Vice-Chairman 163.(1) The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office.
- (2) The Directors may appoint a Deputy Chairman or a Vice Chairman of the Board of Directors to preside at meetings of the Directors at which the Chairman shall not be present.
- Who to preside at meetings of the Board 164. All meetings of the Directors shall be presided over by the Chairman if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same the Deputy Chairman or the Vice-Chairman, if present shall preside and if he be not present at such time then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.
- Question at Board Meeting how decided (casting vote) 165. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes the Chairman of the meeting (whether the Chairman, Deputy Chairman or Vice-Chairman appointed by virtue of these Articles or the Director presiding at such meeting) shall have a second or casting vote.
- Directors may appoint Committees 166. Subject to the provisions of Section 292 of the Act and Article 174, the Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit and they may from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes; but every Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations, and in fulfillment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.
- Meetings of Committees how to be governed 167. The meetings and proceedings of any such Committee constituting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
- Resolution by Circular 168.(1) A resolution passed by circular, without a meeting of the Board or a Committee of the Board appointed under Article 166 shall subject to the provisions of Clause (2) hereof and the Act be as valid and effectual as a resolution duly passed at a meeting of the Directors or of a Committee duly called and held.



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- (2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.
- (3) Subject to the provisions of the Act a statement signed by the Managing Agents as the Managing Director or other person authorised in that behalf by the Directors certifying the absence from India of any Director shall for the purpose of this Article be conclusive.



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- Acts of Board or Committees valid notwithstanding defect in appointment 169. Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
- Minutes of proceedings of Board of Directors and Committees to be kept 170. The Company shall cause minutes of the meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 193 of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following -
- (i) the names of the Directors present at the meetings of the Board of Directors or of any Committee of the Board;
 - (ii) all orders made by the Board of Directors or Committee of the Board and all appointments of officers and Committees of Directors;
 - (iii) all resolutions and proceedings of meetings of the Board of Directors and the Committees of the Board;
 - (iv) in the case of each resolution passed at a meeting of the Board of Directors or Committees of the Board, the names of Directors, if any, dissenting from or not concurring in the resolutions.
- By whom minutes to be signed and the effect of minutes recorded 171. All such minutes shall be signed by the Chairman of the meeting as recorded, or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.

POWERS OF DIRECTORS

- General powers of the Directors 172(1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; Provided that the Board shall not exercise any power or do any act or things which is directed or required, whether by the Act or any other Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting; Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.
- (2) No regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- Consent of Company necessary for the exercise of certain powers 173. The Board of Directors shall not except with the consent of the Company in General Meetings :-
- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;
 - (b) remit, or give time for the repayment of, any debt due by a Director;
 - (c) invest otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition after 1st April, 1956 of any such undertaking as is referred to in sub-clauses (a) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
 - (d) borrow moneys in excess of the limits provided in Article 74;
 - (e) contribute to charitable and other funds not directly relating to the business of the Company or the



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welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the Act during the three financial years immediately preceding, whichever is greater.

Certain powers
to be exercised
by the Board
only at meeting

174.(1) Without derogating from the powers vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board:-

- (a) the power to make calls on shareholders in respect of money unpaid on their shares;
- (b) the power to issue debentures;
- (c) the power to borrow moneys otherwise than on debentures;
- (d) the power to invest the funds of the Company;
- (e) the power to make loans;

provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors or the Managing Director or the Managing Agents or any other principal officers of the Company or to a principal officer of any of its branch offices, the powers specified in (c), (d) and (e) of this clause to the extent specified below on such conditions as the Board may prescribe.



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- (2) Every resolution delegating the power referred to in Clause (1)(c) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegates; Provided, however, that where the Company has an arrangement with its bankers for the borrowing of moneys by way of overdraft, cash credit or otherwise the actual day to day operation of the overdraft, cash credit or other accounts by means of which the arrangements is made is availed of shall not require the sanction of the Board.
- (3) Every resolution delegating the power referred to in Clause (1)(d) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegates.
- (4) Every resolution delegating the power referred to in Clause (1)(e) shall specify the total amount upto which loans may be made by the delegates, the purposes for which the loans may be made, and the maximum amount of loans which may be made for each such purpose in individual cases.
- (5) Nothing in this Article contained shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in (a), (b), (c), (d) and (e) of Clause (1) above.

Certain powers
of the Board

175. Without prejudice to the powers conferred by Articles 74 and 172 and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding two Articles, it is hereby declared that the Directors shall have the following powers, that is to say power :-
- (1) to pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act and Articles 16 and 186;
 - (2) subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfied;
 - (3) at their discretion and subject to the provisions of the Act, to pay for any property or rights acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
 - (4) To insure and keep insured against loss or damages by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores produce and other movable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
 - (5) to open accounts with any bank or bankers or with any company firm or individual and to pay money into and draw money from any such account from time to time as the Directors may think fit;
 - (6) to secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit;
 - (7) to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment of services rendered to the Company, such conditions as to the transfer thereof as they think fit;
 - (8) to accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof, so far as may be permissible by law;
 - (9) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;
 - (10) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for



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payment or satisfaction of any debts due, or of any claims or demands by or against the Company;

- (11) to refer any claim or demand by or against the Company or any differences to arbitration and observe and perform any awards made thereon;
- (12) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (13) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (14) to determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes;



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- (15) subject to the provisions of the Act and these Articles to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such security and other investments (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments, provided that save as permitted by Section 49 of the Act, all investments shall be made and held in Company's own name;
- (16) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed on;
- (17) subject to the provisions of the Act to give to any Director, officer or other person employed by the Company an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as a part of the working expenses of the Company except that a share of profits shall not, unless specifically provided by the terms of the Agreement appointing the Managing Agents be treated as a working expense or a deduction from revenue in arriving at the profits or net profits for calculation of the commission to be payable to the Managing Agents; Provided the aggregate commission or share of profits payable to the Directors or to the officers of the Company otherwise than to the Managing Agents shall not exceed in the aggregate a sum equivalent to 3 per cent of the net profits of the Company as defined in Section 349 of the Act; Provided however that this limitation or restriction on the percentage of net profits shall not be applicable to any distribution of a general bonus to employees of the Company.
- (18) to provide for the welfare of employees or ex-employees of the Company and the wives, widows and families or the dependants or connections of such persons, by building or contributing to the building of houses, dwellings or quarters or by grants of money, pensions, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing toward places of instruction and recreation, hospitals and dispensaries, medical and other attendance as the Directors shall think fit; and to subscribe or contribute or otherwise to assist, support, endow or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions, societies, clubs, funds or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise; Provided that when contributing (a) to any political party or (b) for any political purpose to any individual or body, the provisions of Section 293A of the Act shall be complied with;
- (19) before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation, to a Depreciation Fund, General Reserve, Reserve, Reserve Fund, Sinking Fund or any special or other fund or funds or account or accounts to meet contingencies to repay redeemable Preference shares, debentures or debenture-stock and for special dividends, and for equalising dividends, and for repairing, improving, extending and maintaining any part of the property of the Company, and/or for such other purposes (including the purposes referred to in the preceding Clause) as the Directors may, in their absolute discretion think conducive to the interests of the Company, and to invest the several sums so set aside or so much thereof as require to be invested upon such investments (subject to the restrictions imposed by the Act) as the Directors may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve, General Reserve or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above fund or accounts, including the Depreciation Fund, in the business of the Company or in the purchase or repayments of redeemable Preference shares, debentures or debenture-stock and that without being bound to keep the same separate from the other assets, and without being bound to pay or allow interest on the same, with power however to the Directors at their discretion to pay or allow to the credit of such fund interests at such rates as the Directors may think proper, not exceeding 9 per cent per annum;
- (20) without thereby prejudicing the appointment of the Managing Agents and the position, rights and powers of such Managing Agents by virtue of Articles 180 to 185 (inclusive) and by virtue of any agreement



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entered into between them and the Company, to appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit. And also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in Clauses (22), (23), (24) and (25) following shall be without prejudice to the general powers conferred by this Clause;

- (21) to comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;



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- (22) from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards, or any managers or agents, and to fix their remuneration;
- (23) subject to the provisions of Section 292 of the Act and Article 174 from time to time, and at any time to delegate to any such Local Board, or any member or members thereof or any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation under Clause (22) of this Article may be made on such terms and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation;
- (24) at any time and from time to time by power of attorney to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents and excluding the powers which may be exercised only by the Board of Directors under the Act or these Articles) and for such period and subject to such conditions as the Board of Directors may from time to time think fit; and any such appointment may (if the Board of Directors think fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any company, or the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board of Directors and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board of Directors may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;
- (25) generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretions vested in the Directors to any person, firm, company or fluctuating body of persons as aforesaid;
- (26) subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, enter into all such negotiation, and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

REGISTERS, BOOKS AND DOCUMENTSRegisters,
Books and
Documents

176. (1) The Company shall maintain registers, books and documents as required by the Act or these Articles including the following namely :-
- (a) Register of Investments not held in Company's name according to Section 49 of the Act.
 - (b) Register of Mortgages, Debentures and Charges according to Section 143 of the Act.
 - (c) Register of Members and an Index of Members according to Sections 150 and 151 of the Act.
 - (d) Register and Index of Debentureholders according to Section 152 of the Act.
 - (e) Register of Contracts, Companies and Firms in which Directors are interested according to Section 301 of the Act.
 - (f) Register of Directors, Managing Directors and Managing Agents according to Section 303 of the Act.
 - (g) Register of Directors' Shareholdings and Debentureholdings according to Section 307 of the Act.
 - (h) Register of Appointment of Managing Agents or associate as selling agent of the Company, according to Section 356 of the Act.
 - (i) Register of particulars of every Contract under Section 359(1) of the Act.
 - (j) Register of particulars of all contracts between a Managing Agent or associate for the sale or purchase of goods or supply of services according to Section 360 of the Act.



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- (k) Register of Investments in shares or debentures of bodies corporate according to Section 372 of the Act.
 - (l) Books of Account in accordance with the provisions of Section 209 of the Act.
 - (m) Copies of Instruments creating any charge requiring registration according to Section 136 of the Act.
 - (n) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of Certificates required under Section 161.
 - (o) Register of Renewed and Duplicate Certificates according to Rule 7(2) of the Companies (Issue of Share Certificates) Rules, 1960.
- (2) The said registers, books and accounts shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf, be determined in accordance with the provisions of the Act or these Articles and extracts shall be supplied to the persons entitled thereto in accordance with the provisions of the Act or these Articles.



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- (3) The Company may keep a Foreign Register of Members in accordance with Sections 157 and 158 of the Act. Subject to the provisions of Sections 157 and 158 the Directors may from time to time make such provisions as they may think fit in respect of the keeping of such Branch Registers of Members and/or Debentureholders.

THE SEAL

- Seal 177. The Directors shall provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given.
- Deeds how 178. Every Deed or other instrument to which the Seal of the Company is required to be affixed, shall unless the executed same is executed by a duly constituted attorney of the Company, be signed by two Directors and countersigned by the Managing Agents or by two Directors alone in case the same is an instrument in favour of the Managing Agents or in case the Managing Agents are a party to it; Provided nevertheless that certificates of debentures may be signed by one Director only or by an attorney of the Company duly authorised in this behalf and countersigned by the Managing Agents and certificates of shares shall be signed as provided in Article 17(a).
- Seals abroad 179. The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

MANAGING AGENTS

- Appointment of 180. Subject to the provisions of the Act, Tata Industries Private Limited, their successors in business and Managing Agents assigns shall be the Managing Agents of the Company from the 16th day of August 1960 for the period and upon the terms, provisions and conditions set out in the Agreement dated the twelfth day of August one thousand nine hundred and sixty approved at the Annual General Meeting of the Company held on 19th August, 1959. The said Agreement may (subject to the provisions of the Act) be modified from time to time in such manner as may be mutually agreed upon between the Managing Agents and the Company.
- Disclosure to 181. Whenever the Company proposes to enter into a contract for the appointment of a Managing Agent in members in case of contract appointing a Managing Agent which contract any Director of the Company is concerned or interested or proposes to vary any such contract already in existence in which a Director is concerned or interested, the Company shall send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly specifying the nature of the concern or interest of the Director in such contract or variation, to every member of the Company in sufficient time before the general meeting of the Company at which the proposal is to be considered and the Company shall comply with the provisions of Section 302 and other applicable provisions (if any) of the Act relating to the appointment of such Managing Agent.
- General 182. (1) The Managing Agents, subject to the provisions of the Act and these Articles, shall be entitled to the Management in hands of Managing Agents management of the whole of the affairs of the Company, and they shall exercise their powers as such Managing Agents including the powers conferred on them by the Managing Agency Agreement dated 12th August, 1960 subject to the superintendence, control and direction of the Board of Directors of the Company and subject also to the restrictions contained in Schedule VII of the Act and Article 184.
- (2) The Managing Agents shall have the power from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.
- Managing 183. Subject to the provisions of the Act and these Articles, the Managing Agents shall be authorised to sub-Agents to have power to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them, and in particular from time to time to provide, by the appointment of an attorney or attorneys, for the management and transaction of the affairs of the Company in any specified locality, in such manner as they may think fit.
- Board's 184. The Managing Agents shall not exercise any of the following powers except after obtaining the previous approval of the Board of Directors of the Company in regard to each such exercise :-
- (a) Power to appoint as an officer or member of the staff of the Company, payable from its funds (as distinguished from the funds of the Managing Agents or from out of any remuneration payable to the Managing Agents by the Company), any person -



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- (i) on a remuneration or scale of remuneration exceeding the limits laid down by the Board in this behalf;
or
- (ii) who is a relative of any director or member of the Managing Agents Company;
- (b) Power to purchase capital assets for the Company except where the purchase price is within the limits prescribed by the Board in this behalf;



- (c) Power to sell the capital assets of the Company except, where the sale price is within the limits prescribed by the Board in this behalf;
- (d) Power to compound or sanction the extension of time for the satisfaction or payment of any claim or demand of the Company against (including any debt claimed to be due to it from) the Managing Agents or any associate of the Managing Agents, the term 'associate' to mean an associate as defined in Section 2(3) of the Companies Act, 1956; or
- (e) Power to compound any claim or demand made against the Company (including any debt claimed to be due from it) by the Managing Agents or any such associate of the Managing Agents as aforesaid.

Contracts between Managing Agent or associate and Company for the sale or purchase of goods or the supply of services, etc.

- 185(1) Any contract between the Company and its Managing Agent or as associate of the Managing Agent :-
- (a) for the sale, purchase or supply of any property movable or immovable, or for the supply or rendering of any service other than that of Managing Agent; or
 - (b) for the underwriting of any shares or debentures to be issued or sold by the Company; shall not be valid against the Company -
 - (i) Unless the contract has been approved by the Company by a special resolution passed by it; and
 - (ii) where the contract is for the supply or rendering of any service other than that of Managing Agent, unless further the contract has been approved by the Central Government, either before the date of the contract or at any time within three months next after that date.
- (2) The special resolution aforesaid shall -
- (a) set out the material terms of the contract proposed to be entered into, or entered into; and
 - (b) provide specifically that for any property supplied or sold, or any services supplied or rendered, by the Company, the Managing Agent or associate shall make payment to the Company within one month from the date of the supply or sale of the property, or the supply or rendering of the service, as the case may be.
- (3) Every such contract and all particulars relating thereto shall be entered in a separate register maintained by the Company for the purpose.
- (4) Nothing in sub-clause (a) of Clause (1) above shall affect any contract or contracts for the sale, purchase or supply of any property or the supply or rendering of any services, in which either the Company or the Managing Agent or associate, as the case may be, regularly trades or does business, provided that the value of such property or the cost of such services does not exceed five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

MANAGING OR WHOLE-TIME DIRECTOR(S)

Power to appoint Managing or Whole-time Director(s)

- 185A. Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors (in which expression shall be included a joint Managing Director) or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company as and when Tata Industries Private Limited cease to be the Managing Agents of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

What provisions they shall be subject to

- 185B. Subject to the provisions of the Act and of these Articles, a Managing Director or a Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 146 but he shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall *ipso facto* and immediately cease to be a Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, as the Directors shall from time to time select, shall be liable to retirement by rotation in accordance with Article 146 to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration

- 185C. The remuneration of a Managing Director or Whole-time Director (subject to Section 309 and other



of Managing or Whole-time Director(s)	applicable provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors and may be by way of fixed salary, or commission on profits of the Company or by participation in any such profits or by any or all of those modes. A Managing Director or Whole-time Director shall not receive or be paid any commission on sales or purchases made by or on behalf of the Company.
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Powers and
duties of
Managing or
Whole-time
Director(s)

185D. Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company shall be in the hands of the Director or Directors appointed under Article 185A, with power to the Directors to distribute such day to day management functions among such Directors, if more than one, in any manner as directed by the Board or to delegate such power of distribution to any one of them. The Directors may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

INTEREST OUT OF CAPITAL

Payment of
interest out of
capital

186. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital, as is for the time being paid up, for the period, at the rate, and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building or the provision of plant.

DIVIDENDS

Dividend

187. The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively;

Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall, unless the Directors otherwise determine, only entitle and shall be deemed always to have only entitled, the holder of such share to an apportioned amount of such dividend as from the date of payment.

Capital paid up
in advance at
interest not to
earn Dividend

188. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

Dividends in
proportion to
amount paid up

189. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

The Company in
General
Meeting may
declare a
Dividend

190. The Company in General Meeting may subject to Section 205 of the Act declare a dividend to be paid to the members according to their respective rights and interests in the profits and subject to the provisions of the Act, may fix the time for payment. When a dividend has been so declared, the warrant in respect thereof shall be posted within forty-two days from the date of the declaration to the shareholders entitled to the payment of the same.

Power of
Directors to
limit Dividend

191. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of Sections 205, 206 and 207 of the Act and no dividend shall carry interest as against the Company. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim
Dividend

192. Subject to the provisions of the Act, the Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

Retention of
Dividends until
completion of
transfer under
Article 54

193. Subject to the provisions of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is, under Article 54 hereof, entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.



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- No member to receive Dividend whilst indebted to the Company and Company's right of reimbursement thereout 194. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons; and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
- Transfer of shares must be registered 195. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- Dividends how remitted 196. Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled, or in case of joint-holders to that one of them first named in the register in respect of the joint-holding. Every such cheque shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.
- Unclaimed Dividend 197. Unclaimed dividends may be invested or otherwise used by the Directors for the benefit of the Company until claimed and all dividends unclaimed for 6 years after having been declared may be forfeited by the Directors for the benefit of the Company; Provided however the Directors may at any time annul such forfeiture and pay any such dividend.
- Dividend and Call together Set-off allowed 198. Any General meeting declaring a dividend may make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members be set off against the calls.

CAPITALIZATION

- Capitalization 199. (1) Any General Meeting may resolve that any amounts standing to the credit of the share premium account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend be capitalized :-
- (a) by the issue and distribution as fully paid up, of shares and if and to the extent permitted by the Act, of debentures, debenture-stock, bonds or other obligations of the Company, or
- (b) by crediting shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.
- Provided that any amounts standing to the credit of the share premium account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.
- Provided further that notwithstanding anything contained hereinabove, any amounts standing to the credit of the Securities Premium Account may also be utilised (other than for Capitalisation), in accordance with the provisions of law.
- (2) Such issue and distribution under (1)(a) above and such payment to credit to unpaid share capital under (1)(b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (1)(a) or payment under (1)(b) above shall be made on the footing that such members become entitled thereto as capital.
- (3) The Directors shall give effect to any such resolution and apply such portion of the profits, General



Reserve, Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under (1)(a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under (1)(b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.



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- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement, for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.
- (5) When deemed requisite a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

Capitalization
in respect of
partly paid up
shares

200. Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid, only such capitalization may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid up shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

ACCOUNTS

Books of
Accounts to be
kept

- 201 (1) The Company shall keep at its registered office proper books of account with respect to :
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
 - (b) all sales and purchases of goods by the Company; and
 - (c) the assets and liabilities of the Company.
- Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.
- (2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarized returns, made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its registered office or other place in India, as the Board thinks fit, where the main books of the Company are kept.
- (3) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.
- (4) The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

Books of
Account to be
preserved

202. The Books of Account, together with the vouchers relevant to any entry in such Books of Account of the Company relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.

Inspection by
members of
accounts and
books of the
Company

203. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

Statements of

204. The Board of Directors shall lay before each Annual General Meeting a Profit and Loss Account for the



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Accounts to be
furnished to
General
Meeting

financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or where an extension of time has been granted by the Registrar under the provisions of the Act by more than six months and the extension so granted.

Balance Sheet
and Profit and
Loss Account

205. (1) Subject to the provisions of Section 211 of the Act every Balance Sheet and Profit and Loss Account of the Company shall be in the Forms set out in Parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit.
- (2) There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group within the meaning of Section 372(11) of the Act) in the shares of which investments have been made by it (including all investments, whether existing 'or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.
- (3) So long as the Company is a holding Company having a subsidiary, the Company shall conform to Section 212 and other applicable provisions of the Act.



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- (4) If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

Authentication of Balance Sheet and Profit and Loss Account

206. (1) Every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Managing Agents, if any, or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director where there is one.
- (2) Provided that when only one Director is for the time being in India, the Balance Sheet and Profit and Loss Account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non-compliance with the provisions of Clause (1) above.
- (3) The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

Profit and Loss Account to be annexed and Auditor's Report to be attached to the Balance Sheet

207. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report (including the Auditor's separate, special or supplementary Reports, if any) shall be attached thereto.

Boards Report to be attached to Balance Sheet

208. (1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts, if any, which it proposes to carry to any Reserve in such Balance Sheet; and the amount, if any, which it recommends to be paid by way of dividend and material changes, and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.
- (2) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members, and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- (3) The Board shall also give the fullest information and explanations in its report or in cases falling under the proviso to Section 222 of the Act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditor's Report.
- (4) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of Clauses (1) and (2) of Article 206.
- (5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clauses (1) to (3) of this Article are complied with.

Rights of members to copies of Balance Sheet and Auditor's Report

209. The Company shall comply with the requirements of Section 219 of the Act.

ANNUAL RETURNS



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Annual Returns 210. The Company shall make the requisite annual returns in accordance with Sections 159 and 161 of the Act and shall file with the Registrar three copies of the Balance Sheet and Profit and Loss Account in accordance with Section 220 of the Act.

AUDIT

Accounts to be 211. Every Balance Sheet and Profit and Loss Account of the Company shall be audited by one or more Audited Auditors to be appointed as hereinafter mentioned.

Appointment of 212. (1) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold Auditors office from the conclusion of that meeting until the conclusion of the next Annual General Meeting, and shall within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.

(2) At any Annual General Meeting, a retiring Auditor, by whatsoever authority appointed, shall be re-appointed, unless:-

(a) he is not qualified for re-appointment;

(b) he has given the Company notice in writing of his unwillingness to be re-appointed;



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(c) a resolution has been passed at that Meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or

(d) where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be preceded with.

- (3) Where at an Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person *to* fill the vacancy.
- (4) The Company shall, within seven days of the Central Government's power under Clause (3) becoming exercisable, give notice of that fact to that Government.
- (5) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (6) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this Clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

Qualification
and
disqualification
of Auditors

- (7) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.
- (8) None of the persons mentioned in Section 226 of the Act as not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

Audit of
Branch Offices

213. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government in that behalf.

Remuneration
of Auditors

214. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

Rights and
Duties of
Auditors

215. (1) Every Auditor of the Company shall have the right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors.
- (2) All notices of and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company; and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- (3) The Auditor shall make a Report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account, and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in General Meeting during his tenure of office, and the Report shall state, whether, in his opinion and to the best of his information and according to the explanation given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view:-



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- (i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year, and
 - (ii) in the case of the Profit and Loss Account, of the profit and loss for its financial year.
- (4) The Auditor's Report shall also state -
- (a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
 - (b) whether, in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
 - (c) whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company's Auditors has been forwarded to him as required by clause (e) of sub-section (3) of that Section and how he has dealt with the same in preparing the Auditor's Report;
 - (d) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account and returns.
- (5) Where any of the matters referred to in Clauses (i) and (ii) of sub-section (2) of Section 227 of the Act, or in Clauses (a), (b), (bb) and (c) of sub-section (3) of Section 227 of the Act, or sub-clauses 4(a), (b), (c) and (d) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for the answer.



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- (6) The accounts of the Company shall not be deemed as not having been, and the Auditor's Report shall not state those accounts have not been, properly drawn up on ground merely that the Company has not disclosed certain matters if:-
- (a) those matters are such as the Company is not required to disclose by virtue of any provisions contained in the Act or any other Act, and
 - (b) those provisions are specified in the Balance Sheet and Profit and Loss Account of the Company.

Accounts
when audited
and approved
to be
conclusive
except as to
errors
discovered
within three
months

216. Every account when audited and approved, by a General Meeting shall be conclusive except as regards to any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected, and thenceforth shall be conclusive.

DOCUMENTS AND SERVICE OF DOCUMENTS

How
document to
be served on
members

217. (1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement, or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any within India supplied by him to the Company for the giving of notices to him.
- (2) Where document is sent by post -
- (a) Service thereof shall be deemed to be effected by properly addressing pre-paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
 - (b) such service shall be deemed to have been effected -
 - (i) in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted, and
 - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

Service on
members
having no
registered
address

218. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

Service on
persons
acquiring
shares on
death or
insolvency of

219. A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by the like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

Persons
entitled to
notice of
General
Meetings

220. Subject to the provisions of the Act and these Articles notice of General Meetings shall be given:-



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- (i) to members of the Company as provided by Article 88 in any manner authorised by Articles 217 and 218 as the case may be or as authorised by the Act;
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 219 or as authorised by the Act;
- (iii) to the Auditor or Auditors for the time being of the Company, in any manner authorised by Article 217 or the Act in the case of any member or members of the Company.

Advertisement 221. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in Bombay.

Members bound by document given to previous holders 222. Every person, who by operation of law, transfer, or other means whatsoever, shall become entitled to any share shall be bound by every document in respect of such share which, previously to his name and address being entered on the Register, shall be duly served on or sent to the person from whom he derives his title to such share.



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Notices by Company and signature thereto 223. Any notice to be given by the Company shall be signed by the Managing Agents or by such Director or Officer as the Directors may appoint, and such signature may be written or printed or lithographed.

Service of notices by shareholders 224. All notices to be given on the part of shareholders shall be left at or sent by registered post to the Registered Office of the Company.

AUTHENTICATION OF DOCUMENTS

Authentication of documents and proceedings 225. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Agent, or an authorised officer of the Company and need not be under its Seal.

WINDING UP

Distribution of assets 226. If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up paid-up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution in specie or kind 227. (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction shall think fit.

(2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall if practicable act accordingly.

Rights of shareholders in case of sale 228. A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

SECRECY CLAUSE

Secrecy Clause 229. No members shall be entitled to visit or inspect the Company's Works without the permission of the Directors or the Managing Agents or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the Managing Agents it will be inexpedient in the interest of the members of



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the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

- Directors' and others' right to indemnity
230. (a) Subject to the provisions of Section 201 of the Act, every Director of the Company or of the Managing Agents, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Director of the Managing Agents, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, officer or servant or in any way in the discharge of his duties.



- (b) Subject as aforesaid every Director, Managing Director, member of the Managing Agents Company, Manager, Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

Not responsible
for acts of
others

Subject to the provisions of Section 201 of the Act no Director or Directors of the Managing Agents or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.



Dated this first day of September 1945.

Names of Subscribers.	Address and Description of Subscribers.	Number of Shares taken by each Subscriber.	Witnesses.
J. R. D. TATA	Director, Tata Sons Ltd., Bombay House, Bruce Street, Fort, Bombay.	One	
S. D. SAKLATVALA	Director, Tata Sons Ltd., Bombay House, Fort, Bombay.	One	
H. P. MODY	Do	One	Witness to all signatures
A. D. SHROFF	Do	One	A. B. PARAKH
JOHN MATTHAI	Do	One	Assistant to Director-in-Charge
J. D. CHOKSI	Do	One	Tata Iron and Steel Company Ltd.,
R. D. LAM	Secretary, Tata Sons Ltd., Bombay House, Fort, Bombay.	One	Bombay House, Bruce Street Fort, Bombay.
K. M. MADAN	Secretary and Chief Accountant, Tata Iron & Steel Co. Ltd., Bombay House, Fort, Bombay.	One	



TATA MOTORS LIMITED

Special Resolution passed on the 10th August, 1961

At the Sixteenth Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Registered Office of the Company on Thursday the tenth day of August, 1961, the subjoined Resolution was duly passed as a Special Resolution:-

“RESOLVED that the Regulations contained in the document submitted to this Meeting and for the purpose of identification subscribed by the Chairman thereof, be and are hereby approved and adopted as the Articles of Association of the Company, in substitution for and to the exclusion of the existing Articles thereof.”

Special Resolution passed on the 28th August, 1962

At the Seventeenth Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Registered Office of the Company on Tuesday the 28th day of August, 1962, the subjoined Resolution was duly passed as a Special Resolution:-

“RESOLVED that the Articles of Association of the Company be altered by substituting the figure of ‘250’ for the figure of ‘100’ in clause (1) of Article 135.”

Special Resolution passed on the 29th January, 1963

At the Extraordinary General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Registered Office of the Company on Tuesday the 29th day of January, 1963, the subjoined Resolution was duly passed as a Special Resolution:-

“RESOLVED that the Articles of Association of the Company be altered in the manner following:

The following Article shall be substituted for Article 5 of the Articles of Association of the Company:

“5. The present Capital of the Company is Rs.15 crores divided into 1,300,000 Ordinary Shares of Rs. 100/- each and 200,000 5% Cumulative Preference Shares of Rs.100/- each.”

Special Resolution passed on the 9th August, 1963

At the Eighteenth Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Registered Office of the Company on Friday the 9th day of August, 1963, the subjoined Resolution was duly passed as a Special Resolution:-

“RESOLVED that the Articles of Association of the Company be and are hereby altered in the manner following:

In Article 146(2), insert the words “and the Act” after the word “Article” at the end”

Special Resolution passed on the 19th August, 1965

At the Twentieth Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Registered Office of the Company on Thursday the 19th day of August, 1965, the subjoined Resolution was duly passed as a Special Resolution:-

“RESOLVED that the Articles of Association of the Company be altered in the manner following:

A. Substitute the following Article for Article 5:

5. The present capital of the Company is Rs. 20,00,00,000/- divided into 13,00,000 Ordinary Shares of Rs.100/- each, 2,00,000 5% Cumulative Preference Shares of Rs. 100/- each, 2,00,000 9% Cumulative Redeemable ‘A’ Preference Shares of Rs. 100/- each and 3,00,000 Unclassified Shares of Rs. 100/- each.

B. Add the following Article after Article 6, as Article 6A:

6A(1)(a) The Cumulative Redeemable ‘A’ Preference Shares (hereinafter referred to as “A’ Preference Shares”) shall confer on the holders thereof the right to a fixed cumulative preferential dividend at the rate of 9% per annum



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on the capital for the time being and from time to time paid up thereon, such dividend to be calculated from such date or dates (being not later than the date or dates of allotment) as may be fixed by the Directors, without any deduction therefrom on account of income-tax payable by the Company, but subject to such deduction of tax at source in respect of the tax payable by the shareholders as may be prescribed by Section 194 of the Income-tax Act, 1961, or any statutory modification or replacement thereof or by any Finance Act or any other Act or Rule or Regulation for the time being in force and at such rates as may be prescribed thereby or by any competent authority, and the right in winding up, subject only to the right of the holders of the 5% Cumulative Preference Shares, to payment of capital and arrears of dividend whether earned, declared or not upto the commencement of the winding up in priority to the Ordinary Shares, but shall not confer any further right to participate in the profits or assets of the Company.

(b) The 'A' Preference Shares shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided by sub-section (2) of Section 87 of the Companies Act, 1956, that is to say:-

(i) Subject to the provisions of the Companies Act, 1956 and save as provided in sub-clause (ii) of this clause, every such holder shall in respect of the 'A' Preference Shares held by him have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his 'A' Preference Shares.

Explanation: Any resolution for winding up the Company or for the re-payment or reduction of its share capital shall be deemed directly to affect the rights attached to the 'A' Preference Shares within the meaning of this sub-clause.

(ii) Subject as aforesaid, every such holder shall in respect of the 'A' Preference Shares held by him, be entitled to vote on every resolution placed before the Company at any meeting, if the dividend due on such capital or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting.

Explanation:- For the purpose of this clause dividend shall be deemed to be due on 'A' Preference Shares in respect of any period whether a dividend has been declared by the Company on such shares for such period or not, on the expiry of fifteen days after the date fixed for the Annual General Meeting of the Company, in respect of the year to which the dividend relates or on the expiry of nine months after the close of such year, whichever is earlier.

(iii) Where the holder of any 'A' Preference Share has a right to vote on any resolution in accordance with the provisions hereof, his voting right on a poll as the holder of such 'A' Preference Shares shall, subject to the provisions of Section 89 and sub-section (2) of Section 92 of the Companies Act, 1956, be in the same proportion as the capital paid-up in respect of such 'A' Preference Share bears to the total paid-up ordinary share capital of the Company.

(c) The following provisions shall apply with regard to the redemption of the said 'A' Preference Shares:

(i) The Company may subject to the provisions of Section 80 and other applicable provisions (if any) of the Companies Act, 1956, at any time after the 1st day of October, 1972, on six months' notice to the holders thereof, out of any profits or out of any proceeds of a fresh issue of shares made for the purpose of redemption or out of any moneys of the Company which may be lawfully applied for that purpose, redeem at par all or any of the said 2,00,000 'A' Preference Shares and shall so redeem all the said Shares not later than the 1st day of October, 1977, provided that the Company shall not apply any of its profits for that purpose unless at the time when such redemption is effected the preferential dividend on any "A" Preference Shares not then redeemed shall have been paid down to the last date for payment thereof.

(ii) If the Company should at any time determine to redeem a part only of the said 2,00,000 "A" Preference Shares for the time being outstanding, the shares to be redeemed shall be determined by a drawing to be made at the Registered Office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company and forthwith after every such drawing the company shall notify to the holders of the "A" Preference Shares in writing the numbers of the "A" Preference Shares which shall have been drawn for redemption and give to such holders six months' notice of the Company's intention to redeem such shares by payment at a specified time, date and place against surrender of the 'A' Preference Shares to be redeemed.



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- (iii) At the time, date and place to specified each 'A' Preference Shareholder, whose share or shares is or are notified for redemption, shall be bound to surrender to the Company certificate or certificates in respect of the 'A' Preference Share or Shares which is or are to be redeemed and upon receiving evidence of such surrender the Company shall cause to be paid to such holder of the amount payable to him in respect of such redemption.
- (iv) The dividend on any share becoming liable to redemption under the foregoing provisions shall cease to accrue as from the due date for redemption thereof, unless payment of the redemption moneys shall be refused, upon the holders demanding on or after the date and at the place specified for redemption payment of the redemption moneys payable in respect thereof and tendering certificate for such shares and a receipt for the redemption moneys duly signed and authenticated in such manner as the Company may reasonably require: provided that in the event of the payment of the redemption moneys being refused on the due date dividend at the fixed cumulative preferential rate of 9% per annum shall continue to accrue upto the actual date of redemption.
- (2) The Company shall be at liberty to issue further 'A' Preference Shares which shall rank for dividend and in all other respects immediately after the 5% Cumulative Preference Shares and shall rank in regard to capital and dividend and in all other respects *pari passu* with the aforesaid 2,00,000 'A' Preference Shares.
- C. Add the following sub-clause after sub-clause (b) of clause (2) of Article III, as sub-clause (c):
 - '(c) In respect of every fully paid 'A' Preference Share, his voting right shall be as provided in clause (b) of Article 6A (1)' "

Special Resolutions passed on the 18th August, 1966

At the Twenty-first Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at Birla Matushri Sabhagar, New Marine Lines, Bombay-1 on Thursday, the 18th day of August, 1966, the subjoined Resolutions were duly passed as Special Resolutions:-

1. "RESOLVED that the Articles of Association of the Company be altered in the manner following:-
 - (i) In Article 106, for the words "fifteen days", substitute the words "thirty days",
 - (ii) In Article 107, for the words "fourteen days" wherever they occur, substitute the words "thirty days",
 - (iii) In Article 134, delete the words "and shall also file with the Registrar within the said period of two months a declaration specifying the qualification shares held by him."
 - (iv) In Article 143 -
 - (a) delete the word "previous" in the opening sentence of Clause (1),
 - (b) delete the existing proviso to Clause (1) and insert the following provisos in its place:

"Provided that it shall be sufficient if the Special Resolution according the consent of the Company is passed at the general meeting of the Company held for the first time after the holding of such office or place of profit;

Provided further that where a relative of a director, or a firm in which such relative is a partner, is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the director, the consent of the Company may be obtained either in the general meeting aforesaid or within three months from the date of the appointment whichever is later",
 - (c) substitute the following for Clause (3):

"(3) If any office or place of profit is held in contravention of the provisions of Clause (1) above or except as provided by Clause (2) above, the director, partner, relative, firm, private company, managing agent, secretaries and treasurers or the manager, concerned, shall be deemed to have vacated his or its office as such as on from the date next following the date of the general meeting of the Company referred to in the first proviso to Clause (1) above, or, as the case may be, the date of the expiry of the period of three months referred to in the second proviso to Clause (1) above, and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit."
 - (v) From Article 151(2)(e), delete the words and figures "or Clause (3) of Article 154 or sub-Section (3) of Section 280".



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(vi) In Article 152, substitute the following for Clauses (2) and (3):

“(2) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of a director) proposed as a candidate for the office of a director shall sign and file with the Company, his consent in writing to act as a director, if appointed,

(3) A person other than -

- (a) a director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
- (b) an additional or alternate director, or a person filling a casual vacancy in the office of a director under Section 262 of the Act, appointed as a director or re-appointed as an additional or alternate director, immediately on the expiry of his term of office, or
- (c) a person named as a director of the Company under its Articles as first registered.

shall not act as a director of the Company unless he has within thirty days of his appointment, signed and filed with the Registrar his consent in writing to act as such director.”

(vii) Delete the heading “AGE LIMIT FOR DIRECTORS” and delete Articles 154, 155 and 156.

(viii) In Article 159, for the words “three calendar months and not more than two months shall intervene between the last day of the calendar month in which such meeting is held and the date of the next meeting”, substitute the words “three months and at least four such meetings shall be held in every year”.

(ix) In Article 201, Clause (4), add the words “and other books and papers” after the words “the books of account”.

(x) In Article 202, add the words “together with the vouchers relevant to any entry in such books of account” after the words “the current year”.

2. “RESOLVED that

(A) Out of the 3,00,000 unclassified shares of Rs.100/- each created by Resolution No. 6 passed at the Twentieth Annual General Meeting of the Company held on the 19th August, 1965, 10,000 shares be and are hereby classified as 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each (hereinafter referred to as “A” Preference Shares) and that the Memorandum of Association of the Company be and is hereby altered accordingly.



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(B) The said 10,000 "A" Preference Shares shall rank in regard to capital and dividend (including the dividend declared for the financial year ended 31st March, 1966) and in all other respects *pari passu* with the existing 2,00,000 9% Cumulative Redeemable "A" Preference Shares of Rs.100/- each."

3. "RESOLVED that the Articles of Association of the Company be altered in the manner following:

(a) For Article 5, substitute the following Article:

'5. The present capital of the Company is Rs.20,00,00,000 divided into 13,00,000 Ordinary Shares of Rs.100/- each, 2,00,000 5% Cumulative Preference Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable 'A' Preference Shares of Rs.100/- each and 2,90,000 Unclassified Shares of Rs.100/- each.'

(b) In Article 6A, for the words "2,00,000 'A' Preference Shares", substitute the words "2,10,000 'A' Preference Shares" wherever they occur".

Special Resolution passed on the 14th February, 1967

At the Extraordinary General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Registered Office of the Company on Tuesday, the 14th February, 1967, the subjoined Resolution was duly passed as a Special Resolution:-

"RESOLVED that the Articles of Association of the Company be altered in the manner following:-

The following Article shall be substituted for the existing Article 5:

'5. The present Capital of the Company is Rs.20,00,00,000 divided into 15,05,000 Ordinary Shares of Rs.100/- each, 2,00,000 5% Cumulative Preference Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable 'A' Preference Shares of Rs.100/- each and 85,000 Unclassified Shares of Rs.100/- each'."

Special Resolution passed on the 22nd August, 1967

At the Twenty-second Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, New Marine Lines, Bombay 1 on Tuesday, the 22nd day of August, 1967, the subjoined Resolution was duly passed as a Special Resolution:-

"RESOLVED that the Articles of Association of the Company be altered in the manner following:-

For Article 44, substitute the following Article:

"44. Shares in the Company may be transferred by an instrument in writing in such form and by such procedure as may from time to time be prescribed by law. Subject thereto the Directors may prescribe a common form for instruments of transfer, which may from time to time be altered by the Directors."

Special Resolution passed on the 12th August, 1969

At the Twenty-fourth Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar on Tuesday, the 12th August, 1969, the subjoined Resolution was duly passed as a Special Resolution.

**SUBSTANTIVE SPECIAL RESOLUTION NO.7
INCORPORATING THE AMENDMENT**

"RESOLVED that the Articles of Association of the Company be altered in the manner following:-

(i) After Article 2, insert the heading "TENURE OF OFFICE OF MANAGING AGENTS" and the following Article and Marginal Note as Article 2A:-



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Tenure of office
of Managing
Agents

2A. All references whatsoever to Managing Agents, their powers functions and duties under these Articles and under any agreement entered into by them with the Company, shall be applicable only if and so long as there are Managing Agents in accordance with the provisions of the law.”

- (ii) In Article 17(a), delete the words and figures “Provided that at least one of the aforesaid two directors shall be a person other than the Director appointed by the Managing Agents under Article 126 or a Director to whom Article 133 applies” and in place thereof substitute the following:-
“PROVIDED that, if the composition of the Board permits of it, at least one of the aforesaid two directors shall be a person other than a Managing Director or Whole-time Director or, so long as the Company has Managing Agents, a person other than a Director appointed by the Managing Agents under Article 126 or a Director to whom Article 133 applies.”

(iii) (deleted)

(iv) After Article 127, insert the following Article as Article 127A:-

ICICI Director

“127A. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Credit and Investment Corporation of India Limited out of any loan granted by the said Corporation to the Company, the said Corporation shall have a right from time to time to appoint their nominee acceptable to the Board of Directors of the Company as a Director on the Board of the Company (hereinafter described as ‘ICICI Director’) and to remove from such office any person so appointed and to appoint any other person in his place;

The Board of Directors of the Company shall have no power to remove from office the ICICI Director;

The ICICI Director shall not be required to hold any share qualification in the Company nor shall he be liable to retirement by rotation. Subject as aforesaid, the ICICI Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.”

- (v) In Clause (3) of Article 168, after the words “the Managing Agents”, insert the words “or the Managing Director”.
- (vi) In the proviso to Clause (1) of Article 174, after the words “any Committee of Directors”, insert the words “or the Managing Director”.
- (vii) In Sub-Clause (f) of Clause (1) of Article 176, for the words “Register of Directors and Managing Agents”, substitute the words “Register of Directors, Managing Directors and Managing Agents”.
- (viii) After Article 185, insert the heading “MANAGING OR WHOLE-TIME DIRECTOR(S)” and the following Articles and Marginal Notes as Articles 185A, 185B, 185C and 185D:-

Power to
appoint
Managing or
Whole-time
Director(s)

185A Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company as and when Tata Industries Private Limited cease to be the Managing Agents of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.



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What provisions they shall be subject to	185B	Subject to the provisions of the Act and of these Articles, a Managing Director or a Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 146 but he shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, as the Directors shall from time to time select, shall be liable to retirement by rotation in accordance with Article 146 to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.
Remuneration of Managing or Whole-time Director(s)	185C	The remuneration of a Managing Director or Whole-time Director (subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company), shall from time to time be fixed by the Directors, subject to the approval of the Company in General Meeting, and may be by way of fixed salary, or commission on profits of the Company or by participation in any such profits or by any or all of those modes. A Managing Director or Whole-time Director shall not receive or be paid any commission on sales or purchases made by or on behalf of the Company.
Powers and duties of Managing or Whole-time Director(s)	185D	Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company shall be in the hands of the Director or Directors appointed under Article 185A, with power to the Directors to distribute such day to day management functions among such Directors, if more than one, in any manner as directed by the Board or to delegate such power of distribution to anyone of them. The Directors may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors, in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.”

(ix) Substitute the following for sub-clause (a) of Clause (1) of Article 199:-

“(a) by the issue and distribution as fully paid up, of shares and if and to the extent permitted by the Act, of debentures, debenture stock, bonds or other obligations of the Company, or”

(x) Substitute the following for Clause (1) of Article 206:-

“(1) Every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Managing Agents, if any, or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director where there is one.”



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Special Resolution passed on the 27th January, 1970

At the Extraordinary General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay 1 on Tuesday, the 27th January, 1970, the subjoined Resolution was duly passed as a Special Resolution:-

“RESOLVED that the Articles of Association of the Company be altered in the manner following:-

After Article 4, insert the following heading and Article as Article 4A:-

‘SOCIAL RESPONSIBILITIES OF THE COMPANY

Social Respon- sibilities of the Company	4A The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations; and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community’.”
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Special Resolution passed on the 18th August, 1970

At the Twenty-fifth Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, New Marine Lines, Bombay 20 on Tuesday, the 18th August, 1970, the subjoined Resolution was duly passed as a Special Resolution:-

“RESOLVED that the Articles of Association of the Company be altered in the manner following:-

For the existing Article 134, substitute the following:

Share Quali- fication of Directors	134 The qualification of a Director whose period of office is liable to determination by retirement by rotation shall be the holding of shares in the Company of the aggregate nominal value of rupees five thousand. A Director may act before acquiring his qualification but shall, in any case, acquire the same within two months from his appointment as Director. Notwithstanding anything contained in this Article, the Managing Director, Joint Managing Director (if any) and Whole-time Director shall not be required to hold any such qualification shares.”
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Special Resolutions passed on the 27th October, 1970

At the Extraordinary General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY, LIMITED, duly convened and held at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay 1 on Tuesday, the 27th October, 1970 the subjoined Resolutions were duly passed as Special Resolutions:-

“RESOLVED that the Articles of Association of the Company be and the same are hereby altered by substituting for the existing Article 5, the following Article:

“5. The Capital of the Company is Rs.24,00,00,000/- divided into 17,50,000 Ordinary Shares of Rs.100/- each, 2,00,000 5% Cumulative Preference Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each and 2,40,000 New 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each”.”

“RESOLVED that the object clause No. 46 of the Memorandum of Association of the Company be and is hereby amended by substituting for it the following object clause:

“To amalgamate with any Company or Companies”.”

“RESOLVED that the Articles of Association of the Company be and the same are hereby altered by adding new Article 6B after the existing Article 6A of the Articles of Association:

“6B. The 2,25,000 New 9% Cumulative Redeemable “A” Preference Shares to be issued and allotted under the Scheme of Amalgamation of The Central Bank of India Limited with the Company shall rank *pari passu* with and confer on the holders thereof the same right as the rights conferred on the existing 2,10,000 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each as set out in Article 6A hereof save and except that:

- (i) the New 9% Cumulative Redeemable “A” Preference Shares shall not rank for dividends declared for the accounting year of the Company ended the 31st March, 1970 but shall rank *pari passu* with the existing Cumulative Redeemable “A” Preference Shares for all dividends declared on or payable in respect of the Cumulative Redeemable “A” Preference Shares of the Company after the Effective Date mentioned in the Scheme notwithstanding that such dividends shall relate to an accounting year of the Company commencing prior to the Effective Date but further so that the holders of such New



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Cumulative Redeemable "A" Preference Shares shall only be entitled to a portion of the dividends declared in respect of the accounting year ending the 31st March, 1971 proportionate to the period for which holders of such New Cumulative Redeemable "A" Preference Shares shall hold the same during the accounting year from the Appointed Day and

- (ii) the 2,25,000 New 9% Cumulative Redeemable "A" Preference Shares shall be redeemable by the Company on or before the 1st day of October, 1982, by giving six months' previous notice in writing to the holders thereof."

Special Resolution passed on the 17th August, 1971

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, New Marine Lines, Bombay 20 on Tuesday, the 17th August, 1971, the subjoined Resolution was duly passed as a Special Resolution:-

"RESOLVED that Resolutions 4, 5 and 6 passed as Special Resolutions at the Extraordinary General Meeting of the Company held on the 27th October, 1970 be altered in the manner following:

- (i) for the figures and words "75,000 Ordinary Shares" wherever they occur in the said Resolution 4, the figures and words "upto 77,000 Ordinary Shares" shall be substituted and always be deemed to have been substituted;
- (ii) for the figures and words "2,25,000 New 9% Cumulative Redeemable "A" Preference Shares" wherever they occur in the said Resolutions 4 and 6 the figures and words "upto 2,31,000 New 9% Cumulative Redeemable "A" Preference Shares" shall be substituted and always be deemed to have been substituted; and
- (iii) for the figures and words, "2,25,000 Ordinary Shares" wherever they occur in the said Resolution 5, the figures and words "upto 2,31,000 Ordinary Shares" shall be substituted and always be deemed to have been substituted."

"RESOLVED that subject to confirmation by the Court, the Capital of the Company be reduced from Rs.24,00,00,000/- to Rs.22,00,00,000/- (divided into 17,50,000 Ordinary Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable "A" Preference Shares of Rs.100/- each and 2,40,000 New 9% Cumulative Redeemable "A" Preference Shares of Rs.100/- each) and the remainder of the Capital namely 2,00,000 5% Cumulative Preference Shares of Rs.100/- each numbered 1 to 2,00,000 and held by the Government of India be paid off and that such last-mentioned Preference Shares and all liability thereon be wholly extinguished."

"RESOLVED further that consequential amendments be made in the Capital Clauses of the Memorandum and Articles of Association of the Company after the said reduction becomes operative and effective."

Special Resolution passed on the 31st July, 1973

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, New Marine Lines, Bombay-400 020, on Tuesday, the 31st July, 1973, the subjoined Resolution was duly passed as a Special Resolution:

"RESOLVED that the Articles of Association of the Company be altered in the manner following:

For the existing Articles 128 and 129, substitute the following:

Debenture Director 128 Notwithstanding anything to the contrary contained in the Articles, so long as any Debentures issued by the Company remain outstanding the holders of such Debentures shall in accordance with the provisions of the Trust Deed securing such Debentures have a right to appoint and nominate from time to time any person or persons as a Director or Directors on the Board of the Company and to remove and re-appoint any person or persons in his or their place or places. A Director so appointed under this Article is herein referred to as "the Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. The Board of Directors of the Company shall have no power to remove from office the Debenture Director. The Debenture Director shall have all the rights and privileges as any other Director of the Company other than a Managing or Whole-time Director.

Debenture Director not bound to hold qualification shares 129 The Debenture Director shall not be bound to hold any qualification shares nor shall he be liable to retirement by rotation subject however to the provisions of the Trust Deed securing such Debentures."



Special Resolution passed on the 30th July, 1975

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, New Marine Lines, Bombay-400 020, on Wednesday, the 30th July, 1975, the subjoined Resolution was duly passed as a Special Resolution:

“RESOLVED that the Articles of Association of the Company be and the same are hereby altered by inserting the following Article as Article 127B after Article 127A:

Financial Institutions' Directors	127B	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys by way of loans/privately placed debentures remain owing by the Company to the Industrial Development Bank of India, Industrial Finance Corporation of India, Life Insurance Corporation of India and Unit Trust of India (hereinafter cumulatively referred to as the financial institutions), the financial institutions shall jointly have a right to appoint two nominees as directors on the Board of the Company (hereinafter described as Financial Institutions' Directors).
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The directors so appointed will not be required to hold qualification shares and they will not be liable to retire by rotation. The financial institutions may at any time and from time to time remove the nominee or nominees appointed by them and on a vacancy being caused in such office from any cause, whether by resignation, removal or otherwise, appoint another or others in his/their place. Such appointment or removal shall be by notice in writing to the Company. The Board of Directors of the Company shall have no power to remove such nominee or nominees from office. Each such nominee shall be entitled to the same rights, privileges and obligations as any other director of the Company, and shall also be entitled to attend any general meeting of the Company. The Company shall pay to such directors normal fees and expenses to which the other directors are entitled. The Company shall also pay or reimburse any expenses that may be incurred by financial institutions or such directors in connection with their appointment. Such directors as well as financial institutions shall be entitled to receive all notices and other communications (including agenda) relating to meetings of the Board and its committees and general meetings of the Company and the minutes of all such meetings'."

Special Resolution passed on 17th August, 1976

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, New Marine Lines, Bombay-400 020, on Tuesday, the 17th August, 1976, the subjoined Resolution was duly passed as a Special Resolution:

“RESOLVED that the Articles of Association of the Company be altered in the following manner:-

For Article 5 the following Article shall be substituted:

5. The Capital of the Company is Rs.30,00,00,000 divided into 25,50,000 Ordinary Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each, and 2,40,000 New 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each.”

Special Resolution passed on 11th August, 1977

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Bombay 400 020, on Thursday, the 11th August, 1977, the subjoined Resolution was duly passed as a Special Resolution:

“RESOLVED that the Articles of Association of the Company be altered in the following manner:-

Substitute the following Article for the existing Article 134:-

‘134. A Director of the Company shall not be required to hold qualification shares.’”

Special Resolution passed on 8th August, 1978

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, New Marine Lines, Bombay 400 020, on Tuesday, the 8th August, 1978, the subjoined Resolution was duly passed as a Special Resolution:

“RESOLVED that the Articles of Association of the Company be altered in the following manner:

For Article 5, the following Article shall be substituted:

- ‘5. The capital of the Company is Rs.40,00,00,000 divided into 35,50,000 Ordinary Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable ‘A’ Preference Shares of Rs.100/- each and 2,40,000 New 9% Cumulative Redeemable ‘A’



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Preference Shares of Rs,100/- each.’’



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Special Resolution passed on 26th July, 1979

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at Birla Matushri Sabhagar, New Marine Lines, Bombay-400 020, on Thursday, the 26th July, 1979, the subjoined Resolution was duly passed as a Special Resolution:

“RESOLVED that the Articles of Association of the Company be altered in the manner following:-

For Article 5 the following Article shall be substituted:

‘5. The Capital of the Company is Rs.60,00,00,000 divided into 55,50,000 Ordinary Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable ‘A’ Preference Shares of Rs.100/- each and 2,40,000 New 9% Cumulative Redeemable ‘A’ Preference Shares of Rs.100/- each.’”

Special Resolution passed on the 24th August, 1982

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at Birla Matushri Sabhagar, New Marine Lines, Bombay 400 020, on Tuesday, the 24th August, 1982, the subjoined Resolution was passed as a Special Resolution:

“RESOLVED that, Article 124 of the Articles of Association of the Company be substituted by the following Article:

‘Number 124 Until otherwise determined by a General Meeting, the number of Directors shall not be less than 3 or more of than 16 excluding the Steel Director, the Debenture Director and the Financial Institutions’ Director or Directors Directors’.’”

Special Resolution passed on the 24th August, 1983

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at Birla Matushri Sabhagar, New Marine Lines, Bombay 400020, on Wednesday, the 24th August, 1983, the subjoined Resolution was passed as a Special Resolution:

“RESOLVED that, the Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956, in the following manner:

(A) Substitute the following Article for Article 5:

Capital 5. The Capital of the Company is Rs.60,00,00,000 divided into 55,50,000 Ordinary Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each, 12,147 New 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each and 2,27,853 New 13.5% Cumulative Redeemable “A” Preference Shares of Rs.100/- each.’

(B) After Article 6B, add the following Article:

‘6C. The 2,27,853 New 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each issued and allotted out of the 2,40,000 New 9% Cumulative Redeemable “A” Preference Shares issued, pursuant to the Scheme of Amalgamation of the Central Bank of India Limited with the Company, which Shares being redeemable on the 1st October, 1982 have been further extended upto the 30th September 1992 shall rank pari passu with and confer on the holders thereof the same rights as conferred on the earlier 9% Cumulative Redeemable “A” Preference Shares save and except that—

- (i) commencing from the 1st October, 1982, the said Shares shall carry the right to fixed cumulative preferential dividend @ 13.5% per annum (subject to deduction of tax), provided that if at any time during the currency of the said Shares the Central Government announces any increase in the rate of dividend payable on such Shares, the Company shall pay such higher rate of dividend on the outstanding number of Shares from a date to be specified, subject, however, to the Company obtaining the requisite approval from the appropriate authorities;
- (ii) the said Shares shall be classified as New 13.5% Cumulative Redeemable “A” Preference Shares of Rs.100/- each; and
- (iii) the said Shares shall be redeemable in four annual instalments, the first three instalments of the said shares being worth Rs.57,00,000 each and the last being worth Rs.56,85,300; the first such instalment being redeemable on the 1st day of October, 1989 followed by further instalments on the 1st October of each subsequent year till 1992; the Shares to be determined for redemption by a draw to be made at the Registered Office of the Company in the presence of a representative of the Company’s Auditors for the time being on or before the 31st August in each year of redemption; the Company being under an obligation to notify in writing forthwith after every





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such draw to the holders of the said Shares the numbers of shares which shall have been drawn for redemption, and to give to such Shareholders notice of the Company's intention to redeem such Shares by payment at a specified time, date and place against surrender of the said Shares to be redeemed, it being understood that -

- (a) at the time, date and place so specified, each Shareholder whose shares are notified for redemption shall be bound to surrender to the Company the Certificates in respect of such Shares which are to be redeemed and upon such surrender, the Company shall cause to be paid to such Shareholders the amount payable to them as a result of such redemption;
- (b) the dividend on the said Shares becoming liable to redemption as above shall cease to accrue as from the due date for redemption thereof unless Company has either failed or refused to redeem the said Shares in which event dividend on the said Shares shall continue to accrue upto the actual date of redemption.'

(C) Substitute the following Article and marginal notes for Article 95 and its marginal notes:

'Chairman of Directors or Deputy Chairman, or Vice-Chairman or a Director to be Chairman of General Meeting 95 (1) The Chairman of the Board of Directors shall, if willing, preside as Chairman at every General Meeting, whether Ordinary or Extraordinary Director ordinary, but if there be no such Chairman, or in case of his absence or refusal, the Deputy Chairman or Vice-Chairman of the Board of Directors shall, if willing, preside as Chairman at such meeting and if there be no such Deputy Chairman or Vice-Chairman, or in case of his absence or refusal, some one of the Directors present shall be chosen to be the Chairman of the meeting.

In case of their absence or refusal a member may act (2) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman of the Board or by the Deputy Chairman or the Vice-Chairman or by a Director at the expiration of half an hour from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the chair, the members present shall choose one of their own number to be Chairman of the meeting.'

(D) Substitute the following Article and marginal note for Article 163 and its marginal note:

'Appointment of Chairman, Deputy Chairman and Vice-Chairman 163 (1) The Directors may elect a Chairman of their meetings, and determine the period for which he is to hold office.

(2) The Directors may appoint a Deputy Chairman or a Vice-Chairman of the Board of Directors to preside at meetings of the Directors at which the Chairman shall not be present.'

(E) In Article 164 for the word 'the Vice-Chairman', substitute the words 'the Deputy Chairman or the Vice-Chairman'.

(F) In Article 165 for the words 'whether the Chairman or Vice-Chairman appointed by virtue of these Articles or the Director presiding at such meeting, substitute the words 'whether the Chairman, Deputy Chairman or Vice-Chairman appointed by virtue of these Articles or the Director presiding at such meeting'."

Special Resolution passed on the 23rd August, 1984

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at Birla Matushri Sabhagar, New Marine Lines, Bombay 400 020, on Thursday, the 23rd August, 1984, the subjoined Resolution was passed as a Special Resolution:

"RESOLVED that, the Articles of Association of the Company be altered in the manner following:

In Article 127B, delete the word 'and' appearing after 'Life Insurance Corporation of India' and add the words and 'General Insurance Corporation of India and its subsidiaries' after the words 'Unit Trust of India'."



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Special Resolution passed on the 26th August, 1986

At the Annual General Meeting of the Members of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at Birla Matushri Sabhagar, New Marine Lines, Bombay 400 020, on Tuesday, the 26th August 1986, the subjoined Resolution was passed as a Special Resolution:

“RESOLVED that the Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956, in the following manner:

(A) Substitute the following Article for Article 5:

‘Capital 5. The Capital of the Company is Rs.100,00,00,000/- divided into 95,50,000 Ordinary Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each, 12,147, New 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each and 2,27,853, New 13.5% Cumulative Redeemable “A” Preference Shares of Rs.100/- each.’

(B) Add the following Article as new Article 17 A:

Discretion to ‘17A. Notwithstanding anything contained in Article 17, the Board may in its absolute discretion refuse Sub- refuse applications for the sub-division or consolidation of share, debenture or bond certificates division or in denominations of less than the marketable lot except when such sub-division or consolidation Consolidation is required to be made to comply with a statutory provision or an order of a competent court of of Certificates law.’

(C) In Article 135(1), subject to the approval of the Central Government, for the word and figure ‘Rs.250/-’ at both places substitute the word and figure ‘Rs.500/-’.”



Special Resolution passed on the 9th March, 1987

At the Extra-Ordinary General Meeting of the Tata Engineering & Locomotive Company Limited, duly convened and held at the Registered Office of the Company, at Bombay House, 24, Homi Mody Street, Hutatma Chowk, Bombay 400 001, on Monday, the 9th March, 1987, the subjoined Resolution was passed as a Special Resolution:

“RESOLVED that the Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956, in the following manner:

Substitute the following Article for Article 5:

Capital 5. The Capital of the Company is Rs.150,00,00,000/- divided into 145,50,000 Ordinary Shares of Rs.100/- each, 2,10,000 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each, 12,147 New 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each and 2,27,853 New 13.5% Cumulative Redeemable “A” Preference Shares of Rs.100/- each”.

Special Resolution passed on the 11th August, 1988

At the Annual General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Bombay 400 020, on Thursday, the 11th August 1988, the sub-joined Resolution was passed as a Special Resolution:-

“RESOLVED that the Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956, in the following manner:

(A) For Article 100 substitute the following:

‘Demand 100. Before or on the declaration of the result of the voting on any resolution on a show of hands, a for poll poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power of vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.’

(B) In clause (1) of Article 135, for the first sentence thereof, substitute the following:

‘The maximum remuneration of a Director for his services shall be such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors attended by him.’

(C) Delete Article 143

(D) At the end of clause (I) of Article 152, add the following words:

‘along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director’.”

Special Resolution passed on the 18th August, 1989

At the Annual General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Bombay 400 020, on Friday, the 18th August 1989, the sub-joined Resolution was passed as a Special Resolution:-

“RESOLVED that the Articles of Association of the Company be altered in the following manner:

Substitute the following Article for Article 5:

‘5. The capital of the Company is Rs.150,00,00,000/- divided into 14,55,00,000 Ordinary Shares of Rs.10/- each, 2,10,000 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each, 12,147 New 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each and 2,27,853 New 13.5% Cumulative Redeemable “A” Preference Shares of Rs.100/- each’.”



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Special Resolution passed on the 16th August, 1991

At the Annual General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Bombay 400 020, on Friday, the 16th August 1991, the subjoined Resolution was passed as a Special Resolution :-

“RESOLVED that the Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956, in the following manner:

(A) In Article 26 for the words ‘at such rate not exceeding 9 per cent per annum as the Directors shall fix’, substitute the words ‘at such rate of interest as may be determined by the Directors from time to time’.

(B) In Article 36, for the words ‘at such rate not exceeding 9 per cent per annum as the Directors may determine’, substitute the words ‘at such rate of Interest as may be determined by the Directors from time to time’.

(C) In Article 108, for the words ‘on payment of six annas for every one hundred words or fractional part thereof required to be copied’ substitute the words ‘on payment of such amount for such number of words required to be copied as may be prescribed by the Government from time to time’.

Ordinary Resolution passed on the 30th March, 1994

At the Extra Ordinary General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Bombay 400 020, on Wednesday, the 30th March, 1994, the subjoined Resolution was passed as a Ordinary Resolution:-

“RESOLVED that the Authorised Capital of the Company be increased from Rs.150,00,00,000 divided into 14,55,00,000 Ordinary Shares of Rs.10/- each, 2,10,000 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each, 12,147 New 9% Cumulative Redeemable “A” Preference Shares of Rs.100/- each and 2,27,853 New 13.5% Cumulative Redeemable “A” preference shares of Rs.100/- to Rs.200,00,00,000 divided into 20,00,00,000 Ordinary Shares of Rs.10/- each by the creation of 5,00,00,000 Ordinary Shares of Rs.10/- each and the reclassification and sub-division of the aforesaid Redeemed 4,50,000 Preference Shares of Rs.100/- each into 45,00,000 Ordinary Shares of Rs.10/- each and that Clause V of the Memorandum of Association of the Company be altered accordingly.”

Special Resolution passed on the 30th March, 1994

At the Extra Ordinary General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Bombay 400 020, on Wednesday, the 30th March 1994, the subjoined Resolution was passed as a Special Resolution:-

“RESOLVED that the Articles of Association of the Company be altered as follows:

A. For Article 5, Substitute the following Article:-

5. The capital of the Company is Rs.200,00,00,000 divided into 20,00,00,000 Ordinary Shares of Rs.10/- each.

B. Delete Articles 6. 6A 6B and 6C.

C. After Article 7 Insert the following article as Article 7 A:

Shares with non-voting rights “7A In the event it is permitted by the Law to issue shares with non-voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by the Law.”



Special Resolution passed on the 11th September, 1995

At the Annual General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Bombay 400 020, on Monday, the 11th September 1995, the subjoined Resolution was passed as a Special Resolution :

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

For Article 5, substitute the following Article :-

5. The Capital of the Company is Rs.400,00,00,000 divided into 30,00,00,000 Ordinary Shares of Rs.10/- each and 10,00,00,000 Unclassified Shares of Rs.10/-.”

Special Resolution passed on the 30th July, 1997

At the Annual General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Wednesday, the 30th July, 1997, the subjoined Resolution was passed as a Special Resolution :-

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

In Article 124, for the number and words ‘16 excluding the Steel Directors, the Debenture Director and the Financial Institutions’ Director or Directors’ substitute the number ‘15’ .”

Special Resolution passed on the 28th July, 1998

At the Annual General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Tuesday, the 28th July, 1998, the subjoined Resolution was passed as a Special Resolution :-

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

- i) Insert the following Heading and Article as Article 66A after Article 66.

BUY-BACK OF SHARES

Buy back of Shares	66A	Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company’s own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by law.
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- ii) Insert the following Heading and Article as Article 73A after Article 73.

DEMATERIALISATION OF SECURITIES

Definitions	73A	
	1	<p>For the purpose of this Article :-</p> <p>‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository;</p> <p>‘SEBI’ means the Securities and Exchange Board of India;</p> <p>‘Depository’ means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and</p> <p>‘Security’ means such security as may be specified by SEBI from time to time.</p>
Dematerial- isation of Securities	2	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a demeterialised form pursuant to the Depositories Act, 1996.



Options for investors 3 Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.



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If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form	4	All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
Rights of depositories and beneficial owners	5	(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. (c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
Service of documents	6.	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Transfer of Securities	7	Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
Allotment of Securities dealt with in a depository	8	Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
Distinctive numbers of Securities held in a depository	9	Nothing contained in the Act or these articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
Register and Index of beneficial owners	10	The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."

Special Resolution passed on August 14, 2001

At the Annual General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Bombay 400 020, on Tuesday, August 14, 2001 the subjoined Resolution was passed as a Special Resolution :-

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

For Article 5, substitute the following Article:-

'5. The Capital of the Company is Rs. 400,00,00,000/- divided into 35,00,00,000 Ordinary Shares of Rs.10/- each and 5,00,00,000 Unclassified Shares of Rs.10/- each."



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Special Resolution passed on March 27, 2002

At the Extraordinary General Meeting of the TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Wednesday, March 27, 2002, the subjoined Resolution was passed as a Special Resolution:-

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

In Article 199 (1) –

(a) For the words “Share Premium Account” the words “Securities Premium Account” shall be substituted.

(b) The following new proviso shall be added:

‘Provided further that notwithstanding anything contained hereinabove, any amounts standing to the credit of the Securities Premium Account may also be utilised (other than for Capitalisation), in accordance with the provisions of law.’ ”

Special Resolution passed on July 21, 2003

At the Annual General Meeting of TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Monday, July 21, 2003, the subjoined Resolution was passed as a Special Resolution:-

“RESOLVED that in accordance with Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the name of the Company be changed from ‘Tata Engineering and Locomotive Company Limited’ to ‘Tata Motors Limited’.”

“RESOLVED FURTHER that the name ‘Tata Engineering and Locomotive Company Limited’, wherever it occurs in the Memorandum and Articles of Association of the Company, be replaced with the new name of the Company.”

Special Resolution passed on July 8, 2004

At the Annual General Meeting of the TATA MOTORS LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Thursday, July 8, 2004 the subjoined Resolution was passed as a Special Resolution :-

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

For Article 5, substitute the following Article:-

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

Ordinary Resolution passed on July 11, 2006

At the Annual General Meeting of the TATA MOTORS LIMITED, duly convened and held at the Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Monday, July 11, 2006 the subjoined Resolution was passed as a Ordinary Resolution:-

“RESOLVED that pursuant to the provisions of Sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the company be increased from Rs.410,00,00,000 divided into 41,00,00,000 Ordinary Shares of Rs.10/- each to Rs.450,00,00,000 by the creation of 4,00,00,000 Ordinary Shares of Rs.10/- each and that Clause V of the Memorandum of Association of the Company be and is hereby altered accordingly.”

Special Resolution passed on July 14, 2008 vide postal ballot

“RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof) the Articles of Association of the Company be altered as follows:

(a) For Article 7A, substitute the following Article:

‘7A Issue of ‘A’ Ordinary Shares	(i) The Board may issue Ordinary Shares with differential rights as to voting and/or dividend (hereinafter referred to as ‘A’ Ordinary Shares) up to an amount not exceeding 25% of the total issued Ordinary Share Capital of the Company or such other limit as may be prescribed by applicable laws/regulations. Such issue of ‘A’ Ordinary Shares shall be in accordance with the Act, other applicable laws, Article 67A and other terms and conditions that may be specified at the time of issue.
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- (vi) The 'A' Ordinary Shares so issued by the Company will stand to be in the same class as the Ordinary Shares. The 'A' Ordinary Shares issued by the Company will enjoy all rights and privileges that are attached to Ordinary Shares in law and by the provisions of these presents, except as to voting and/or dividend, as provided in these Articles and as may be permitted under applicable law from time to time.
- (vii) The Board may issue 'A' Ordinary Shares of more than one series carrying differential rights as to voting and/or dividend, as the case may be.
- (viii) The Board shall have the power and authority to remove any difficulties, and do such other acts and deeds, in relation to the applicability of this Article to the rights and obligations of the holders of the 'A' Ordinary Shares, including, but not limited to the issue and deciding the stock exchanges on which the 'A' Ordinary Shares will be listed.
- (ix) The Board shall follow the general principles set out under Article 7A (ii) at all times whilst making any decision in regard to 'A' Ordinary Shares.'

(b) Insert the following Headings and Articles as Articles 67A and 67B, after Article 67:

Provisions in case of 'A' Ordinary Shares	'67A	Notwithstanding anything contained in these presents, the rights, powers and preferences relating to 'A' Ordinary Shares and the qualifications, limitations and restrictions thereof are as follows:
Voting	(a)	<ul style="list-style-type: none"> (i) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that: <ul style="list-style-type: none"> - in the case where a resolution is put to vote on a poll, such voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares. - in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares in accordance with Article 111(1). (ii) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted to a vote of shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such Shares including in relation to any scheme under Sections 391 to 394 of the Act.
Dividend Entitlement	(b)	The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.
Rights Issues and Bonus Issues of 'A' Ordinary Shares	(c)	<ul style="list-style-type: none"> (i) Where the Company proposes to make a rights issue of Ordinary Shares or any other securities convertible into Ordinary Shares, the Company shall simultaneously make an offer to the holders of 'A' Ordinary Shares in the same proportion of 'A' Ordinary Shares to Ordinary Shares prior to the issue. The holders of 'A' Ordinary Shares shall receive further 'A' Ordinary Shares whereas holders of Ordinary Shares shall receive further Ordinary Shares. (ii) Where the Company proposes to make a bonus issue of Ordinary Shares, the holders of 'A' Ordinary Shares shall, subject to the terms of such issue, receive further 'A' Ordinary Shares whereas the holders of Ordinary Shares shall receive further Ordinary Shares to the end and intent that the proportion of Ordinary Shares to 'A' Ordinary Shares after such offer, shall, as far as possible remain unaffected.
Conversion	(d)	The 'A' Ordinary Shares issued in accordance with these presents will not be convertible into Ordinary Shares at any time.
Mergers, Amalgamations, etc.	(e)	In the event of any scheme, arrangement or amalgamation in accordance with the Act, and subject to other approvals and other applicable laws and these presents for amalgamation of the Company with or into any other entity and which results in a share swap or exchange, the holders of the 'A' Ordinary Shares shall receive allotment as per the terms of the scheme and as far as possible, unless specified to the Company in such scheme, the said holders shall receive Ordinary Shares with differential rights to voting or dividend of such entity.



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Substantial
acquisition
of shares

- (f) (i) Where an offer is made to purchase the outstanding Ordinary Shares or voting rights or equity capital or share capital or voting capital of the Company in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and other applicable laws, the applicability of such regulation on 'A' Ordinary Shares will result in an offer also being made to purchase 'A' Ordinary Shares in the same proportion as the offer to purchase Ordinary Shares.

Illustration: In accordance with the said Regulations where an offer is made to purchase twenty (20) percent of the outstanding Ordinary Shares or voting rights or equity capital or share capital or voting capital of the Company, such offer shall be deemed to include an offer for twenty (20) percent of the outstanding Ordinary Shares and also an offer for twenty (20) percent of the outstanding 'A' Ordinary Shares.

- (ii) The pricing guidelines and other provisions as specified in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 shall *mutatis mutandis* apply to an offer for 'A' Ordinary Shares and the percentage premium offered for the 'A' Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Ordinary Shares to its floor price. All consideration to be received by holders of 'A' Ordinary Shares in accordance with any offer as stated in sub-clause (i) above shall be paid in the same form and at the same time as that received by holders of Ordinary Shares.

Explanation: For the purposes of the said Regulations, the terms "shares", "voting rights", "equity capital", "share capital" or "voting capital" shall mean and include Ordinary Shares and 'A' Ordinary Shares as the case may be.

Delisting

- (g) Where the promoter (as provided in the last quarterly filing with the stock exchanges prior to making the offer) or any other acquirer proposes at any time to voluntarily delist the Ordinary Shares of the Company in accordance with the SEBI (Delisting of Securities) Guidelines, 2003 from the stock exchanges on which such Ordinary Shares are listed, such promoter or acquirer shall also make a delisting offer for the 'A' Ordinary Shares and the percentage premium offered for the 'A' Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Ordinary Shares to its floor price.

Buyback of
'A'
Ordinary
Shares by
the
Company

- (h) Subject to Article 66, Article 66A and Article 68, the Company when exercising its power under these presents to buyback the Ordinary Shares of the Company, will offer to buyback 'A' Ordinary Shares in the same proportion and on equitable pricing terms as offered to the holders of Ordinary Shares, in accordance with applicable laws including the SEBI (Buy-Back of Securities) Regulations, 1998.

Modification
of rights
pertaining to
'A'
Ordinary
Shares

- (i) (i) Any alteration proposed by the Company to this Article 67A which affects the rights pertaining to the 'A' Ordinary Shares is required to be approved by not less than three-fourths of the holders of the outstanding 'A' Ordinary Shares present and voting.

- (ii) For the purposes of (i) above, the Company will call a separate meeting of holders of 'A' Ordinary Shares.'

Issue of
Convertible
Cumulative
Preference
Shares

'67B

The Convertible Cumulative Preference Shares for the time being in the capital of the Company may be issued either with the sanction of the Company in General Meeting or by the Board.

The rights, privileges and conditions attached to the Convertible Cumulative Preference Shares of Rs.100/- each shall be as follows:-

- (a) The Convertible Cumulative Preference Shares shall confer on the holders thereof, the right to a fixed preferential dividend at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up and/or credited as and from time to time paid up thereon.
- (b) The Convertible Cumulative Preference Shares shall rank for capital and dividend (including all dividends undeclared upto the commencement of winding up) and for repayment of capital in a winding up, *pari passu inter se* and in priority to the Ordinary Shares (including 'A' Ordinary Shares) of the Company but shall not confer any further or other right to participate either in profits or assets and that preferential rights shall automatically cease on conversion of these shares into Ordinary Shares and/or 'A' Ordinary Shares.



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- (c) The Convertible Cumulative Preference Shares shall be converted into Ordinary Shares and/or 'A' Ordinary Shares as per the terms determined by the Board at the time of issue; as and when converted, such Ordinary Shares and/or 'A' Ordinary Shares shall rank *pari passu* with the then existing Ordinary Shares and / or 'A' Ordinary Shares of the Company in all respects as the case may be.



- (d) The holders of the Convertible Cumulative Preference Shares shall have the right to receive all notices of general meetings of the Company, but will not have the right to vote at any meetings of the Company, except to the extent and in the manner provided in the Act.
- (e) The Convertible Cumulative Preference Shares shall not confer any right on the holders thereof, to participate in any offer or invitation by way of rights or otherwise to subscribe for additional Ordinary Shares and/or "A" Ordinary Shares in the Company, nor shall the Convertible Cumulative Preference Shares confer on the holders thereof any right to participate in any issue of bonus shares or shares issued by way of capitalization of reserves (except that the conversion price would be appropriately adjusted in the event of bonus/rights issues).
- (f) The Board shall be authorised to fix the terms and conditions of the Convertible Cumulative Preference Shares including but not limited to the terms pertaining to dividend, conversion and/or redemption, if any. The rights and terms attached to the Convertible Cumulative Preference Shares may be modified or dealt with by the Board in accordance with the provisions of the Articles of Association of the Company'."



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Ordinary Resolution passed on July 14, 2008 vide postal ballot

"RESOLVED that pursuant to the provisions of Section 16, sub-section (1)(a) read with sub-section 2 of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or reenactment thereof) the Authorised Share Capital of the Company be increased from Rs.450,00,00,000 divided into 45,00,00,000 Ordinary Shares of Rs.10/- each to Rs.3,900,00,00,000 divided into 70,00,00,000 Ordinary Shares of Rs.10/- each, 20,00,00,000 'A' Ordinary Shares of Rs.10/- each and 30,00,00,000 Convertible Cumulative Preference Shares of Rs.100/- each by the creation of 25,00,00,000 Ordinary Shares of Rs.10/- each, 20,00,00,000 'A' Ordinary Shares of Rs.10/- each and 30,00,00,000 Convertible Cumulative Preference Shares of Rs.100/- each and that Clause V of the Memorandum of Association of the Company be and is hereby altered accordingly."



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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO.928 OF 2004
CONNECTED WITH
COMPANY APPLICATION NO. 682 OF 2004

In the matter of the Companies Act, 1956 (1 of 1956)

AND

In the matter of Sections 391 and 394 of the Companies Act, 1956

AND

In the matter of Scheme of Arrangement between Concorde
Motors Limited and Tata Motors Limited and their respective
Shareholders

Concorde Motors Limited, a Company incorporated under the
Companies Act, 1956 having its registered office at 3rd Floor,
Nanavati Mahalaya, 18, Homi Mody Street, Hutatma Chowk,
Mumbai 400 001

)
)
)
)Petitioner Company
)

Coram: S. U. Kamdar, J

Date: 14th day of January, 2005

UPON the Petition of Concorde Motors Limited, the Petitioner Company abovenamed, presented to this Honourable Court on 6th day of December, 2004 for sanction of the Scheme of Arrangement between Concorde Motors Limited (hereinafter referred to as "CML" or "the Transferor Company" or "the Petitioner Company") and Tata Motors Limited (hereinafter referred to as "the Transferee company or "TML") and their respective Shareholders AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr M V S Prasad, General Manager, Finance of the Petitioner solemnly affirmed on 6th day of December, 2004, verifying the said Petition AND UPON READING the affidavit of Mr. Hanmant Jadhav, clerk in the office of M/s Rajesh Shah & Co., Advocates for the Petitioner dated 24th December, 2004 proving service of the notice of the date of hearing of the Petition upon the Regional Director, Department of Company Affairs, Mumbai, Maharashtra and also proving publication of the notice of the date of hearing of the Petition in the issue of the "Free Press Journal" dated 17th day of December, 2004 and "Navshakti" dated 17th day of December, 2004, AND UPON READING the order dated 3rd day of December, 2004 made by this Hon'ble Court in Company Application No.682 of 2004 whereby convening and holding of the meeting of the Equity Shareholders of the Petitioner Company to consider and approve the proposed arrangement embodied in the Scheme of Arrangement between the Petitioner Company and the Transferee Company was dispensed with in view of the consent letters received from all the Equity Shareholders of the Petitioner Company annexed as Exhibit 'G1' to 'G7' to the affidavit in support of Company application No.682 of 2004 and the convening and holding of the meeting of the Unsecured Creditors of the Petitioner Company to consider and approve the proposed arrangement embodied in the Scheme of Arrangement between the Petitioner Company and the Transferee Company was also dispensed with in view of the consent letters received from all the unsecured creditors of the Petitioner Company annexed as Exhibit 'H1' to 'H13' to the affidavit in support of Company Application No.682 of 2004 AND by the said order dated 3rd day of December, 2004, filing of the Application and Petition by the Transferee Company was dispensed with in view of the averments made in paras 16, 17 and 18 of the affidavit in support to the Company Application AND UPON READING Affidavit dated 12th day of January, 2005 of Mr. Chakradhara Paik, Regional Director, Western Region, Department of Company affairs, stating that the scheme is not prejudicial to the interest of Creditors and Shareholders of the Petitioner company AND UPON HEARING Mr Rajesh Shah of M/s Rajesh Shah & Co., Advocates for the Petitioner Company and Mr C J Joy with Mr R C Master and Mr M M Goswami, Panel Counsel, instructed by Dr. T C Kaushik, for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, who submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the said arrangement embodied in the Scheme of Arrangement between Concorde Motors Limited, the Petitioner Company and Tata Motors Limited, the Transferee Company and their respective Shareholders as set forth in Exhibit 'E' to the said Petition and the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE that the said Arrangement embodied in the Scheme of Arrangement (being Exhibit 'E' to the petition) be binding on the Petitioner Company and the Transferee Company and also their respective members/shareholders and creditors AND THIS COURT DOTH ORDER that with effect from 1st day of November, 2004 (hereinafter referred to as the "Appointed Date"), the Demerged Undertaking shall, pursuant to the provisions contained in Sections 391 to 394 and other applicable provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company as a going concern AND THIS COURT FURTHER DOTH ORDER that with effect from the Appointed Date, all



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the assets, rights, title and interest including accretions and appurtenances of the Demerged Undertaking a their closing book values (net of revaluation, if any) as on the Appointed Date shall, subject to the provisions of Clause 4 in relation to the mode of vesting and pursuant to Section 394(2) of the Act read with Section 2(19AA) of the Income-tax, Act 1961, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the assets, right, title and interest of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that upon the coming into effect of the Scheme and subject to the provisions of the Income-tax Act, 1961, the unabsorbed business losses, and the allowance for unabsorbed depreciation, of the Petitioner Company shall be transferred to the Transferee Company in the same proportion in which the assets of the Spare Parts Business, proposed to be transferred, bear to the assets retained in the Petitioner Company and shall be deemed to be available for carry forward and set off in the hands of the Transferee Company in accordance with the provisions of Section 72A of the Income-tax Act, 1961 AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date, the debts, liabilities and obligations of the Demerged Company, as provided in sub-clauses 4.6.1 and 4.6.2 of the Scheme, shall be deemed to have been transferred to the Resulting Company and to the extent they are outstanding on the Effective Date shall, without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company which shall undertake to meet, discharge and satisfy the same AND THIS COURT DOTH FURTHER ORDER that upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Petitioner Company is a party or to the benefit of which the Petitioner Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Petitioner Company, the Transferee Company had been a party or beneficiary or obligee thereto AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming operative, all staff, workmen and employees of the Demerged Undertaking in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Demerged Undertaking on the Effective Date AND THIS COURT DOTH FURTHER ORDER that upon the coming into effect of the Scheme, all legal or other proceedings by or against the Petitioner Company under any statute, whether pending on the appointed date or which may be instituted in future (whether before or after the Effective Date) in respect of any matter arising before the Effective Date and relating to the Demerged Undertaking shall be continued and enforced by or against the transferee company after the Effective Date AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company is a wholly owned subsidiary of the Transferee Company and its entire share capital is held by Transferee Company and its nominees and accordingly, there would be no issue of shares of Transferee Company to the shareholder of Petitioner Company AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do file within 30 days from the date of sealing of the order cause a certified copy of the order sanctioning the Scheme of Arrangement, to delivered to the Registrar of Companies, Maharashtra, Mumbai, for registration and upon such certified copy of the Order being so delivered, the Registrar of Companies, Maharashtra, Mumbai, shall place and transfer all the files relating to the Demerged Undertaking of the Petitioner Company and register with him on the file kept by him in relation to the Transferee Company and files of both the companies as described above shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that liberty be reserved to the Petitioner Company and to all other persons interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any direction that may be necessary AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs.2,500/- (Rupees Two Thousand Five Hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI DALVEER BHANDARI, Chief Justice at Bombay aforesaid this 14th day of January, 2005.

BY THE COURT,
FOR PROTHONOTARY & SENIOR MASTER

Sealed

Dated this 20th day of January, 2005

ORDER sanctioning the Scheme of Arrangement Under
Section 391 and 394 of the Companies Act, 1956 drawn on the
Application of M/s. RAJESH SHAH & CO., Advocates for the
Petitioner, having their office at 16, Oriental Building, 30,
Nagindas Master Road, Flora Fountain, Mumbai 400 001



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**SCHEDULE
SCHEME OF ARRANGEMENT
BETWEEN
CONCORDE MOTORS LIMITED
AND
TATA MOTORS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

WHEREAS

This Scheme of Arrangement which is a scheme for demerger provides for the transfer, on a going concern basis, of the '*Spare Parts Business*' of Concorde Motors Limited into Tata Motors Limited, pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and in compliance with the conditions prescribed under Section 2(19AA) of the Income-tax Act, 1961, and

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1 **"Act"** means the Companies Act, 1956 or any statutory modification or re-enactment thereof;
- 1.2 **"Appointed Date"** means 1st day of November 2004 or such other date as may be fixed or approved by the Hon'ble High Court of Judicature at Bombay.
- 1.3 **"Demerged Company"** or **"the Transferor Company"** or **"CML"** means CONCORDE MOTORS LIMITED, a company incorporated under the Act and having its registered office at 3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Hutatma Chowk, Mumbai-400 001.
- 1.4 **"Demerged Undertaking"** means the Spare Parts Business of the Demerged Company comprising inter alia sale of spare parts of automobiles being carried on a going concern basis and includes:
 - 1.4.1 All assets wherever situated, whether movable or immovable, tangible or intangible, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities) appertaining to or relatable thereto;
 - 1.4.2 All permits, quotas, rights, entitlements, approvals, consents, engagements, arrangements, municipal permissions, tenancies in relation to office, goodwill, intellectual property, cash balances, the benefit of any deposits, financial assets, funds belonging to or proposed to be utilised for the Demerged Undertaking; bank balances, bank accounts, all earnest moneys and/ or security deposits, privileges, all other rights and benefits, licenses, patents, trademarks, copyrights, trade names and other intellectual property rights of any nature whatsoever and licenses in respect thereof, powers and facilities of every kind, nature and description whatsoever, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, subsidies, grants and tax credits, incentive schemes formulated by Central / State Governments, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;
 - 1.4.3 All liabilities arising out of the activities or operation of the Demerged Undertaking, including rupee loans, contingent liabilities, debts, current liabilities and provisions, duties and obligations relatable to the Demerged Undertaking on the Appointed Date;
 - 1.4.4 All employees of Demerged Company employed in the Spare Parts Business, as on the Effective Date.

It is intended that the definition of Demerged Undertaking under this clause would enable the transfer of all property, assets, liabilities, rights, obligations, entitlements and benefits (including under Income Tax, Excise, Sales Tax, etc. to which the Demerged Undertaking is entitled to in terms of the various statutes/schemes, etc) of the Demerged Undertaking to the Resulting Company pursuant to this Scheme, without any further act or deed.



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- 1.5 **“Effective Date”** means the date on which the certified copy of the Order of the High Court of Judicature at Bombay or National Company Law Tribunal, as the case may be, under Sections 391 to 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra, Mumbai.
- 1.6 **“Remaining Business”** means the Finance & Insurance Commission business of Demerged Company and properties used in connection therewith.
- 1.7 **“Resulting Company”** or the **“Transferee Company”** or **“TML”** means TATA MOTORS LIMITED, an existing company under the Act and having its registered office at Bombay House, 24, Homi Mody Street, Mumbai—400 001.
- 1.8 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form or with any modification(s) approved or imposed or directed under Clause 16 of this Scheme

2. DATE OF COMING INTO EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon’ble High Court of Judicature at Bombay/National Company Law Tribunal shall be effective from the Effective Date but shall be operative from the Appointed Date.

3. SHARE CAPITAL

- 3.1 The Share Capital of Concorde Motors Limited as at the latest balance sheet date is as under:

	As at March 31, 2004
	(Rs. in crores)
Authorised Capital	
18,90,00,000 Equity Shares of Rs. 10 each	189.00
	189.00
Issued, Subscribed and Paid-up	
2,43,50,000 Equity Shares of Rs. 10 each fully paid-up	24.35
	24.35

Subsequent to the Balance Sheet date, there has been no change in the Issued, Subscribed and Paid-up Capital of CML. As on date, the entire paid up share capital of CML is held by TML and its nominees, i.e. CML is a wholly-owned subsidiary of TML.

- 3.2 The Share Capital of Tata Motors Limited as at the latest balance sheet date is as under:

	As at March 31, 2004
	(Rs. in crores)
Authorised Capital	
40,00,00,000 Ordinary Shares of Rs 10 each	400.00
	400.00
Issued:	
35,29,58,130 Ordinary Shares of Rs. 10 each	352.96
	352.96
Subscribed:	
35,29,58,130 Ordinary Shares of Rs. 10 each fully paid up	352.96
Less: Calls in Arrears	0.01
	352.95
Add: Share Forfeiture	0.05
Share Application Money (pending allotment)	3.83



356.83



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Subsequent to the Balance Sheet date, the Share Capital of Tata Motors Limited as on date is as under.

	As of Date
	(Rs. in crores)
Authorised Capital	
40,00,00,000 Ordinary Shares of Rs 10 each	400.00
	400.00
Issued:	
36,13,83,425 Ordinary Shares of Rs. 10 each	361.38
	361.38
Subscribed:	
36,13,83,425 Ordinary Shares of Rs. 10 each fully paid up	361.38
Less: Calls in Arrears	0.01
	361.37
Add: Share Forfeiture	0.05
Share Application Money (pending allotment)	—
	361.42

4. VESTING OF UNDERTAKING

- 4.1 With effect from the Appointed Date, the Demerged Undertaking shall, pursuant to the provisions contained in Sections 391 to 394 and other applicable provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961, without any further act or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern.
- 4.2 With effect from the Appointed Date, all the assets, rights, title and interest including accretions and appurtenances of the Demerged Undertaking at their closing book values (net of revaluation, if any) as on the Appointed Date shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394 (2) of the Act read with Section 2 (19AA) of the Income-tax, Act 1961, be transferred to and vested in or be deemed to have been transferred to and vest in the Resulting Company as a going concern so as to become as and from the Appointed Date, the assets, right, title and interest of the Resulting Company.
- 4.3 In respect of such of the assets of the Demerged Undertaking, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, payment or by endorsement and delivery, the same may be so transferred by the Demerged Company, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking, without requiring any deed or instrument of conveyance for the same.
- 4.4 In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in clause 4.3 above, the same shall, as more particularly provided in clause 4.1 and 4.2 above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Section 394 of the Act read with Section 2(19AA) of the Income-tax, Act 1961.



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- 4.5 Upon the coming into effect of the Scheme and subject to the provisions of the Income-tax Act, 1961, the unabsorbed business losses, and the allowance for unabsorbed depreciation, of the Demerged Company shall be transferred to the Resulting Company in the same proportion in which the assets of the Spare Parts Business proposed to be transferred bear to the assets retained in the Demerged Company and shall be deemed to be available for carry forward and set off in the hands of the Resulting Company in accordance with the provisions of Section 72A of the Income-tax Act, 1961.
- 4.6 With effect from the Appointed Date, the following debts, liabilities and obligations of the Demerged Company, shall be deemed to have been transferred to the Resulting Company and to the extent they are outstanding on the Effective Date shall, without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company which shall undertake to meet, discharge and satisfy the same:
- 4.6.1 The liabilities which arose out of the activities or operation of the Demerged Undertaking, including in particular, debts, duties, or other claims relating to the activities or operations of the Demerged Undertaking; and
- 4.6.2 such of the general or multipurpose borrowings of Demerged Company, which in the aggregate, stand in the same proportion which the value of the assets transferred to the Resulting Company bear to the assets of the Demerged Company on the Appointed Date.
- 4.7 Where any of the liabilities and obligations of the Demerged Company as on the Appointed Date, deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company which shall undertake to meet, discharge and satisfy the same.

This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2 (19AA) of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification to not affect other parts of the Scheme.

5. CONTRACTS, DEEDS, ETC.

- 5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.
- 5.2 The Resulting Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above as a confirming party with no obligation cast on or assumed by the Demerged Company. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliance referred to above on the part of the Demerged Company to be carried out or performed.



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6. STAFF, WORKMEN AND EMPLOYEES

- 6.1 On the Scheme becoming operative, all staff, workmen and employees of the Demerged Undertaking in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Resulting Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to the Demerged Undertaking on the Effective Date.
- 6.2 As far as the Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company relatable to the Demerged Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the employees transferred with the Demerged Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Company relating to the Demerged Undertaking in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company shall be entitled to adopt such course in this regard as may be advised, provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company relatable to the Demerged Undertaking.

7. LEGAL PROCEEDINGS

- 7.1 Upon the coming into effect of the Scheme, all legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future (whether before or after the Effective Date) in respect of any matter arising before the Effective Date and relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company after the Effective Date.
- 7.2 If the proceedings are taken against the Demerged Company in respect of the matters referred to in clause 7.1, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 7.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in clause 7.1 transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

8. BUSINESS AND PROPERTY IN TRUST FOR RESULTING COMPANY

With effect from the Appointed Date and upto and including the Effective Date:

- 8.1 The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking and shall stand possessed of all the assets, rights, title and interest of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;
- 8.2 All profits and cash accruing to the Demerged Company, or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Demerged Undertaking shall for all purposes, be treated as the profits/ cash, taxes or losses, as the case may be, of the Resulting Company;
- 8.3 All accretions and depletions to the Demerged Undertaking shall be for and on account of the Resulting Company.



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9. PROFITS, DIVIDEND, BONUS/ RIGHT SHARES

- 9.1 Demerged Company shall not without the prior written consent of Resulting Company, utilize the profits, if any, for declaring or paying of any dividend and shall also not utilise, adjust or claim adjustment of the profits/losses, as the case may be earned/incurred or suffered after the Appointed Date.
- 9.2 Demerged Company shall not issue or allot any further securities, either rights or bonus or otherwise, without the prior written consent of Board of Directors of Resulting Company.

10. CONDUCT OF BUSINESS

- 10.1 The Demerged Company will, from the Appointed Date upto and including the Effective Date, preserve and carry on the Demerged Undertaking with reasonable diligence and prudence and agrees that it will not, without the prior written consent of the Resulting Company, alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof or recruit new employees or vary or alter the terms and conditions of employment of any of its employees in relation to the Demerged undertaking (in each case except in the ordinary course of business), without the prior written consent of the Resulting Company.
- 10.2 The Demerged Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the business of the Spare Parts Business.
- 10.3 With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorised to carry on the business carried on by the Demerged undertaking.

11. SAVING OF CONCLUDED TRANSACTION

The transfer and vesting of the assets of, liabilities and obligations appertaining/ allocated to the Demerged Undertaking under Clause 4 and 5 and the continuance of the proceedings by or against the Resulting Company under Clause 7 hereof shall not affect any transactions or proceedings already completed by the Demerged Company on and after the Appointed Date to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/ or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

12. CONSIDERATION

The Demerged Company is a wholly owned subsidiary of the Resulting Company and its entire share capital is held by Resulting Company and its nominees. Accordingly, there would be no issue of shares of Resulting Company to the shareholders of Demerged Company.

13. REMAINING BUSINESS

- 13.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- 13.2 All legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company.
- 13.3 With effect from the Appointed Date-
- 13.3.1 The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business;
- 13.3.2 All profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, advance taxes paid, etc.) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company.



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14. ACCOUNTING TREATMENT

14.1 The treatment in the books of the Demerged Company shall be as under:

14.1.1 Upon the coming into effect of this Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Demerged Undertaking shall stand closed and transferred to the Resulting Company. Insofar as the accounts representing common or multipurpose borrowings referred to in clause 4.6.2 are concerned, they shall stand reduced by the amounts transferred to the Resulting Company in accordance with the provisions of this Scheme

14.1.2 The excess of the amount of assets over the liabilities so transferred shall be debited to the Profit & Loss Account in the books of account of the Demerged Company.

14.2 The treatment in the books of the Resulting Company shall be as under:

14.2.1 Upon the coming into effect of this Scheme, the Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective book values. For reflecting the value of the assets in the books of the Resulting Company, any change in the value of assets consequent to their revaluation shall be ignored. It is clarified that insofar as the amounts of common or multipurpose borrowings referred to in Clause 4.6.2 are concerned, the Resulting Company shall record the same under the same account caption as that used by the Demerged Company.

14.2.2 Further, the amount arising as an accounting differential for the Resulting Company on account of the difference, if any, between the amount representing the surplus of assets over liabilities of the Demerged Undertaking recorded in its books of account, shall be credited to the General Reserve Account. The deficit, if any, of the value of assets over value of liabilities of the Demerged Undertaking shall be debited to Goodwill Account.

14.3 It is clarified that all taxes payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards including all or any refund and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Resulting Company is expressly permitted to revise its Sales tax returns, other tax returns, if any and to claim refunds/ credits, pursuant to the provisions of this Scheme. Upon the Scheme becoming effective, the Resulting Company is also expressly permitted to revise its Income-tax returns and to claim refunds, advance tax and withholding tax credits, etc., pursuant to the provisions of this Scheme.

15. APPLICATION TO THE HIGH COURT

The Demerged Company shall make necessary applications before the High Court of Bombay/ National Company Law Tribunal for the sanction of this Scheme of Arrangement under Sections 391 to 394 of the Act.

16. MODIFICATION TO THE SCHEME

16.1 The Demerged Company (by its Board of Directors) and the Resulting Company (by its Board of Directors) either by themselves or through a committee appointed by them in this behalf, may, in their full and absolute discretion, make and/or assent to any alteration or modification to this Scheme, including but not limited to those which the Court and/or any other authority may deem fit to approve or impose and effect any other modification or amendment which the Boards in the best interests of the Demerged Company or Resulting Company may consider necessary.

16.2 The Demerged Company (by its Board of Directors) and the Resulting Company (by its Board of Directors) are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authority or otherwise howsoever arising out of or under or by virtue of the scheme and/or any matter concerned or connected therewith.

17. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

17.1 The sanction of the Scheme by the Hon'ble Court at Bombay;



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- 17.2 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 17.3 The approval by the requisite majorities of the classes of persons of the Demerged Company and / or the Resulting Company as directed by the High Court of Judicature at Bombay/National Company Law Tribunal under Section 391 of the Act.
- 17.4 The certified copies of the Court order referred to in the Scheme being filed with the Registrar of Companies, Maharashtra, Mumbai.

18. EFFECT OF NON-RECEIPT OF APPROVALS

In case the scheme is not sanctioned by the High Court of Judicature at Bombay/National Company Law Tribunal under Section 391 of the Act, or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions, or conditions enumerated in the scheme not being obtained or complied or for any other reason, the Scheme shall become null and void and shall be withdrawn and in that event no rights or liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such a case, each company shall bear its own cost, charges and expenses in connection with the scheme unless otherwise mutually agreed.

19. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Resulting Company.



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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 258 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO. 179 OF 2005

In the matter of:

The Companies Act, 1956

And

In the matter of:

Sections 391 to 394 read with Sections 100 – 103 of the Companies Act, 1956

And

In the matter of:

Tata Motors Limited, a company incorporated under the provisions of the Indian Companies Act, 1913 and having its Registered Office at Bombay House, 24, Homi Mody Street, Mumbai 400 001.

And

In the matter of:

The Scheme of Reorganization and Amalgamation of Tata Finance Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Bezzola Complex, V. N. Purav Marg, Chembur, Mumbai 400 071 (Transferor Company) with Tata Motors Limited, (a company incorporated under the provisions of the Indian Companies Act, 1913 and having its Registered Office at Bombay House, 24, Homi Mody Street, Mumbai 400 001 (Transferee Company) and their respective members and creditors.

Tata Motors Limited, a company
incorporated under the provisions of
the Indian Companies Act, 1913 and
having its Registered Office at
Bombay House, 24, Homi Mody
Street, Mumbai 400 001.

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.... Petitioner Company



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Coram : A. M. Khanwilkar, J

Dated : June 24, 2005

Upon the Petition of Tata Motors Limited, the Petitioner Company abovenamed solemnly declared on the 27th day of April, 2005 and presented to this Hon'ble Court on the 27th day of April, 2005 for sanctioning the arrangement embodied in the Scheme of Reorganisation and Amalgamation of Tata Finance Limited (hereinafter referred to as the "Transferor Company") with Tata Motors Limited (hereinafter referred to as the "Transferee Company" or the "Petitioner Company") and their respective members and creditors (the said Scheme of Amalgamation is hereinafter referred to as the "Scheme") and for other consequential reliefs as mentioned in the said Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the affidavit of Mr. Hoshang K. Sethna, Authorised Signatory of the Petitioner Company solemnly affirmed on the 27th day of April, 2005 verifying the said Petition AND UPON READING the affidavit of Mr. Hoshang K. Sethna, Authorised Signatory of the Petitioner Company dated 4th day of May, 2005 proving publication of the notice of hearing of the Petition in newspapers viz. the Free Press Journal on the 3rd day of May, 2005, and Nav Shakti (Mumbai Edition) on the 3rd day of May, 2005 AND UPON READING the affidavit of Dilip Mithbavkar, clerk in the office of the Advocates for the Petitioner Company dated the 4th day of May, 2005 proving service of the notice of hearing of the Petition upon Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the order dated the 18th day of March, 2005 passed by this Hon'ble Court in Company Application No.179 of 2005 whereby the Petitioner Company was directed to convene and hold meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner for the purpose of considering and, if thought fit, approving, with or without modification, *inter alia*, the proposed amalgamation of the Transferor Company with the Petitioner Company as embodied in the Scheme. AND UPON reading the affidavit dated 6th April, 2005 of Mr. Hoshang K Sethna, Company Secretary and Authorised Signatory of the Petitioner Company proving publication of the notice convening meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Company in the issue of Free Press Journal dated 30th March, 2005 and Navshakti dated 31st March, 2005 and also proving despatch of notice convening meeting to the Individual Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Company AND UPON READING the report dated 27th April, 2005 of Mr. Ratan N. Tata, Chairman appointed for the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Company as to the results of the said meetings AND UPON READING the affidavit dated 27th April, 2005 of Mr. Ratan N. Tata verifying the Chairman's report AND IT APPEARS from the Report of the Chairman that the Scheme of Reorganisation and Amalgamation of the Transferor Company with the Petitioner Company has been approved by requisite majority of Equity Shareholders, Secured Creditors and unsecured creditors of the Petitioner representing more than three fourth in value of the Equity Shareholders, Secured Creditors and Unsecured Creditors present at the respective meetings and voting in favour of the Scheme. AND UPON READING the affidavit dated 9th day of June, 2005 of Mr. Chakradhara Paik, Regional Director, Western Region, Ministry of Company Affairs, stating that the Scheme is not prejudicial to the interest of the Shareholders and Creditors of the Petitioner Company subject to Company complying with requirements of Section 18 of the Companies Act, 1956 and to file resolution deemed to have been passed under Section 31/16/149(2A) of the Companies Act, 1956 and Transferee Company to file Form No. 5 with the Registrar of Companies for such increase with registration fees as required under Section 97 of the Companies Act, 1956 and payment of stamp duty AND UPON HEARING Mr. Janak Dwarkadas and Mr. Darius Khambata, counsel instructed by AZB & Partners, Advocates for the Petitioner Company and Mr. C. J. Joy with Mr. R. C. Master and Mr. M. M. Goswami, Panel Counsel instructed by Dr T. C. Kaushik for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND no other person



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or persons entitled to appear at the hearing of the Petition appearing this day either in support of the said Petition or to show cause against the same AND UPON the assurance given by the Petitioner Company through Counsel for Petitioner Company to comply with the requirements stated in the affidavit of the Regional Director and to take steps in pursuing the legal cases already instituted and also take resort to such other remedies as may be permissible by law against the erstwhile officers and upon the authorised officer of the Petitioner Company filing undertaking on the above terms in this Court within one week from the date hereof AND UPON READING the affidavit dated 24th day of June, 2005 of Mr. Hoshang K. Sethna, Company Secretary of the Petitioner Company filed pursuant to the abovesaid order THIS COURT DOTH HEREBY SANCTION the Scheme of Reorganisation and Amalgamation of Tata Finance Limited, the Transferor Company with Tata Motors Limited, the Petitioner Company and their respective members and creditors, as set forth in Exhibit "I" to the Petition and also in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE that the same to be binding on the Transferor Company and the Petitioner Company and also their respective members and creditors and all persons concerned under the Scheme of Reorganisation and Amalgamation AND THIS COURT DOTH ORDER that pursuant to the provisions of Section 394 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as the "Act") if any, with effect from the 1st day of April, 2005 (hereinafter referred to as the "Appointed Date") the Transferor Company shall stand amalgamated with the Petitioner Company, as provided in the Scheme, and, pursuant to the provisions of Sections 391 and 394 and other applicable provisions of the Act, all the assets whatsoever concerning the Transferor Company, including but not limited to the entire industrial undertaking of the Transferor Company, being the business of generation and sale of electricity and any incentive pertaining thereto, as on the Appointed Date shall, without any further act, instrument or deed, be transferred to and stand vested in and / or be deemed to be transferred to and stand vested in the Petitioner Company and in respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery, they shall be physically handed over by manual delivery or endorsement and delivery, the same may be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Petitioner Company to the end and intent that the ownership and property therein passes to the Petitioner Company on such handing over and without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which the Transferor Company is entitled to in terms of the various statutes and/or schemes of Union and State Governments, be available to and vest in the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date all the debts, outstandings, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company, including but not limited to the entire industrial undertaking of the Transferor Company, being the business of generation and sale of electricity and any incentive pertaining thereto, as on the Appointed Date shall, accordingly, stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that any suits, actions and proceedings of whatsoever nature by or against the Transferor Company which are pending on the Effective Date (as defined in the Scheme), shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Petitioner Company or anything contained in the Scheme, but the said proceedings may be continued and enforced by or against the Petitioner Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme AND THIS COURT FURTHER ORDER that subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements, incentives, licences, engagements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Petitioner



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Company, as the case may be, and may be enforced by or against the Petitioner Company as fully and effectually as if, instead of the Transferor Company, the Petitioner Company had been a party or beneficiary thereto AND THIS COURT DOTH FURTHER ORDER that subject to the provisions of the Scheme, all the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Petitioner Company and all employees of the Transferor Company in service on the Effective Date to whom provisions of Industrial Disputes Act, 1947, apply, shall, on and from the Effective Date, become the employees of the Petitioner Company on the terms and conditions not less favourable than those on which they were engaged on the Effective Date and on and from the Effective Date, the services of the employees of the Transferor Company will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of the said Funds (as defined in the Scheme) AND THIS COURT DOTH FURTHER ORDER that upon coming into effect of the Scheme, the Objects Clause of the Memorandum of Association of the Petitioner Company be amended and the following clause be added as Clause No. (1A) to the Objects Clause of the Memorandum of Association of the Petitioner Company: *"To carry on the business of financing, re-financing of all kinds and descriptions of motor vehicles, tractors and other farm equipment, construction equipment, capital equipment, spares and components, whether manufactured by the Company or not, including used/second hand products as also services of every kind and description, through credit/financing products, including by way of hire purchase, financial and/or operating leases, loans and guarantees or otherwise."* AND THIS COURT DOTH FURTHER ORDER upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Petitioner Company be hereby replaced with the following: *"V. The Capital of the Company is Rs. 4,10,00,00,000/- divided into 41,00,00,000 Ordinary Shares of Rs.10/- each."* AND THIS COURT DOTH FURTHER ORDER that pursuant to the provisions of Sections 391 and 394 of the Act and other applicable provisions of the Act, if any, and upon coming into effect of the Scheme, Article 5 of the Articles of Association of the Petitioner Company be hereby replaced with the following: *"5. The Capital of the Company is as reflected in Clause V of the Memorandum of Association from time to time."* AND THIS COURT DOTH FURTHER ORDER that pursuant to the provisions of Sections 391 and 394 of the Act and other applicable provisions of the Act, if any, and upon the Scheme coming into effect, that without any further application, act or deed, the Petitioner Company shall, in consideration of the amalgamation, issue and allot to every equity shareholder of the Transferor Company (other than the Petitioner Company but including Sheba Properties Limited, a wholly owned subsidiary company of the Petitioner Company, if applicable) holding fully paid-up equity shares in the Transferor Company and whose names appear in the Register of Members of the Transferor Company on the Record Date (as defined in the Scheme), 8 ordinary shares of Rs.10/- each in the Petitioner Company credited as fully paid-up with rights attached thereto as hereinafter mentioned, for every 100 equity shares of Rs.10/- each, fully paid-up, held by such member in the capital of the Transferor Company and it be further ordered that the equity shares which the Petitioner Company holds in the Transferor Company, if any, shall get cancelled, without any further application, act or deed and in so far as forfeited shares in the Transferor Company are concerned, no shares shall be issued by the Petitioner Company in lieu thereof and that the preference shares held by the Petitioner Company in the Transferor Company shall get cancelled without any further application, act or deed and it be further ordered that in respect of the equity shares in the Transferor Company already held in dematerialised form, the Ordinary Shares to be issued by the Petitioner Company in lieu thereof shall also be issued in dematerialised form with the shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto and in respect of the equity shares in the Transferor Company held in the physical form, each member of the Transferor Company holding such shares shall have the option, to be exercised by way of giving a notice to the Transferee Company on or before the Record Date, to receive the Ordinary Shares of the Petitioner Company either in physical form or in dematerialised form and in the event that



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such notice has not been received by the Petitioner Company in respect of any member, the Ordinary Shares of the Petitioner Company shall be issued to such members in physical form AND THIS COURT DOTH FURTHER ORDER that the shares of Transferor Company held by its equity shareholders (both in physical and dematerialized form) whose names appear in the Register of Members and the records of the depository as on the Record Date, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and that the said equity shares of the Transferor Company held in physical form be deemed to have been automatically cancelled without any requirement to surrender the certificates for shares held by the shareholders of the Transferor Company and that the Transferee Company take such corporate actions in relation to the equity shares of the Transferor Company held in dematerialized form, as may be necessary AND THIS COURT DOTH FURTHER ORDER that the Board of Directors of the Petitioner Company consolidate all fractional entitlements arising due to the issue of Ordinary Shares in terms of Clause 13.1 of the Scheme to shareholders of the Transferor Company and thereupon issue and allot Ordinary Shares in lieu thereof to a separate trust created for the purpose which shall hold the Ordinary Shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such trust shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit and that the said trust shall distribute such net sale proceeds to the members in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within 30 days from the date of the sealing of the order cause a certified copy of THE order to be delivered to the Registrar of Companies, Maharashtra, Mumbai for registration, and upon such certified copy of the Order being delivered, the Registrar of Companies, Maharashtra, Mumbai shall place all the files and records of the Transferor Company and registered with him on the file kept by him in relation to the Petitioner Company and shall consolidate the files of the Transferor Company with the Petitioner Company accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the arrangement embodied in the said Scheme sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary with regard to the working of the arrangement embodied in the said Scheme sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs. 2,500/- (Rupees two thousand five hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, towards costs of the said Petition WITNESS SHRI DALVEER BHANDARI, the Chief Justice at Bombay aforesaid this 24th day June 2005.

BY THE COURT,

For Prothonotary & Senior Master

Order sanctioning Scheme of Reorganisation)
 and Amalgamation under Sections 391 and 394)
 of the Companies Act, 1956 drawn on the)
 application of AZB & Partners, Advocates for)
 the Petitioner Company having their office at)
 23rd Floor, Express Towers, Nariman Point,)
 Mumbai 400021.)
)



HIGH COURT, BOMBAY
O.O.C.J.
COMPANY PETITION NO.258 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO.179 OF 2005

In the matter of:

The Companies Act, 1956

And

In the matter of:

Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956

And

In the matter of:

Tata Motors Limited, a company incorporated under the provisions of the Companies Act, 1913 and having its Registered Office at Bombay House, 24, Homi Mody Street, Mumbai 400 001.

And

Applied on	27-6-2005
Engrossed on	28-6-2005
Section Writer	/s/
Folios	-
Examined by	/s/
Compared with	/s/
Ready on	28-6-2005
Delivered on	24-6-2005
Applied on	
Engrossed on	28-6-2005
Order Writer	/s/
Folios	21 pages
Examined by	/s/
Compared with	/s/
Ready on	28/June/2005
Delivered on	28/June/2005

In the matter of:

The Scheme of Reorganization and Amalgamation of Tata Finance Limited, the Transferor Company with Tata Motors Limited, the Petitioner Company and their respective members and creditors.

Tata Motors Limited

..... Petitioner Company
**ORDER SANCTIONNING THE SCHEME OF
REORGANISATION AND AMALGAMATION
DRAWN UP ORDER**

Dated this 24th the day of June, 2005

Filed this 28th day of June 2005

AZB & Partners

Advocates for the Petitioner Company
Express Towers, 23rd Floor, Nariman Point,
Mumbai 400021.



**SCHEME OF REORGANISATION AND AMALGAMATION
OF
TATA FINANCE LIMITED
WITH
TATA MOTORS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

UNDER SECTIONS 100, 391 and 394 OF THE COMPANIES ACT, 1956

This Scheme of Reorganisation and Amalgamation provides for the reorganisation of the capital of Tata Finance Limited, a company incorporated under the Companies Act, 1956, having its Registered Office at Bezzola Complex, V. N. Purav Marg, Chembur, Mumbai 400071, India (hereinafter referred to as the “**Transferor Company**”) and the amalgamation of the Transferor Company with Tata Motors Limited, a company incorporated under the Indian Companies Act, 1913, having its Registered Office at Bombay House, 24, Homi Mody Street, Mumbai 400 001, India (hereinafter referred to as the “**Transferee Company**”), pursuant to the relevant provisions of the Companies Act, 1956.

1. DEFINITIONS

In this Scheme, unless repugnant to or inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1. “**Act**” or “**the Act**” means the Companies Act, 1956, or any modifications or re-enactment thereof from time to time;
- 1.2. “**Appointed Date**” means April 1, 2005 or such other date as may be mutually agreed by the Board of Directors of the Transferor Company and the Transferee Company;
- 1.3. “**Effective Date**” means last of the dates specified in Clause 18 of this Scheme;
- 1.4. “**Record Date**” means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of Ordinary Shares of the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme;
- 1.5. “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Reorganisation and Amalgamation in its present form or with any modification(s) made under Clause 17 of this Scheme or any modifications approved or directed by the High Court of Judicature at Bombay;
- 1.6. “**Transferee Company**” means Tata Motors Limited, a company incorporated under the Indian Companies Act, 1913 and having its Registered Office at Bombay House, 24, Homi Mody Street, Mumbai 400 001, India;
- 1.7. “**Transferor Company**” means Tata Finance Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Bezzola Complex, V. N. Purav Marg, Mumbai 400071, India;

2. NATURE OF BUSINESS

2.1. Nature of Business of the Transferor Company

The Transferor Company is, *inter alia*, engaged in the business of providing finance for commercial vehicles, motor cars and construction equipment and generation and sale of electricity.

2.2. Nature of Business of the Transferee Company

The Transferee Company is, *inter alia*, engaged in the business of designing, manufacturing, assembly and sale of a wide range of automotive vehicles. Additionally, the Transferee Company is also engaged in the sale of spare parts for its vehicles and engines for industrial and marine applications.



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3. CAPITAL STRUCTURE

3.1. As on December 31, 2004, the share capital of the Transferor Company is as under:

Particulars	Amount (Rs. in crores)
<u>Authorised Capital</u>	
<i>Equity Shares</i>	
40,00,00,000 equity shares of Rs.10/- each	400.00
<i>Cumulative Redeemable Preference Shares</i>	
3,75,00,000 Cumulative Redeemable Preference Shares of Rs.100/- each	375.00
1,45,00,000 Cumulative Convertible Preference Shares of Rs.100/- each	145.00
	920.00
<u>Issued, Subscribed and Paid-up Capital</u>	
<i>Equity Shares</i>	
19,98,06,246 equity shares of Rs. 10/- each, fully paid-up	199.81
<i>Add: Forfeited Shares</i>	0.01
	199.82
<i>Cumulative Redeemable Preference Shares</i>	
1,50,00,000 – 0.01% Cumulative Redeemable Preference Shares of Rs 100/- each, fully paid-up	150.00
	349.82

3.2. As on December 31, 2004, the share capital of the Transferee Company is as under:

Particulars	Amount (Rs. in crores)
<u>Authorised Capital</u>	
<i>Ordinary Shares</i>	
40,00,00,000 Ordinary Shares of Rs. 10/- each	400.00
<u>Issued, Subscribed and Paid-up Capital</u>	
36,17,51,751 Ordinary Shares of Rs.10/- each, fully paid-up	361.75
<i>Less: Calls in arrears</i>	0.01
	361.74
<i>Add: Share forfeiture</i>	0.05
	361.79

4. BACKGROUND AND RATIONALE FOR THE SCHEME4.1. The background and circumstances which justify the said Reorganisation and Amalgamation are, *inter-alia*, as follows:-

4.1.1. The Transferor Company was set up in 1984 as a finance company to carry on the business of hire purchase, leasing and other finance related activities. Whilst the Transferor Company had diversified into various other business activities like credit cards, share broking, home finance, merchant banking, its mainstay business has always been vehicle financing.

4.1.2. The Transferor Company had, in the last two years, decided to exit from various non-core activities by focusing primarily on its vehicle financing business. The Transferor Company predominantly carries on vehicle financing activities through a direct marketing channel spread across a countrywide network of branches with field staff and direct sales agents.



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- 4.1.3. The Transferee Company has an in-house financing arm, the Bureau of Hire Purchase and Credit (BHPC) which also undertakes vehicle financing business, primarily for its products. This customer financing activity is based on a dealer driven business model reaching out to its customers through its automobile dealers acting as marketing, sourcing and collection agents.
- 4.1.4. In order to be competitive in the auto financing market, both the Transferor Company and the Transferee Company had entered into a joint marketing arrangement under which they approach the market through a common marketing front under the brand of 'Tata Motor Finance'. This has enabled Tata Motor Finance to draw operational synergies from the Transferor Company and the Transferee Company resulting in enhanced vehicle financing activity, whilst simultaneously supporting the Transferee Company's vehicle sales.
- 4.1.5. In line with international practice, the Transferee Company is planning to build a formidable captive financing arm to support its vehicle sales business, de-risk the revenue stream from the cyclical nature of vehicles sales business, ensure customer loyalty by enveloping a complete value chain of life cycle spending of a vehicle buyer and generate a sustainable profit stream to enhance shareholders' value. With this view, it is now proposed to amalgamate the Transferor Company with the Transferee Company.
- 4.1.6. The above amalgamation would result in synergies to Tata Motor Finance through complementary customer sourcing models, access to low cost funds, flexibility to offer competitive products/services, bundling financing options with other products / services of the Transferee Company and operational synergies.
- 4.1.7. This amalgamation therefore would enable Tata Motor Finance to face the increasing competition with better economies of scale, improved cost efficiencies and enhanced productivity and in the process, grow this business profitably. It would also help the combined entity to attract and retain the best human resource talent which is of vital importance for this business.
- 4.1.8. The proposed amalgamation would be beneficial to the shareholders of the Transferor Company in as much as they would have an opportunity to be able to participate in the auto finance growth under the amalgamated entity and participate in the up side of the overall business growth of the Transferee Company, possible appreciation of its stock price and dividend payouts.

5. AMALGAMATION OF COMPANIES

- 5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme, and, pursuant to the provisions of Sections 391 and 394 and other applicable provisions of the Act, all the assets and debts, outstandings, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company, including but not limited to the entire industrial undertaking of the Transferor Company, being the business of generation and sale of electricity and any incentive pertaining thereto, as on the Appointed Date shall, accordingly, stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Transferee Company, as under. Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which the Transferor Company is entitled to in terms of the various statutes and/or schemes of the Union and State Governments, shall be available to and vest in the Transferee Company.
- 5.1.1. In respect of such of the assets of the Transferor Company, as are movable in nature or are otherwise capable of transfer by manual delivery, they shall be physically handed over by manual delivery or endorsement and delivery, and the same may be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company to the end and intent that the ownership and property therein passes to the Transferee Company on such handing over in pursuance of the provisions of Section 394 of the Act.
- 5.1.2. In respect of such of the assets belonging to the Transferor Company other than those referred to in sub-clause 5.1.1 above, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and / or be deemed to be transferred to and stand vested in the Transferee Company pursuant to the provisions of Section 394 of the Act.
- 5.1.3. In relation to the assets belonging to the Transferor Company, which require separate documents of transfer, the parties will execute the necessary documents, as and when required.
- 5.1.4. The transfer and vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of the Transferor Company or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Transferee Company and no such charges, mortgages, and/or encumbrances shall be enlarged or extended over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security thereof.



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- 5.1.5. In respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen.
- 5.2. For the removal of any doubt, it is clarified that, to the extent that there are inter-company loans, deposits, obligations, balances or other outstandings as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

6. LEGAL PROCEEDINGS

If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the “**Proceedings**”) by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

7. CONTRACTS AND DEEDS

- 7.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licences, engagements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 7.2. The Transferee Company shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that the Transferor Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

8. SAVING OF CONCLUDED TRANSACTIONS

- 8.1. The transfer of the assets and liabilities of the Transferor Company under Clause 5 above, the continuance of Proceedings under Clause 6 above and the effectiveness of contracts and deeds under Clause 7 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

9. EMPLOYEES

- 9.1. All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company. All employees of the Transferor Company in service on the Effective Date to whom provisions of the Industrial Disputes Act, 1947 apply, shall, on and from the Effective Date, become the employees of the Transferee Company on the terms and conditions not less favourable than those on which they were engaged on the Effective Date.
- 9.2. On and from the Effective Date, the services of the employees of the Transferor Company will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of the said Funds (as defined herein below).



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- 9.3. With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees (hereinafter referred to as the “**said Funds**”) of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such schemes or funds in relation to the obligations to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective Trust Deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. In the event that the Trustees are constituted as holders of any securities, trust funds or trust monies, in relation to any provident fund trust, gratuity trust or superannuation trust of the Transferor Company, such funds shall be transferred by such trustees of the trusts of the Transferor Company, to separate trusts and the trustees of the Transferee Company if set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the relevant labour laws, Indian Trusts Act, 1882, the Income Tax Act, 1961 and relevant stamp legislations, as applicable. In such a case, appropriate deeds of trusts and/or documents for transfer of trust properties shall be executed upon the sanction of the Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the trusts of the Transferee Company, so as to continue the benefits of the employees. For this purpose, the trusts created by the Transferor Company shall be transferred and/or continued by the Transferee Company, if permitted by law, failing which the Transferee Company shall establish similar trusts ensuring that there is continuity in this regard. The Trustees, including the Board of Directors of the Transferor Company and the Transferee Company, shall be entitled to adopt such course of action in this regard, as may be advised, provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company.

10. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- 10.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- 10.2. The Transferor Company shall carry on its businesses and activities with reasonable diligence, business prudence and shall not (without the prior written consent of the Transferee Company) alienate, charge, mortgage, encumber or otherwise deal with or dispose of the undertaking or any part thereof (except in the ordinary course of business).
- 10.3. All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 10.4. On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company:
- 10.4.1. except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise; or
- 10.4.2. utilise, subject to Clause 11.1 below, the profits, if any, for any purpose, including declaring or paying any dividend.

11. DIVIDENDS

- 11.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company, as mentioned in Clause 10.4.2 above.
- 11.2. Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 11.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.



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12. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY

- 12.1. Upon coming into effect of the Scheme, the Objects Clause of the Memorandum of Association of the Transferee Company shall stand amended and the following clause shall be added as Clause No.(1A) to the Objects Clause of the Memorandum of Association of the Transferee Company:

“To carry on the business of financing, re-financing of all kinds and descriptions of motor vehicles, tractors and other farm equipment, construction equipment, capital equipment, spares and components, whether manufactured by the Company or not, including used/second hand products as also services of every kind and description, through credit/financing products, including by way of hire purchase, financial and/or operating leases, loans and guarantees or otherwise.”

It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 17 of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act.

- 12.2. Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company be and is hereby replaced with the following:

‘V. The Capital of the Company is Rs.4,10,00,00,000/- divided into 41,00,00,000 Ordinary Shares of Rs.10/- each.’

- 12.3. Upon coming into effect of the Scheme, Article 5 of the Articles of Association of the Transferee Company be and hereby replaced with the following:

‘5. The Capital of the Company is as reflected in Clause V of the Memorandum of Association from time to time.’

It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Sections 31 and 94 of the Act or any other provisions of the Act to the extent the same may be considered applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under the Act.

- 12.4. In order to carry on the activities currently being carried on by the Transferor Company, upon the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 391 of the Act, it shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 149(2A) of the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by the Transferor Company in relation to any of the objects contained in the Memorandum of Association of the Transferee Company, to the extent the same may be considered applicable. In particular, the Transferee Company would be allowed to commence the new business of generation and sale of power, specifically through wind mills as hitherto carried on by the Transferor Company, as per Object Clause No. 28 in the Memorandum of Association of the Transferee Company. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 149(2A) of the Act.

13. ISSUE OF SHARES BY THE TRANSFEE COMPANY

- 13.1. Upon the Scheme coming into effect, and without any further application, act or deed, the Transferee Company shall, in consideration of the amalgamation, issue and allot to every equity shareholder of the Transferor Company (other than the Transferee Company but including Sheba Properties Limited, a wholly owned subsidiary company of the Transferee Company, if applicable) holding fully paid-up equity shares in the Transferor Company and whose names appear in the Register of Members of the Transferor Company on the Record Date, 8 Ordinary Shares of Rs.10/- each in the Transferee Company credited as fully paid-up with rights attached thereto as hereinafter mentioned for every 100 equity shares of Rs.10/- each fully paid-up held by such member in the capital of the Transferor Company.
- 13.2. Notwithstanding what is stated in Clause 13.1 above, upon the Scheme coming into effect, the equity shares which the Transferee Company holds in the Transferor Company, if any, shall get cancelled, without any further application, act or deed.
- 13.3. In so far as forfeited shares in the Transferor Company are concerned, no shares shall be issued by the Transferee Company in lieu thereof.



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- 13.4. Upon the Scheme coming into effect, the preference shares held by the Transferee Company in the Transferor Company shall get cancelled without any further application, act or deed.
- 13.5. In respect of the equity shares in the Transferor Company already held in dematerialised form, the Ordinary Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialised form with the shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto. In respect of the equity shares in the Transferor Company held in the physical form, each member of the Transferor Company holding such shares shall have the option, to be exercised by way of giving a notice to the Transferee Company on or before the Record Date, to receive the Ordinary Shares of the Transferee Company either in physical form or in dematerialised form. In the event that such notice has not been received by the Transferee Company in respect of any member, the Ordinary Shares of the Transferee Company shall be issued to such members in physical form.
- 13.6. The shares of Transferor Company held by its equity shareholders (both in physical and dematerialized form) whose names appear in the Register of Members and the records of the depository as on the Record Date, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled. The said equity shares of the Transferor Company held in physical form shall be deemed to have been automatically cancelled without any requirement to surrender the certificates for shares held by the shareholders of the Transferor Company. The Transferee Company shall take such corporate actions in relation to the equity shares of the Transferor Company held in dematerialized form, as may be necessary.
- 13.7. The Board of Directors of the Transferee Company shall consolidate all fractional entitlements arising due to the issue of Ordinary Shares in terms of Clause 13.1 to shareholders of the Transferor Company and thereupon issue and allot Ordinary Shares in lieu thereof to a separate trust created for the purpose which shall hold the Ordinary Shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such trust shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said trust shall distribute such net sale proceeds to the members in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements.
- 13.8. On the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 391 of the Act, it shall be deemed that the said members have also resolved and accorded all relevant consents under Section 81(1A) of the Act or any other provisions of the Act to the extent the same may be considered applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 81(1A) of the Act.
- 13.9. The new shares in the Transferee Company to be issued to the members of the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and the Ordinary Shares shall rank *pari passu* in all respects with the existing Ordinary Shares in the Transferee Company.
- 13.10. The Ordinary Shares of the Transferee Company issued in terms of the Scheme shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Ordinary Shares of the Transferee Company are listed and/or admitted to trading.

14. DISSOLUTION OF THE TRANSFEROR COMPANY

- 14.1. On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up without any further act by the parties.
- 14.2. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Maharashtra, Mumbai. The Transferee Company shall make necessary filings in this regard.

15. ACCOUNTING TREATMENT AND REDUCTION OF CAPITAL

- 15.1. Subject to Clause 15.2 below, all Assets & Liabilities, including Reserves, of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form.



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- 15.2. Upon the Effective Date and with effect from March 31, 2005, but always deemed to be prior to the coming into effect of the amalgamation contemplated in this Scheme, the debit balance of the Profit & Loss Account of the Transferor Company shall be deemed to be written off against the Share Premium Account of the Transferor Company to the extent of the balance available in the Share Premium Account and accordingly, the Share Premium Account of the Transferor Company shall automatically stand reduced as on March 31, 2005 to that extent. The reduction in the Share Premium Account of the Transferor Company, as aforesaid, shall be effected as part of the Scheme only in accordance with Sections 100 to 103 of the Act. As the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101(2) of the Act are not applicable. However, the order of the Hon'ble High Court of Judicature at Bombay, sanctioning the Scheme, shall be deemed to be an order under Section 102 of the Act confirming the reduction. The debit balance remaining in the Profit & Loss Account of the Transferor Company after the write off against the Share Premium Account of the Transferor Company, shall be transferred to the General Reserves of the Transferee Company.
- 15.3. Such reserves of the Transferor Company, including Share Premium Account, if any, will be incorporated in the books of account of the Transferee Company as reduced by the cost of investments of the Transferee Company in the Equity Shares of the Transferor Company.
- 15.4. The difference between the amounts recorded as Share Capital issued and the amount of Share Capital of the Transferor Company shall be adjusted in General Reserves.
- 15.5. The Preference Share Capital of the Transferor Company will be adjusted against the Investments of the Transferee Company in the said capital.
- 15.6. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the General Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

16. APPLICATIONS TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the Hon'ble High Court of Judicature at Bombay, where the Registered Offices of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 100, 391 to 394 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

17. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 17.1. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise, including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise, including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 17.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary, including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

18. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

- 18.1. The Scheme is conditional upon and subject to:
- 18.1.1. Approval of the Scheme by the requisite majority of the respective members and such class of persons of the Transferor Company and the Transferee Company as may be directed by the Hon'ble High Court of Judicature at Bombay.
- 18.1.2. Sanctions and Orders under the provisions of Section 391 read with Section 394 of the Act being obtained by the Transferor Company and the Transferee Company from the Hon'ble High Court of Judicature at Bombay.



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18.1.3. The approval of the Government of India and/or Reserve Bank of India, if required, and the prior consent of the Stock Exchange, Mumbai and/or the National Stock Exchange of India Limited where such approval or consent is necessary.

18.1.4. All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

18.2. This Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely:

18.2.1. That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 18.1 shall be obtained or passed; or

18.2.2. That on which all necessary certified copies of orders under Sections 391 and 394 of the Act shall be duly filed with the appropriate Registrar of Companies.

The last of such dates shall be the “**Effective Date**” for the purpose of this Scheme.

19. COSTS

19.1. All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or Court’s order including this Scheme or in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

20. REVOCATION OF THE SCHEME

20.1. In the event of any of the said sanctions and approvals referred to in Clause 18 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Hon’ble High Court of Judicature at Bombay and/or order or orders not being passed as aforesaid before June 30, 2006 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company {who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)}, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred, *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if such boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the companies.



THIS AGREEMENT (hereinafter the “Agreement”) made on the 28th day of July 2006.

Between

Tata Motors Limited, a Company incorporated under the Indian Companies Act, 1913 and having its Registered Office at Bombay House, 24 Homi Mody Street, Mumbai 400 001 (hereinafter called “the Company”, which expression shall unless repugnant to the context include its successors and assigns) of the One Part

And

Mr Ravi Rajni Kant, Managing Director (hereinafter called “Mr Kant” or “the Managing Director” as the case may be, of the Other Part).

WHEREAS the Board of Directors of the Company (hereinafter called “the Board”) had, at its meeting held on July 29, 2005, appointed Mr Kant as the Managing Director of the Company for a period from July 29, 2005 to June 1, 2009.

AND WHEREAS THE Board had, at its meeting held on May 19, 2006, modified the terms of appointment and remuneration of Mr Kant and Mr Kant has agreed to serve the Company upon the terms and conditions contained in the resolution passed by the Board at its meetings held on July 29, 2005 as modified at the Board meeting held on May 19, 2006 and in the agreement to be executed between the Company and the Managing Director, subject to the approval of the shareholders of the Company.

AND WHEREAS the said appointment has been approved by the shareholders at the Annual General Meeting held on July 11, 2006.

AND WHEREAS the Parties hereto are desirous of entering into an agreement, being these presents, to record the terms and conditions aforesaid.



NOW THESE PRESENTS WITNESSETH AND IT IS HEREBY AGREED as follows:

1. Definitions and interpretation

1.1 Definitions

- 1.1.1 **'Act'** means the Companies Act, 1956, as amended, modified or re-enacted from time to time.
- 1.1.2 **'Confidential Information'** means information relating to the business, products, affairs and finances of the Company or any of its associated company *or* subsidiary for the time being confidential to it or to them and trade secrets (including without limitation technical data and know-how) relating to the business of the Company or of any of its associated company or of any of its or their suppliers, clients or customers.
- 1.1.3 **'Intellectual Property'** includes patents, trade marks whether registered or unregistered, registered or unregistered designs, utility models, copyrights including design copyrights, applications for any of the foregoing and the right to apply for them in any part of the world, discoveries, creations, inventions or improvements upon or additions to an invention, Confidential Information, know-how and any research effort relating to any of the above mentioned business, names whether registrable or not, moral rights and any similar rights in any country.
- 1.1.4 **'Parties'** means collectively the Company and the Managing Director and "Party" means individually each of the Parties.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- 1.2.1 Any reference herein to any clause is to such Clause. The Recitals and Clauses to this Agreement including this Interpretation Clause shall be deemed to form part of this Agreement;
- 1.2.2 The headings are inserted for convenience only and shall not affect the construction of this Agreement;
- 1.2.3 Words importing the singular include the plural and vice versa, and words importing a gender include each of the masculine, feminine and neuter gender;

2. Term and Termination

- 2.1 Subject as hereinafter provided, this Agreement shall remain in force up to June 1, 2009 unless terminated earlier.
- 2.2 This Agreement may be terminated earlier by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration in lieu of such notice.

3. Duties & Powers

- 3.1 The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him. Subject to the supervision and control of the Board, the Managing Director be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.



- 3.2 The Managing Director shall not exceed the powers so delegated by the Board pursuant to clause 3.1 above.
- 3.3 The Managing Director undertakes to employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

4. Remuneration

- 4.1 So long as the Managing Director performs his duties and conforms to the terms and conditions contained in this Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force.

- A. **Salary:** Rs 3,50,000 per month upto a maximum of Rs. 5,00,000 per month. The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit-based and take into account the Company's performance as well.
- B. **Benefits, Perquisites, Allowances determined by the Board in terms of authority granted by the shareholders at their meeting held on July 11, 2006:**

In addition to the basic salary referred to in (a) above, the Managing Director shall be entitled to:

- a. Rent-free residential accommodation (furnished or otherwise) the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of the basic salary.
(in case residential accommodation is not provided by the Company).

- b. Hospitalisation, Transport, Telecommunication and other facilities:
- (i) Hospitalisation and major medical expenses for self, spouse and dependent (minor) children;
 - (ii) Car, with driver provided, maintained by the Company for official and personal use.
 - (iii) Telecommunication facilities including broadband, internet and fax.
 - (iv) Housing Loan as per the Rules of the Company.
- c. Other perquisites and allowances given below subject to a maximum of 55% of the annual salary;
The categories of perquisites / allowances to be included within the 55% limit shall be –

i) Allowances	33.34%
ii) Leave Travel Concession/Allowance	8.33%
iii) Medical allowance	8.33%
	<hr/>
	50.00%
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iv) Personal Accident Insurance) @ actuals subject	
v) Club Membership fees) to a cap of ...	5.00%
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	55.00%
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- d. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- e. The Managing Director shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Managing Director is encashable in accordance with the Rules of the Company.



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C. **Commission:** Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The specific amount payable to the Managing Director will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Accounts have been approved by the Board.

D. **Incentive Remuneration:** Such incentive remuneration not exceeding 200% of salary to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

4.2 **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances, and Incentive Remuneration as specified above.

5. Variation

The terms and conditions of the appointment of the Managing Director and / or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.

6. Intellectual Property

6.1 The Parties acknowledge that the Managing Director may make, discover or create Intellectual Property (IP) in the course of his employment and agree that in this respect the Managing Director has a special obligation to protect such IP and use them to further the interests of the Company.

6.2 Subject to the provisions of the laws relating to IP for the time being in force in India, if at any time during his employment, the Managing Director makes or discovers or participates in the making or discovery of any IP relating to or capable of being used in the business for the time being carried on by the Company or any of its subsidiaries or associated companies, full details of the IP shall immediately be communicated by him to the Company and such IP shall be the absolute property of the Company. At the request and expense of the Company, the Managing Director shall give and supply all such information, data, drawings and assistance as may be required to enable the Company to exploit the IP to its best advantage and the Managing Director shall execute all documents and do all things which may be necessary or desirable for obtaining patent or other protection for the IP in such parts of the world as may be specified by the Company and for vesting the same in the Company or as it may direct.

6.3 The Managing Director hereby irrevocably appoints the Company as his attorney in his name and on his behalf to sign or execute any such instrument or do any such thing and generally to use his name for the purpose of giving to the Company or its nominee the full advantage of the provisions of this clause and if in favour of any third Party, a certificate in writing signed by any director or the secretary of the Company that any instrument or act falls within the authority conferred by this clause shall be conclusive evidence that such is the case.

6.4 If the IP is not the property of the Company, the Company shall, subject to the provisions of the applicable laws for the time being in force, have the right to acquire for itself or its nominee, the Managing Director's rights in the IP within 3 months after disclosure pursuant to clause 6.2 above on fair and reasonable terms.

6.5 The rights and obligations under this clause shall continue in force after termination of the Agreement in respect of IP relating to the period of the Managing Director's employment under the Agreement and shall be binding upon his heirs and legal representatives.



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7. Confidentiality

- 7.1 The Managing Director is aware that in the course of his employment he will have access to and be entrusted with information in respect of the business and finances of the Company including IP, processes and product specifications, etc. and relating to its dealings, transactions and affairs and likewise in relation to its subsidiaries, associated companies, customers or clients all of which information is or may be of a confidential nature.
- 7.2 The Managing Director shall not except in the proper course of performance of his duties during or at any time after the period of his employment or as may be required by law divulge to any person whatever or otherwise make use of and shall use his best endeavours to prevent the publication or disclosure of any Confidential Information of the Company or any of its subsidiaries or associated companies or any of its or their suppliers, agents, distributors or customers.
- 7.3 All notes, memoranda, documents and Confidential Information concerning the business of the Company and its subsidiaries or associated companies or any of its or their suppliers, agents, distributors or customers which shall be acquired, received or made by the Managing Director during the course of his employment shall be the property of the Company and shall be surrendered by the Managing Director to the Company upon the termination of his employment or at the request of the Board at any time during the course of his employment.

8. Non-competition

The Managing Director covenants with the Company that he will not, during the continuance of his employment with the Company, without the prior written consent of the Board, carry on or be engaged, directly or indirectly, either on his own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas, which shall directly or indirectly be in competition with the business of the Company or its subsidiaries or associated companies.

9. Selling Agency

The Managing Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.

10. Tata Code of Conduct

The provisions of the Tata Code of Conduct shall be deemed to have been incorporated into the Agreement by reference. The Managing Director shall during his term, abide by the provisions of the Tata Code of Conduct in spirit and in letter and commit to assure its implementation.

11. Personnel Policies

All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director, unless specifically provided otherwise.

12. Summary termination of employment

The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:

- a. if the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
- b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the Agreement; or
- c. in the event the Board expresses its loss of confidence in the Managing Director.



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13. Termination due to physical / mental incapacity

In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate this contract on such terms as the Board may consider appropriate in the circumstances.

14. Resignation from directorships

Upon the termination by whatever means of his employment under the Agreement:

- a. the Managing Director shall immediately tender his resignation from office as a director of the Company and from such other offices held by him in any subsidiaries and associated companies without claim for compensation for loss of office and in the event of his failure to do so the Company is hereby irrevocably authorised to appoint some person in his name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associated companies of which the Managing Director is at the material time a director or other officer.
- b. the Managing Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries and associated companies.

15. Agreement co-terminus with employment / directorship

- 15.1 The Managing Director is being appointed by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283(1) (l) of the Act.
- 15.2 If and when this Agreement expires or is terminated for any reason whatsoever, Mr Kant will cease to be the Managing Director and also cease to be a Director. If at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and this Agreement shall forthwith terminate. If at any time, the Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.

16. Notices

Notices may be given by either Party by letter addressed to the other Party at, in the case of the Company, its registered office for the time being and in the case of the Managing Director his last known address and any notice given by letter shall be deemed to have been given at the time at which the letter would be delivered in the ordinary course of post or if delivered by hand upon delivery and in proving service by post it shall be sufficient to prove that the notice was properly addressed and posted.

17. Miscellaneous**17.1 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of India.

17.2 Jurisdiction

The Parties have agreed to the exclusive jurisdiction of the Indian courts.

17.3 Entire Agreement

This Agreement contains the entire understanding between the Parties and supersedes all previous written or oral agreements, arrangements, representations, and understandings (if any) relating to the subject matter hereof. Parties confirm that they have not entered into this Agreement upon the basis of any representations that are not expressly incorporated into this Agreement. Neither oral explanation nor oral information given by any Party shall alter or affect the interpretation of this Agreement.

17.4 Waiver

A waiver by either Party of a breach of provision(s) of this Agreement shall not constitute a general waiver, or prejudice the other Party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement.



17.5 Severability

Each term, condition, covenant or provision of this Agreement shall be viewed as separate and distinct, and in the event that any such term, covenant or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue.

17.6 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute the same agreement.

IN WITNESS WHEREOF these presents have been executed by the Parties hereto on the day and year first above written.

The Common Seal of Tata Motors Limited was hereunto affixed in the presence of MR RATAN N TATA and MR N A SOONAWALA two Directors of the Company

Witnesses:

SIGNED, SEALED AND DELIVERED by the said Mr Ravi Kant in the presence of:

Witnesses:



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SUPPLEMENTAL AGREEMENT

Supplemental Agreement between Tata Motors Limited and Mr Ravi Rajni Kant on the revised remuneration as Managing Director of the Company.

THIS SUPPLEMENTAL AGREEMENT made at Mumbai, this 25th day of July, 2008, between TATA MOTORS LIMITED, a Company incorporated under the Companies Act, 1913 and having its Registered Office at Bombay House, 24, Homi Mody Street, Mumbai 400 001, hereinafter called "the Company" of the One Part and MR RAVI RAJNI KANT, hereinafter called "Mr Kant" or "the Managing Director" as the case may be of the Other Part is supplemental to and in modification to the Principal Agreement dated July 28, 2006 between the parties hereto.



WHEREAS Mr Kant was appointed Managing Director of the Company with effect from July 29, 2005 upto June 1, 2009.

AND WHEREAS the Shareholders have at the Annual General Meeting of the Company held on July 24, 2008, approved of the revision and enhancement in the remuneration payable to the Managing Director.



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TATA MOTORS

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Page 1 of 1

NOW THESE PRESENTS WITNESS AND IT IS HEREBY AGREED as follows:-

1. For para 4.1A of the Principal Agreement dated July 28, 2006, substitute the following paragraph :-
Salary: Rs.5,30,000/- per month upto a maximum of Rs.6,50,000/- for the period April 1, 2008 to June 1, 2009.
2. All other terms and conditions in the said Principal Agreement dated July 28, 2006 shall remain unaltered.

IN WITNESS WHEREOF these presents have been executed by the parties hereto on the date and year first above mentioned.

The Common Seal of TATA MOTORS LIMITED was hereunto affixed in the presence of MR RATAN N TATA and MR N A SOONAWALA Directors of Tata Motors Limited

Witnesses :

SIGNED, SEALED AND DELIVERED by the said Mr Ravi Rajni Kant in the presence of:

Witnesses:



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TATA MOTORS

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EXHIBIT 4.3**SUPPLEMENTAL AGREEMENT**

Supplemental Agreement between Tata Motors Limited and Mr. Ravi Rajni Kant on the revised remuneration as Managing Director of the Company.

THIS SUPPLEMENTAL AGREEMENT made at Mumbai, this 25th day of July, 2008, between TATA MOTORS LIMITED, a Company incorporated under the Companies Act, 1913 and having its Registered Office at Bombay House, 24, Homi Mody Street, Mumbai 400 001, hereinafter called "the Company" of the One Part and MR. RAVI RAJNI KANT, hereinafter called "Mr. Kant" or "the Managing Director" as the case may be of the Other Part is supplemental to and in modification to the Principal Agreement dated JULY 31, 2006 between the parties hereto.

WHEREAS Mr. Kant was appointed Managing Director of the Company with effect from July 29, 2005 up to June 1, 2009.

AND WHEREAS the Shareholders have at the Annual General Meeting of the Company held on July 24, 2008, approved of the revision and enhancement in the remuneration payable to the Managing Director.

NOW THESE PRESENTS WITNESS AND IT IS HEREBY AGREED as follows:-

1. For para 4.1A of the Principal Agreement dated July 31, 2006 substitute the following paragraph :-

Salary: Rs.5,30,000/- per month up to a maximum of Rs.6,50,000/- for the period April 1, 2008 to June 1, 2009.

2. All other terms and conditions in the said Principal Agreement dated July 31, 2006 shall remain unaltered.

IN WITNESS WHEREOF these presents have been executed by the parties hereto on the date and year first above mentioned.

The Common Seal of TATA MOTORS LIMITED
was hereunto affixed in the presence of
MR. RATAN N. TATA
and
MR. N.A. SOONAWALA
Directors of TATA MOTORS LIMITED

Witnesses:

SIGNED, SEALED AND DELIVERED by the
said Mr. Ravi Rajni Kant in the presence of:

Witnesses:



EXHIBIT 4.4

EXECUTION VERSION

DATED 25 MARCH 2008

FORD MOTOR COMPANY

TML HOLDINGS LIMITED

AND

TATA MOTORS LIMITED

AGREEMENT

for the sale and purchase of Jaguar and Land Rover

**HOGAN &
HARTSON**



EXECUTION VERSION

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SCHEDULE 1

SALE COMPANIES, SALE SHARES AND JLR SUBSIDIARIES

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EXECUTION VERSION

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PART 2 – NSC REORGANISATION

Section 1 – Transfer of Embedded NSC to NSC Newco

PART 2 – NSC REORGANISATION

Section 2 – Transfer of Embedded NSC to Target Company (as existing/represented in the relevant jurisdiction/administrative region)

PART 2 – NSC REORGANISATION

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PART 3 – NSC LONG STOP DATE EMPLOYMENT ARRANGEMENTS

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PART 1 – CERTIFICATED PROPERTIES

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PART 4 – SEPARATION ACTION PROVISIONS

PART 5 – SEPARATION ACTIONS MAHWAH PROPERTY AND ONTARIO PROPERTY

SUB-PART A TO PART 5 OF SCHEDULE 10

SEPARATION ACTIONS FOR MAHWAH PROPERTY

Exhibit A

Legal Description

Exhibit B

Permitted Exceptions

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SCHEDULE 11**PENSIONS**

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PART 3 – COMPLETION PAYMENT CERTIFICATE

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PART 1 – SELLER'S KNOWLEDGE

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PART 1 – NON-COMMON TOOLING TO BE TRANSFERRED FROM FORD TO JLR BETWEEN EXCHANGE AND COMPLETION

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PART 3 – COMMON TOOLING TO BE TRANSFERRED FROM JLR TO FORD BETWEEN EXCHANGE AND COMPLETION

SCHEDULE 21**LIST OF AGREED FORM TRANSACTION DOCUMENTS**



EXECUTION VERSION

SCHEDULE 22

CATEGORIES OF THIRD PARTY IP

SCHEDULE 23

INFORMATION BARRIERS PROTOCOL

SCHEDULE 24

CLEARANCE STATEMENTS AND ASSOCIATED DOCUMENTATION

- PART 1 – JPP
- PART 2 – JEPP
- PART 3 – LRPS



EXECUTION VERSION

THIS SALE AND PURCHASE AGREEMENT is made on 25 March 2008

BETWEEN:

- (1) **FORD MOTOR COMPANY**, a Delaware corporation whose principal executive office is at One American Road, Dearborn, Michigan 48121-1899, USA (the **Seller**);
- (2) **TML HOLDINGS LIMITED** a company incorporated under the laws of England and Wales under registered number 6477691, whose registered office is at 18 Grosvenor Place, London SW1X 7HS, England (the **Buyer**); and
- (3) **TATA MOTORS LIMITED** a company incorporated under the laws of The Republic of India under registered number 11-4520, whose registered office is at Bombay House, 24 Homi Mody Street, Fort Mumbai 400 000, India (the **Guarantor**).

WHEREAS:

- (A) The Seller or its subsidiaries are the owners of the Sale Shares and the JLR Assets;
- (B) The Seller has agreed to sell, or procure the sale of, and the Buyer has agreed to purchase, the Sale Shares and the JLR Assets for the consideration, and on the terms and subject to the conditions, set out in this Sale and Purchase Agreement;
- (C) To facilitate the transactions contemplated by this Sale and Purchase Agreement, Land Rover UK has agreed to issue, and the Buyer has agreed to subscribe for, or procure the subscription by a member of the Buyer's Group of, the Tata Subscription Shares.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Sale and Purchase Agreement:

Accounts means the audited financial statements of each of the Target Companies other than Jaguar Land Rover Austria, as at, and for the financial period ended on, the Accounts Date;

Accounts Date means 31 December 2006;

Affiliate means a person that at the relevant time directly, or indirectly through one or more person, controls, is controlled by, or is under common control with, the person specified, where **control** means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, through the ownership of voting securities, by contract, as trustee, executor or otherwise, it being understood that, for the purposes of this Sale and Purchase Agreement, neither Mazda Motor Corporation nor any of its affiliates (other than any member of the Seller Group) shall be deemed to be an Affiliate of the Seller Group;



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EXECUTION VERSION

Agreed Form means, in relation to a document, that its form and contents have been agreed by the Seller and the Buyer as evidenced by the cover page having been initialled on the date of this Sale and Purchase Agreement by the Seller and by the Buyer for the purposes of identification, and the name of each such document being set forth in Schedule 21;

Annual Incentive Compensation Plan means the Ford Motor Company Annual Incentive Compensation Plan (Amended and Restated as of 1 January 2000) under which participants may be rewarded based on the achievement of established performance objectives;

Associated Person and **Connected Person** shall have the meaning attributed to them by the Pensions Act 2004 and **Associated** and **Connected** shall be construed accordingly;

Assumed Liabilities means all Liabilities of the Seller Group to the extent that they relate to Jaguar and/or Land Rover and/or the JLR Assets, and have not been fully satisfied or discharged at Completion, in each case other than the Excluded Liabilities;

Assurances means all guarantees, indemnities, warranties, representations, covenants, undertakings or commitments of any nature whatsoever:

- (a) given to a third party by a Target Company in respect of a Liability of a member of the Seller Group; and/or (as the context may require);
- (b) given to a third party by a member of the Seller Group in respect of a Liability of a Target Company or an Assumed Liability;

ATCSA means Part 12 of the UK Anti-Terrorism Crime and Security Act 2001;

Bid Price means US\$ 2,300,000,000;

Bring-Down Warranties means the warranties given by the Seller in Paragraphs 1.1.1, 2.1.3, 2.2.1, 2.3, and 9 of Schedule 4;

Business Day means a day (other than a Saturday and a Sunday) on which banks generally are open for business in London and New York but excluding 24 December to 2 January;

Buyer's Group means the Buyer and its Affiliates (other than the Target Companies and the NSC Newcos);

Buyer's Solicitors means Herbert Smith LLP of Exchange House, Primrose Street, London EC2A 2HS;

Carve-out Cash means in relation to any Delayed NSC, an amount equal to any cash transferred or contributed to a NSC Newco by any member of the Seller Group in connection with the transfer of Embedded NSC Assets to it, in the case of a NSC Newco after deducting any amounts distributed by the relevant NSC Newco to any member of the Seller Group after the date of Completion and prior to the Delayed Transfer Date (and for the avoidance of doubt, does not include any NSC Cash);



EXECUTION VERSION

Carve-out Date means in relation to any Delayed NSC, the date on which the relevant Embedded NSC Assets and NSC Transferring Employees are transferred to an NSC Newco, Target Company or Third Party Importer, as the case may be, or, if no such transfer has taken place prior to the NSC Long Stop Date, means the NSC Long Stop Date;

Carve-out Debt means in relation to any Delayed NSC an amount equal to any indebtedness incurred by an NSC Newco to fund the payment of any consideration in respect of the transfer of Embedded NSC Assets (and for the avoidance of doubt, does not include any NSC Debt);

Carve-out Intra-Group Payables means in relation to any Delayed NSC the aggregate amount of cash generated in any other business of the Seller Group during the Interim Cash Flow Period and held or otherwise utilised in the Delayed NSC at the Carve-out Date as set out in the cash pooling statement prepared pursuant to Clause 8.3.2;

Carve-out Intra-Group Receivables means in relation to any Delayed NSC the aggregate amount of cash generated by the Delayed NSC during the Interim Cash Flow Period and held or otherwise utilised by any other business of the Seller Group at the Carve-out Date as set out in the cash pooling statement prepared pursuant to Clause 8.3.2;

Cash means all cash (whether in hand or at the bank) including without limitation all uncleared lodgements, unrepresented cheques and any direct credits received before close of business on the Completion Date and deducting any unrepresented cheques, direct debits or standing orders paid or written prior to close of business on the Completion Date;

Certificate(s) of Title means the certificate(s) of title signed on and speaking at the date of this Sale and Purchase Agreement to be delivered on Completion by Lovells LLP of Atlantic House, Holborn Viaduct, London EC1A 2FG in relation to the Certificated Properties;

Certificated Properties means the properties identified in Part 1 of Schedule 10;

Claim means a claim in respect of a breach of Warranty, a claim under the Tax Deed and any other claim against the Seller or any member of the Seller Group under or pursuant to the terms of this Sale and Purchase Agreement (excluding any claim by way of indemnity);

Clearance Statements means the clearance statements dated 19 March 2008 issued by the Pensions Regulator under sections 42 and 46 of the Pensions Act 2004 under reference CRM/TM3339 to the Seller and the Buyer and other parties named or referred to in the applications to which the clearance statements relate (copies of which clearance statements and related applications, warning notices and determination notices are annexed at Schedule 24);



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EXECUTION VERSION

Collective Consultation Requirements means all applicable legal requirements (whether statutory or pursuant to any relevant written agreement entered into prior to the date of this Sale and Purchase Agreement with any Representative Body prior to such date) in relation to information, consultation or notification with any employees or any Representative Body in connection with the sale and purchase of any of the Sale Shares or the JLR Assets pursuant to this Sale and Purchase Agreement (including the NSC Reorganisation and/or any reorganisation or internal restructuring made in contemplation of the sale and purchase of the Sale Shares and JLR Assets);

Company Applications and Services has the meaning set forth in the Intellectual Property Agreements;

Competition Authority means any relevant government, governmental, quasi-governmental, national, supranational, competition or antitrust body or other authority, in any jurisdiction, which is responsible for applying merger control or other competition or antitrust legislation in such jurisdictions and, for the avoidance of doubt, includes the notion of "competent authority" as that term is used in Council Regulation (EC) 139/2004;

Completion means (i) completion of the sale and purchase of the Sale Shares (other than any shares in NSC Newcos relating to Delayed NSCs and any Sale Shares, Embedded NSCs or JLR Assets in jurisdictions subject to a waiver pursuant to Clause 4.3.3) and the other matters to be transacted in accordance with Clause 6; and (ii) in respect of any Sale Shares, Embedded NSCs or JLR Assets in a jurisdiction subject to a waiver pursuant to Clause 4.3.3, completion of the sale and purchase of the Sale Shares, Embedded NSCs or JLR Assets in such jurisdiction upon satisfaction of the relevant Condition with respect to such jurisdiction and the other matters referred to be transacted in accordance with Clause 6;

Completion Business Assets means the undertaking, rights and assets set out in Schedule 2;

Completion Business Assets Consideration means the consideration to be paid for the Completion Business Assets by Volvo Cars Corporation immediately following Completion, pursuant to the Swedish Sale and Buy-back Agreement for Nordic Inventory;

Completion Date means (subject to any delay pursuant to Clause 5.8.5) the last Business Day of the calendar month in which all of the Conditions are satisfied or waived in accordance with Clause 4 (unless the date on which all of the Conditions are satisfied or waived is less than five (5) Business Days prior to the end of a calendar month, in which case Completion shall take place on the last Business Day of the following calendar month) or such other date as the Buyer and the Seller shall agree in writing;

Condition means any of the conditions set out in Clause 4;

Continental Air Suspension Licence means the agreement between Ford Global Technologies LLC and Continental AG regarding an air suspension licence dated 19 January 2006;

Continental AG means Continental Aktiengesellschaft, having a place of business at Vahrenwalder Strasse 9, 30165 Hanover, Germany;



EXECUTION VERSION

Data Room means the Intralinks site entitled Project Color Data Room as at 12.30 pm (London time) on 21 March 2008 and containing solely copies of the documents listed in the index attached to the Disclosure Letter;

Data Protection Laws means:

- (a) all applicable laws, regulations, regulatory requirements and/or codes of practice (having the force of law) in a Territory in connection with the processing of personal data and privacy legislation including, but not limited to, the Data Protection Act 1998; and
- (b) all relevant European data protection and privacy laws including, but not limited to, Directive 95/46/EC on the processing of personal data and the free movement of such data;

Dealer Termination Notice has the meaning given to that term in Schedule 9;

Delayed NSC means (i) an Embedded NSC which is not the subject of a waiver pursuant to Clause 4.3.3 and which has not been transferred in accordance with Clause 7 as at Completion; and (ii) an Embedded NSC which is the subject of a waiver pursuant to Clause 4.3.3 in respect of the period after the Condition to which the waiver relates is met and which has not been transferred in accordance with Clause 7;

Delayed Transfer Date means (a) in relation to any Delayed NSC in respect of which the Embedded NSC Assets and NSC Transferring Employees have been transferred to an NSC Newco, the date on which the shares in such NSC Newco are transferred to the transferee of such shares as provided in Schedule 19, or, if no such transfer of shares has taken place prior to the NSC Long Stop Date, means the NSC Long Stop Date; and (b) in relation to any Delayed NSC in respect of which Embedded NSC Assets and NSC Transferring Employees are to be transferred to a Target Company or a Third Party Importer, the Carve-out Date;

Delivered Reorganisation Plans has the meaning set out in Clause 6.7;

Designated Employee means those Secondees designated as such under any Secondment Agreement and identified in the Employee Lists and Secondee Lists referred to in the Disclosure Letter;

Disclosure Letter means the letter dated the date of this Sale and Purchase Agreement from the Seller to the Buyer making certain disclosures against the Warranties;

Embedded NSC means in relation to any jurisdiction or administrative region specified in Part 2 of Schedule 8, the business carried on in that jurisdiction or administrative region by any member of the Seller Group to the extent it relates to Jaguar and/or Land Rover;



EXECUTION VERSION

Embedded NSC Assets means JLR Assets employed in an Embedded NSC as at either (i) the date of transfer of such Embedded NSC (a) to the relevant NSC Newco pursuant to Clauses 7.1 or 8.7 or (b) to the relevant Target Company pursuant to Clauses 7.1 or 8.7, or (c) to the relevant Third Party Importer pursuant to Clauses 7.1 or 8.7; or (ii) (failing such transfer of such Embedded NSC to the relevant NSC Newco, the relevant Target Company or Third Party Importer pursuant to Clause 7.1 or 8.7) the date of transfer of such JLR Assets employed in an Embedded NSC to the relevant Target Company pursuant to Clause 8.8;

Encumbrance means a charge, mortgage, pledge, lien, restriction, third party right or interest or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including title transfer and retention arrangements) having a similar effect;

Environment means air (including air within buildings and air within other natural or man-made structures above or below ground), water (including territorial and coastal and inland waters, groundwater and water in drains and sewers) and land (including soil and sub-soil and land under any water) and any organisms and ecosystems supported by air, water or land;

Environmental Laws means each Law relating to pollution or protection of the Environment or the generation, transportation, storage, treatment or disposal of Waste (excluding for the avoidance of doubt any Law to the extent that it relates to product liability);

Environmental Matters means:

- (a) the release, spillage, deposit, escape, discharge, leak, emission or presence of any substance which may harm the Environment; or
- (b) the creation of noise, vibration, radiation, common law or statutory nuisance; or
- (c) any other matters relating to Environmental Laws, Health and Safety Laws, Environmental Permits, pollution or the protection of the Environment or human health and safety;

Environmental Permit means a consent, permission, licence, approval or other authorisation issued, or registration made, pursuant to an Environmental Law or a Health and Safety Law;

Environmental Reports means the reports prepared by the Seller's and/or Jaguar's and/or Land Rover's environmental consultants listed in Schedule 16;

Estimated Intra-Group Balances means the Estimated Intra-Group Receivables less the Estimated Intra-Group Payables;

Estimated Intra-Group Payables means the Seller's good faith estimate of the Intra-Group Payables, estimated by the Seller and notified to the Buyer in writing not less than ten (10) Business Days prior to Completion;



EXECUTION VERSION

Estimated Intra-Group Receivables means the Seller's good faith estimate of the Intra-Group Receivables, estimated by the Seller and notified to the Buyer in writing not less than ten (10) Business Days prior to Completion;

Estimated Net External Indebtedness means the Seller's good faith estimate of the Net External Indebtedness plus the cash to be received from the subscription of the Ford Subscription Shares, estimated by the Seller and notified to the Buyer in writing not less than ten (10) Business Days prior to Completion;

Exchange Rate means the pounds sterling spot closing mid-point for US\$ as published in the Financial Times on the fifth Business Day preceding the Completion Date or if not published on that date the last preceding date of publication;

Excluded Assets means those properties, rights and assets relating to Jaguar and/or Land Rover described in Part 1 of Schedule 3;

Excluded Contracts means those contracts, engagements, licences, guarantees and other commitments described in Part 3 of Schedule 3;

Excluded Dealer Agreements has the meaning given to that term in Schedule 9;

Excluded Liabilities means those Liabilities relating to Jaguar and/or Land Rover described in Part 2 of Schedule 3;

FCPA means the United States Foreign Corrupt Practices Act of 1977, as amended;

Final Completion Statement has the meaning given to that term in Schedule 12;

Ford-Caterpillar Contract means together (i) Land Rover Japan Logistics Services Agreement between PAG Import, Inc., and Caterpillar Logistics FT Services LLC dated 7 June 2002 (as amended); and (ii) Land Rover Canada Logistics Services Agreement between Ford Motor Company of Canada Limited and Caterpillar Logistics FT Services Canada Ltd dated 1 September 2004;

Ford Excess Liability (Umbrella) Insurance Program means the following excess liability insurance policies: AISLIC (policy number: 8122585); AIG Cat Excess (policy number: 5442715); Lexington (policy number: 0507430); AIG Cat Excess (policy number: 5442771); AIG Cat Excess (policy number: 6075416); Swiss Re (policy number: 37347); Catlin (policy number: DL461806); Magna Carta (policy number: MCPD201923); Steadfast (policy number: AEC521452106); Hanseatic (policy number: HIPD201339); Max Re (policy number: 183722193UMB2007); AIG Cat Excess (policy number: 6075417); Endurance (policy number: P008072); AXIS (policy number: 1134160107EC); Scor Re (policy number: 200710F1330441); Scor Channel (policy number: 02F0689238); ARCH (policy number: URP001913400); Catlin (policy number: DL479306); Magna Carta (policy number: MCPD201924); AWAC (policy number: C008672); Scor Re (policy number: 200710F1330441); Scor Channel (policy number: 02F0689239); ARCH (policy number: URP001913400); AIG Cat Excess (policy number: 5105969); Aspen (policy number: DL505607); Magna Carta (policy number: MCPD201925);



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Ford Jaguar Supply Agreement means the Agreed Form agreement between Ford Motor Company, Ford Motor Company Limited, Ford Werke GmbH, Ford España S.L., Ford Motor Company of Southern Africa (Manufacturing) (Pty) Ltd and Jaguar Cars Limited;

Ford Senior Employee means any employee of a member of the Seller Group whose grade is at or above Leadership Level 5 as designated in Seller's employment policies;

Ford Subscription Shares means any and all new ordinary shares in Land Rover UK subscribed by any member of the Seller Group pursuant to the Pre-Completion Reorganisation;

Ford Subscription Shares Consideration means US\$1 (one);

Ford Transition Services shall have the meaning assigned to such term in the Information Technology Agreement;

Ford US Secondment Agreement means the secondment agreement proposed to be entered into between the Seller and Jaguar Land Rover North America, Inc. relating to specified employees of the Seller in the United States in the Agreed Form;

Ford US Secondment Agreement Employee means any JLR Employee who is identified (on an anonymised basis) in the Employee Lists referred to in the Disclosure Letter as being included within the scope of the Ford US Secondment Agreement;

Framework Agreement has the meaning given to that term in Schedule 9;

Full Title Guarantee means with the benefit of the implied covenants set out in Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 when a disposition is expressed to be made with full title guarantee;

GBP or £ means British Pounds;

Gemini Agreements means the agreements between Peugeot Citroen Automobiles SA (or any of its Affiliates) and the Seller Group relating to the design, development, manufacture, supply and servicing of Gemini Diesel Engines (as such term is defined in the Intellectual Property Common Terms Agreement) as amended, replaced or updated from time to time;

Getrag means Getrag Corporation;

Getrag IP Agreement means the Technology Agreement for the development of an Electric Rear Axle Drive entered into between Ford Motor Company and Getrag Corporation dated 9 January 2007;

Getrag Lease means a lease to be entered into between Jaguar Cars Limited and Ford Motor Company Limited in relation to the area at the Halewood Site demised by a lease dated 18 January 2001 made between Ford Motor Company Limited and Ford-Werke AG in the Agreed Form;



EXECUTION VERSION

Getrag Service Level Agreement means an agreement relating to the occupation by Getrag Ford Transmissions GmbH of part of the Halewood Site as a result of the Getrag Lease in the Agreed Form;

Global LSA means the Global Logistics Services Agreement between the Seller and Caterpillar Logistics Client Services LLC dated 6 November 2001 (as amended);

Goodwill means the goodwill relating to Jaguar and/or Land Rover, together with the exclusive right for the Buyer to represent itself as carrying on such business in succession to the Seller;

Governance Protocol means the protocol in Agreed Form setting out the governance structure for implementation, management, oversight and dispute resolution relating to the JLR separation;

Governmental Entity means any local, regional, national, supra-national or foreign administrative agency, authority, arbitral tribunal, court, commission, department, division or other governmental quasi-governmental or regulatory body;

Halewood Assets means the current assets and current liabilities that comprise the Working Capital Amount that relates to the Halewood Plant;

Halewood Plant means the business of manufacturing and selling Jaguar and Land Rover vehicles and replacement and service parts and components and assemblies for such vehicles carried on by Ford Motor Company Limited at the Halewood Site and all of the contracts, undertakings, rights and assets, wherever situated, which comprise JLR Assets and which relate to such business (excluding (i) the Halewood Site and (ii) the Halewood Assets);

Halewood Plant Consideration means the sum of US\$300,000,000;

Halewood Properties means together the Halewood Site and the Halewood Sports and Social Club;

Halewood Site means all those land and buildings at Halewood motor car manufacturing facility off Speke Boulevard, Halewood, Merseyside as identified in the Halewood Site Transfer;

Halewood Site Consideration means the sum of US\$172,000,000 being the consideration payable by the transferee under the Halewood Site Transfer;

Halewood Site Transfer means the deed of transfer in relation to the transfer of the Halewood Site from Ford Motor Company Limited to Jaguar Cars Limited in the Agreed Form;



EXECUTION VERSION

Halewood Sports and Social Club means the Halewood Sports and Social Club, Cronton Lane, Widnes, Merseyside as identified in the Halewood Sports and Social Club Transfer;

Halewood Sports and Social Club Consideration means the sum of US\$3,000,000 being the total aggregate consideration payable by the transferee under the Halewood Sports and Social Club Transfer;

Halewood Sports and Social Club Transfer means the deed of transfer in relation to the transfer of the Halewood Sports and Social Club from Ford Motor Company Limited to Jaguar Cars Limited in the Agreed Form;

Halewood Statutory Declaration means the statutory declaration dated 13 March 2008 disclosed to the Buyer prior to the date hereof;

Halewood Transfers means together the Halewood Site Transfer and the Halewood Sports and Social Club Transfer;

Heads of Agreement means the agreements between the Seller and the respective trustees of the JPP, JEPP and LRPS respectively dated 21 December 2007, 1 February 2008 and 21 December 2007;

Health and Safety Law means each Law relating to human health and safety at the workplace (excluding for the avoidance of doubt any Law to the extent that it relates to product liability);

Hill Descent Control Licences means the agreements as identified at Part C of Schedule 22;

HMRC is defined in the Tax Deed;

ICTA 1988 means the Income and Corporation Taxes Act 1988;

Identified Third Party “A” IP means Third Party IP (other than Third Party IT) that is subject to an agreement in the name of a member of the Seller Group as identified in Part A of Schedule 22 (each a **Seller Third Party “A” Licence**);

Identified Third Party “A” Licensor means the third party that grants rights in the Identified Third Party “A” IP to a member of the Seller Group pursuant to a Seller Third Party “A” License;

Information Technology Agreement means the Information Technology Agreement to be entered into between certain members of the Seller Group and certain Target Companies in the Agreed Form;



EXECUTION VERSION

Initial Purchase Price means an amount equal to:

- (a) the Bid Price;
less
- (b) the amount of the Estimated Net External Indebtedness, if a positive amount; or
plus
- (c) the amount of the Estimated Net External Indebtedness if a negative amount (expressed as a positive number); and
plus
- (d) the amount of the Estimated Intra-Group Balances, if a positive amount; or
less
- (e) the amount of the Estimated Intra-Group Balances, if a negative amount (expressed as a positive number); and
less
- (f) the sum of the Halewood Plant Consideration, the Halewood Site Consideration, the Halewood Sports and Social Club Consideration and the IP Consideration; and
less
- (g) the Ford Subscription Shares Consideration; and
less
- (h) the Jaguar Shares Consideration;

Intellectual Property Agreements means the Intellectual Property Common Terms Agreement, Intellectual Property Licensing Agreements and Intellectual Property Assignment Agreements to be entered into between certain members of the Seller Group and certain Target Companies in the Agreed Form;

Intellectual Property Common Terms Agreement means the Agreement on Common Terms relating to the Intellectual Property Licensing and Assignment Agreements between Jaguar Cars Limited, Land Rover UK, Ford Motor Company, Ford Motor Company Limited, Ford-Werke GmbH, Volvo Car Corporation, Ford España S.L., Ford Motor Company (Belgium) N.V., Ford Global Technologies, LLC and Mazda Motor Corporation;



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EXECUTION VERSION

Intellectual Property Licences means all licences or agreements (other than JLR IT Contracts and Seller IT Contracts) under which:

- (a) any member of the Seller Group uses or exploits Intellectual Property Rights owned by any other party; or
- (b) any member of the Seller Group has licensed or agreed to license Intellectual Property Rights to, or otherwise permit the use of any Intellectual Property Rights by, any other party;

Intellectual Property Rights means rights in patents, inventions, utility models, works of authorship, data, designs, databases, software, topography and mask works, Know-how, trade marks, service marks, trade, business and domain names, logos, trade dress or get-up, goodwill, copyright, moral rights and any other intellectual property or proprietary rights along with all rights to sue or collect damages for infringement, unfair competition or other violations thereof in each case whether registered or unregistered and including all applications and registrations for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world;

Interim Cash Flow means in relation to any Delayed NSC, the cash flow, calculated in accordance with Clause 8.10, generated by the relevant Delayed NSC (regardless of when it becomes a Delayed NSC) during the Interim Cash Flow Period;

Interim Cash Flow Period means the period from the Completion Date until the close of business on the last Business Day before the Carve-out Date;

Intra-Group Balances means the Intra-Group Receivables less the Intra-Group Payables, as set out in the Final Completion Statement;

Intra-Group Balances Adjustment means the amount by which the Intra-Group Balances exceed or are less than the Estimated Intra-Group Balances, as set out in the Final Completion Statement;

Intra-Group Payables means the aggregate of all amounts which are, at the Completion Date, owed by any Target Company or NSC Newco (existing at Completion and having been acquired by a member of the Buyer's Group) to any member of the Seller Group including any interest accrued thereon but excluding Intra-Group Trade Payables and external receivables financing balances provided by Ford Motor Credit Corporation, as set out in the Final Completion Statement;

Intra-Group Receivables means the aggregate of all amounts which are, at the Completion Date, owed by any member of the Seller Group to any Target Company or NSC Newco (existing at Completion and having been acquired by a member of the Buyer's Group) including any interest accrued thereon but excluding Intra-Group Trade Receivables as set out in the Final Completion Statement;



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EXECUTION VERSION

Intra-Group Trade Payables means the aggregate of all amounts which are, at the Completion Date, owed by:

- (a) any Target Company;
- (b) any NSC Newco (existing at Completion and having been acquired by a member of the Buyer's Group); or
- (c) to the extent relating to Jaguar and/or Land Rover, any member of the Seller Group,

to any member of the Seller Group in respect of goods and services provided in the ordinary course of trading, as set out in the Final Completion Statement;

Intra-Group Trade Receivables means the aggregate of all amounts which are, at the Completion Date, owed by any member of the Seller Group to:

- (a) any Target Company;
- (b) any NSC Newco (existing at Completion and having been acquired by the Buyer); or
- (c) to the extent relating to Jaguar and/or Land Rover, any member of the Seller Group

in respect of goods and services provided in the ordinary course of trading, as set out in the Final Completion Statement;

IP Consideration means the sum of US\$960,000,000;

IT Infrastructure shall have the meaning assigned to such term in the Information Technology Agreement;

IT System shall have the meaning assigned to such term in the Information Technology Agreement;

IT Systems and Services means all communications systems and computer systems including software, systems, applications, tools, functionality, code, data, hardware, equipment or other items, along with support, maintenance or other services provided for or in connection with the foregoing;

Jaguar means the business of designing, testing, manufacturing, marketing, selling and distributing Jaguar vehicles and replacement and service parts and components and assemblies for such vehicles and/or for Land Rover vehicles carried on by the Target Companies, the Embedded NSCs and the Seller Group, together with the associated activities carried on at Gaydon, Warwickshire and Browns Lane, Coventry;

Jaguar Cars Limited means a private limited company incorporated under the laws of England and Wales under registration number 01672070, whose registered office is at Abbey Road, Whitley, Coventry, CV3 4LF, UK;

Jaguar Shares Consideration means US\$1 (one);



EXECUTION VERSION

JEPP means the Jaguar Executive Pension Plan governed by a Definitive Trust Deed and Rules dated 14 August 2002 made between Jaguar Cars Limited and Jaguar Executive Pension Trustees Limited (as amended);

JEPP Contribution means the sum of £9,000,000 or such other higher or lower sum as is produced by the application to that sum of the adjustment mechanism set out in paragraph 2(a)(i) to (iii) of the Heads of Agreement relating to the JEPP;

JLR means Jaguar and Land Rover;

JLR Assets means the JLR Contracts, the Completion Business Assets and the property, undertaking, rights and assets owned by the Seller Group which relate exclusively to Jaguar and/or Land Rover, other than the Excluded Assets;

JLR-Caterpillar Contract means together (i) the Value Added Logistics Services Agreement between Land Rover UK and Caterpillar Logistics Client Services (UK) Limited dated 1 January 2002 (as amended); (ii) the Logistics Services Agreement between Premier Automotive Group Australia Proprietary Limited and Caterpillar Logistics FT Services LLC dated 3 July 2002 (iii) Land Rover European Logistics Services Agreement between Land Rover and Caterpillar Logistics Client Services (UK) Limited dated 1 January 2002 (as amended); and (iv) Land Rover United States Logistics Services Agreement between Land Rover North America Inc. and Caterpillar Logistics Client Services (UK) Limited dated 1 January 2002;

JLR Contracts means all the contracts, engagements, licences, guarantees and other commitments with a third party entered into by any member of the Seller Group or assigned to or held on trust for any member of the Seller Group which relate exclusively to Jaguar and/or Land Rover and remain outstanding in any respect at Completion but excluding the Excluded Contracts and the Split Contracts;

JLR Employee means persons employed by a member of the Seller Group or any Target Company wholly or mainly in relation to Jaguar and/or Land Rover and identified (on an anonymised basis) as JLR Employees in the Employee Lists referred to in the Disclosure Letter;

JLR Intellectual Property Rights means the rights and benefits granted to Jaguar and/or Land Rover pursuant to the terms of the Intellectual Property Agreements;

JLR IT System and Infrastructure shall have the meaning assigned to such term in the Information Technology Agreement;



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EXECUTION VERSION

JLR IT Contract means all agreements (including all insurance policies, licence, lease, development, maintenance, support, escrow, security, disaster recovery, website hosting, outsourcing, facilities management, utilisation, bureau, on line services and service agreements) under which:

- (a) any Target Company or Embedded NSC has the right to use or otherwise exploit JLR IT System and Infrastructure owned or provided by any third party; or
- (b) any Target Company or Embedded NSC has provided or agreed to provide JLR IT System and Infrastructure to any third party;

JLR Manufacturing Grants means the industrial development grants, regional assistance awards and other grants, awards and assistance provided to any Target Company or any member of the Seller Group in relation to Jaguar and/or Land Rover by any Governmental Entity details of which are provided in section 5.02 of the Data Room;

JLR Records means books, accounts, reports, returns and records (other than such information (if any) restricted under the Vehicle Finance Separation Agreements) relating to Jaguar and/or Land Rover maintained during the period prior to Completion (other than data or information comprising Intellectual Property rights owned by a third party and licensed to Jaguar and/or Land Rover pursuant to an agreement between the third party and a member of the Seller Group);

JLR Senior Employee means any JLR Employee whose grade is at or above Leadership Level 5 and who are identified in the Disclosure Letter;

JLR Shared Services Headcount means the number of full time equivalent headcount which JLR utilises in a Shared Services Territory as identified in the Disclosure Letter;

JLR Subsidiary means each subsidiary of the Sale Companies, further particulars of which are set out in Part 2 of Schedule 1;

JLR Worker means any person who is supplied by an agency to Jaguar and/or Land Rover, or any person who is a contractor providing services to Jaguar and/or Land Rover, in either case who is not a JLR Employee;

JLR Wrong Pocket Employee means an individual identified as such in the Employee Lists referred to in the Disclosure Letter;

JPP means the Jaguar Pension Plan governed by a Second Definitive Trust Deed and Rules dated 13 August 2002 made between Jaguar Cars Limited and Jaguar Pension Trustees Limited (as amended);



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EXECUTION VERSION

JPP Contribution means the sum of £120,000,000 or such other higher or lower sum as is produced by the application to that sum of the adjustment mechanism set out in paragraph 2(a)(i) to (iii) of the Heads of Agreement relating to the JPP;

Know-how means all know-how, trade secrets and confidential information, in any form (including paper, electronically stored data, magnetic media, film and microfilm) including without limitation financial and technical information, drawings, formulae, test results or reports, project reports and testing procedures, information relating to the working of any product, process, invention, improvement or development, instruction and training manuals, tables of operating conditions, information concerning intellectual property portfolio and strategy, market forecasts, lists or particulars of customers and suppliers, sales targets, sales statistics, prices, discounts, margins, future business strategy, tenders, price sensitive information, market research reports, information relating to research and development and business development and planning reports and any information derived from any of them;

Land Rover means the business of designing, testing, manufacturing, marketing, selling and distributing Land Rover vehicles and replacement and service parts and components and assemblies for such vehicles and/or Jaguar vehicles carried on by the Target Companies, the Embedded NSCs and the Seller Group, together with the associated activities carried on at Gaydon, Warwickshire and Solihull, Birmingham;

Land Rover UK means an unlimited company incorporated under the laws of England and Wales under registered number 04019301, whose registered office is at Banbury Road, Gaydon, Warwick, Warwickshire CV35 ORR, UK;

Land Rover (South Africa) (Pty) Ltd means a private limited company incorporated in South Africa under number 2001/027269/07 and wholly owned by Ford Motor Company Southern Africa (Pty) Limited;

Laws or Law means any applicable statutes, secondary legislation, directives, regulations, resolutions, statutory guidance, codes of practice having the force of law, civil, criminal or administrative law, common law, notice, instruction, order, judgement, award, ruling or other requirement of any Governmental Entity or the rules of any recognised stock exchange in the Territory;

Liabilities means all liabilities, duties and obligations of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent or ascertained or unascertained and whether owed or incurred severally or jointly or as principal or surety;

LIBOR means the British Bankers' Association Interest Settlement Rate for the offering of sterling deposits for a period of six (6) months displayed on the appropriate Reuters screen at or about 11.00 am (London time) on the first day of the relevant interest period or, if such a day is not a Business Day, on the next succeeding Business Day;



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EXECUTION VERSION

Long Stop Date means 29 August 2008 or such later date as the Buyer and the Seller may from time to time agree;

Long Term Incentive Plan means the Ford Motor Company 1998 Long-Term Incentive Plan (Amended and Restated as of 1 January 2003, Subject to Shareholder Approval) under which participants may be granted Stock Options or awarded Restricted Stock Units and Performance Stock Rights;

Losses means actions, proceedings, losses, damages, liabilities, claims, costs and expenses including fines, penalties, legal and other professional fees and expenses;

LRPS means the Land Rover Pension Scheme governed by a Definitive Deed dated 29 November 2000 made between Land Rover UK, Land Rover Group Limited and Land Rover Pension Trustees Limited (as amended);

LRPS Contribution means the sum of £120,000,000;

Management Accounts means the special purpose aggregated accounts disclosed in sections 27.115 and 27.162 of the Data Room in respect of the operating units included therein as at and in respect of the year ended 31 December 2007;

Material Adverse Change means any event, circumstance, effect, occurrence or state of affairs or any combination thereof which:

- (a) first occurs after the date of this Sale and Purchase Agreement;
- (b) is materially adverse to the business, operations, assets, or financial condition or results of JLR taken as a whole; and
- (c) is not caused by:
 - (i) changes in interest rates, exchange rates or securities or commodity prices;
 - (ii) normal seasonal changes in the results of operations of JLR;
 - (iii) changes (including changes in economic, financial, market or political conditions) also affecting businesses that compete with the JLR business (except to the extent that such event, circumstance, effect, occurrence or state of affairs that has an effect on JLR that is disproportionate to the effect that it has on other businesses competing with JLR);
 - (iv) changes in Laws, regulations or generally accepted accounting principles including Laws, regulations or generally accepted accounting principles specifically affecting the automotive industry;
 - (v) any act or omission of any Target Company or NSC Newco (to the extent it exists and has acquired any Embedded NSC Assets at the Completion Date) or any member of the Seller Group at the request or with the express consent of the Buyer; or
 - (vi) the announcement of the Proposed Transaction or anything required or expressly permitted to be done prior to the Completion Date under the terms of any of the Transaction Documents;



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EXECUTION VERSION

Material Contract means any contract entered into by a Target Company, any JLR Contract and any Split Contract which involves annual revenue or expenditure in excess of US\$1,000,000 per annum (attributable to Jaguar and/or Land Rover in the case of a Split Contract) and is incapable of termination by a member of the Seller Group or a Target Company on twelve (12) months or less notice without material penalty;

Material IT Contract means any JLR IT Contract entered into by a Target Company which involves annual expenditure in excess of US\$200,000 per annum;

Net External Indebtedness means all borrowings and indebtedness together with any interest and fees accrued on or in respect of such amounts owed by any Target Company or NSC Newco (to the extent it exists at Completion), to any banking, financial, acceptance, credit, lending or other similar institution or organisation or any institutional investor (including VAT financing balances), minus Cash and cash equivalents of any Target Company or NSC Newco (to the extent it exists at Completion) together with any interest accrued on such amounts, as set out in the Final Completion Statement and, for the avoidance of doubt, excluding any (a) Intra-Group Payables; (b) Intra-Group Receivables; and (c) external receivables financing balances (as referred to in the Vendor Diligence Reports) including any interest thereon;

Net External Indebtedness Adjustment means the amount by which the Net External Indebtedness exceeds or is less than the Estimated Net External Indebtedness, as set out in the Final Completion Statement;

NSC Cash means the amount, if any, by which the Carve-out Intra-Group Receivables exceed the Carve-out Intra-Group Payables;

NSC Debt means the amount, if any, by which the Carve-out Intra-Group Payables exceed the Carve-out Intra-Group Receivables;

NSC Interim Management Agreement means the agreement relating to the management of Delayed NSCs to be entered into between the Buyer and the Seller in the Agreed Form;

NSC Long Stop Date means the day after the last Business Day in the calendar month that falls eighteen (18) months after the Completion Date (unless such date is less than five (5) Business Days prior to the end of the calendar month, in which case the NSC Long Stop Date shall be on the day after the last Business Day of the following calendar month), or such later date as the Buyer and the Seller may from time to time agree;

NSC Newco means, in relation to an Embedded NSC, the transferee company identified in Sections 1 or 3 of Part 2 of Schedule 8;

NSC Properties means the properties specified in Part 3 of Schedule 10;



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EXECUTION VERSION

NSC Reorganisation means, collectively, the reorganisation in relation to each Embedded NSC contemplated by Clauses 7 and 8;

NSC Reorganisation Advice means, with respect to each Delayed NSC, a written memorandum of the relevant local counsel setting forth: (i) the identification of the Transfer Conditions relating to the NSC Newco or Target Company; and (ii) the identification of the other registrations, permits and licences (which are not Transfer Conditions) in connection with the trading and operations of the NSC Newco or Target Company;

NSC Set Up Costs means all reasonable costs and expenses incurred by any member of the Seller Group in relation to the creation and setting up of the relevant NSC Newco and the identification and satisfaction of the Transfer Conditions relating to the NSC Newcos, Target Companies and Third Party Importers being: (i) fees and expenses of professional advisors (including lawyers, accountants, consultants and any independent valuers); (ii) share capital subscribed in cash of any relevant NSC Newco; (iii) incorporation fees; (iv) title insurance, registration fees and expenses; (v) costs of obtaining permits, licenses and Governmental Entity approvals; and (vi) 50% of the costs and expenses incurred in physically implementing the Separation Actions identified in Schedule 10, and shall for the avoidance of doubt exclude (a) the costs of professional advice taken by any member of the Seller Group unrelated to the creation and set up of a NSC Newco; (b) internal costs of any member of the Seller Group (including any Tax liability of a member of the Seller Group); (c) costs (such as stamp duty and transfer fees) associated with the transfer of the Embedded NSC to a NSC Newco, Target Company, Third Party Importer or (at the NSC Long Stop Date) the Buyer; and (d) 50% of the costs and expenses incurred in physically implementing the Separation Actions identified in Schedule 10;

NSC Target Properties means together those NSC Properties:

- (a) specified in Category A of Part 3 of Schedule 10; and
- (b) located either in Canada or the United States and specified in Category B of Part 3 of Schedule 10,

and **NSC Target Property** means any one of them;

NSC Transferring Employees means any JLR Employee who is not at the date of this Sale and Purchase Agreement:

- (a) employed by any Sale Company;
- (b) employed by a JLR Subsidiary; or
- (c) a Ford US Secondment Agreement Employee;

and who is identified (on an anonymised basis) as a NSC Transferring Employee in the Employee List referred to in the Disclosure Letter;

Non-Transferring Dealer Agreement has the meaning set out in Schedule 9;

Patented Technologies means inventions, utility models, products, methods, processes and other technology falling within any valid claim of any patent or patent application along with any continuation, continuation-in-part, divisional, foreign counterpart or renewal or extension of any of the foregoing, provided that such patents or patent applications have not lapsed or been withdrawn, abandoned or finally rejected;



EXECUTION VERSION

PBCPA means the UK Public Bodies Corrupt Practices Act of 1889;

PCA means the UK Prevention of Corruption Acts 1906 and 1916;

Pensions Regulator has the meaning set out in the Pensions Act 2004;

Performance Stock Right has the meaning set out in clause 4 (Performance Stock Rights and Final Awards) of the Long-Term Incentive Plan;

Permitted Encumbrances means (i) security interests arising in the ordinary course of business or by operation of Law; (ii) security interests arising under sales contracts with title retention provisions and equipment leases with third parties; (iii) security interests affecting the interests of the landlord or any superior landlord in respect of any leasehold Properties where such landlord or superior landlord is not a Target Company; (iv) licence agreements; and (v) any Encumbrance that is to be or is released on or prior to Completion;

Pre-Completion Reorganisation means the transactions relating to certain Target Companies and certain members of the Seller Group between the date of this Sale and Purchase Agreement and Completion as described in Part 1 of Schedule 8;

Previously Owned Land means land located in the United Kingdom that has at any time before the date of this Sale and Purchase Agreement been owned or occupied or used by the Target Companies other than the UK Properties;

Product Recall means a vehicle repair campaign (whether voluntary or required by a Governmental Entity) to address safety-related or emissions-related product defects or non-compliances, where Jaguar and/or Land Rover, their importer, national sales company, or other market representative has directly notified each affected customer to deliver the vehicle in question to an authorized service provider for repair, and where the subject repair was performed at no cost to the customer;

Product Regulatory Requirement means a mandatory legal standard, certification, or approval related to motor vehicle safety, emissions, or the environment, that must be met or obtained by the Target Companies or Embedded NSCs in order for Jaguar or Land Rover vehicles to be legally sold or imported in countries where the Target Companies or Embedded NSCs sell or import JLR vehicles;



EXECUTION VERSION

Property Owning Entity means:

- (a) in relation to the UK Properties the entity specified as the “registered proprietor/owner at the date of this Sale and Purchase Agreement” in Parts 1 and 2 of Schedule 10; and
- (b) in relation to the NSC Target Properties the entity specified as the “Current Corporate Entity” in relation to that property in Part 3 of Schedule 10;

Proposed Transaction means the sale and purchase of the Sale Shares and the JLR Assets, and the issuance of and subscription for the Tata Subscription Shares as contemplated by the terms of this Sale and Purchase Agreement;

Prospective Dealer/Framework Agreement Termination Notice has the meaning given to that term in Schedule 9;

Prospective Dealer Agreement has the meaning given to that term in Schedule 9;

Purchase Price means the total consideration payable for the Sale Shares and the JLR Assets in accordance with Clause 3.1;

Receivables means receivables owing to any member of the Seller Group in respect of goods supplied or services rendered prior to Completion (whether or not such goods or services have been invoiced prior to Completion) and relating exclusively to Jaguar and/or Land Rover;

Relief is defined in the Tax Deed;

Reorganisation Plan means the reorganisation plan (as amended from time to time in accordance with Clause 6.7) for each jurisdiction in which there is a Delayed NSC and which details: (i) where appropriate, the legal steps required for the establishment of the NSC Newco in the relevant jurisdiction; (ii) the Transfer Conditions; (iii) the other permits, consents, licences and regulatory approvals (which are not Transfer Conditions) in connection with the trading and operations of the NSC Newco or Target Company; (iv) the steps required to be undertaken for the Embedded NSC Assets, applicable NSC Transferring Employees and applicable related Assumed Liabilities of the Delayed NSC to be transferred into the relevant NSC Newco, the relevant Target Company or the relevant Third Party Importer; (v) where appropriate, the steps required for the sale of shares in the NSC Newco to the Buyer; or a Target Company (vi) where appropriate, the steps to create a list of accounts and opening balance sheet for the NSC Newco; and (vii) which annexes a compilation of the assets by category of the Embedded NSC Assets and the Seller’s best estimate of the Assumed Liabilities in respect of the Delayed NSC;

Replacement Dealer Agreement has the meaning given to that term in Schedule 9;

Replacement Prospective Dealer Agreement or Framework Agreement has the meaning given to that term in Schedule 9;



EXECUTION VERSION

Representative Body means any association, trade union, works council or any person elected or appointed to represent any employees of the Target Companies or any NSC Transferring Employees;

Reserved Territory means France;

Restricted Stock Units has the meaning set out in clause 6 (Stock and Other Stock-Based and Combination Awards) of the Long-Term Incentive Plan;

Sale and Purchase Agreement means this Sale and Purchase Agreement;

Sale Companies means the companies listed in Part 1 of Schedule 1;

Sale Shares means all of the issued shares in the Sale Companies owned by the Seller Group, details of which as at the date hereof are set out in Part 1 of Schedule 1, any Ford Subscription Shares, and the whole of the issued share capital of each NSC Newco to the extent that the shares of such NSC Newco are transferred at the Completion Date to the transferee indicated in Schedule 19;

Secondee means those individuals identified in the Employee Lists and Secondee Lists in the Disclosure Letter who are to be seconded under any of the Secondment Agreements;

Secondment Agreements means the agreements (excluding the Ford US Secondment Agreement) to be entered into between relevant members of the Seller Group and the Buyer's Group which provide for the secondment of certain individuals between them on specified terms in the Agreed Form or (subject to the agreement of the parties) with such amendments as may be necessary in order to comply with local law in a particular jurisdiction;

Seller Group means the Seller together with its Affiliates from time to time but excluding the Target Companies and (to the extent they exist and have acquired any Embedded NSC Assets at the relevant time) NSC Newcos;

Seller Group Shared Services Headcount means the number of full time equivalent headcount which the relevant Seller Group Company utilises in a Shared Services Territory as identified in the Disclosure Letter;



EXECUTION VERSION

Seller IT Contract means all agreements (including all insurance policies, licence, lease, development, maintenance, support, escrow, security, disaster recovery, website hosting, outsourcing, facilities management, utilisation, bureau, on line services and service agreements) under which:

- (a) any member of the Seller Group has the right to use or otherwise exploit the IT System and IT Infrastructure owned or provided by any third party; or
- (b) any member of the Seller Group has provided or agreed to provide the IT System and IT Infrastructure to any third party;

Seller Third Party "B" Licence means an agreement in the name of a member of the Seller Group as identified in Part B of Schedule 22;

Seller's Relief has the same meaning as Covenantor's Relief in the Tax Deed;

Seller's Solicitors means Hogan & Hartson of Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU;

Seller Wrong Pocket Employee means an individual identified as such in the Employee Lists referred to in the Disclosure Letter;

Separation Agreements means documents listed in Part 2 of Schedule 15;

Separation Product Supply Agreements means each of the supply agreements listed in Part 2 of Schedule 15 (under section C and numbered 1, 2, 3, 4, 5 and 7);

Shared Services Employee means a JLR Employee who occupies a role which involves performing work for Jaguar and/or Land Rover and another Seller Group brand;

Shared Services Territory means Australia, Brazil, China, Japan, Korea and Norway;

Specified Working Capital Amount means the negative amount of US\$600,000,000;

Split Contract means any contract, engagement, licence, guarantee and other commitment with a third party entered into by, or held on trust for or assigned to, any member of the Seller Group and/or a Target Company which relates partly to Jaguar and/or Land Rover and partly to any other business carried on by the Seller Group other than the Excluded Contracts;

Stock means raw materials, unfinished goods, parts and work in progress relating exclusively to Jaguar and/or Land Rover;

Stock Option has the meaning set out in clause 5 (Options and Stock Appreciation Rights) of the Long-Term Incentive Plan;

Surviving Contracts means the agreements identified in Schedule 13;



EXECUTION VERSION

Target Companies means:

- (a) the Sale Companies;
- (b) the JLR Subsidiaries; and
- (c) Land Rover (South Africa) (Pty) Ltd,

and **Target Company** means any of them;

Tata Subscription Shares means new ordinary shares in Land Rover UK subscribed by the Buyer or a member of the Buyer's Group at Completion;

Tax is defined in the Tax Deed;

Tax Authority is defined in the Tax Deed;

Tax Deed means the indemnity relating to Tax to be entered into on Completion between the Seller and the Buyer in the Agreed Form;

Taxes Act 1988 is defined in the Tax Deed;

TCGA is defined in the Tax Deed;

Territory means any territory in which any Target Company, NSC Newco (to the extent it exists at the relevant time) or, in relation to Jaguar and/or Land Rover, any member of the Seller Group carries on business;

Third Party Agreement has the meaning set out in Paragraph 10.1.5 of Schedule 4;

Third Party Importer means a person or entity unrelated to the Buyer's Group, the Target Companies or the Seller Group to which an Embedded NSC is to be transferred as contemplated by Section 3 Part 2 of Schedule 8;

Third Party IP means Intellectual Property Rights owned by a third party;

Third Party IT means aspects of the IT System or of Company Applications and Services that are owned by a third party;

TOPS Lease means a lease to be entered into between Jaguar Cars Limited and Ford Motor Company Limited of an area comprising site for trailer parking spaces and a building comprising offices and canteen forming part of the Halewood Site;

TOPS Service Level Agreement means an agreement relating to the occupation by Ford Motor Company Limited of part of the Halewood Site as a result of the TOPS Lease in the Agreed Form;



EXECUTION VERSION

Transfer Conditions means in relation to an Embedded NSC;

- (a) the conditions set out in Part 2 of Schedule 8, being the registrations, permits and licences which the Seller is advised by local counsel are required for the NSC Newco to operate and trade lawfully (save where any Law prevents such registrations, permits and licenses from being obtained before the Embedded NSC has been transferred to the NSC Newco); and
- (b) the occurrence of the separation actions with respect to such Embedded NSC specified in relation to the NSC Properties set out in category B of Part 3 of Schedule 10 (such actions to be carried out in accordance with Part 4 of Schedule 10);

Transferring Dealer Agreement has the meaning given to that term in Schedule 9;

Transaction Documents means this Sale and Purchase Agreement and any other documents entered into pursuant hereto, being each of the documents referred to in Schedule 15;

Treaty means the double taxation agreement between the United Kingdom and the jurisdiction in which the Treaty Seller is resident for tax purposes;

Treaty Seller means a licensor or assignor of United Kingdom Patents resident in a Treaty State and which is entitled, in respect of the payment of IP Consideration relating to United Kingdom Patents, to the benefit of the provision of the relevant Treaty which makes provision for full exemption from the Tax that would otherwise be imposed under section 524(3) of ICTA 1988 and/or section 910 of the Income Tax Act 2007;

Treaty State means a jurisdiction having a Treaty with the United Kingdom which makes provision for full exemption from any Tax imposed under section 524(3) of ICTA 1988 and/or section 910 of the Income Tax Act 2007;

UK Pension Schemes means the JPP, JEPP and the LRPS;

UK Properties means together the Certificated Properties and the Uncertificated Properties, and **UK Property** means any one of them;

UK Seller means a licensor or assignor of United Kingdom Patents resident in the United Kingdom for Tax purposes;

Uncertificated Properties means the properties identified in Part 2 of Schedule 10;

United Kingdom Patents means "United Kingdom patents" as defined at section 533 of ICTA 1988;

US\$ means United States Dollars;

US Dealer Agreement has the meaning given to that term in Schedule 9;



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US Dealer Wrongful Termination Claim has the meaning given to that term in Schedule 9;

US GAAP means United States Generally Accepted Accounting Principles;

VAT means value added tax chargeable under or pursuant to VATA 1994 or the EC Council Directive 2006/112/EC on the common system of value added tax or any similar sales, purchase or turnover tax chargeable outside the European Union;

VATA 1994 means the Value Added Tax Act 1994;

Vehicle Finance Separation Agreements means (i) the Vehicle Finance Separation Agreement between Ford Motor Credit Company LLC and Land Rover UK in the Agreed Form; and (ii) the Vehicle Finance Separation Agreement between Ford Motor Credit Company LLC and Jaguar Cars Limited in the Agreed Form;

Vendor Diligence Reports means the vendor diligence reports dated 5 July 2007 and 15 June 2007 prepared for the Buyer at the request of the Seller by KPMG LLP and Bain & Company Inc., respectively;

Visteon means Visteon Global Technologies, Inc.;

Visteon Intellectual Property Agreement means the Intellectual Property Agreement entered into by and between Visteon Global Technologies, Inc., and Ford Global Technologies, Inc., dated 31 March 2000;

Voluntary Termination Agreement has the meaning given to that term in Schedule 9;

Warranties means the warranties given by the Seller in Clause 11.1 and Schedule 4 (including, for avoidance of doubt, the Bring-Down Warranties) and any warranties given by any member of the Seller Group in the Intellectual Property Agreements or the Information Technology Agreement;

Waste means any discarded substance, material or article and includes any waste as defined in the Environmental Protection Act 1990;

Working Capital Adjustment means the amount, if any, payable by the Buyer to the Seller or by the Seller to the Buyer pursuant to Clause 10.2.4; and

Working Capital Amount means the Working Capital Amount as at Completion, as set out in the Final Completion Statement.

1.2 Interpretation

1.2.1 In this Sale and Purchase Agreement, subject to any express contrary indication:

- (a) words (including the definitions in Clause 1.1) importing the singular shall include the plural and vice versa;



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- (b) any reference to any gender shall include the other genders;
- (c) any reference to a **person** shall be construed as including:
 - (i) any person, firm, company, corporation, society, trust, foundation, government, state or agency of a state or any association or partnership (in each case whether or not having separate legal personality) of two or more of these;
 - (ii) a reference to the successors, permitted transferees and permitted assignees of any of the persons referred to in Paragraph (i) above;
- (d) any reference to this Sale and Purchase Agreement or any other agreement or document shall be construed as a reference to that agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented;
- (e) any reference to a **Clause** shall be construed as a reference to a clause of this Sale and Purchase Agreement;
- (f) the rule known as the ejusdem generis rule shall not apply and accordingly:
 - (i) general words introduced by the word **other** shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
 - (ii) any phrase introduced by the words **include, including or in particular** or any similar words or expression shall be construed as illustrative and shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (g) any references to **in writing** shall include any modes of reproducing words in a legible and non-transitory form but shall not include e-mail;
- (h) any reference to a **Paragraph** shall be construed as a reference to a paragraph of the Schedule in which such reference appears;
- (i) any reference to a **Part** shall be construed as a reference to a part of the Schedule in which such reference appears;
- (j) any reference to a **Schedule** shall be construed as a reference to a schedule to this Sale and Purchase Agreement;
- (k) any reference to a Law shall be construed as a reference to it as it may have been, or may from time to time be, (with or without modification) amended or re-enacted except that, as between the parties, no such amendment or modification shall apply for the purposes of this Sale and Purchase Agreement other than Clauses 8, 23.8 and 23.9 to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party;
- (l) any reference to any English statutory reference or legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official, or any legal concept or thing shall in respect of any jurisdiction (other than England) be deemed to include what most nearly approximates in that jurisdiction to the English legal term or Tax issue covered by that statutory reference or legal term; and
- (m) **holding company** and **subsidiary** shall have the meaning ascribed thereto in Section 736 of the Companies Act 1985, as amended; and



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- (n) **material** means material in the context of JLR taken as a whole, unless the context otherwise specifies, and when assessing such materiality for the purposes of Schedule 4 to this Sale and Purchase Agreement the parties shall have regard to the amount agreed by the parties and set out in Paragraph 1.1.1(a) of Schedule 5.

- 1.2.2 The table of contents and all headings in this Sale and Purchase Agreement are for ease of reference only and shall not affect the interpretation of this Sale and Purchase Agreement.

2. SALE AND PURCHASE

2.1 Sale and Purchase

Upon the terms and subject to the conditions of this Sale and Purchase Agreement, the Seller agrees to sell or procure the sale of, and the Buyer agrees to buy or procure the purchase by a member of the Buyer's Group (or, to the extent permitted by this Sale and Purchase Agreement, a Target Company) of, the Sale Shares, the JLR Assets (including the Embedded NSC Assets, the Halewood Plant, the Halewood Assets and the Halewood Properties), the JLR Intellectual Property Rights and the shares in NSC Newcos not transferred at Completion.

2.2 Sale Shares and JLR Assets

The Sale Shares shall be sold free from all Encumbrances with Full Title Guarantee and together with all rights attaching thereto including the right to dividends and distributions declared, made or paid thereon after Completion, and, subject to the terms of the Separation Agreements and other Transaction Documents, the JLR Assets (other than the Halewood Properties to be transferred in accordance with provisions of Schedule 17 and the Halewood Plant) shall be sold free from all Encumbrances, other than Permitted Encumbrances, and, subject thereto, with Full Title Guarantee.

3. CONSIDERATION

3.1 Amount

The total consideration payable by the Buyer to the Seller for the Sale Shares and, for and on behalf of the relevant member of the Buyer's Group or relevant Target Company (as applicable), for the JLR Assets (other than the Ford Subscription Shares Consideration, the Jaguar Shares Consideration, the Halewood Plant Consideration, the Halewood Site Consideration, the Halewood Sports and Social Club Consideration and the IP Consideration) to be transferred to the Buyer or the relevant member of the Buyer's Group or relevant Target Company (as applicable) hereunder (the **Purchase Price**) shall be an amount equal to the Initial Purchase Price as adjusted (in accordance with Clause 10) by:

- (a) the Intra-Group Balances Adjustment;
- (b) the Net External Indebtedness Adjustment; and
- (c) the Working Capital Adjustment.



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3.2 Adjustment to the Consideration

Any consideration received by the Seller in connection with the transactions described in this Sale and Purchase Agreement shall be received by the Seller as agent for and on behalf of the relevant member of the Seller Group. Any payment made by the Seller to the Buyer (or by the Buyer to the Seller) in respect of any Warranty or any claim for any breach of this Sale and Purchase Agreement or pursuant to any covenant, undertaking or indemnity contained in this Sale and Purchase Agreement (including the post Completion adjustments in Clause 10) or the Tax Deed, shall to the extent possible be made by way of adjustment to the consideration paid under this Sale and Purchase Agreement. The Seller shall receive or make such payment as agent for and on behalf of the relevant member of the Seller Group and such consideration shall be deemed to have been reduced (or increased, if the payment is from the Buyer to the Seller) by the amount of that payment.

4. CONDITIONS TO COMPLETION

4.1 Completion shall be conditional upon the satisfaction of the following Conditions:

4.1.1 the European Commission (**Commission**) issuing a decision pursuant to Council Regulation (EC) 139/2004 (the **EC Merger Regulation**) that:

- (a) the Proposed Transaction falls outside the scope of the EC Merger Regulation under Article 6.1(a); or
- (b) the Proposed Transaction is compatible with the Common Market under Article 6.1(b) EC Merger Regulation without attaching to its decision any condition or obligation; or
- (c) after initiating proceedings under Article 6.1(c) EC Merger Regulation, the Proposed Transaction is compatible with the Common Market without attaching to its decision any condition or obligation; or
- (d) either pursuant to Article 6.1(b) EC Merger Regulation, or after initiating proceedings under Article 6.1(c) EC Merger Regulation pursuant to Article 8(2) EC Merger Regulation, the Proposed Transaction is compatible with the Common Market subject to the fulfilment of one or more conditions or obligations which the Buyer is obliged to accept in accordance with Clause 4.2.4 below; or
- (e) a derogation is granted in accordance with Article 7(3) EC Merger Regulation.

4.1.2 any applicable waiting period (including extensions of such periods) which may be required under the Hart-Scott Rodino Antitrust Improvements Act 1976 (as amended) (**HSR Act**) and the regulations made under the HSR Act having expired, lapsed or been terminated in respect of the Proposed Transaction provided that the Buyer and the Seller shall each promptly make an appropriate filing of the notification and report form under the HSR Act in respect of the Proposed Transaction and promptly provide any additional information and documentary material requested pursuant to the HSR Act;

4.1.3 except to the extent waived pursuant to Clauses 4.3.1, 4.3.2 or 4.3.3, all other mandatory merger control filings in respect of the Proposed Transaction in the jurisdictions listed in Schedule 18 having been made and all approvals necessary for the Proposed Transaction having been obtained from each relevant Competition Authority in such jurisdiction, in each case whether by lapse of time or by express confirmation of the relevant Competition Authority; and



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4.1.4 each of the Seller, the Buyer and all other parties named or referred to as an applicant in the applications for the Clearance Statements having not received any written notice from the Pensions Regulator that any of the Clearance Statements have ceased to bind the Pensions Regulator, any such notice being in effect immediately before the last of the Conditions in Clauses 4.1.1, 4.1.2 and 4.1.3 has either been satisfied or duly waived.

4.2 Efforts to Satisfy the Conditions

4.2.1 Subject to Clause 4.2.4 the Seller and the Buyer shall each use all reasonable endeavours to ensure satisfaction of the Conditions at its own expense, including the payment of any fees to any Governmental Entity or Competition Authority associated with notifying the Proposed Transaction pursuant to the HSR Act and any other applicable mandatory merger notifications required under Clause 4.1 above, provided that the Buyer shall on Completion reimburse the Seller for any fees paid by the Seller to any Governmental Entity or Competition Authority associated with notifying the Proposed Transaction.

4.2.2 The Buyer and the Seller shall furnish to each other such necessary information and reasonable assistance as may be requested in order to determine the jurisdictions in which the approvals referred to in Clause 4.1.3 should be obtained, and in connection with preparation of any filing or submission that is necessary under Clauses 4.1.1 to 4.1.3.

4.2.3 Without prejudice to the generality of the Buyer's obligations pursuant to Clause 4.2.1, but subject to Clause 4.2.4 the Buyer shall as soon as possible after the date of this Sale and Purchase Agreement take all steps necessary to obtain all mandatory consents, approvals or authorisations of any Governmental Entity or Competition Authority that are required in order to complete the Proposed Transaction and other transactions contemplated by the Transaction Documents including:

- (a) filing any mandatory notification and submission to all relevant Governmental Entities and Competition Authorities as soon as practicable and, in the case of the filings referred to in Clauses 4.1.1 and 4.1.2, no later than ten (10) Business Days following the date of this Sale and Purchase Agreement (or, with respect to any filings made within such period which the relevant Governmental Entity or Competition Authority has determined to be incomplete, such later date on which the relevant Governmental Entity or Competition Authority shall accept the relevant filing as complete, it being understood that the Buyer and the Seller shall use all reasonable endeavours to submit a complete filing as soon as practicable, and in any case within ten (10) Business Days of the date the Governmental Entity or Competition Authority has determined the filing to be incomplete), and the payment of any filing fees assessed by any Governmental Entity or Competition Authority. Any such notification and submission, as well as any supplemental information requested thereafter, shall be in substantial compliance with the requirements of the relevant Governmental Entities and Competition Authorities;
- (b) providing the Seller with the opportunity to review and comment on any drafts of notifications and communications proposed to be submitted to any Governmental Entity or Competition Authority;
- (c) providing the Seller with copies of all communications (other than communications which are immaterial) with any Governmental Entity or Competition Authority (which relate to the Proposed Transaction) as soon as reasonably practicable after being sent or received (as the case may be); and



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- (d) consulting with and providing the Seller with the opportunity to participate in any material meetings, conference calls or other discussions with any Governmental Entity or Competition Authority (save to the extent such meetings, conference calls or other discussions relate to information which is confidential to the Buyer).

4.2.4 The Buyer shall not be obliged to give any undertakings, whether behavioural or structural, to any relevant Governmental Entity or Competition Authority in order to secure satisfaction of the Conditions in Clauses 4.1.1 to 4.1.3, other than such undertakings as it considers, acting reasonably, to be satisfactory to it, nor to accept the imposition of any conditions or obligations in respect of any consent or approval obtained in connection with the Conditions in Clauses 4.1.1 to 4.1.3, other than such conditions or obligations as it considers, acting reasonably, to be satisfactory to it.

4.2.5 If at any time the Buyer or the Seller becomes aware:

- (a) of a fact or circumstance that might prevent any of the Conditions set out in Clause 4.1 being satisfied; or
- (b) that any of the Conditions set out in Clause 4.1 has been satisfied,

it shall immediately inform the other in writing giving such detail as is practicable.

4.3 Waiver or Failure to Satisfy the Conditions

4.3.1 Subject to Clause 4.3.2, the Conditions may only be waived by written agreement of the Seller and the Buyer provided that:

- (a) if the Condition at Clause 4.1.4 (the **Pensions Condition**) is unfulfilled solely by reason of the Buyer having breached the covenant at Clause 5.8.1 or because the Buyer has breached its warranty and undertaking in Paragraph 7 of Schedule 11 the Seller alone may waive fulfilment of the Pensions Condition (in which case the Buyer shall be obliged to proceed to Completion upon satisfaction or waiver of the other Conditions); and
- (b) if the Pensions Condition is unfulfilled solely by reason of the Seller having breached the covenant at Clause 5.8.2 or because the Seller has breached its warranty and undertaking in Paragraph 7 of Schedule 11 the Buyer alone may waive fulfilment of the Pensions Condition (in which case the Seller shall be obliged to proceed to Completion upon satisfaction or waiver of the other Conditions).

4.3.2 The Buyer may at any time, without the prior agreement of the Seller and acting in its sole discretion, waive the Conditions set forth in Clause 4.1.3 in respect of those jurisdictions listed in Part B of Schedule 18, by giving notice in writing to the Seller.

4.3.3 If all of the Conditions set forth in Clause 4.1 have been satisfied (or waived in accordance with Clauses 4.3.1 or 4.3.2), other than any merger control approval which remains outstanding in any jurisdiction identified in Part C of Schedule 18, the Buyer and the Seller agree to waive the Condition set forth in Clause 4.1.3 in respect of such outstanding merger control approval or approvals, provided that the Buyer is at that time satisfied, acting in its sole discretion, that implementation of any transaction contemplated by this Sale and Purchase Agreement on the basis of such a waiver (i) would not violate any local Law, (ii) would not have a material adverse effect upon the Guarantor or any of its Affiliates or any Target Company, and (iii) would not create a risk of harm to the business reputation of the Guarantor or any of its Affiliates or any Target Company, or any director, officer, employee, consultant or agent of any of them, and provided further that the Seller is at that time satisfied, acting in its sole discretion, that any such waiver (a) would not violate any local Law; (b) would not have a material adverse effect upon the Seller or any of its Affiliates, and (c) would not create a risk of harm to the business reputation of the Seller or any its Affiliates, or any director, officer, employee, consultant or agent of any of them.



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- 4.3.4 In the event that any Condition related to a merger control approval in any jurisdiction identified in Part B or Part C of Schedule 18 is waived in accordance with this Clause 4.3 with respect to any jurisdiction, any Target Company, Embedded NSC or NSC Newco organised in such jurisdiction, and any JLR Assets located in such jurisdiction, shall not be transferred to the Buyer at Completion, but shall continue to be held by the Seller Group until such time as the Condition with respect to such jurisdiction is met, whereupon the relevant Target Company and JLR Assets shall be promptly transferred to the Buyer (or as the Buyer may direct), and/or the relevant Embedded NSC shall be transferred pursuant to Clauses 7 and 8.
- 4.3.5 If any of the Conditions has not been satisfied or waived by the Long Stop Date, this Sale and Purchase Agreement shall automatically terminate.

4.4 Effect of Termination

If this Sale and Purchase Agreement terminates pursuant to Clause 4.3.5 or Clause 6.4 to 6.6 each party's further rights and obligations cease immediately on termination (save for Clauses 1 (*Definitions and Interpretation*), 23.2 (*Announcements*), 23.3 (*Confidentiality*), 23.7 (*Costs*), 23.15 (*Notices*), 24 (*Governing Law and Disputes*) and Paragraphs 9 to 11 of Schedule 9, which will continue in full force and effect) but without prejudice to any accrued rights and obligations at the date of termination.

5. PERIOD BETWEEN EXCHANGE AND COMPLETION**5.1 Restricted Activities**

Subject to Clause 5.2, the Seller shall procure that, between the date of this Sale and Purchase Agreement and Completion (or with respect to an Embedded NSC which is the subject of a waiver pursuant to Clause 4.3.3 until the Condition to which the waiver relates is met), each Target Company, each Embedded NSC and each NSC Newco from the date on which it acquires any Embedded NSC Assets insofar as such date is prior to Completion shall carry on its business in the ordinary and usual course in compliance with all Laws and as carried on prior to the date of this Sale and Purchase Agreement, and shall not carry out any of the acts specified in Schedule 7 without the Buyer's prior written consent, provided that the Seller may complete the Pre-Completion Reorganisation and the NSC Reorganisation without obtaining such consent. The Seller shall notify the Buyer of any matter, circumstance or omission which could reasonably be expected to give rise to a breach of this Clause 5.1.

5.2 Access

Except as otherwise prohibited by Law, between the date of this Sale and Purchase Agreement and Completion, upon reasonable request in writing of the Buyer, the Seller shall provide to representatives of the Buyer reasonable access during normal business hours to the premises (including the Halewood Site and other plants and offices), books, records, officers, directors and employees of the Target Companies and the Embedded NSCs, and shall furnish representatives of the Buyer with such financial and operating data and other information (other than such data or other information (if any) that is restricted under the Vehicle Finance Separation Agreements) with respect to the businesses and assets of the Target Companies and the Embedded NSCs (and including such information and documentation relating to the plans and arrangements specified in Part 2 of Schedule 11 as the Buyer shall reasonably require in order to perform its obligations under Clause 16 and Schedule 11 and as has not prior to the date of this Sale and Purchase Agreement been provided in the Data Room), so long as such access shall not result in an unreasonable interference with the operation of the business of the Target Companies or the Embedded NSCs. For the avoidance of doubt, nothing contained in this Clause 5.2 shall give the Buyer, directly or indirectly, rights to control or direct the operations of the Target Companies or the Embedded NSCs prior to Completion.



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5.3 General Obligations

Notwithstanding the provisions of Clause 5.1 or Schedule 7 or anything else contemplated by this Sale and Purchase Agreement, between the date of this Sale and Purchase Agreement and Completion, the prior consent of the Buyer shall not be required (and the provisions of Clause 5.1 and Schedule 7 shall not apply) in respect of the following acts, matters or conduct:

- 5.3.1 any act or conduct which any Target Company or any Embedded NSC is required to take or omit to take as a result of, or in order not to violate, any Law;
- 5.3.2 the completion or performance of any obligations undertaken pursuant to any contract or arrangement entered into prior to the date of this Sale and Purchase Agreement in accordance with the terms thereof;
- 5.3.3 any act, matter or conduct to be taken by the Seller, any member of the Seller Group, any Target Company or any Embedded NSC in accordance with this Sale and Purchase Agreement or any other Transaction Document, including without limitation any act or conduct taken in accordance with the Pre-Completion Reorganisation or the NSC Reorganisation;
- 5.3.4 any act, matter or conduct reasonably undertaken in response to events or circumstances beyond the Seller's control capable of having a material adverse effect upon Jaguar, Land Rover, any Target Company or any Embedded NSC, with the intention of minimising such effect;
- 5.3.5 any act, matter or conduct undertaken at the written request of the Buyer;
- 5.3.6 the capitalisation of Jaguar Cars Limited and Land Rover UK to fund the JPP Contribution, JEPP Contribution and LRPS Contribution;
- 5.3.7 cash management, treasury and other transactions among the Target Companies and the Seller Group undertaken with the intention of positioning the Target Companies toward a debt-free cash-free position at Completion, including but not limited to the payment of dividends by Target Companies, the contribution of capital to Target Companies, the issuance of shares by Target Companies, the granting of loans to and from Target Companies, the settlement or waiver of loans to or from Target Companies and the reorganisation of or reduction in the share capital of Target Companies, provided that no such transaction may constitute financial assistance within the meaning of sections 151 et seq of the Companies Act 1985 in connection with the acquisition of any Sale Shares pursuant to this Sale and Purchase Agreement; or



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5.4 Transfer of Tooling

Prior to Completion the Seller shall or shall procure the transfer of ownership on the basis of accounting principles set out in column five of Schedule 20 of:

- 5.4.1 the Non-Common Tooling from the Seller to Jaguar or Land Rover;
- 5.4.2 the Non-Common Tooling from Jaguar or Land Rover to the Seller;
- 5.4.3 the Common Tooling from Jaguar or Land Rover to the Seller, and
- 5.4.4 the Common Tooling from the Seller or a member of the Seller Group to Jaguar or Land Rover,
as set out in Schedule 20 of this Sale and Purchase Agreement.

5.5 Request for Consent

The Buyer shall promptly deal with any written request for consent made by the Seller during the period between the date of this Sale and Purchase Agreement and Completion in relation to any matter which, to be undertaken, requires the consent of the Buyer and the Buyer shall not unreasonably withhold or delay any such consent. If the Buyer fails to respond within ten (10) Business Days to any written request made by the Seller for the purposes of this Clause 5.5, the Buyer shall be deemed to have consented in writing to all matters to which such request relates.

5.6 Pre-Completion Reorganisation

Between the date of this Sale and Purchase Agreement and Completion, the Seller may procure that the relevant members of the Seller Group and the Target Companies shall implement any of the steps set out in the Pre-Completion Reorganisation in accordance with Part 1 of Schedule 8.

5.7 US Dealers

The Buyer and the Seller shall give effect to Schedule 9 in relation to Jaguar dealers in the United States.

5.8 Pensions Undertakings

- 5.8.1 Save as required by Law and subject to Paragraph 7 of Schedule 11, the Buyer undertakes that it shall not without the prior written consent of the Seller take, between the date of this Sale and Purchase Agreement and Completion, any action that will or could reasonably be expected by the Buyer acting reasonably to lead directly to any of the Clearance Statements ceasing to bind the Pensions Regulator or to the trustees of any of the JPP, JEPP and LRPS giving notice referred to in Clause 5.8.5.
- 5.8.2 Save as required by Law and subject to Paragraph 7 of Schedule 11 Part 1, the Seller undertakes that it shall not without the prior written consent of the Buyer take, between the date of this Sale and Purchase Agreement and Completion, any action that will or could reasonably be expected by the Seller acting reasonably to lead directly to any of the Clearance Statements ceasing to bind the Pensions Regulator or to the trustees of any of the JPP, JEPP and LRPS giving notice referred to in Clause 5.8.5.



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- 5.8.3 The Seller and the Buyer each undertake to promptly notify the other of any fact or matter known to it which will or could reasonably be expected by the notifying party, acting reasonably, to lead to any of the Clearance Statements ceasing to bind the Pensions Regulator.
- 5.8.4 The Seller undertakes to use reasonable endeavours following the date of this Sale and Purchase Agreement (upon request in writing by, and for the benefit of, the Buyer and/or Jaguar Cars Limited or Land Rover UK) to enforce compliance with, or to restrain any actual or proposed breach of, the obligation of the trustees of the JPP, JEPP and LRPS under clause 2(e) of each of the Heads of Agreement. The Buyer or Jaguar Cars Limited or Land Rover UK (as the Buyer deems appropriate) shall reimburse the Seller for all reasonable costs as are incurred by the Seller in any action requested in writing by the Buyer under this Clause 5.8.4.
- 5.8.5 The Seller and the Buyer agree that, without prejudice to Clause 5.8.4 above, if during the period between the date of this Sale and Purchase Agreement and Completion any of the Seller, the Buyer, Jaguar Cars Limited or Land Rover UK receives a formal notice in writing from the trustees of any of the JPP, JEPP or LRPS that they do not intend to comply with, or they seek to vary or amend, their respective Heads of Agreement (including by supplement thereto or the amendment of any attachment thereto), the parties' obligations (including without limitation those set forth in Clause 6.2) under this Sale and Purchase Agreement to proceed to Completion shall be suspended until such time as the formal notice aforesaid is withdrawn by the relevant trustees or until the Buyer and the Seller otherwise agree in writing.
- 5.9 Information Technology**
- 5.9.1 The Seller undertakes to provide to the Buyer at Completion an updated list of the JLR IT System and Infrastructure as a Schedule to the Information Technology Agreement, with such list to be provided and updated as contemplated by such agreement.
- 5.9.2 The Seller undertakes to provide to the Buyer at Completion an updated list of the IT System and IT Infrastructure as a Schedule to the Information Technology Agreement, with such list to be provided and updated as contemplated by such agreement.
- 5.9.3 The Seller undertakes to provide to the Buyer at Completion updated Schedules C-1, C-2 and F to the Information Technology Agreement with such schedules to be provided and updated as contemplated by such agreement.
- 5.9.4 Without prejudice to Jaguar Cars Limited's and Land Rover UK's rights and remedies under the Information Technology Agreement, if, between the date of this Sale and Purchase Agreement and Completion, the Seller proposes to implement an alternative means of continuing the provision of the Ford Transition Services because a third party has refused to provide consent under any relevant Seller IT Contract or JLR IT Contract prior to Completion, the Seller shall provide JLR and the Buyer with reasonable details of the proposed alternative solution.



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5.10 IP

- 5.10.1 The Seller undertakes to provide at Completion updated versions of the Documented Plans (as such term is defined in the Intellectual Property Common Terms Agreement) existing on or immediately prior to Completion as a schedule to the Intellectual Property Common Terms Agreement.
- 5.10.2 The Seller shall, subject to the applicable terms of the Intellectual Property Agreements, provide to JLR immediately after Completion ownership rights or a right of use to all Intellectual Property Rights (other than Trade Marks as defined in Clause 5.10.3) owned by any member of the Seller Group that at Completion are used or planned for use pursuant to Documented Plans (as such term is defined in the Intellectual Property Common Terms Agreement) by JLR.
- 5.10.3 The Seller shall, subject to the applicable terms of the Intellectual Property Agreements, provide to JLR immediately after Completion ownership rights or a right of use to all trade marks, service marks, trade, business and domain names, logos, trade dress or get-up (collectively, **Trade Marks**) owned by any member of the Seller Group that at the date of this Sale and Purchase Agreement are used by JLR.
- 5.10.4 The Seller shall procure from each Identified Third Party "A" Licensor by Completion a written agreement to grant a licence in the respective Identified Third Party "A" IP, to those Target Companies licensed pursuant to the respective Seller Third Party "A" Licence, on terms (including royalties, any use restrictions and any other key commercial terms) and duration (a) reasonably comparable to those set forth in the respective Seller Third Party "A" Licence, or (b) as otherwise requested by an Identified Third Party "A" Licensor and approved by the Buyer (such approval not to be unreasonably withheld or delayed); provided that:
- (i) the Buyer shall not obstruct, interfere with or otherwise frustrate the Seller in obtaining such agreements;
 - (ii) the Buyer shall use reasonable endeavours, as reasonably requested by the Seller, to assist Seller in obtaining any such agreement where the Buyer or an Affiliate thereof has a relationship with an Identified Third Party "A" Licensor;
 - (iii) if an Identified Third Party "A" Licensor conditions its agreement to grant a license on terms that are not reasonably comparable to those set forth in the respective Seller Third Party "A" Licence, then the Buyer may, in its sole discretion, decide to not require the Seller to obtain such agreement from the Identified Third Party "A" Licensor; and
 - (iv) if an Identified Third Party "A" Licensor conditions its agreement to grant a license upon the payment of fees, royalties or other amounts in excess of those attributable to the Target Companies' use under the corresponding Seller Third Party "A" License, then the Seller and the Buyer shall share equally in the difference between any such fees, royalties or other amounts and those in the respective Seller Third Party "A" License.
- 5.10.5 The Seller shall procure by Completion an agreement from Getrag to assign substantially all of the Seller's rights and obligations in the Getrag IP Agreement to Land Rover UK or enter into a separate agreement providing Land Rover UK with substantially similar rights and obligations, which agreement shall be executed by Getrag, subject to Volvo Car Corporation's right to retain equal rights and obligations as the Seller in the Getrag IP Agreement.



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- 5.10.6 The Seller shall grant a sublicense pursuant to the Seller Third Party "B" Licenses to the Target Companies, on terms and duration substantially similar to those set forth in the respective Seller Third Party "B" License; which sublicense shall be executed by the Seller and effective as of Completion. With respect to the Continental Air Suspension Licence and Visteon Intellectual Property Agreement, the Seller shall by Completion provide the Target Companies with written confirmation that the Target Companies' rights under the covenants not to sue on the part of Continental AG and Visteon shall continue after Completion.
- 5.10.7 The Seller shall by Completion procure that the royalties payable under the Hill Descent Control Licences shall be paid to Land Rover UK from Completion.
- 5.10.8 Should, through no fault of the Buyer or under Clause 5.10.4(ii), the Seller fail to procure one or more agreements, as required pursuant to Clause 5.10.4 or 5.10.5, then the Seller agrees to indemnify JLR for any and all Losses incurred as a result of third party claims based on JLR's use of the Identified Third Party "A" IP in the manner used at Completion or planned for use pursuant to Documented Plans. In no event, however, shall the Seller be obligated to indemnify JLR for any such Losses to the extent they arise from either:
- (a) use of any Identified Third Party "A" IP if in a manner not materially in accordance with JLR's use thereof prior to Completion or planned use pursuant to Documented Plans; or
 - (b) use of any Identified Third Party "A" IP where the Seller obtained the agreement on the part of such Identified Third Party "A" Licensor prior to Completion to grant a license on terms reasonably comparable to those set forth in the respective Seller Third Party "A" Licence, and Jaguar or Land Rover failed to agree to such terms.
- 5.10.9 Any on-going royalties, maintenance fees, or other payments under any licenses or other agreements subject to this Clause 5.10 after Completion shall be the sole responsibility of Jaguar and/or Land Rover, except with respect to any fees subject to Clause 5.10.4(iv).
- 5.11 Share Schemes**
- 5.11.1 The Seller shall accelerate the conditions for the vesting of any Restricted Stock Units awarded to any director or employee of any Target Company or any Embedded NSC so that such Restricted Stock Units and Stock Options shall vest prior to Completion.
- 5.11.2 The Seller shall:
- (a) withhold any Tax that is to be duly paid or accounted for to any Tax Authority in any relevant jurisdiction arising as a direct result of the vesting of the Restricted Stock Units prior to Completion; and
 - (b) pay any liability to Tax of any Target Company that arises as a direct result of the vesting of the Restricted Stock Units and delivery of the shares subject to the Restricted Stock Units prior to Completion.
- 5.11.3 The Buyer or the relevant member of the Buyer's Group, as the case may be, after Completion, shall procure that the relevant Target Company shall:
- (a) reclaim any Tax from the relevant director or employee that is to be duly paid or that is to be accounted for to any Tax Authority in any relevant jurisdiction as a result of the Stock Options awarded to any such director or any employee of any Target Company or any Embedded NSC; and



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- (b) pay or procure the payment of any liability to Tax of any Target Company that arises as a result of the Stock Options.

5.11.4 The Seller shall provide the Buyer with sufficient information to enable the Buyer or the relevant member of the Buyer's Group to fulfil its obligations to the relevant Tax Authority in relation to the Stock Options.

5.11.5 The Seller shall:

- (a) withhold any Tax that is to be duly paid or that is to be accounted for to any Tax Authority in any relevant jurisdiction as a result of the award of any Performance Stock Right;
- (b) provide such amount withheld in Clause 5.11.5(a) above to the Buyer in a timely manner so that the Buyer shall account to the relevant Tax Authority in any relevant jurisdiction in respect thereof; and
- (c) provide the Buyer with sufficient information to enable the Buyer or the relevant member of the Buyer's Group to fulfil its obligations to the relevant Tax Authority in relation to the Performance Stock Rights.

5.11.6 The Buyer or the relevant member of the Buyer's Group shall after Completion pay or shall procure that the relevant Target Company shall pay or procure the payment of, any Tax liability of any Target Company that arises as a result of the award of the Performance Stock Rights.

5.12 Restrictions on Estimated Intra Group Balances, Estimated Net External Indebtedness and Dividend from Land Rover UK

Notwithstanding any other provision of this Sale and Purchase Agreement:

5.12.1 the Seller shall procure that the aggregate of the Estimated Net External Indebtedness and the Estimated Intra Group Balances shall not in any circumstances have the effect, after taking account of all other matters to be deducted from the Bid Price in determining the Initial Purchase Price, of reducing the Initial Purchase Price to an amount less than US\$1 plus the Completion Business Asset Consideration; and

5.12.2 the aggregate amount of dividends paid by Land Rover UK between the date hereof and Completion shall not exceed the aggregate amount paid to Land Rover UK in respect of the subscription of Ford Subscription Shares.

5.13 Transitional Treasury Services

As soon as practicable after the date of this Sale and Purchase Agreement (but, in any event, no less than fourteen (14) days prior to the scheduled Completion Date) the Seller agrees to submit to Land Rover UK and Jaguar Cars Limited: (i) reasonably detailed proposals relating to processes, policies and procedures (**Procedures**); and (ii) draft documentation for the provision of Services (as defined in the transitional services agreements between the Seller and Land Rover UK and the Seller and Jaguar Cars Limited respectively in the Agreed Form) by the Seller under Schedule 4 (*Treasury Services*) of such transitional services agreements. The Seller agrees to consider in good faith and in a timely manner (with an aim to implementing the Procedures and related documentation on or prior to Completion) any changes to the Procedures and related documentation reasonably requested by Land Rover UK and/or Jaguar Cars Limited. Without limiting its obligation to act in good faith, the Seller specifically acknowledges that it shall not be reasonable for the Seller to reject any changes requested by Land Rover UK and/or Jaguar Cars Limited (i) which have no adverse economic or workload effect on the Seller and/or its Affiliates; or (ii) which are required to ensure compliance with Law. Where the changes requested by Land Rover UK and/or Jaguar Cars Limited are accepted by the Seller and result in the Seller incurring an incremental adverse economic effect or increased workload, the Seller shall be free to charge or require the reimbursement of such costs and/or expenses by Land Rover UK and/or Jaguar Cars Limited in accordance with the Cost Categories and Cost Allocation Principles (as defined in the relevant Transitional Services Agreement).



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5.14 Separation Product Supply Agreements

- 5.14.1 The Seller undertakes to provide to the Buyer at Completion a revised pricing appendix to each of the Separation Product Supply Agreements updated (if necessary) to reflect any changes in the prices stated in those appendices from the date of this Sale and Purchase Agreement to Completion, calculated in accordance with the provisions set out in the relevant Separation Product Supply Agreement.
- 5.14.2 The Seller shall undertake reasonable endeavours to provide to Jaguar Cars Limited reasonable details of the variation giving rise to any adjustment pursuant to Clause 5.14.1 in relation to any product supplied to Jaguar Cars Limited together with, on written request by Jaguar Cars Limited, reasonable and appropriate information to verify these adjustments.
- 5.14.3 The Seller shall undertake reasonable endeavours to provide to Land Rover UK reasonable details of the variation giving rise to any adjustment pursuant to Clause 5.14.1 in relation to any product supplied to Land Rover UK together with, on request by Jaguar Cars Limited, reasonable and appropriate information to verify these adjustments.

5.15 Unipart Arrangements

The Seller Group shall continue to sell service parts to Unipart Group Limited for servicing Destination Vehicles (as such term is defined the Ford Jaguar Supply Agreement) on the same terms as they had been sold to Unipart Group Limited during the Comparison Period (as defined in the Ford Jaguar Supply Agreement) save that such service parts shall be priced in accordance with Schedule 3 of the Ford Jaguar Supply Agreement until such time as the Seller has used all reasonable efforts to cooperate with Jaguar Cars Limited and Unipart Group Limited to agree a new arrangement for the supply to Unipart Group Limited of service parts to service Destination Vehicles.

5.16 Information Barriers Protocol

The parties shall give effect, within ten (10) Business Days of the date of this Sale and Purchase Agreement, to the Information Barriers Protocol set out in Schedule 23.

5.17 Governance Protocol

The parties shall between the date of this Sale and Purchase Agreement and the Completion Date nominate all the necessary persons required pursuant to the Governance Protocol to the following: (i) the Functional Committee; (ii) the Business Relationship Group; (iii) the JLR Relationship Board; and (iv) the Chairman's Meetings (each as defined in the Governance Protocol).



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6. COMPLETION

6.1 Date and Place of Completion

Completion shall take place on the Completion Date at the offices of the Seller's Solicitors.

6.2 Completion Matters

6.2.1 At Completion, the following steps shall occur in the following order:

- (a) firstly, the Seller shall procure for the following payments to be made:
 - (i) payment by Jaguar Cars Limited of the JPP Contribution to the JPP;
 - (ii) payment by Jaguar Cars Limited of the JEPP Contribution to the JEPP; and
 - (iii) payment by Land Rover UK of the LRPS Contribution to the LRPS;
- (b) secondly, the Seller shall deliver or procure the transfer to the Buyer or a member of the Buyer's Group nominated by the Buyer of any Ford Subscription Shares against the payment by the Buyer (for and on behalf of the relevant member of the Buyer's Group, if applicable) to the Seller of the Ford Subscription Shares Consideration;
- (c) thirdly, the Buyer shall, or shall procure that a member of the Buyer's Group shall, subscribe for such number of Tata Subscription Shares as the Seller may specify to it not later than five (5) Business Days prior to Completion for cash at an aggregate subscription price of not more than the Estimated Intra Group Payables and Estimated Net External Indebtedness after deducting an amount equal to the aggregate subscription price paid prior to Completion by any member of the Seller Group in respect of any Ford Subscription Shares subscribed after notification to the Buyer of the Estimated Intra Group Payables and held in cash by Land Rover UK or which has been applied in paying off Intra-Group Payables or Net External Indebtedness;
- (d) fourthly, the Seller shall deliver or procure delivery to the Buyer or such member of the Buyer's Group as the Buyer directs the whole of the issued share capital of Jaguar Cars Limited against the payment by the Buyer (for and on behalf of the relevant member of the Buyer's Group, if applicable) to the Seller of the Jaguar Shares Consideration;
- (e) fifthly, the Buyer shall pay to the Seller an amount equal to the Initial Purchase Price (for and on behalf of the relevant member of the Buyer's Group or Land Rover UK or Jaguar Cars Limited (as applicable)) and the aggregate amount of fees to be reimbursed to the Seller pursuant to Clause 4.2.1 as notified by the Seller to the Buyer not later than five (5) Business Days prior to Completion and upon payment of the Initial Purchase Price the Seller shall procure the transfer of the following, in the following order:
 - (i) any remaining shares in Land Rover UK;
 - (ii) the Sale Shares not already transferred pursuant to Clauses 6.2.1(a) to 6.2.1(d) and 6.2.1(e)(i) above;
 - (iii) the issued shares in any NSC Newcos for which the NSC Reorganisation has been completed prior to, or at Completion; and



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(iv) the JLR Assets (other than the Halewood Properties, the Halewood Plant and the Halewood Assets), in each case to the Buyer or to such member of the Buyer's Group or to Land Rover UK or Jaguar Cars Limited or other Target Company as the Buyer directs or, with respect to the transfer contemplated by (ii) and (iii) above, to the Target Companies specified in Schedule 19; and

(f) sixthly, the Buyer shall pay to the Seller by way of an increase to the purchase price for the relevant NSC an amount equal to the NSC Set Up Costs for each of the NSC Newcos and Target Companies transferred to the Buyer at Completion and the NSC Set Up Costs relating to the agreements entered into with Third Party Importers prior to or at Completion;

6.2.2 At Completion, and in accordance with the sequence of events set out in Clause 6.2.1, the Buyer and the Seller shall comply with their respective obligations set out in Schedule 6.

6.2.3 The Initial Purchase Price and the fees and costs referred to in Clauses 6.2.1(e) and 6.2.1(f) shall be paid by way of telegraphic transfer of funds for same day value to the account or accounts notified by the Seller to the Buyer at least five (5) Business Days prior to Completion.

6.2.4 Notwithstanding any other provisions of this Sale and Purchase Agreement and without prejudice to the application of Clause 23.8 to the Halewood Properties, the provisions of Schedule 17 shall apply in respect of the Halewood Properties.

6.3 Obligation to Complete

Neither the Buyer nor the Seller shall be obliged to complete this Sale and Purchase Agreement unless the other complies in all material respects with its obligations under Clause 6.2 and Schedule 6.

6.4 Failure to Complete

If the respective obligations of the Seller and the Buyer under Clause 6.2 are not complied with in all material respects on the Completion Date, the party which is not in default may (at its absolute discretion) by written notice to the other:

6.4.1 defer Completion to the earlier of the last Business Day of the following calendar month and the Long Stop Date, with the effect that the provisions of this Sale and Purchase Agreement relating to Completion shall apply as if such date were the Completion Date; or

6.4.2 proceed to Completion so far as practicable (without prejudice to any of its rights under this Sale and Purchase Agreement); or

6.4.3 terminate this Sale and Purchase Agreement by written notice without prejudice to any other rights or remedies which it may have as at the date of termination.

6.5 Bring-Down Warranties

If at the time of Completion the Seller shall be in material breach of any of the Bring-Down Warranties the Buyer may (at its absolute discretion) by written notice to the Seller:

6.5.1 so as to provide the Seller with an opportunity to remedy the breach, defer Completion to the earlier of the last Business Day of the following calendar month and the Long Stop Date, with the effect that the provisions of this Sale and Purchase Agreement relating to Completion shall apply as if such date were the Completion Date; or



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6.5.2 terminate this Sale and Purchase Agreement by written notice without prejudice to any other rights or remedies which it may have as at the date of termination.

6.6 Material Adverse Change

The Buyer shall be entitled by written notice to the Seller at any time prior to Completion to terminate this Sale and Purchase Agreement without liability to the Seller or any member of the Seller Group following the occurrence of any Material Adverse Change on or prior to Completion and the provisions of Clause 4.4 shall apply.

6.7 Post-Completion

6.7.1 Within ten (10) Business Days of Completion, the Seller shall procure that Reorganisation Plans for each jurisdiction in which there is a Delayed NSC shall be provided to the Buyer in writing and in a form which has been developed in consultation with the local JLR management and in relation to which the Seller (acting reasonably and in good faith) has considered for incorporation the comments of local JLR management in the relevant Delayed NSC jurisdiction (the **Delivered Reorganisation Plans**). The Seller shall procure that: (a) any changes to the Delivered Reorganisation Plans are undertaken in consultation with local JLR management; (b) that the Seller (acting reasonably and in good faith) shall consider for incorporation the comments of local JLR management in the relevant Delayed NSC jurisdiction regarding such changes; and (c) none of the changes to the Delivered Reorganisation Plans are undertaken unless they have first been provided in writing to the Buyer. Provisions of the Delivered Reorganisation Plan shall not be deemed to amend or modify the Transfer Conditions unless the parties otherwise agree.

6.7.2 Prior to Completion, the Seller shall request in writing that each relevant local counsel prepare the NSC Reorganisation Advice, addressed on a reliance basis to the relevant NSC Newco or Target Company, and provide the NSC Reorganisation Advice to such NSC Newco or Target Company no later than twenty (20) Business Days after the Delayed Transfer Date. The Seller and the Buyer agree and accept that neither the Seller nor any member of the Seller Group shall have any responsibility for any Loss or Liability suffered by the Buyer, any Target Company or any NSC Newco arising out of: (i) the failure of any local counsel to provide the NSC Reorganisation Advice; (ii) any inaccuracy or incompleteness thereof or omission therefrom; or (iii) the reliance (or manner of implementation pursued) by the Seller on or pursuant to the NSC Reorganisation Advice.

6.8 Retained Companies Name Changes

The Seller undertakes to procure that all necessary steps are taken to change the names of any companies or other entities in the Seller's Group and which are not Target Companies or NSC Newcos which contain the words "Jaguar", "Land Rover" or "JLR" so as to remove any references to any such words, such name changes to be effective as soon as reasonably practicable following the Completion Date.



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7. NSC REORGANISATION AND NSC STRUCTURE

7.1 Following signing of this Sale and Purchase Agreement, the Seller shall in relation to each Embedded NSC, undertake all reasonable endeavours to procure as soon as reasonably practicable and subject to Clause 16.4:

7.1.1 the satisfaction of all Transfer Conditions;

7.1.2 the transfer of all Embedded NSC Assets to:

(i) the relevant NSC Newco identified in Part 2, Section 1 or Section 3, of Schedule 8;

(ii) the relevant Target Company identified in Part 2, Section 2, of Schedule 8; or in Part 3 of Schedule 10; or

(iii) the relevant Third Party Importer identified in Part 2, Section 3, of Schedule 8;

7.1.3 the transfer of all NSC Transferring Employees to the relevant NSC Newco or to the relevant Target Company or to the relevant Third Party Importer (if applicable); and

7.1.4 the assumption by the relevant NSC Newco or (if applicable) the relevant Target Company of all Assumed Liabilities (if applicable) which relate to the relevant Embedded NSC, provided that the Seller shall be under no obligation to provide any Assurance in respect of the relevant NSC Newco or the relevant Target Company in relation to any period following Completion for the purpose of satisfying any Transfer Condition.

7.2 The Buyer shall provide the Seller with all information and assistance reasonably required by the Seller to enable it to fulfil its obligations pursuant to Clauses 7.1 and 8.7, and the Buyer shall provide any reasonable Assurance in respect of a NSC Newco or Target Company in relation to any period following Completion which is required for the purpose of satisfying any Transfer Condition relating to such NSC Newco or Target Company or in order to facilitate the assumption by such NSC Newco or Target Company of any Assumed Liabilities (if applicable) relating to such NSC Newco or Target Company.

7.3 The Buyer shall at all times in good faith cooperate with the Seller in relation to the fulfilment of the objectives set out in Clauses 7.1 and 8.7, and the Seller shall keep the Buyer fully informed (and respond to any enquiries as the Buyer from time to time may reasonably make) on a regular basis of progress in this regard in respect of the NSC Reorganisation (in the period between the date of this Sale and Purchase Agreement and Completion and the Delayed Transfer Date).

7.4 Any Target Company, NSC Newco or Embedded NSC Assets shall at the relevant time as set out in this Sale and Purchase Agreement be transferred to the appropriate Target Company as shown on Schedule 19.

8. DELAYED NSCS

8.1 Without prejudice to the remaining provisions of the Clause 8 or any other provision of this Sale and Purchase Agreement or any other Transaction Document, the parties acknowledge that their intention is that the economic risk and reward of any Delayed NSC shall pass to the Buyer at Completion, so that in particular:

8.1.1 the Buyer takes the economic benefit of profits and suffers the economic costs arising to a Delayed NSC with effect from Completion as provided by this Clause 8; and



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- 8.1.2 the Embedded NSC Assets and Assumed Liabilities relating to the Delayed NSC are transferred to or assumed by or at the direction of the Buyer taking into account movements in value after Completion as provided by this Clause 8.
- 8.2** The business of each Delayed NSC shall be operated in accordance with the NSC Interim Management Agreement with effect from Completion until the Delayed Transfer Date. The balance sheets referred to in Clause 8.5 shall be prepared and the Interim Cash Flow reconciliation shall be prepared, and for such purpose references to any financial measure shall be interpreted, and all relevant amounts shall be determined in accordance with the principles applying to the preparation of the Final Completion Statement set out in Schedule 12, save that to the extent of any conflict between the principles in Schedule 12 and the provisions of this Clause 8, Clause 8 shall prevail.
- 8.3** For each Delayed NSC, with respect to the Interim Cash Flow Period, the Seller will:
- 8.3.1 prepare and provide each month to the Buyer an Interim Cash Flow reconciliation within twenty (20) Business Days following the close of each month. The reconciliation will be prepared consistently with the requirements of Clause 8.10 and will include a copy of the relevant balance sheet and income statement used in its preparation which shall be drawn up in accordance with the accounting practices historically utilised by the relevant Embedded NSC (or the entity of which the Embedded NSC forms part) in its reporting to the Seller for group reporting purposes for consolidating its financial statements; and
- 8.3.2 prepare a cash pooling statement showing the aggregate amount of cash generated by each Delayed NSC to be transferred to a NSC Newco during the Interim Cash Flow Period and held or otherwise utilised in any other business of the Seller Group at the Carve-out Date and the aggregate amount of cash generated in any other business of the Seller Group during the Interim Cash Flow period and held or otherwise utilised in the Delayed NSC at the Carve-out Date.
- 8.4** for each Delayed NSC, the Seller will provide the Buyer and its representatives (and procure that the Buyer and its representatives are provided) with such access and additional information in respect of such monthly financial information as the Buyer reasonably requires for the purposes of its statutory audit and other legal compliances.
- 8.5** In respect of each Delayed NSC the Seller shall:
- 8.5.1 prepare (taking relevant amounts directly from the column of the Final Completion Statement relating to Delayed NSCs including the workings underlying the said column with a view to extracting the information relating to the relevant Delayed NSC from the Final Completion Statement) a balance sheet for the business of each Delayed NSC as at close of business on the Completion Date in the form of Part 2 of Schedule 12 to the extent that it relates to Delayed NSCs; and
- 8.5.2 prepare a balance sheet substantially in the form of Part 2 of Schedule 12 to the extent it relates to Delayed NSCs as at close of business on the last Business Day immediately preceding the Carve-out Date, for the avoidance of doubt prepared excluding any NSC Cash or NSC Debt.
- 8.6** Any disagreement regarding the balance sheets prepared pursuant to Clause 8.5 shall be resolved in accordance with Clause 8.20.



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- 8.7** The Buyer and the Seller may, by mutual agreement waive any of the Transfer Conditions in whole or in part at any time on or before the Delayed Transfer Date. Subject to Clause 8.8, upon satisfaction in full (or upon agreement of the Buyer and the Seller, waiver) of the Transfer Conditions applicable to a Delayed NSC, the Seller shall undertake all reasonable endeavours to:
- 8.7.1** notify the Buyer of the satisfaction of the Transfer Conditions (which have not been waived by agreement of the Buyer and the Seller) in respect of the relevant Delayed NSC and provide the Buyer with not less than five (5) Business Days notice of the Delayed Transfer Date of such Delayed NSC;
- 8.7.2** unless the relevant Delayed NSC is to be transferred to a Target Company or a Third Party Importer, procure as soon as reasonably practicable following the satisfaction of the Transfer Conditions (or waiver by agreement of the Buyer and the Seller) the transfer to the relevant NSC Newco of all Embedded NSC Assets, an amount equal to any NSC Cash and the NSC Transferring Employees in consideration for:
- (a) (unless the Buyer agrees otherwise) the issue of new shares in the capital of the relevant NSC Newco credited as fully paid at the value of the Embedded NSC Assets less the value of the relevant Assumed Liabilities in each case determined pursuant to Clause 8.5.1; and
 - (b) (without prejudice to Clause 14) the assumption of the Assumed Liabilities related to the Delayed NSC; and
 - (c) an amount (left outstanding as a debt of the NSC Newco) equal to any NSC Debt relating to the Delayed NSC;
- and for the avoidance of doubt and without prejudice to Clauses 8.12 to 8.16 for no other consideration;
- 8.7.3** if the relevant Delayed NSC is to be transferred to a Target Company, procure as soon as reasonably practicable following the satisfaction of the Transfer Conditions (or waiver by agreement of the Buyer and the Seller) the transfer to the relevant Target Company, of the Embedded NSC Assets and the NSC Transferring Employees relating to the relevant Delayed NSC in consideration for (without prejudice to Clause 14) the assumption by the relevant Target Company of the related Assumed Liabilities (and for the avoidance of doubt and without prejudice to Clauses 8.12 to 8.16 for no other additional consideration);
- 8.7.4** if the relevant Delayed NSC is to be transferred to a Third Party Importer, procure as soon as reasonably practicable following the satisfaction of the Transfer Conditions (or waiver by agreement of the Buyer and the Seller):
- (a) the transfer to the relevant Third Party Importer of such of the Embedded NSC Assets and NSC Transferring Employees (subject to Clauses 16.17 and 16.18) as are to be transferred to that Third Party Importer;
 - (b) (without prejudice to Clause 14) the assumption by the relevant Third Party Importer of such of the related Assumed Liabilities as are to be assumed by the Third Party Importer; and
 - (c) the transfer to the Buyer or as the Buyer shall direct of any remaining Embedded NSC Assets and NSC Transferring Employees relating to the Delayed NSC which are not transferred pursuant to paragraph (a) above, it being understood that, with respect to the transfer of any remaining NSC Transferring Employees, the Seller shall afford the Buyer a reasonable opportunity to extend an offer of employment to any such employee on terms and conditions of employment that are no less favourable in aggregate than those in effect at the date of this Sale and Purchase Agreement (including but without limitation any current terms and conditions relating to membership of pensions arrangements and the benefit structure thereunder) prior to the Seller terminating the employment of such employee in accordance with Clauses 16.17 and 16.18, and it being further understood that the Buyer shall not make any such offer of employment to any employee the employment of whom the Seller has confirmed that the Seller wishes to retain in accordance with Clause 16.17; for the avoidance of doubt and without prejudice to Clauses 8.12 to 8.16 for no other additional consideration.



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- 8.7.5 procure as soon as reasonably practicable following the transfer of Embedded NSC Assets and NSC Transferring Employees and any NSC Cash to, and assumption of Assumed Liabilities and the incurring of any NSC Debt by, a NSC Newco pursuant to Clause 8.7.2, the transfer to the transferee of such shares as provided in Schedule 19, of the whole of the issued share capital of the relevant NSC Newco (including any shares issued pursuant to Clause 8.7.2) together with the relevant share certificates or equivalent documents in the relevant jurisdiction (and the shares in the NSC Newcos shall be so transferred free from all Encumbrances with Full Title Guarantee and together with all rights attaching thereto as at the Delayed Transfer Date including the right to dividends, distributions declared, made or paid thereon after Completion), for the avoidance of doubt and without prejudice to Clauses 8.12 to 8.16 for no further additional consideration;
- 8.7.6 as soon as reasonably practicable procure delivery to the Buyer of the certificate of incorporation, statutory books (including registers and minute books), common seals (if any), deeds and documents and all books of account and other records (written up to date) of any NSC Newco in respect of which the shares have been transferred pursuant to Clause 8.7.5; and
- 8.7.7 deliver as soon as reasonably practicable to the Buyer (to the extent requested by the Buyer not later than two (2) Business Days prior to the Delayed Transfer Date) letters of resignation of the auditors the directors and the company secretary of any NSC Newco in respect of which the shares have been transferred pursuant to Clause 8.7.5.
- 8.8** If any of the transfers provided for in Clause 8.7 shall not have taken place by the NSC Long Stop Date, the relevant Embedded NSC Assets shall be transferred to the appropriate Target Company as provided in Schedule 19 (for the avoidance of doubt and without prejudice to Clauses 8.12 to 8.16, for no additional consideration) with effect from the NSC Long Stop Date, and the procedures provided in Part 3 of Schedule 8 shall be followed with respect to the relevant NSC Transferring Employees. Upon any such transfer, the Transfer Conditions related to such Delayed NSC shall (to the extent not already satisfied or waived by the Buyer and the Seller) be deemed satisfied and the procedures provided in this Clause 8 shall be followed with respect to such Delayed NSC, including without limitation, as they relate to the determination and payment of Interim Cash Flow. Upon the transfer of such Embedded NSC Assets to the appropriate Target Company as provided in Schedule 19 the obligations of the parties with respect to such Embedded NSC Assets pursuant to Clauses 7 and 8 shall terminate without prejudice to any accrued rights and obligations.



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8.9 The Buyer and the Seller hereby agree in good faith to negotiate the apportionment of the Purchase Price in respect of all transfers pursuant to this Clause 8 to the extent such apportionment has not already been provided for or agreed and is required for the purposes of the related transfer documentation and/or for the accounts of any member of the Buyer's Group, the NSC Newcos and/or the Target Companies.

8.10 The Interim Cash Flow in relation to any Delayed NSC shall be determined as follows:

$$\text{Interim Cash Flow} = A - B + C +/ - D + E + F +/ - G$$

Where:

A = Operating Profit or Loss;

B = (i) the Net Assets of the relevant Delayed NSC at close of business on the last Business Day prior to the Carve-out Date (where (i) is derived from the balance sheet prepared under Clause 8.5.2) less; (ii) the Net Assets of the relevant Delayed NSC as at close of business on the Completion Date (where (ii) is derived from the balance sheet prepared under Clause 8.5.1);

C = any charge to the Operating Profit or Loss for the relevant Delayed NSC during the Interim Cash Flow Period to the extent that any amounts in respect of such charge have been indemnified pursuant to Clause 14;

D = a positive amount equal to any addition to, or a negative amount equal to any release made directly from, equity reserves in respect of the Delayed NSC during the Interim Cash Flow Period that has not impacted the Operating Profit or Loss for the relevant Delayed NSC during the same period;

E = to the extent not adjusted under item C above, any costs charged pursuant to the Separation Agreements to the Operating Profit or Loss of the Delayed NSC during the Interim Cash Flow Period other than any costs paid on behalf of the relevant Delayed NSC by any member of the Seller Group and not otherwise compensated for by a movement in another element of the Interim Cash Flow;

F = a positive amount (to the extent borne by the Delayed NSC or related NSC Newco) equal to (a) the costs of professional advice taken by any member of the Seller Group unrelated to the creation and set up of a NSC Newco, (b) internal costs of any member of the Seller Group (including any Tax Liability of a member of the Seller Group), and (c) costs (such as stamp duty and transfer fees) associated with the transfer of the Delayed NSC to the related NSC Newco, and (d) 50% of the costs and expenses incurred in physically implementing the Separation Actions identified in Schedule 10; and

G = a positive amount equal to any NSC Debt incurred by a NSC Newco or a negative amount equal to any NSC Cash transferred to a NSC Newco.

8.11 For the purpose of Clause 8.10:

Operating Profit or Loss means the profit or loss after interest and before tax of the Delayed NSC for the Interim Cash Flow Period measured by the production of an income statement for the said period drawn up in accordance with the accounting practices historically utilised by the relevant Embedded NSC (or the entity of which that Embedded NSC forms part) in its reporting to the Seller for group reporting purposes which income statement shall be subject to finalisation following the process referred to in Clause 8.20.



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- 8.12** The Seller shall prepare a statement showing the calculation of the Interim Cash Flow (the **Interim Cash Flow statement**), and shall submit the statement to the Buyer, within twenty (20) Business Days of the Delayed Transfer Date. The Interim Cash Flow statement shall also show (a) any Carve-out Cash or Carve-out Debt in relation to the relevant Delayed NSC and in the case of a NSC Newco the balance, if any, of any indebtedness owed by the relevant NSC Newco to any member of the Seller Group as at close of business on the Delayed Transfer Date; and (b) the NSC Set Up Costs for the relevant Delayed NSC.
- 8.13** If the Interim Cash Flow is a positive number the Seller shall procure that the member of the Seller Group previously holding the Delayed NSC shall pay within five (5) Business Days of the issue to the Buyer of the Interim Cash Flow statement the amount of the Interim Cash Flow by way of telegraphic transfer of funds for same day value to the account of the Delayed NSC or such other account notified by the Buyer by close of business two (2) Business Days after the issue to the Buyer of the Interim Cash Flow statement. Any such payment shall be subject to finalisation following the process referred to in Clause 8.20, and shall not be subject to the provisions of Clause 23.9.
- 8.14** If the amount of the Interim Cash Flow is a negative number the Buyer shall procure that the Delayed NSC shall pay within five (5) Business Days of the issue to the Buyer of the Interim Cash Flow statement the amount of the Interim Cash Flow by way of telegraphic transfer of funds for same day value to the account of the Seller Group entity previously holding the Delayed NSC notified by the Seller to the Buyer by close of business two (2) Business Days after the issue to the Buyer of the Interim Cash Flow statement. Any such payment shall be subject to finalisation following the process referred to in Clause 8.20, and shall not be subject to the provisions of Clause 23.9.
- 8.15** If there is any indebtedness owed by a NSC Newco as at close of business on the Delayed Transfer Date to a member of the Seller Group, then the amount of such indebtedness as set out in the Interim Cash Flow statement will (subject to such amount being finalised following the process referred to in Clause 8.20) be paid by the Buyer (for and on behalf of the NSC Newco) within five (5) Business Days of the issue to the Buyer of the Interim Cash Flow statement by way of telegraphic transfer of funds for same day value to the account notified by the Seller to the Buyer by close of business two (2) Business Days after the issue to the Buyer of the Interim Cash Flow statement in full and final settlement of the indebtedness owed by the relevant NSC Newco to the relevant member of the Seller Group.
- 8.16** Within five (5) Business Days of the issue to the Buyer of the Interim Cash Flow statement the Buyer shall pay or procure the payment to the Seller of the NSC Set Up Costs for the relevant Delayed NSC, and pay or procure the payment of an amount equal to any Carve-out Cash in each case by way of increase in the Purchase Price, and shall procure that any amount owed in respect of NSC Debt is promptly settled, and the Seller shall pay to the Buyer an amount equal to any Carve-out Debt by way of reduction in the Purchase Price in every case by way of telegraphic transfer of funds for same day value by close of business two (2) Business Days after the issue to the Buyer of the Interim Cash Flow Statement to the account notified to the payer. Any such payments shall be subject to finalisation following the procedures referred to in Clause 8.20.
- 8.17** In relation to any Delayed NSC transferred to a relevant NSC Newco which is itself transferred to the Buyer, or where a Delayed NSC is transferred to the Buyer, a Target Company or to a Third Party Importer the parties agree that the terms of this Clause 8 are based on the following assumptions (which for the avoidance of doubt do not refer to or include VAT):
- 8.17.1** any payment of Interim Cash Flow to a Delayed NSC or otherwise at the direction of the Buyer pursuant to this Clause 8 or to or otherwise at the direction of the Seller shall be paid by the payer without any withholding or deduction on account of any Tax;



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- 8.17.2 any payment of Interim Cash Flow to or otherwise at the direction of the Seller shall not be subject to Tax in the hands of the recipient;
- 8.17.3 the Operating Profit or Loss shall not be included in the financial statements or Tax returns of any Seller Group member and shall instead be included in the financial statements and Tax returns of the NSC Newco, Target Company or other member of the Buyer's Group, as appropriate;
- 8.17.4 the Operating Profit or Loss shall be taxed in (if a profit) or give rise to reliefs in (if a loss) the NSC Newco, Target Company or the Buyer (as the case may be) as if it were a profit or a loss generated by the NSC Newco, Target Company or other member of the Buyer's Group from its own operations;
- 8.17.5 the Operating Profit or Loss shall not be taxed in (if a profit) or give rise to reliefs in (if a loss) a member of the Seller Group.
- 8.18** To the extent any deduction or withholding on account of any Tax referred to in Clause 8.17.1 or an amount of tax referred to under Clause 8.17.2 would give rise to any actual economic cost to the payee after taking into account any credit, refund or remission from any Tax arising in respect of the Interim Cash Flow, then the parties shall use their best endeavours and cooperate to explore ways to restructure or otherwise recharacterise the payment of the Interim Cash Flow to avoid such deduction or withholding on account of Tax or amount of Tax, or to secure that there is no economic cost in respect of such deduction, withholding or amount suffered by the payee. For the avoidance of doubt if the parties do not reach an alternative solution, the withholding or deduction on account of Tax shall be dealt with under Clause 8.19.
- 8.19** In the event that the assumptions referred to in paragraph 8.17 are incorrect:
- (a) if the Buyer's Group has a Net After Tax Benefit and the Seller Group has a Net After Tax Deficit, the Buyer shall make a payment or procure that a payment is made to the Seller or such party as the Seller directs equal to the lower of the Buyer's Group's Net After Tax Benefit and the Seller Group's Net After Tax Deficit, subject to a minimum reimbursement equal to 50% of the Seller Group's Net After Tax Deficit;
 - (b) if the Seller Group has a Net After Tax Benefit and the Buyer's Group has a Net After Tax Deficit, the Seller shall make a payment or procure that a payment is made to the Buyer or such party as the Buyer directs equal to the lower of the Seller Group's Net After Tax Benefit and the Buyer's Group's Net After Tax Deficit, subject to a minimum reimbursement equal to 50% of the Buyer's Group's Net After Tax Deficit;
 - (c) where neither party has a Net After Tax Benefit, the aggregate Net After Tax Deficit for the Buyer's Group and the Seller Group shall be borne equally,



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and for the purposes of this Clause 8.19:

- (d) the Buyer's Group's "Net After Tax Deficit" is the amount (if any) by which, after aggregating the position of each relevant Buyer's Group member and Target Company and the relevant NSC Newco and after taking into account all relevant Tax liabilities arising to or reasonably expected to arise to those entities, the Buyer's Group is worse off, as a result of the assumptions referred to in Clause 8.17 being incorrect compared to the position which the Buyer's Group would have been in had those assumptions been correct; and
- (e) the Seller Group's "Net After Tax Deficit" is the amount (if any) by which, after aggregating the position of each relevant Seller Group member and after taking into account all relevant Tax liabilities arising to or reasonably expected to arise to those entities, the Seller Group is worse off, as a result of the assumptions referred to in Clause 8.17 being incorrect compared to the position which the Seller Group would have been in had those assumptions been correct; and
- (f) the Buyer's Group's "Net After Tax Benefit" is the amount (if any) by which, after aggregating the position of each relevant Buyer's Group member and Target Company and the relevant NSC Newco and after taking into account all relevant Tax liabilities arising to or reasonably expected to arise to those entities, the Buyer's Group is better off, as a result of any of the assumptions referred to in Clause 8.17 being incorrect compared to the position which the Buyer's Group would have been in, had those assumptions been correct; and
- (g) the Seller Group's "Net After Tax Benefit" is the amount (if any) by which, after aggregating the position of each relevant Seller Group member and after taking into account all relevant Tax liabilities arising to or reasonably expected to arise to those entities, the Seller Group is better off, as a result of any of the assumptions referred to in Clause 8.17 being incorrect compared to the position which the Seller Group would have been in, had those assumptions been correct.

8.20 Resolution of Disputes

- 8.20.1 If the Buyer disagrees with the draft Interim Cash Flow statement or relevant balance sheet and income statement used in its preparation, the Buyer shall within twenty (20) Business Days following receipt of the draft Interim Cash Flow statement from the Seller give written notice (the **NSC Dispute Notice**) setting out the basis and the reason(s) therefor.
- 8.20.2 If the Buyer shall deliver a NSC Dispute Notice, then the Seller and the Buyer shall endeavour in good faith to agree the matters in dispute set out in the NSC Dispute Notice during a period of sixty (60) days after receipt of such notice. Each party will make available to the other all information in such party's possession that is reasonably required in order to reach resolution on all disputed matters set out in the NSC Dispute Notice.
- 8.20.3 If resolution of all disagreements specified in a NSC Dispute Notice is not reached between the Buyer and the Seller within such sixty (60) day period, the matters set out in the NSC Dispute Notice remaining in dispute, may be referred by either the Seller or the Buyer to a partner of at least ten (10) years' experience based in the London office of a firm of internationally recognised independent chartered accountants jointly agreed upon between the Seller and the Buyer or (failing such agreement) appointed, at the request of either of the Seller or the Buyer at any time, by the President from time to time of the Institute of Chartered Accountants in England and Wales which firm (the **Delayed NSC Independent Accountants**) shall then determine the matters in dispute. The fees and expenses of the Delayed NSC Independent Accountants in connection with any such determination, which shall be final and binding in the absence of manifest error, shall be borne between the Seller and the Buyer in such proportions as the Delayed NSC Independent Accountants shall in their discretion determine.



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- 8.20.4 Upon resolution of all disagreements with respect to a NSC Dispute Notice any payments required to implement such resolution shall be made within five (5) Business Days. Any such payments shall not be subject to the provisions of Clause 23.9.
- 9. PAYMENT OF IP CONSIDERATION, HALEWOOD PLANT CONSIDERATION AND REPAYMENT OF INTRA-GROUP BALANCES**
- 9.1** Immediately following Completion and on the Completion Date:
- 9.1.1 the Buyer shall:
- (a) deliver to the Seller a counterpart of the Intellectual Property Agreements duly executed on behalf of the relevant Target Companies together with a duly certified copy of minutes of a duly held meeting of the directors of each such company authorising the execution of each such document; and
 - (b) by transfer of funds for same day value to such accounts as shall have been notified to the Buyer by the Seller at least three (3) Business Days prior to Completion, pay on its own behalf or as appropriate for and on behalf of the relevant Target Company the IP Consideration to Ford Global Technologies, LLC and pay, for and on behalf of the Buyer, member of the Buyer's Group or relevant Target Company as the Buyer directs, the Halewood Plant Consideration to the Seller or its designee; and
- 9.1.2 against receipt of the Halewood Plant Consideration and the IP Consideration, the Seller shall:
- (a) procure the delivery to the Buyer of a counterpart of the Intellectual Property Agreements, duly executed on behalf of the relevant members of the Seller Group party thereto; and
 - (b) concurrently with the transfer of the Halewood Properties to Jaguar Cars Limited in accordance with Schedule 17, let or procure that Jaguar Cars Limited is let into possession of the Halewood Plant and deliver or procure the delivery to Jaguar Cars Limited of such assets forming part of the Halewood Plant as are transferable by delivery and transfer or procure the transfer to Jaguar Cars Limited of the remainder of the Halewood Plant; and
- 9.1.3 the Seller shall transfer or procure the transfer to Jaguar Cars Limited of the Halewood Assets.
- 9.2** Immediately following Completion and on the Completion Date:
- 9.2.1 the Buyer shall procure that the Estimated Intra-Group Payables are paid to the Seller (for itself or, as applicable, as agent for and on behalf of the relevant member of the Seller Group) by the relevant Target Company or NSC Newco (to the extent it exists and has acquired Embedded NSC Assets at Completion and has been acquired by the Buyer);



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- 9.2.2 the Seller shall procure that any Estimated Intra-Group Receivables are paid to the relevant Target Company or NSC Newco (to the extent it exists and has acquired Embedded NSC Assets at Completion and has been acquired by the Buyer); and
- 9.2.3 each of the Seller and the Buyer agrees on behalf of itself and each of their respective subsidiaries that in each case where an Estimated Intra-Group Receivable is payable to an entity (A) by an entity (B) and there is also an Estimated Intra-Group Payable payable by B to A, such amounts shall be set off and only the net amount shall be payable. The Buyer and the Seller agree that, where net amounts are paid and/or received, the book entries made in the accounts of the relevant debtor and creditor shall reflect the gross payments being effected. The information to be provided to the Buyer as contemplated by the definitions of Estimated Intra-Group Receivable and Intra-Group Payable will set out, in respect of each such obligation, the debtor, the creditor and the amount estimated as payable, together with a schedule of the net amounts to be paid pursuant to this Clause 9.2.

10. POST-COMPLETION ADJUSTMENTS

- 10.1** Following Completion, the Buyer and the Seller shall give effect to Schedule 12.
- 10.2** Five (5) Business Days following the issue of the Final Completion Statement in accordance with Schedule 12:
- 10.2.1 as an adjustment to the payments made pursuant to Clauses 9.2.1 and 9.2.2, the Buyer shall procure that the relevant Target Companies, NSC Newcos (existing at Completion and only after they have been acquired by the Buyer) or members of the Buyer's Group pay or repay (as the case may be) to the relevant members of the Seller Group and/or, as appropriate, the Seller shall procure that the relevant members of the Seller Group pay or repay (as the case may be) to the relevant Target Companies, NSC Newcos (existing at Completion and acquired by the Buyer) or members of the Buyer's Group, the difference between the amounts relating to such companies included in the Intra-Group Balances and in the Estimated Intra-Group Balances;
- 10.2.2 the Seller shall repay to the Buyer an amount equal to the amount by which the Estimated Intra-Group Balances exceeds the Intra-Group Balances or the Buyer shall pay to the Seller an amount equal to the amount by which the Intra-Group Balances exceeds the Estimated Intra-Group Balances;
- 10.2.3 the Seller shall repay to the Buyer an amount equal to the amount by which the Net External Indebtedness exceeds the Estimated Net External Indebtedness or the Buyer shall pay to the Seller an amount equal to the amount by which the Estimated Net External Indebtedness exceeds the Net External Indebtedness; and
- 10.2.4 the Seller shall repay to the Buyer an amount equal to the amount by which the Specified Working Capital Amount exceeds the Working Capital Amount or the Buyer shall, pay to the Seller an additional amount equal to the amount by which the Working Capital Amount exceeds the Specified Working Capital Amount (and, for the avoidance of doubt, for these purposes a smaller negative amount shall be taken to exceed a larger negative amount).



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11. WARRANTIES AND INDEMNITIES**11.1 Warranties**

- 11.1.1 The Seller warrants to the Buyer that each Warranty is true and accurate as set forth therein and not misleading on the date of this Sale and Purchase Agreement.
- 11.1.2 The Seller warrants to the Buyer that as at Completion the Bring-Down Warranties shall be true and accurate as set forth therein and shall not be misleading by reference to the facts and circumstances existing as at Completion and for such purpose any reference in such warranties to the date of this Sale and Purchase Agreement shall be deemed to be a reference to the Completion Date.

11.2 Reliance and Remedies

- 11.2.1 The Buyer acknowledges that it has not relied on or been induced to enter into this Sale and Purchase Agreement by any representation or warranty other than the Warranties.
- 11.2.2 The Seller is not liable to the Buyer (in equity, contract or tort under the Misrepresentation Act 1967 or in any other way) for a representation which is not set out in this Sale and Purchase Agreement.
- 11.2.3 The Buyer's sole remedy for any breach of the Warranties other than the Bring-Down Warranties or any other breach of this Sale and Purchase Agreement shall be an action for damages and the Buyer shall not be entitled to rescind this Sale and Purchase Agreement in any circumstances other than as provided in Clause 6.4, Clause 6.5 or Clause 6.6.

11.3 Seller's Knowledge, Information and Belief and Disclosure

- 11.3.1 A reference herein to **the knowledge, information and belief of the Seller** or **so far as the Seller is aware** or any similar expression, in relation to each Warranty means the actual knowledge of the person identified in Schedule 14 as being responsible for the area of expertise to which such Warranty relates (and no other person).
- 11.3.2 The Warranties are qualified by reference to those matters fairly disclosed in or under the Disclosure Letter (and any documents annexed to it), this Sale and Purchase Agreement, any of the Transaction Documents, and the contents of the Data Room and the Buyer shall not be entitled to claim that any such matter causes any of the Warranties to be untrue, inaccurate or misleading.
- 11.3.3 For convenience only certain disclosures in the Disclosure Letter refer to particular Warranties set out in Schedule 4 or to particular documents in the Data Room but any matter disclosed in the Disclosure Letter is disclosed for the purpose of all the Warranties which will be qualified accordingly.

11.4 Separate and Independent Warranty

- 11.4.1 Each of the Warranties shall be construed as a separate and independent Warranty and (except where this Sale and Purchase Agreement provides otherwise) shall not be limited or restricted in its scope by reference to, or inference from, any other term of another Warranty or any term of this Sale and Purchase Agreement except that the only Warranties given in respect of:
- (a) competition, anti-restrictive trade practice or anti-trust legislation matters are those contained in Paragraph 4 of Schedule 4;



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- (b) Intellectual Property Rights are those Warranties contained in Paragraph 10 of Schedule 4 and the Intellectual Property Agreements;
- (c) IT Systems and Services are those Warranties contained in Paragraph 11 of Schedule 4 and the Information Technology Agreement;
- (d) Pensions and related benefits matters are those Warranties contained in Paragraph 16 of Schedule 4;
- (e) Environmental Matters are those Warranties contained in Paragraph 18 of Schedule 4 together with the Warranty in Paragraph 15.1.2 of Schedule 4 in so far as it relates to health and safety matters. For the avoidance of doubt, Environmental Matters for the purposes of this Clause 11.4.1(e) does not include Warranties in respect of product compliance including that in Paragraph 21 of Schedule 4 nor the Warranties in Paragraphs 17.3 and 17.5 of that Schedule; and
- (f) Tax are those Warranties contained in Paragraph 19 of Schedule 4.

11.5 Limitations

- 11.5.1 Notwithstanding the provisions of this Clause 11, the provisions of Schedule 5 shall operate to limit the liability of the Seller and the members of the Seller Group in respect of any Claim.
- 11.5.2 The Seller undertakes not to make any claim against any Target Company, NSC Newco or any director, officer or employee of any Target Company, NSC Newco in respect of any misrepresentation, inaccuracy or omission in or from information or advice provided by such Target Company, NSC Newco, director, officer or employee for the purpose of assisting, or in connection with, the Seller making a representation, giving a Warranty or preparing the Disclosure Letter.

11.6 Exceptions to Limitations

Nothing in this Sale and Purchase Agreement, including the Schedules hereto or the Tax Deed, shall exclude or limit the liability of any party in relation to fraud, wilful misconduct or deliberate concealment or the remedies available to any other party in relation thereto.

11.7 Buyer's Liability to Seller in Respect of Delayed NSCs

The Buyer shall not be liable to the Seller for a breach of this Sale and Purchase Agreement in respect of any obligation on the Buyer in relation to a Delayed NSC to the extent such breach arises solely due to the fact that:

- (a) the Buyer has not been given control over the operational management of the relevant Delayed NSC as contemplated by the NSC Interim Management Agreement;
- (b) the Buyer has given a written instruction to the Seller (and/or its Related Persons other than the JLR Group (each as defined in the NSC Interim Management Agreement)) pursuant to the NSC Interim Management Agreement where, in relation to such obligation on the Buyer under this Sale and Purchase Agreement, the Seller (and/or its Related Persons other than the JLR Group (each as defined in the NSC Interim Management Agreement)) has failed to undertake an action, with such failure to act (including a failure to act that is the consequence of a determination by the Board of Directors of the relevant Delayed NSC (or similar governance body that exercises control over the management of the Delayed NSC) that the performance of the action instructed in writing by the Buyer would constitute a breach of the Board's fiduciary duties under Law) constituting a violation of the NSC Interim Management Agreement; or



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- (c) the Seller (and/or its Related Persons (other than the JLR Group (each as defined in the NSC Interim Management Agreement)) has directed the operational management of the relevant Delayed NSC in such a way as prevents the Buyer complying with its obligations in relation to such matter pursuant to this Sale and Purchase Agreement.

12. BUYER AND GUARANTOR WARRANTIES AND INDEMNITY**12.1 Buyer and Guarantor Warranties**

12.1.1 The Buyer and the Guarantor jointly and severally warrant to the Seller that each of the following warranties is true and accurate in all respects on the date of this Sale and Purchase Agreement:

- (a) each of the Buyer and the Guarantor is duly organised, validly existing and in good standing under the laws of its jurisdiction of incorporation;
- (b) each of the Buyer and the Guarantor has full corporate power and authority to enter into and perform its obligations under this Sale and Purchase Agreement and any other document required to be executed by it pursuant to, or in connection with, this Sale and Purchase Agreement, which when executed by it shall constitute valid, legal and binding obligations of the Buyer and the Guarantor (as the case may be) in accordance with their respective terms and all actions have been taken by it which are necessary for it to execute and perform its obligations under this Sale and Purchase Agreement;
- (c) the execution of and performance by each of the Buyer and the Guarantor of its obligations under this Sale and Purchase Agreement have been duly authorised by its board of directors and by all other necessary corporate action;
- (d) the obligations of the Buyer and the Guarantor under this Sale and Purchase Agreement and each document to be executed by each of them at, or before Completion are, or when the relevant document is executed, will be valid and binding in accordance with its terms;
- (e) except as provided herein, neither entry into this Sale and Purchase Agreement nor entry into, and implementation of, the transactions referred to in this Sale and Purchase Agreement shall require the Buyer or the Guarantor to obtain any consent or approval, or to give any notice or to make any registration with any governmental, regulatory or other authority, which has not been obtained or made as at the date of this Sale and Purchase Agreement;
- (f) no order has been made and no resolution has been passed for the winding up of the Buyer or the Guarantor or for a provisional liquidator, manager administrator or administrative receiver (or such equivalent in its jurisdiction of incorporation) to be appointed in respect of the Buyer or the Guarantor, no petition has been presented and no meeting has been convened for the purposes of the winding up of the Buyer or the Guarantor and no other process whereby the business of the Buyer or the Guarantor is terminated and its assets are distributed amongst its creditors and/or shareholders or any other proceedings under any applicable insolvency, reorganisation or similar laws in any relevant jurisdiction have taken place, and no events or circumstances analogous to any of the above referred to in this Paragraph have occurred in or outside England;



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- (g) neither the Buyer nor the Guarantor is:
- (i) subject to any order, judgment, decree, investigation or proceedings by any governmental agency or authority;
 - (ii) a party to any litigation, arbitration or administrative proceedings which are in progress or threatened or pending by or against or concerning it or any of its assets; or
 - (iii) the subject of any governmental, regulatory or official investigation or enquiry which is outstanding or threatened,
- which in each case are likely to result in any of the Conditions not being fulfilled or in the ability of the Buyer or the Guarantor to execute, deliver and perform its obligations under this Sale and Purchase Agreement;
- (h) the Buyer has (and at Completion will have) all necessary cash resources in immediately available funds or committed credit facilities to pay the Initial Purchase Price and the Subscription Price and to satisfy its other payment obligations under this Sale and Purchase Agreement and, in the case of such credit facilities, the Buyer shall be able to satisfy all conditions to drawdown to such loan facilities at or prior to Completion; and
- (i) as at the date of this Sale and Purchase Agreement, the Buyer is not actually aware of any matter that constitutes or is likely to constitute a Claim.

12.2 Separate and Independent Warranty

Each of the warranties set out in Clause 12.1 shall be construed as a separate and independent warranty and (except where this Sale and Purchase Agreement provides otherwise), shall not be limited or restricted in its scope by reference to, or inference from, any other term of another such warranty or any term of this Sale and Purchase Agreement.

12.3 Buyer's Knowledge, Information and Belief

A reference herein to the **awareness of the Buyer, the best knowledge, information and belief of the Buyer** or **so far as the Buyer is aware** or any similar expression, in relation to each warranty set out in Clause 12.1 means the actual knowledge of the person identified in Part 2 of Schedule 14 as being responsible for the area of expertise to which such warranty relates (and no other person).

13. CONTRACTS AND THIRD PARTY CONSENTS

13.1 JLR Contracts and Split Contracts

13.1.1 With effect from Completion, the Buyer:

- (a) shall, until such JLR Contracts are novated, assigned or transferred in accordance with this Clause 13, carry out, perform and discharge all Liabilities created by or arising under any JLR Contracts, or shall procure that all such Liabilities are carried out, performed and discharged; and



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- (b) undertakes to indemnify the Seller and each member of the Seller Group against all Losses and Liabilities incurred by any of them as a result of any failure by the Buyer to perform its obligations under Clause 13.1.1(a).

13.1.2 Insofar as the benefit or burden of any of the JLR Contracts cannot effectively be assigned or transferred to the Buyer, a Target Company or a NSC Newco except by novation or consent from a third party:

- (a) each of the Buyer and the Seller shall use all reasonable endeavours to procure such novation or consent with effect from Completion and for such purpose:
 - (i) the Buyer shall provide any information, guarantees or other assurances reasonably requested by the relevant third party;
 - (ii) the Seller shall not be obliged to incur any financial commitment; and
 - (iii) neither party shall be obliged to become involved in or threaten any form of legal action.
- (b) until the benefit and burden of the relevant JLR Contract is novated or assigned:
 - (i) the Seller shall, to the extent not prohibited under the relevant contract, procure that the relevant member of the Seller Group shall hold it on trust for the Buyer from Completion (and accordingly on receipt of the same account for and pay or deliver to the Buyer or as it may direct any moneys or goods received thereunder);
 - (ii) the Buyer shall, as sub-contractor (to the extent permitted, in the reasonable opinion of the Seller, under such contract), failing which, as agent, of the relevant member of the Seller Group, perform all of the obligations under the relevant contract following Completion provided that the Buyer is given reasonable notice of such obligations by the Seller; and
 - (iii) the Seller shall procure that the relevant member of the Seller Group shall on request and with effect from Completion (so far as it lawfully may, in the reasonable opinion of the Seller and at the Buyer's sole expense) give all reasonable assistance to enable the Buyer to enforce its rights under the relevant contract provided that the Buyer shall indemnify each member of the Seller Group against all Losses and Liabilities thereby incurred and no member of the Seller Group shall be obliged to make any payment unless it has first been paid the amount concerned by the Buyer.

13.1.3 In relation to any Split Contract entered into by a member of the Seller Group:

- (a) prior to splitting any such Split Contract pursuant to Clause 13.1.5 and for so long as any member of the Seller Group retains any benefit pursuant to the terms of such Split Contract, the Seller shall, with effect from Completion, procure that the relevant member(s) of the Seller Group shall:
 - (i) (to the extent not prohibited under such contract) hold any payments, goods or other services received under the relevant Split Contract (to the extent related to Jaguar or Land Rover) as trustee for the Buyer and as soon as reasonably practicable following receipt forward such payments, goods and other services to the Buyer (or as it may direct);



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- (ii) exercise all rights, powers and benefits under the relevant Split Contract (to the extent relating to Jaguar or Land Rover) in accordance with the Buyer's reasonable requirements but without incurring any financial commitment for its own account or becoming involved in or threatening any form of legal action; and
- (iii) insofar as the Split Contract relates to any business carried on by the Seller Group, use all reasonable endeavours to carry out or perform its obligations under the Split Contract; and
- (b) provided it is given reasonable notice of the same by the Seller, the Buyer shall with effect from Completion perform, or procure the performance, of all such Split Contracts (to the extent related to Jaguar or Land Rover) in accordance with their terms and conditions as sub-contractor of the relevant member of the Seller Group provided that such sub-contracting is (in the reasonable opinion of the Seller) permitted under the terms of the relevant Split Contract, and where sub-contracting is not permissible, undertakes to perform, or procure performance, as agent of the relevant member of the Seller Group and the Buyer shall indemnify the Seller and each member of the Seller Group against all and any Losses or Liabilities resulting from any failure on the part of the Buyer to perform or procure performance of those obligations.

13.1.4 In relation to any Split Contract entered into by a Target Company:

- (a) prior to splitting any such Split Contract pursuant to Clause 13.1.5 and for so long as any Target Company retains any benefit pursuant to the terms of such Split Contract, the Buyer shall, with effect from Completion, procure that the relevant Target Company shall:
 - (i) hold any payments, goods or other services received under the relevant Split Contract (to the extent related to any business carried on by the Seller Group) as trustee for the Seller and as soon as reasonably practicable following receipt forward such payments, goods and other services to the Seller (or as it may direct);
 - (ii) exercise all rights, powers and benefits under the relevant Split Contract (to the extent relating to any business carried on by the Seller Group) in accordance with the Seller's reasonable requirements but without incurring any financial commitment or for its own account or becoming involved in or threatening any form of legal action; and
 - (iii) insofar as the Split Contract relates to Jaguar or Land Rover, use all reasonable endeavours to carry out or perform all relevant obligations under the Split Contract; and
- (b) provided it is given reasonable notice of the same by the Buyer, the Seller shall with effect from Completion perform, or procure the performance, of all such Split Contracts (to the extent related to any business carried on by the Seller Group) in accordance with their terms and conditions as sub-contractor of the relevant Target Company provided that sub-contracting is (in the reasonable opinion of the Buyer) permitted under the terms of the relevant Split Contract, and where sub-contracting is not permissible, undertakes to perform, or procure the performance, as agent of the relevant Target Company and the Seller shall indemnify the Buyer and its Affiliates (including for the avoidance of doubt each Target Company or NSC Newco) against all and any Losses or Liabilities resulting from any failure on the part of a member of the Seller Group to perform or procure performance of those obligations.



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- 13.1.5 If the Buyer or the Seller so requests in writing, the Seller or the Buyer (respectively) shall with effect from Completion take all reasonable action, or procure that a member of the Seller Group (in the case of the Seller) or Target Company (in the case of the Buyer), takes all reasonable action as is reasonably necessary to agree to an arrangement with the counterparty or counterparties to any Split Contract whereby the Split Contract is terminated and replaced by two or more contracts (including one with a member of the Seller Group and one with a Target Company) reflecting the reasonable requirements of the Seller and the Buyer.
- 13.1.6 The Seller and the Buyer acknowledge and agree that a committee (the **Contracts Committee**) shall be established at Completion to act as a forum within which the Buyer and the Seller shall discuss such matters as may from time to time arise in relation to Split Contracts. The Contracts Committee shall consist of up to six (6) members, a maximum of three (3) of whom shall be appointed by each of the Buyer and the Seller by way of notice served upon the other. The first appointees of the Buyer shall be Mr S Proctor (Director of FM & SP Europe, Ford Werke GmbH) and Ms S Slaughter (Director of Purchasing Business Office, Ford Motor Company Limited) and the first appointees of the Seller shall be Mr B B Parekh (TML Holdings Limited) and Mr D Smith (JLR). The party which has appointed any member of the Contracts Committee shall be free, upon giving to the other party which is entitled to appoint members of the Contracts Committee not less than ten (10) Business Days' notice, to terminate the appointment of such member and appoint a replacement.
- 13.1.7 Either the Buyer or the Seller may convene a meeting of the Contracts Committee by giving not less than ten (10) Business Days' notice by facsimile (the **Meeting Request**) to the other specifying the proposed date and time for the meeting (which shall be between 9.00 am and 5.00 pm (London time) on a Business Day) and specifying in reasonable detail the topics to be discussed at such meeting. The Seller and the Buyer acknowledge and agree that there shall be no more than one meeting of the Contracts Committee in any given month unless otherwise agreed in writing by the parties.
- 13.1.8 The recipient of any Meeting Request shall use its reasonable endeavours to make the appropriate arrangements so as to enable the meeting to take place at the proposed date and time and shall, within three (3) Business Days of receipt of the Meeting Request, notify the sender by facsimile whether the recipient agrees with the proposed date and time for the meeting and offering, if the proposed time is not agreed, an alternative proposed meeting time (which shall be between 9.00 am and 5.00 pm (London time) on a Business Day) (such notice being the **Meeting Response**). If the proposed date and time for the meeting is agreed the Contracts Committee shall be deemed to have been duly convened to meeting at such time. If any Meeting Response proposes an alternative meeting date and time, the recipient shall use its reasonable endeavours to make the appropriate arrangements so as to enable the meeting to take place at the proposed alternative date and time and shall within three (3) Business Days of receipt of the Meeting Response give notice to the sender by facsimile specifying the date and time for the meeting of the Contracts Committee (which shall, if reasonably practicable, be at the proposed alternative date and time or otherwise at the such other date and time (which shall be between 9.00 am and 5.00 pm (London time) on a Business Day and shall not be the time proposed in the Meeting Request) as the recipient may specify).
- 13.1.9 Each of the Buyer and the Seller shall use its reasonable endeavours to procure that at least two of its appointees to the Contracts Committee shall attend any meeting of the Contracts Committee and unless at least two appointees of each of the Buyer and the Seller are in attendance the meeting shall be deemed to be inquorate and shall be cancelled. If any meeting of the Contracts Committee should be cancelled, the party which proposed the relevant Meeting Request shall as soon as reasonably practicable submit a further Meeting Request, which shall specify that it has been submitted as a result of such cancellation. Each of the Buyer and the Seller shall procure that at least two of its appointees to the Contracts Committee shall attend any meeting the Contracts Committee convened pursuant to such a Meeting Request. Meetings of the Contracts Committee may take place by teleconference or in person and the Contracts Committee shall, subject to this Clause 13.1 be free to determine its own procedures.



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- 13.1.10 The Seller and the Buyer acknowledge and agree that any determination by the Contracts Committee shall not be binding with respect to a Split Contract unless and to the extent any such Split Contract is formally amended in a written agreement that is executed by each of the parties thereto.

13.2 Caterpillar Arrangements

Subject to Clause 13.1, each of the Seller and the Buyer shall use all reasonable endeavours to ensure that following Completion, the Global LSA, the Ford-Caterpillar Contracts and the JLR-Caterpillar Contracts continue to operate in a manner as closely adjacent as is reasonably and commercially practicable to the manner in which they operate at the date of this Sale and Purchase Agreement, and without limitation to the generality of the foregoing the Seller shall (or as the case may be shall procure that any other relevant member of the Seller Group shall):

- (a) provide to the JLR parties (including Embedded NSCs) to the JLR-Caterpillar Contracts and Ford-Caterpillar Contracts access to the IT Systems and Services of the Seller Group that are being used by JLR at Completion under or in connection with the JLR-Caterpillar Contracts and the Ford-Caterpillar Contracts, and related services, in accordance with the terms of the Information Technology Agreement;
- (b) not take any action (or as the case may be omit to take any action) which is within the Seller's reasonable control that could reasonably be expected to give rise to the termination of (to the extent attributable to any matter arising under or in connection with the Global LSA or any Ford-Caterpillar Contract) the JLR-Caterpillar Contracts (or the right of the non-JLR party thereto to effect such termination);
- (c) not without the prior written consent of the Buyer (such consent not to be unreasonably withheld or delayed) agree to amend the Global LSA to the extent that such amendment would directly or indirectly adversely and materially affect any of the Ford-Caterpillar Contracts or the JLR-Caterpillar Contracts; and
- (d) not without the prior written consent of the Buyer (such consent not to be unreasonably withheld or delayed) amend the Ford-Caterpillar Contracts.

14. ASSUMED LIABILITIES

- 14.1** The Buyer hereby undertakes to the Seller (for itself and on behalf of each member of the Seller Group) that it will with effect from Completion duly and properly perform, assume and pay and discharge when due, and indemnify and hold harmless the Seller and each member of the Seller Group against, any Assumed Liabilities and any and all Losses or Liabilities incurred or suffered as a result of or relating to any such Assumed Liabilities, it being understood that, with respect to any Assumed Liabilities and any associated Losses or Liabilities that arise in connection with a jurisdiction listed in Part C of Schedule 18 with respect to which the Condition set forth in Clause 4.1.3 is waived as permitted by Clause 4.3.3, any such Liabilities and any such indemnification shall be, for the avoidance of doubt, for the account of the Buyer notwithstanding circumstances where, as required by Law, the performance, assumption, payment and discharge of any such Liabilities and any such indemnification by the Buyer may occur only at such time as the waived Condition is satisfied. The Seller agrees that, as between the Buyer and the Seller and to the greatest extent permitted by Law, the Assumed Liabilities shall be assumed by the Buyer or the relevant entity with the intention that it shall have the benefit of the same rights, powers, remedies, claims, defences (including without limitation, rights of set-off and counter claim) enjoyed by the relevant member of the Seller Group.



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- 14.2** The Buyer undertakes to the Seller that at any time and from time to time on or after Completion, it will at the cost of the Buyer execute and deliver all such further instruments of assumption and acknowledgements or take such other action as the Seller may reasonably request (provided that, without prejudice to the provisions of Clause 14.1, the Seller acknowledges and agrees that no such request may be regarded as reasonable to the extent it is made before the relevant Delayed Transfer Date with respect to Assumed Liabilities of the relevant Delayed NSC) in order to effect the release and discharge in full of the relevant member of the Seller Group in respect of any Assumed Liabilities, or the assumption by the Buyer, a member of the Buyer's Group, a Target Company or a NSC Newco of the Assumed Liabilities and the substitution of the Buyer, a Target Company or a NSC Newco as the primary obligor in respect of the Assumed Liabilities, in each case on a non-recourse basis to any member of the Seller Group.
- 14.3 JLR Manufacturing Grants**
- 14.3.1** The Buyer and the Seller agree that any Liability arising after Completion for repayment of any JLR Manufacturing Grant shall be borne between them equally and, accordingly, the Buyer shall indemnify the Seller against one half of all Losses and Liabilities incurred by any member of the Seller Group resulting from any claim or demand made after Completion for repayment of any amount in respect of a JLR Manufacturing Grant and the Seller shall indemnify the Buyer against one half of all Losses and Liabilities incurred by any Target Company resulting from any claim or demand made after Completion for repayment of any amount in respect of a JLR Manufacturing Grant.
- 14.3.2** After Completion, the Buyer shall not, and shall procure that no Target Company or NSC Newco shall, engage in any conduct, take any step or course of action or fail to take any step or course of action which shall cause any claim or demand to be made for repayment of any amount in respect of a JLR Manufacturing Grant.
- 14.4 US Dealer Claims**
- The Buyer and the Seller agree that any Losses and Liabilities arising after the date of this Sale and Purchase Agreement with respect to any US Dealer Wrongful Termination Claim (as such term is defined in Schedule 9) shall be borne two-thirds by the Seller and one-third by the Buyer, and, accordingly the Buyer shall indemnify the Seller against one-third of all Losses and Liabilities incurred by any member of the Seller Group resulting from any claim or demand made in respect of a US Dealer Wrongful Termination Claim, and the Seller shall indemnify the Buyer against two-thirds of all Losses and Liabilities incurred by any Target Company resulting from any claim or demand made in respect of a US Dealer Wrongful Termination Claim.



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15. ASSURANCES

15.1 With effect from Completion, the Buyer shall:

- 15.1.1 use reasonable endeavours to procure that each relevant member of the Seller Group shall be released in full from all Assurances listed in Section 5.03 of the Data Room (other than any Assurances listed in Appendix 7 of the Vehicle Finance Separation Agreements between Ford Motor Credit Company LLC and Land Rover UK and/or Ford Motor Credit Company LLC and Jaguar Cars Limited in the Agreed Form);
- 15.1.2 use reasonable endeavours to procure the release of every relevant member of the Seller Group from all other Assurances relating to any Liability of a Target Company or any Assumed Liability as soon as reasonably practicable after becoming aware of such Assurance (other than any Assurances listed in Appendix 7 of the Vehicle Finance Separation Agreements between Ford Motor Credit Company LLC and Land Rover UK and/or Ford Motor Credit Company LLC and Jaguar Cars Limited in the Agreed Form); and
- 15.1.3 pending release in accordance with this Clause 15, indemnify each member of the Seller Group against all Losses and Liabilities incurred in respect of any such Assurance (including, without limitation, any liability of a member of the Seller Group to pay any sum to an insurer in respect of any claim made under an insurance policy by any of the Target Companies or, in so far as such claim relates to Jaguar and/or Land Rover, by any member of the Seller Group).

15.2 With effect from Completion, the Seller shall:

- 15.2.1 procure that each relevant Target Company shall be released in full from any Assurances relating to any Liability of a member of the Seller Group (other than any Assumed Liability); and
- 15.2.2 pending release in accordance with this Clause 15, indemnify each Target Company against all Losses and Liabilities incurred in respect of any such Assurance.

16. EMPLOYMENT AND SECONDMENTS

16.1 In the event that an individual who is employed by a member of the Seller Group and who works wholly for JLR (excluding any Shared Services Employee, any Seconded, any Designated Employee or any individual who is within the scope of the Ford US Secondment Agreement arrangements in Clause 16.12 below):

- (a) is wrongly identified in the Employee Lists referred to in the Disclosure Letter as an employee of a Target Company, he/she shall where secondments are lawful under the Laws of the relevant Territory be treated as a Seconded (in accordance with the arrangements referenced in Clause 16.11 below). Where secondments are not lawful under the Laws of the relevant Territory the Seller and the Buyer shall in good faith seek to agree appropriate contractual arrangements whereby the individual is treated as a JLR Wrong Pocket Employee; or



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- (b) is not identified in the Employee Lists referred to in the Disclosure Letter as a NSC Transferring Employee the Seller shall treat that individual as a NSC Transferring Employee for the purposes of this Clause 16.

- 16.2** The Seller shall procure that the Seller Group and the Target Companies comply with all of their respective Collective Consultation Requirements and the Buyer shall procure that all of the Buyer's Group comply with all of their respective Collective Consultation Requirements.
- 16.3** To the extent reasonable, the Seller and the Buyer shall seek to adopt a collaborative approach to the Collective Consultation Requirements. The Seller shall procure that no information, consultation or notification with any employee or Representative Body is carried out by or on behalf of the Seller, any Target Company or any company within the Seller Group in connection with the intentions of the Buyer in relation to the business of JLR, without obtaining the prior written approval of the Buyer.
- 16.4** It is agreed by the Buyer and the Seller that the Seller shall comply with its obligations pursuant to Clauses 7 and 8 of this Sale and Purchase Agreement in respect of the Reserved Territory in relation to: (i) the transfer of employment of JLR Employees; (ii) the establishment of a NSC Newco; (iii) the sale of the NSC Newco to the Buyer; and (iv) Clause 8.5 in respect of the transfer of the Embedded NSC Assets and Assumed Liabilities on the NSC Long Stop Date, in each case after the relevant member of the Seller Group and/or the relevant Target Company and/or NSC Newco (as the case may be) have complied with all Collective Consultation Requirements in respect of such obligations.
- 16.5** Subject to Clause 16.4 of this Sale and Purchase Agreement (in respect of the Reserved Territory), the Seller shall use reasonable endeavours in collaboration with the Buyer to procure that each NSC Transferring Employee is employed by the NSC Newco (or, as the case may be, a Target Company) in the relevant jurisdiction on or before the later of the Completion Date (or in respect of a Delayed NSC, the Delayed Transfer Date) on terms and conditions of employment as the Buyer may reasonably stipulate which shall in any event be no less favourable in aggregate than their current terms and conditions (including but without limitation any current terms and conditions relating to membership of pension arrangements and the benefit structure thereunder) as have been disclosed to the Buyer prior to 30 April 2008 (such terms to be provided by the Buyer in writing in a timely fashion sufficiently in advance of the Completion Date or Delayed Transfer Date but in any event in any jurisdiction not before the earlier of 30 April 2008 and such time that the Seller has confirmed to the Buyer that it has provided the Buyer with complete and accurate details of the current terms and conditions of the NSC Transferring Employees in that jurisdiction) or, in default of any such terms and conditions being stipulated by the Buyer, the Seller shall use reasonable endeavours to ensure that the NSC Transferring Employees are employed by the NSC Newco (or, as the case may be, a Target Company) on terms and conditions which are the same as or no less favourable than their current terms and conditions (including but without limitation any current terms and conditions relating to membership of pension arrangements and the benefit structure thereunder) as disclosed to the Buyer prior to 30 April 2008. The parties acknowledge the Seller is under no obligation to offer financial incentives in order to comply with this Clause. The Seller may at its discretion require any NSC Transferring Employee to waive (in a manner in which the Seller is reasonably satisfied is legally effective) any entitlement to redundancy or severance payments which would otherwise be payable on the termination of his employment with the relevant member of the Seller Group or any legal claims arising out of such termination. In respect of any Delayed NSC the Buyer shall, to the extent that the relevant Target Company or NSC Newco is under the ultimate ownership or operational control of the Buyer, use all reasonable endeavours to assist the Seller in procuring that such NSC Transferring Employees are employed by the NSC Newco or Target Company on or before the Delayed Transfer Date, including where necessary by procuring that the NSC Newco or Target Company makes offers of employment to the NSC Transferring Employees in accordance with the terms of this Clause 16.5, in collaboration with the Seller.



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- 16.6** If a NSC Transferring Employee:
- 16.6.1 objects to the transfer of his/her employment to a NSC Newco (or, as the case may be, a Target Company);
- 16.6.2 declines an offer of employment from a NSC Newco (or, as the case may be, a Target Company) made pursuant to the Seller Group's obligations under Clause 16.5;
- 16.6.3 fails to accept before the Completion Date or Delayed Transfer Date (as applicable) an offer of employment from a NSC Newco (or, as the case may be, a Target Company) made pursuant to the Seller Group's obligations under Clause 16.5; or
- 16.6.4 resigns in circumstances where their employment ends prior to Completion or, if later, any Delayed Transfer Date;
- the Seller will notify the Buyer forthwith and, upon the written request of the Buyer, use all reasonable endeavours to persuade the NSC Transferring Employee to become employed by the NSC Newco (or, as the case may be, a Target Company), but the Seller shall not otherwise be required to take any further steps to comply with its obligation under Clause 16.5.
- 16.7** Subject to the Clauses 16.1, 16.14, 16.15 and 16.16, the Seller shall procure that no NSC Newco shall prior to the Completion Date (or, if later, the Delayed Transfer Date) offer employment to any person other than a NSC Transferring Employee without the prior approval of the Buyer, such approval not to be unreasonably withheld (save to the extent that ultimate ownership or operational control of the NSC Newco has passed to the Buyer).
- 16.8** In the event that any of the circumstances set out in Clause 16.6 applies or where a NSC Transferring Employee accepts an offer of employment made by (or the transfer of his employment to) the NSC Newco (or, as the case may be, a Target Company), the relevant member of the Seller Group may terminate the employment of such person, and all Losses and Liabilities incurred by any member of the Seller Group in connection with the termination of such person's employment, including any Severance Payments (subject to the conditions and limitations in Clauses 16.8.1 to 16.8.5) which are payable on the termination of his or her employment with the relevant member of the Seller Group, shall be borne in equal shares by the Seller and the Buyer. The Buyer agrees to indemnify the Seller in respect of its share of any such Losses and Liabilities (subject to the Seller providing the Buyer with such information as the Buyer may reasonably request verifying the amount of such Losses and Liabilities in respect of each relevant employee, including copies of any relevant termination agreements and information showing the basis for calculating the amount payable to each relevant employee) and the Seller agrees to indemnify the Buyer in respect of its share of any such Losses and Liabilities. The relevant member of the Seller Group shall use all reasonable endeavours to minimise any such Losses and Liabilities (but having regard to Clauses 16.8.3 and 16.8.5). In this Clause 16.8 Severance Payment shall mean:
- 16.8.1 any payments made by a member of the Seller Group which are (i) contractually due, or (ii) due pursuant to the Laws of the Territory in which the NSC Transferring Employee is employed, in either case to any NSC Transferring Employee by reason of the termination of their employment (including without limitation any notice or payment in lieu of notice but subject to Clause 16.8.3 excluding any payments in respect of any remuneration or other benefits in relation to the employment of any NSC Transferring Employee in respect of the period up to the termination of any NSC Transferring Employee's employment). For the avoidance of doubt, Severance Payments includes (as applicable) any retirement allowance payments due on termination in Japan;



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- 16.8.2 any damages, awards, penalties or other Losses or Liabilities (including reasonable legal costs and expenses) arising out of or in connection with any claim brought by or on behalf of any NSC Transferring Employee relating to the termination of his or her employment by a member of the Seller Group;
- 16.8.3 subject to the consent of the Buyer (such consent not to be unreasonably withheld or delayed) any payment made (where reasonably necessary) to settle or compromise a claim or liability (or potential claim or liability) arising out of or in connection with the termination of employment of any NSC Transferring Employee by a member of the Seller Group;
- 16.8.4 any current salary or other benefit costs payable to a NSC Transferring Employee following Completion (or, in respect of a Delayed NSC, following the Delayed Transfer Date) where the relevant member of the Seller Group is delayed or prevented from terminating the NSC Transferring Employee's employment by Law (or where such delay is otherwise agreed in writing between the parties); and
- 16.8.5 subject to the consent of the Buyer (such consent not to be unreasonably withheld or delayed) any enhanced terms or payments (in excess of the terms or payments referred to at Clauses 16.8.1 to 16.8.4) which the Seller reasonably determines in good faith are necessary to bring the total severance package for the NSC Transferring Employee into line with (but not in excess of) market practice in that Territory.
- For the avoidance of doubt the Buyer shall not be required to contribute to any ex-gratia payment offered by the Seller to any NSC Transferring Employee on the termination of their employment (save as required in Clauses 16.8.3 and 16.8.5) unless it has given its prior written consent.
- 16.9** The Buyer shall indemnify the Seller for any Losses or Liabilities directly or indirectly caused by the Buyer or any member of the Buyer's Group as a result of the Buyer failing to provide the Seller with details of proposed terms and conditions of employment in accordance with Clause 16.5 above or any Losses or Liabilities occasioned by or arising out of an offer of employment being made on terms stipulated by the Buyer.
- 16.10** In the event a NSC Transferring Employee has not transferred to the relevant NSC Newco (or as the case may be a Target Company) by the Long Stop Date, the provisions in Part 3 of Schedule 8 will apply.
- 16.11** The Buyer and the Seller shall give effect to the provisions of the Secondment Agreements by procuring that the relevant members of the Seller Group and Buyer's Group enter into Secondment Agreements in respect of all Secondees and Designated Employees and any individual treated as a Secondee pursuant to Clause 16.1 above, except where the existing secondment arrangements for such Secondee or Designated Employee come to an end before Completion (or in the case of a Delayed NSC, the Delayed Transfer Date) on the "Planned Completion" date identified in the Secondee Lists (as referenced in the Disclosure Letter) or on such other date as may be mutually agreed in writing between the parties.



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- 16.12** The Buyer and the Seller shall give effect to the provisions of the Ford US Secondment Agreement with respect to those persons employed by members of the Seller Group in the business of Jaguar and/or Land Rover specified therein. None of the provisions of Clause 16 of this Sale and Purchase Agreement shall apply to any individuals with respect to their secondment and transfer of employment in the US under the provisions of the US Secondment Agreement (other than Clauses 16.11, 16.12 and 16.13).
- 16.13** The Seller and the Buyer agree that this Clause 16 and the Ford US Secondment Agreement and other Secondment Agreements shall be subject to the requirements of Schedule 11 in any case where Schedule 11 imposes additional obligations on either party in respect of pensions and related benefits.
- 16.14** Nothing in Schedule 7 or Clause 17 shall prevent any member of the Seller Group from making an offer of employment to each Seller Wrong Pocket Employee, with any such offer to commence with effect from the Completion Date. If such offer is accepted by a Seller Wrong Pocket Employee, that person shall cease to be a JLR Employee.
- 16.15** Nothing in Schedule 7 or Clause 17 shall prevent a Target Company or JLR Subsidiary from making an offer of employment to each JLR Wrong Pocket Employee, with any such offer to commence with effect from the Completion Date. If such offer is accepted by a JLR Wrong Pocket Employee, that person shall become a JLR Employee in the relevant Territory.
- 16.16** The Seller and the Buyer have agreed the following terms in relation to Shared Services Employees:
- 16.16.1** the Seller and the Buyer shall procure that as soon as reasonably practicable following the date of this Sale and Purchase Agreement, a duly authorised member of the Seller Group and JLR shall each identify for each Shared Services Territory how many of the Shared Services Employees they will require from Completion and produce a description of the positions available within their respective organisational structures for which the Shared Services Employees shall be eligible to apply;
- 16.16.2** once the duly authorised member of each of the Seller Group and JLR have completed the steps envisaged in Clause 16.16.1, the Seller and the Buyer shall procure that on an agreed date the lists of available positions are then made available to the Shared Services Employees in the relevant Shared Services Territory and that such Shared Services Employees are invited by the relevant member of the Seller Group and JLR to apply for any of those positions for which such Shared Services Employees would like to be considered, provided that if one party is not ready to publish its list of available positions by sixty (60) days prior to the anticipated date of Completion (or in the case of a Delayed NSC sixty (60) days before the anticipated Delayed Transfer Date) the other party may proceed to unilaterally publish its list and to make offers in accordance with Clause 16.16.3, save for any Territory where Completion is anticipated to take place on or before 1 June 2008 in which case the relevant date shall be forty-five (45) days prior to the anticipated date of Completion (or, in the case of a Delayed NSC, forty-five (45) days prior to the Delayed Transfer Date);
- 16.16.3** the Seller and the Buyer shall procure that the relevant member of the Seller Group and JLR select those Shared Services Employees to whom they wish to make offers from those who have applied and shall make offers of employment to commence with effect from the Completion Date (or in the case of a Delayed NSC, with effect from the Delayed Transfer Date) giving the Shared Services Employee a reasonable period of time in which to accept the offer of employment. Where the job offered is the same as or substantially similar to that person's current job or is on the same grade (or any comparable grade if the grading system used is different) the terms of the offer must be no less favourable in aggregate than the person's current terms and conditions (including but without limitation any current terms and conditions relating to membership of pension arrangements and the benefit structure thereunder) as have been disclosed to the Buyer prior to 30 April 2008. All offers of employment shall be made as early as possible in the process and ideally at least forty-five (45) days before the anticipated date of Completion (or in the case of a Delayed NSC, at least forty-five (45) days before the Delayed Transfer Date), but in any event must be made no later than fifteen (15) days before the anticipated date of Completion (or in the case of a Delayed NSC, no later than fifteen (15) days before the Delayed Transfer Date). The Shared Services Employee shall be given fifteen (15) days in which to accept any offer made;



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- 16.16.4 the Seller and the Buyer shall procure that the relevant member of the Seller Group and JLR identify to each other those Shared Services Employees who have accepted offers;
- 16.16.5 the Seller and the Buyer shall procure that any Shared Services Employee who accepts an offer made under this process shall be released from his/her notice obligations and post-termination restrictions applicable to such Shared Service Employee (to the extent necessary to enable such Shared Service Employee to be employed by the Seller Group or JLR as the case may be in accordance with the terms of the job offer made to them) under their current contract with effect from the Completion Date (or, in the case of a Delayed NSC, with effect from the Delayed Transfer Date). The Seller and the Buyer shall procure that the relevant member of the Seller Group and JLR shall encourage the Shared Services Employees to give as much advance notice of termination as possible to their current employer in the event that they accept a new job offer from a member of the Seller Group or JLR pursuant to this Clause 16.16;
- 16.16.6 the Seller and the Buyer shall each be responsible for their respective shares of any Losses and Liabilities including any Aggregate Severance Costs (subject to the conditions and limitations in Clauses 16.16.8(a) to 16.16.8(e)) incurred as a result of the Seller or relevant member of the Seller Group terminating the employment of any Shared Services Employee who has not:
- (a) accepted an offer of employment from a member of the Seller Group or JLR; or
 - (b) received and offer of employment from a member of the Seller Group or JLR;
- or where such Shared Services Employee's employment is terminated as a result of having accepted an offer from a member of the Seller Group or JLR;
- 16.16.7 the Buyer shall promptly reimburse the Seller on demand for the Buyer's share of the Aggregate Severance Costs for each Shared Services Employee subject to receiving reasonable evidence of the same;
- 16.16.8 the relevant member of the Seller Group shall use reasonable endeavours to ensure that any Aggregate Severance Costs are kept to a minimum (but having regard to Clauses 16.16.8(c) and (e)) and to terminate any such person's employment as soon as reasonably practicable after Completion. The term "Aggregate Severance Costs" shall mean:
- (a) any payments made by a member of the Seller Group which are: (i) contractually due; or (ii) due pursuant to the Laws of the Territory in which the Shared Service Employee is employed, in either case to any Shared Service Employee by reason of the termination of their employment (including without limitation any notice or payment in lieu of notice but subject to Clause 16.16.8(c) below excluding any payments in respect of any remuneration or other benefits in relation to the employment of any Shared Service Employee in respect of the period up to the termination of any Shared Service Employee's employment). For the avoidance of doubt, the term Aggregate Severance Costs includes (as applicable) any retirement allowance payments due on termination in Japan;



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- (b) any damages, awards, penalties or other Losses or Liabilities (including reasonable legal costs and expenses) arising out of or in connection with any claim brought by or on behalf of any Shared Services Employee relating to the termination of his employment by a member of the Seller Group;
- (c) subject to the consent of the Buyer (such consent not to be unreasonably withheld or delayed) any payment made (where reasonably necessary) to settle or compromise a claim or liability (or potential claim or liability) arising out of or in connection with the termination of employment of any Shared Services Employee by a member of the Seller Group;
- (d) any current salary or other benefit costs payable to a Shared Services Employee following Completion (or, in respect of a Delayed NSC, following the Delayed Transfer Date) where the relevant member of the Seller Group is delayed or prevented from terminating the Shared Services Employee's employment by Law (or where such delay is otherwise agreed in writing between the parties); and
- (e) subject to the consent of the Buyer (such consent not to be unreasonably withheld or delayed) any enhanced terms or payments (in excess of the terms or payments referred to in this sub-clause 16.16.8) which the Seller reasonably determines in good faith are necessary to bring the total severance package for the Shared Services Employee into line with (but not in excess of) market practice in that Territory;

For the avoidance of doubt the Buyer shall not be required to contribute to any ex-gratia payment offered by the Seller to any Shared Services Employee on the termination of their employment (save as required in Clauses 16.16.8(c) and (e)) unless it has given its prior written consent.

16.16.9 the Seller and Buyer's respective shares of the Aggregate Severance Costs in each Shared Services Territory shall be calculated by reference to the following formula:

$$X = (A - C)$$

$$Y = (B - D)$$

$$Z = (X + Y)$$

$$\text{Buyer share} = (X / Z) \times \text{Aggregate Severance Costs}$$

$$\text{Seller share} = (Y / Z) \times \text{Aggregate Severance Costs}$$

Where:

"A" means the JLR Shared Services Headcount for that Shared Services Territory;



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“B” means the member of the Seller Group Shared Services Headcount for that Shared Services Territory;

“C” means the number of job offers made by JLR and accepted by Shared Services Employees in that Shared Services Territory; and

“D” means the number of job offers made by the relevant member of the Seller Group and accepted by Shared Services Employees in that Shared Services Territory.

- 16.17** If the Seller transfers the Embedded NSC Assets of an Embedded NSC to a Third Party Importer in accordance with Clause 7.1.2(iii), the Seller may, at its discretion, either:
- 16.17.1 procure that the NSC Transferring Employees employed in such Embedded NSC (or any of them) remain employed by the relevant member of the Seller Group; or
 - 16.17.2 seek to arrange for the relevant Third Party Importer to make offers of employment to the NSC Transferring Employees employed in such Embedded NSC (or any of them) or otherwise seek to arrange for their employment to transfer to the relevant Third Party Importer; or
 - 16.17.3 terminate the employment of the NSC Transferring Employees employed in such Embedded NSC (or any of them) either (i) where the NSC Transferring Employee has agreed to transfer to, or has accepted an offer of employment from, the Third Party Importer or (ii) in circumstances where the NSC Transferring Employee has not received an offer or has not accepted an offer of employment from the Third Party Importer.
- 16.18** If the Seller transfers the Embedded NSC Assets of an Embedded NSC to a Third Party Importer in accordance with Clause 7.1.2 (iii), the Seller and Buyer shall be responsible in equal shares for any Losses or Liabilities including any Severance Costs (subject to the conditions and limitations in Clauses 16.19.1 to 16.19.5) arising out of any of the following circumstances or events:
- 16.18.1 where the Seller terminates the employment of a NSC Transferring Employee in that Territory where such NSC Transferring Employee has agreed to transfer to or accepted an offer of employment from the Third Party Importer; or
 - 16.18.2 where the Third Party Importer refuses to make an offer of employment to a NSC Transferring Employee in that Territory or to accept the transfer of any such NSC Transferring Employee; or
 - 16.18.3 where a NSC Transferring Employee in that Territory does not accept (within a reasonable timeframe) an offer of employment made by the Third Party Importer.

The Buyer agrees to indemnify the Seller in respect of its shares of such Losses, Liabilities and Severance Costs and the Seller agrees to indemnify the Buyer in respect of its share of such Losses, Liabilities and Severance Costs (subject to each Party providing the other with such information as the other may reasonably request verifying the amount of such Losses and Liabilities in respect of each relevant employee, including copies of any relevant termination agreements and information showing the basis for the amount payable to each relevant employee). The relevant member of the Seller Group shall use all reasonable endeavours to ensure that any Severance Costs are kept to a minimum (but having regard to Clauses 16.19.3 and 16.19.5).



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16.19 In Clause 16.18 “Severance Costs” shall mean:

- 16.19.1 any payments made by a member of the Seller Group which are (i) contractually due or (ii) due pursuant to the Laws of the Territory in which the NSC Transferring Employee is employed in either case to any NSC Transferring Employee by reason of the termination of their employment (including without limitation any notice or payment in lieu of notice but subject to Clause 16.19.3 excluding any payments in respect of any remuneration or other benefits in relation to the employment of any NSC Transferring Employee in respect of the period up to the termination of any NSC Transferring Employee’s employment);
- 16.19.2 any damages, awards, penalties or other Losses or Liabilities (including legal costs and expenses) arising out of or in connection with any claim brought by or on behalf of any NSC Transferring Employee relating to the termination of his employment by a member of the Seller Group;
- 16.19.3 subject to the consent of the Buyer (such consent not to be unreasonably withheld or delayed) any payment made (where reasonably necessary) to settle or compromise a claim or liability (or potential claim or liability) arising out of or in connection with the termination of employment of any NSC Transferring Employee by a member of the Seller Group;
- 16.19.4 any current salary or other benefit costs payable to a NSC Transferring Employee following the transfer of the Embedded NSC Assets to the Third Party Importer where the relevant member of the Seller Group is delayed or prevented from terminating the NSC Transferring Employee’s employment by Law (or where such delay is otherwise in writing between the parties); and
- 16.19.5 subject to the consent of the Buyer (such consent not to be unreasonably withheld or delayed) any enhanced terms or payments (in excess of the terms or payments referred to at Clauses 16.19.1 to 16.19.5) which the Seller reasonably determines in good faith are necessary to bring the total severance package for the NSC Transferring Employee into line with (but not in excess of) market practice in that Territory.

For the avoidance of doubt the Buyer shall not be required to contribute to any ex-gratia payment offered by the Seller to any NSC Transferring Employee on the termination of their employment (save as required in Clauses 16.19.3 and 16.19.5) unless it has given its prior written consent.

17. NON-SOLICITATION UNDERTAKINGS

- 17.1** The Buyer covenants with the Seller and separately with each member of the Seller Group that it shall not and shall procure that no member of the Buyer’s Group or, after Completion any Target Company, NSC Newco (after it has been acquired by the Buyer) or Embedded NSC shall, in each case whether alone or jointly with any other person, firm or company and whether directly or indirectly, within the period of twelve (12) months from the date of this Sale and Purchase Agreement in the case of members of the Buyer’s Group but only from Completion in respect of Target Companies, NSC Newcos (after they have been acquired by the Buyer) and Embedded NSCs, solicit or endeavour to entice away from, or discourage from being employed by or providing services to, any member of the Seller Group any person who was at the date of this Sale and Purchase Agreement a Ford Senior Employee whether or not such person would commit a breach of contract by reason of leaving service other than:
 - 17.1.1 any Ford Senior Employee whose employment with the relevant member of the Seller Group has then ceased or who has given (or received) notice terminating such employment;



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- 17.1.2 any Ford Senior Employee who responds to any public recruitment advertisement placed by or on behalf of Target Company, Embedded NSC or any member of the Buyer's Group; or
- 17.1.3 to the extent expressly permitted pursuant to a Secondment Agreement or pursuant to this Sale and Purchase Agreement.
- 17.2** The Seller covenants with the Buyer and separately with each member of Buyer's Group that it shall not and shall procure that no member of the Seller Group shall, in each case whether alone or jointly with any other person, firm or company, and whether directly or indirectly, within the period of twelve (12) months from the date of this Sale and Purchase Agreement, solicit or endeavour to entice away from, or discourage from being employed by or providing services to, any Target Company, NSC Newco, Embedded NSC any person who was at the date of this Sale and Purchase Agreement a JLR Senior Employee whether or not such person would commit a breach of contract by reason of leaving service other than:
- 17.2.1 any JLR Senior Employee whose employment with the relevant Target Company or the relevant Embedded NSC has then ceased or who has given (or received) notice terminating such employment;
- 17.2.2 any JLR Senior Employee who responds to any public recruitment advertisement placed by or on behalf of any member of the Seller Group; or
- 17.2.3 to the extent expressly permitted pursuant to a Secondment Agreement or pursuant to this Sale and Purchase Agreement or in respect of offers to be made to certain individuals in Spain who are identified in the Employee Lists referred to in the Disclosure Letter.
- 18. PENSIONS**
- 18.1** The parties shall give effect to Schedule 11.
- 18.2** The Buyer undertakes to pay forthwith on demand to the Seller a sum equal to the amount of any actual liability and reasonable costs arising after Completion which the Seller or any Associated Persons or Connected Persons of the Seller (other than a Target Company or a Delayed NSC) may after Completion sustain, incur or pay to the extent such liability is the result of any inaccurate, misleading or incomplete information provided by or on behalf of the Buyer or any Associated Persons or Connected Persons of the Buyer at the time of applying for, and for the purposes of obtaining and maintaining up to Completion the Clearance Statements (save to the extent that the liability relates to an act or omission of the Seller or any Associated Person or Connected Person of the Seller as set out in Clause 18.3 or to any breach by the Buyer which has been the subject of a waiver by the Seller under Clause 4.3.1(a)) in respect of any order, direction or notice made by the Pensions Regulator from time to time (including a contribution notice or financial support direction under the Pensions Act 2004 but limited to contribution notices and financial support directions issued within six (6) years and one (1) year respectively after Completion) that requires the Seller or any Associated Persons or Connected Persons (other than a Target Company or a Delayed NSC) of the Seller to:
- 18.2.1 contribute to any of the UK Pension Schemes;



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- 18.2.2 make a payment to the Board of the Pension Protection Fund in relation to the UK Pension Schemes; or
- 18.2.3 provide financial support in relation to the UK Pension Schemes.
- 18.3** The Seller undertakes to pay forthwith on demand to the Buyer a sum equal to the amount of actual liability and reasonable costs arising after Completion which the Buyer or any Associated Persons or Connected Persons of the Buyer may after Completion sustain, incur or pay to the extent such liability is the result of any inaccurate, misleading or incomplete information provided by or on behalf of the Seller or any Associated Persons or Connected Persons of the Seller at the time of applying for, and for the purposes of obtaining and maintaining up to Completion the Clearance Statements (save to the extent that the liability relates to an act or omission of the Buyer or any Associated Person or Connected Person of the Buyer as set out in Clause 18.2 or to any breach by the Seller which has been the subject of a waiver by the Buyer under Clause 4.3.1(b)) in respect of any order, direction or notice made by the Pensions Regulator from time to time (including a contribution notice or financial support direction under the Pensions Act 2004 but limited to contribution notices and financial support directions issued within six (6) years and one (1) respectively after Completion) that requires the Buyer, any Target Company, any Delayed NSC or any Associated Persons or Connected Persons (other than the Seller) of the Buyer or any Target Company or any Delayed NSC to:
- 18.3.1 contribute to any of the UK Pension Schemes;
- 18.3.2 make a payment to the Board of the Pension Protection Fund in relation to the UK Pension Scheme; or
- 18.3.3 provide financial support in relation to the UK Pension Schemes.

19. INSURANCE**19.1 Claims Based Claims**

The Seller undertakes that the Target Companies, the NSC Newcos and the Delayed NSCs shall, subject to the applicable terms and conditions of the policy (including data requirements), be insured under the Ford Excess Liability (Umbrella) Insurance Program in respect of liability caused by any Occurrence (as that term is defined in the Ford Excess Liability (Umbrella) Insurance Program) which occurred prior to the Completion Date and which is notified to insurers in accordance with the terms of the said policy prior to 15 December 2008. The Seller shall maintain a Ford Excess Liability (Umbrella) Insurance Program through 15 December 2008, with such limits and coverage as the Seller in its sole discretion determines prudent in light of its business and market conditions and the Target Companies, the NSC Newcos and the Delayed NSCs shall enjoy the same level of coverage as the Seller under the Ford Excess Liability (Umbrella) Insurance Program through 15 December 2008 in respect of liability caused by any Occurrence which occurred prior to the Completion Date. It shall be the responsibility of the Target Companies, the NSC Newcos (as and when the relevant NSC Newco has been transferred in accordance with Clause 7 or 8 (as appropriate)) and the Delayed NSCs to submit to insurers, through the Seller's corporate insurance function in Dearborn, Michigan, USA any claims relating to such liability, and the Seller shall give all reasonable assistance to the Buyer to enable it to do so (but without incurring any financial commitment or becoming involved in or threatening any form of legal action).



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19.2 Occurrence Based Claims

In respect of any policy of insurance (including, but in no way limited to, employer's liability insurance) of any member of the Seller Group that provides cover to any of the Target Companies and/or any NSC Newcos and/or any Embedded NSC and/or provides cover in relation to the Halewood Plant:

- (a) on or before the Completion Date; and
- (b) other than on a claims-made basis (such being a policy under which the date on which the claim is made against the insured determines whether the loss is recoverable) (such a policy of insurance, an **Occurrence Based Policy**),

the Target Companies, the NSC Newcos and the Delayed NSCs shall remain insured and entitled to recover (and all claims in relation to the Halewood Plant shall be insured and recoverable) under and subject to the terms and conditions of such policy of insurance in respect of any loss or liability relating to occurrences, events or circumstances prior to the Completion Date, notwithstanding that the claim by the Target Company, the NSC Newco or the Delayed NSC or the claim in relation to the Halewood Plant may first be made to the insurer subsequent to the Completion Date.

19.3 No Right or Interest in Insurance Policies

The Buyer acknowledges and agrees that, save as provided in Clauses 19.1, 19.2 and 19.4 with effect from the Completion Date (but without prejudice to any accrued claims of the Target Companies, the Delayed NSCs or, insofar as they relate to Jaguar and/or Land Rover, any member of the Seller Group, and subject to the terms of the applicable policies), neither it nor any Target Company nor any Delayed NSC shall have any right or interest in any policies of insurance maintained by the Seller or any member of the Seller Group in relation to the Target Companies, the Delayed NSCs or the JLR Assets prior to the Completion Date.

19.4 Coverage of Delayed NSCs

- 19.4.1 With respect to the Delayed NSCs and their respective NSC Newcos, the Seller Group shall provide cover, until the Delayed Transfer Date, for any such Delayed NSC that is to be established in a jurisdiction where (and to the extent) such insurance (i) is required by local law and (ii) can be procured only by an entity organised under the Law of such jurisdiction. The Buyer shall reimburse the Seller for the cost of such insurance.
- 19.4.2 Any and all rights and/or recoveries relating to or arising from any claim referred to in Clause 19.4.1 shall inure to the benefit of the Buyer or such entity as is nominated by the Buyer and/or any Related Person nominated by the Buyer. For the purpose of this Clause 19.4.2, the term **Related Person** shall have the meaning given to it in the NSC Interim Management Agreement.

19.5 Seller's Rights in Insurance Policies

For the avoidance of doubt:

- (a) nothing contained in this Sale and Purchase Agreement shall extinguish, limit or otherwise affect or be deemed to affect any obligation on the part of any insurer under any policy of insurance that provides cover to any member of the Seller Group, any Target Company, any Embedded NSC and/or any NSC Newco on or before the Completion Date;



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- (b) any claim, request or demand under Clause 14 shall be reduced by the amount recovered by a member of the Seller Group under an Occurrence Based Policy that is applicable to such claim, request or demand, it being understood that the Buyer shall first pay to the member of the Seller Group the full amount of any claim successfully asserted against such member of the Seller Group for any Assumed Liability prior to receiving the benefit (if any) of such reduction.

20. WRONG-POCKET PROVISIONS

- 20.1** If within twelve (12) months of Completion it becomes apparent that during the six (6) months prior to the date of this Sale and Purchase Agreement a Target Company used any asset which is owned by a member of the Seller Group and which:
- 20.1.1 is not the subject of a Separation Agreement;
- 20.1.2 is not expressly contemplated not to be available to the Buyer or the Target Companies after Completion pursuant to the terms of this Sale and Purchase Agreement, the Disclosure Letter or any other Transaction Document; and
- 20.1.3 is required to enable Jaguar and/or Land Rover to operate after Completion in substantially the same manner as during the six (6) month period prior to Completion, the Seller shall in the case of an asset exclusively used by the Target Companies during the six (6) month period to the date of this Sale and Purchase Agreement, procure the transfer of all rights, title and interest of the Seller Group in such asset to such Target Company or as the Buyer may direct together with any Environmental Permits held by the Seller and relating to that asset.
- 20.2** If within twelve (12) months of Completion it becomes apparent that during the six (6) months prior to the date of this Sale and Purchase Agreement an asset which is owned by a Delayed NSC was used exclusively by a Target Company, the Seller shall as soon as reasonably practicable following the written request of the Buyer procure the transfer of all right, title and interest of the Delayed NSC in such asset to such Target Company or as the Buyer may direct together with any Environmental Permits held by the Delayed NSC and relating to that asset.
- 20.3** If within twelve (12) months of Completion it becomes apparent that during the six (6) months prior to the date of this Sale and Purchase Agreement an asset was used exclusively by a Delayed NSC which is owned after Completion by a Target Company, the Seller shall as soon as reasonably practicable following the written request of the Buyer procure that the Delayed NSC takes such reasonable action as may be necessary to accept a transfer of all rights, title and interest of such Target Company in such asset to the Delayed NSC together with any Environmental Permits held by the Target Company and relating to that asset.
- 20.4** If within twelve (12) months of Completion it becomes apparent that during the six (6) months prior to the date of this Sale and Purchase Agreement the relevant Delayed NSC used any asset which is owned by a member of the Seller Group and which:
- 20.4.1 is not the subject of a Separation Agreement;



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- 20.4.2 is not expressly contemplated not to be available to the Buyer or the relevant Delayed NSC after Completion pursuant to the terms of this Sale and Purchase Agreement, the Disclosure Letter or any other Transaction Document; and
- 20.4.3 is required to enable Jaguar and/or Land Rover to operate after Completion in substantially the same manner as during the six (6) month period prior to Completion, the Seller shall in the case of an asset exclusively used by the relevant Delayed NSC during the six (6) month period to the date of this Sale and Purchase Agreement, procure the transfer of all rights, title and interest of the Seller Group in such asset to such Delayed NSC or as the Buyer may direct together with any Environmental Permits held by the Seller and relating to that asset.
- 20.5** If within twelve (12) months of Completion it becomes apparent that during the six (6) months prior to this Sale and Purchase Agreement a member of the Seller Group used, other than in relation to Jaguar and/or Land Rover, an asset which is owned by a Target Company and which:
- 20.5.1 is not the subject of a Separation Agreement;
- 20.5.2 is not expressly contemplated not to be available to the Seller Group after Completion pursuant to the terms of any Transaction Document; and
- 20.5.3 is required to enable the operation of any business carried on by the Seller Group after Completion in substantially the same manner in which it has been carried on in the six (6) month period prior to Completion, the Buyer shall in the case of an asset used exclusively by the Seller Group in relation to businesses other than Jaguar and/or Land Rover during the six (6) month period prior to the date of this Sale and Purchase Agreement, procure the transfer of all rights, title and interest of the Target Companies in such asset to such member of the Seller Group as the Seller may direct.
- 20.6** If within twelve (12) months of Completion it becomes apparent that during the six (6) months prior to Completion a member of the Seller Group used, other than in relation to Jaguar and/or Land Rover, an asset which is owned by a Delayed NSC and which:
- 20.6.1 is not the subject of a Separation Agreement;
- 20.6.2 is not expressly contemplated not to be available to the Seller Group after Completion pursuant to the terms of any Transaction Documents; and
- 20.6.3 is required to enable the operation of any business carried on by the Seller Group after Completion in substantially the same manner in which it has been carried on in the six (6) month period prior to the date of this Sale and Purchase Agreement, the Buyer shall in the case of an asset used exclusively by the Seller Group in relation to businesses other than Jaguar and/or Land Rover during the six (6) month period prior to the date of this Sale and Purchase Agreement, procure the transfer of all rights, title and interest of the relevant Delayed NSC in such asset to such member of the Seller Group as the Seller may direct.

21. RECORDS AND ASSISTANCE

- 21.1** For a period of seven (7) years following Completion, neither party shall dispose of or destroy any of the JLR Records in its possession or control without first giving the other at least one (1) month's notice and the opportunity to review and (at its own cost) copy any of the relevant materials.



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- 21.2** Save to the extent such access is restricted by Law or the terms of any confidentiality agreement or such materials are subject to legal professional privilege, for a period of two (2) years following Completion the Buyer shall procure that on request the Seller shall be provided with such access (including the right to take copies at its own cost) to all JLR Records within the possession or control of any Target Company, NSC Newco (after the Buyer has acquired it) and Delayed NSC or any member of the Buyer's Group and to its employees, offices and premises as may reasonably be required by any member of the Seller Group in connection with any financial, Tax or other report, return, statement, audit, filing or other requirement in each case under Law or in connection with any document that the Seller is required to prepare, or on which it is required or entitled to comment, under the Tax Deed.
- 21.3** Save to the extent such access is restricted by Law or the terms of any confidentiality agreement or such materials are subject to legal professional privilege and subject to any specific provisions contained in the Transaction Documents, for a period of two (2) years following Completion the Seller shall procure that on request the Buyer shall be provided with such access (including the right to take copies at its own cost) to all JLR Records within the possession or control of any member of the Seller Group and to its employees, offices and premises as may reasonably be required by the Buyer or its Affiliates (including for the avoidance of doubt any Target Company, NSC Newco or Delayed NSC) in connection with any financial, Tax or other report, return, statement, audit, filing or other requirement in each case under Law or in connection with any document that the Buyer is required to prepare, or on which it is required or entitled to comment, under the Tax Deed or, to the extent required for the purposes of preparing the Completion Statement and subject to the consent of the Seller (with such consent not to be unreasonably withheld or delayed), this Sale and Purchase Agreement.
- 21.4** The Buyer shall, and shall procure that each Target Company and/or each NSC Newco and/or each Delayed NSC shall, at the Seller's sole expense and on reasonable notice at any time following Completion, give such assistance to any member of the Seller Group (including, without limitation, access to its employees, offices and premises and any JLR Records within its possession or control) as the Seller may reasonably request in relation to any proceedings by or against any member of the Seller Group.
- 22. GUARANTEE**
- 22.1** In consideration of the Seller entering into this Sale and Purchase Agreement, the Guarantor unconditionally and irrevocably guarantees to the Seller the due and punctual performance of all the obligations and Liabilities of the Buyer under or otherwise pursuant to the provisions of this Sale and Purchase Agreement (as any of such obligations and liabilities may from time to time be varied, extended, increased or replaced) that are to be satisfied, performed or discharged prior to or upon the Completion Date (the **Guaranteed Obligations**) and undertakes to keep the Seller fully indemnified against all Liabilities and Losses, which it may suffer or incur as result of any failure or delay by the Buyer in the performance of the Guaranteed Obligations.
- 22.2** If any Guaranteed Obligations is not or ceases to be valid or enforceable against the Buyer (in whole or in part) on any ground whatsoever (including, but not limited to, any defect in or want of powers of the Buyer or irregular exercise of such powers, or any lack of authority on the part of any person purporting to act on behalf of the Buyer, or any legal or other limitation, disability or incapacity, or any change in the constitution of, or any amalgamation or reconstruction of, or the liquidation, administration or insolvency of, the Buyer), the Guarantor shall nevertheless be liable to the Seller in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Guarantor were the principal debtor in respect thereof.



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- 22.3** The liability of the Guarantor under this guarantee shall not be discharged or affected in any way by:
- 22.3.1 the Seller compounding or entering into any compromise, settlement or arrangement with the Buyer, any co-guarantor or any other person; or
 - 22.3.2 any variation, extension, increase, renewal, determination, release or replacement of this Sale and Purchase Agreement, whether or not made with the consent or knowledge of the Guarantor; or
 - 22.3.3 the Seller granting any time, indulgence, concession, relief, discharge or release to the Buyer, any co-guarantor or any other person or releasing, giving up, agreeing to any variation, renewal or replacement of, releasing, abstaining from or delaying in taking advantage of or otherwise dealing with any securities from or other rights or remedies which it may have against the Buyer, any co-guarantor or any other person; or
 - 22.3.4 any other matter or thing which, but for this provision, might exonerate or affect the liability of the Guarantor.
- 22.4** The Seller shall not be obliged to take any steps to enforce any rights or remedy against the Buyer or any other person before enforcing this guarantee.
- 22.5** This guarantee is in addition to any other security or right now or hereafter available to the Seller and is a continuing security notwithstanding any liquidation, administration, insolvency or other incapacity of the Buyer or the Guarantor.
- 22.6** Until the full and final discharge of the Guaranteed Obligations, the Guarantor:
- 22.6.1 waives all of its rights of subrogation, reimbursement and indemnity against the Buyer and all rights of contribution against any co-guarantor and agrees not to demand or accept any security from the Buyer or any co-guarantor in respect of any such rights and not to prove in competition with the Seller in the bankruptcy, liquidation or insolvency of the Buyer or any such co-guarantor; and
 - 22.6.2 agrees that it will not claim or enforce payment (whether directly or by set-off, counterclaim or otherwise) of any amount which may be or has become due to the Guarantor by the Buyer, any co-guarantor or any other person liable to the Seller in respect of the obligations hereby guaranteed if and so long as the Buyer is in default under this Sale and Purchase Agreement.
- 22.7** If this guarantee is discharged or released in consequence of any performance by the Buyer of any Guaranteed Obligations which is set aside for any reason, this guarantee shall be automatically reinstated in respect of the relevant obligations. Subject only thereto, this guarantee shall for all purposes automatically terminate upon the performance and discharge of the Guaranteed Obligations on the Completion Date.



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23. MISCELLANEOUS PROVISIONS

23.1 Further Assurance

The Seller shall after Completion execute or procure the execution of all such deeds and documents and do all such things as the Buyer may reasonably require for perfecting the transactions intended to be effected under or pursuant to this Sale and Purchase Agreement or the Transaction Documents and for vesting in the Buyer the full benefit of the Sale Shares and the JLR Assets including the Goodwill attaching thereto.

23.2 Announcements

23.2.1 Except as provided in Clause 23.2.2, no party may make or send a public announcement, communication or circular concerning this Sale and Purchase Agreement or the Proposed Transaction unless it has first obtained the other parties' written consent (not to be unreasonably withheld, conditioned or delayed).

23.2.2 The restrictions in Clause 23.2.1 shall not apply to a public announcement, communication or circular which is required by any Law or pursuant to an order of any court of competent jurisdiction provided that the party subject to such obligation shall (unless legally prevented from doing so) consult with the other as to timing and content.

23.3 Confidentiality

23.3.1 Subject to Clause 23.3.2, each party shall treat as confidential all information received or obtained as a result of negotiating, entering into or performing this Sale and Purchase Agreement (including the Disclosure Letter) which memorializes or relates to:

- (a) the provisions of this Sale and Purchase Agreement, the Disclosure Letter or any other Transaction Documents;
- (b) the negotiations relating to this Sale and Purchase Agreement, the Disclosure Letter and the other Transaction Documents;
- (c) the business, financial or other affairs (including future plans and targets) of any other party to this Sale and Purchase Agreement or other Transaction Documents,

(**Confidential Information**) and shall use its reasonable endeavours to prevent the unauthorised use or disclosure of such Confidential Information.

23.3.2 The provisions of this Clause shall not apply to:

- (a) any Confidential Information in the public domain otherwise than by breach of this Sale and Purchase Agreement or of Law;
- (b) Confidential Information in the possession of either the Seller or the Buyer (as the case may be) before such Confidential Information was disclosed to it by or on behalf of the other and which was not obtained under any obligation of confidentiality; or
- (c) Confidential Information obtained from a third party who is free to disclose it, and which is not obtained under any obligation of confidentiality.

23.3.3 Either party shall be entitled to disclose Confidential Information without the consent of the other, to the extent required by Law or pursuant to an order of any court of competent jurisdiction provided that the party subject to the disclosure obligation shall first have consulted and taken into account the reasonable requirements of the other unless legally prevented from doing so.



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- 23.3.4 Notwithstanding anything in this Sale and Purchase Agreement to the contrary, any party (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the Tax treatment and Tax structure of the transaction pursuant to this Sale and Purchase Agreement and all materials of any kind (including opinions and other Tax analyses) that are provided to such party relating to such Tax treatment and Tax structure.
- 23.3.5 Notwithstanding anything in this Sale and Purchase Agreement to the contrary, the Buyer may disclose, with the consent of the Seller (such consent not to be unreasonably withheld or delayed) the contents of this Sale and Purchase Agreement, the Disclosure Letter and the Transaction Documents insofar as is reasonably required to enable the Buyer to negotiate and agree third party financing arrangements including, but not limited to, vehicle financing, accessories financing, consumer financing and acquisition financing provided that the Buyer shall procure that all such third parties comply with the same obligations of confidentiality as the Buyer under this Sale and Purchase Agreement.
- 23.3.6 The restrictions contained in this Clause 23.3 shall continue to apply after the date of this Sale and Purchase Agreement without limit in time.
- 23.3.7 The Seller hereby assigns, with effect from Completion, to the Buyer the benefit of the confidentiality agreement and undertakings given by any other potential buyer of the Sale Shares and JLR Assets to the extent that such provisions apply to information relating to Jaguar and/or Land Rover and to the extent assignment is not prevented by the terms of such confidentiality agreements.
- 23.3.8 The Seller shall (and shall procure that each other member of the Seller Group shall) for a period of twenty-four (24) months from the date of this Sale and Purchase Agreement undertake reasonable endeavours consistent with the Seller Group's policies regarding confidential information of the Seller Group to treat as confidential all information in existence on or prior to Completion in respect of Jaguar and/or Land Rover and/or the JLR Assets to the extent that such information is of a kind which the Seller has prior to the date of this Sale and Purchase Agreement treated as confidential (including, without limitation, those business and commercial secrets which the Seller has prior to the date of this Sale and Purchase Agreement treated as confidential), save to the extent required by Law.
- 23.4 Termination of Arrangements**
- 23.4.1 The Buyer and the Seller shall procure that, save as provided in this Sale and Purchase Agreement or any of the Transaction Documents, all contracts, agreements, courses of dealing, business practices and arrangements in place between any member of the Seller Group and any Target Company prior to Completion, other than the Surviving Contracts, shall terminate with effect from Completion without cost or Liability to any Target Company.
- 23.4.2 The Buyer shall procure that, save in relation to Intra-Group Trade Receivables or rights or Liabilities arising under this Sale and Purchase Agreement or any of the Transaction Documents, following Completion neither the Buyer, any member of the Buyer's Group, any Target Company nor any NSC Newco shall make any claim against any member of the Seller Group in respect of any matter or event which occurred prior to Completion and the Seller shall procure that, save in relation to Intra-Group Trade Payables or rights or Liabilities arising under this Sale and Purchase Agreement or any of the Transaction Documents, following Completion no member of the Seller Group shall make any claim against any Target Company in respect to any matter or event which occurred prior to Completion.



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23.4.3 Nothing in this Clause 23.4 shall prevent any Claim being made by or against any member of the Seller Group or the Buyer's Group or any Target Company in respect of any matter or event which occurred prior to Completion in the event of fraud.

23.4.4 For the avoidance of doubt, nothing in this Sale and Purchase Agreement shall terminate or modify in any respect any agreements between the Seller and Peugeot Citroen Automobiles SA relating to engine supply or between any Target Company and Getrag Ford Transmissions GmbH relating to the supply of transmissions.

23.5 Late Payments and Default Interest

If any party fails to pay any amount payable by it under this Sale and Purchase Agreement, it shall immediately on demand by the party to whom the payment was due to be made, pay interest on the overdue amount from the due date up to the date of actual payment, after as well as before judgment, at a rate equal to LIBOR plus one hundred (100) basis points. Such interest shall accrue on a daily basis. The interest rate shall be calculated based on the six-month LIBOR rate for GBP published on the Reuters screen at 11.00am London time on the first Business Day of the relevant interest period plus one hundred (100) basis points. The amount of interest payable by the defaulting party shall be calculated as follows:

- (a) the annualised interest rate multiplied by the outstanding principal amount due;
- (b) which shall then be divided by 365 (days/year);
- (c) which shall then be multiplied by the number of calendar days outstanding from the due date of payment.

23.6 Assignment

23.6.1 Each party is entering into this Sale and Purchase Agreement for its own benefit and not for the benefit of another person.

23.6.2 The Buyer shall not be entitled to assign, transfer, create any Encumbrance in or over, or deal in any other manner (or purport to do any of these things) with this Sale and Purchase Agreement or a right or obligation under this Sale and Purchase Agreement without having first obtained the written consent of the Seller save that the Buyer (but not for the avoidance of doubt any such assignee) may assign any of its rights and interests under this Sale and Purchase Agreement by way of security to any lender in connection with the financing or re-financing of the Proposed Transaction or any financing to be used in connection with the business of Jaguar and/or Land Rover provided that such assignment shall be on terms that it shall not result in any increased Liability, or any reduction in the rights, of the Seller or any member of the Seller Group and, without prejudice to the generality thereof, each such party shall continue following assignment to have all such rights of set-off and counter-claim against the assignee that would be available to it against the Buyer.

23.6.3 If the Buyer purports to assign, transfer, create any Encumbrance in or over, or deal in any other manner (or purport to do any of these things) with this Sale and Purchase Agreement or a right or obligation under this Sale and Purchase Agreement in breach of Clause 23.6.2, then the Buyer agrees that no trust (constructive or otherwise) shall arise as a consequence and the assignor shall not be deemed to hold the benefit of this Sale and Purchase Agreement, or any right under this Sale and Purchase Agreement, for the purported assignee, transferee or any other person as a result.



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- 23.6.4 This Sale and Purchase Agreement shall be binding upon, and enure to the benefit of the parties and their respective successors and their permitted assignees. Subject to and upon any succession or assignment permitted by this Sale and Purchase Agreement, any successor or permitted assignee shall in its own right be able to enforce any term of this Sale and Purchase Agreement in accordance with its terms as if it were in all respects a party, but until such time, any such successor or permitted assignee shall have no rights whether as a third party or otherwise.
- 23.7 Costs**
- Except where this Sale and Purchase Agreement or any document referred to in it provides otherwise, each party shall pay its own costs relating to the negotiation, preparation, execution and implementation by it of this Sale and Purchase Agreement and of each document referred to in it.
- 23.8 Value Added Tax**
- 23.8.1 In this Sale and Purchase Agreement, except as otherwise provided, the amount of any payment for a supply of goods or services or the value of any supply made or deemed to be made by the Seller (or a member of the Seller Group) to the Buyer (or a member of the Buyer's Group), or vice versa, pursuant to this Sale and Purchase Agreement shall be taken to be exclusive of VAT properly chargeable on the supply and the amount of such VAT shall be paid, subject to Clause 23.8.11, within five (5) Business Days following the time the supply is made or a proper VAT invoice is issued, whichever is the later.
- 23.8.2 The Buyer and the Seller intend that the sale of the Halewood Plant or the Halewood Properties, or the supply of the Embedded NSCs (whether to a NSC Newco, a Target Company or any member of the Buyer's Group) shall, wherever possible, take effect as a going concern and agree to use all reasonable endeavours to ensure that any applicable conditions are fulfilled so that each such transfer is treated neither as a supply of goods nor a supply of services for the purpose of VAT where the jurisdiction in which the relevant assets are located has given effect to Article 19 of the EC Council Directive 2006/112/EC on the common system of value added tax or to ensure that any similar or analogous Tax neutral treatment or Relief is obtained in any other relevant jurisdiction (a **TOGC**).
- 23.8.3 If, notwithstanding Clause 23.8.2, VAT is chargeable in respect of the sale of the Halewood Plant or all or part of the Halewood Properties, or the supply of the Embedded NSC to any Target Company after Completion or to the Buyer (for the purposes of this Clause 23.8, the **Relevant Supplies**), the Buyer shall within five (5) Business Days following the date on which the Seller notifies the Buyer that VAT is so chargeable and issues to the Buyer a proper VAT invoice in respect thereof, pay or procure payment by the relevant transferee to the Seller the amount of any VAT in addition to the relevant part of the consideration attributed to such Relevant Supply.
- 23.8.4 The Buyer shall indemnify the Seller for any interest and penalties imposed by any Tax Authority arising out of the treatment by the Seller and the Buyer of the Relevant Supplies as a TOGC, provided that the Buyer shall not be required to indemnify the Seller to the extent that any such interest or penalties arise wholly as a result of:
- (a) the Seller failing to comply with its obligations under Clause 23.8.2;



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- (b) a breach by the Seller of any of the warranties at Clause 23.8.6; or
- (c) the voluntary act or omission of the Seller (excluding the making of the supply itself) which could reasonably have been avoided provided that an act or omission:
 - (i) required by Law;
 - (ii) carried out in the ordinary course of business of the Seller consistent with past practice;
 - (iii) carried out pursuant to the written request or with the written approval of the Buyer; or
 - (iv) whereby the Seller discloses to a Tax Authority that the transfer has been or will be treated as a TOGC, shall not constitute a voluntary act or omission for the purposes of this sub-clause (c),

and provided that this Clause 23.8.4 shall not apply where there is no provision in the jurisdiction in question for the supply of assets to be treated as a TOGC.

23.8.5 With a view to procuring that the relevant Supplies shall take effect as a TOGC, the Buyer:

- (a) shall ensure that, not later than the date on which the Relevant Supply is made, the entity receiving the Relevant Supply or Relevant Supplies is registered for VAT in:
 - (i) the UK, in the case of the supply of the Halewood Properties and the Halewood Plant; and
 - (ii) the jurisdiction in which the Embedded NSC is located (being the jurisdiction specified in Part 2 of Schedule 8 against the relevant Embedded NSC), provided that the Buyer shall only be obliged to ensure registration in accordance with this sub-clause where such registration is a necessary condition for obtaining TOGC treatment;
- (b) warrants that the assets that are the subject of the Relevant Supplies are intended to be used by the Buyer or the relevant Target Company or member of the Buyer's Group (from the date that such assets are acquired) in carrying on the same kind of business as that carried on by the Seller or relevant member of the Seller's Group (as appropriate); and
- (c) in respect of the Halewood Properties:
 - (i) warrants that Jaguar Cars Limited or the group for VAT purposes (if any) of which Jaguar Cars Limited may form part from Completion, will have put in place an election to waive exemption in relation to that part of the Halewood Properties described as the **Supply Park** (as more fully described in the Disclosure Letter) under paragraph 2 of Schedule 10 to VATA 1994 with effect from no later than Completion;
 - (ii) warrants that written notification of the election given under Sub-clause (i) will before Completion have been provided to HMRC;
 - (iii) shall, on or before Completion, give to the Seller a copy of such written notification as is mentioned under sub-clause (ii);



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- (iv) acknowledges that, if the Buyer shall not have given to the Seller a copy of the written notification in accordance with (iii), then the Seller shall assume that notification of an election made in accordance with sub-clause (i) has not been given in accordance with sub-clause (ii) and, notwithstanding Clause 23.8.2, the Buyer shall in accordance with Clause 23.8.1 pay VAT in addition to that part of the Halewood Site Consideration that relates to the Supply Park, provided that:
 - (1) the parties acknowledge that value of the Supply Park is not a material part of the value of Halewood Site Consideration; and
 - (2) in the event that VAT is charged in respect of the transfer of the Supply Park, and HMRC later accept that this transfer was a TOGC, the Seller shall use all reasonable endeavours or shall procure that all reasonable endeavours are used to obtain a refund from HMRC of the VAT so charged, and shall pay to the Buyer (for and on behalf of Jaguar Cars Limited) the amount of any refund of VAT credit received from HMRC less any reasonable costs and expenses of the Seller or relevant member of the Seller Group; and
- (v) acknowledges that it has received from the Seller a copy of the written notification of the election made in respect of the Supply Park given by the Seller to HMRC in accordance with paragraph 3 of Schedule 10 to VATA 1994 together with a copy of the acknowledgement received by the Seller from HMRC confirming receipt of such notification.

23.8.6 With a view to procuring that the relevant Supplies shall take effect as a TOGC, the Seller:

- (a) warrants that the Warranty at Paragraph 19.8.5 of Schedule 4 remains true as at Completion, and that no disclosure has been made against this Warranty, other than the provision of details as to the extent of the area described as the Supply Park;
- (b) warrants that the copy of the written notification of the election made in respect of the Supply Park given by the Seller to HMRC in accordance with paragraph 3 of Schedule 10 to VATA 1994, as supplied to the Buyer and acknowledged at Clause 23.8.5(c)(v) above, is the election in respect of the Supply Park, as referred to the Warranty at Paragraph 19.8.5 of Schedule 4;
- (c) warrants that it accurately disclosed to HMRC in the correspondence sent to HMRC as disclosed to the Buyer (being the letters dated 31 January 2008 and 15 February 2008) and any other related discussions with HMRC all matters relevant to the treatment as a TOGC of the transfers of the Halewood Properties and the Halewood Plant provided that the Seller's warranty so far as it relates to the accuracy of statements made in respect of the Buyer's intention is made to the best of the Seller's knowledge;
- (d) shall or shall procure that within thirty (30) days of Completion written notice is given to HMRC of the sale of the Halewood Properties and Halewood Plant and that such sale has been treated as a TOGC;
- (e) shall, where the transfer of an Embedded NSC is treated as a TOGC, give within thirty (30) days of completion of the sale of any Embedded NSC to a Target Company, NSC Newco or member of the Buyer's Group, written notice to the relevant Tax Authority of its sale of Embedded NSC and that such sale has been treated as a TOGC, or shall procure that such notice shall be given; and



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- (f) shall, in relation to the Halewood Properties and the Halewood Plant:
 - (i) preserve or procure the preservation of the records referred to in section 49 of VATA 1994 for such period as may be required by law and during that period to permit the Buyer, Jaguar Cars Limited or their agents during reasonable hours on Business Days to inspect such records and make copies of them; and
 - (ii) not cease to retain such records without first giving the Buyer or Jaguar Cars Limited a reasonable opportunity to inspect and remove such of them as the Buyer or Jaguar Cars Limited wishes.

23.8.7 The Buyer and the Seller acknowledge that the Halewood Transfers contain a notification from Jaguar Cars Limited to the transferor of the Halewood Properties that paragraph 5(2B) of the Value Added Tax (Special Provisions) Order 1995 does not apply to Jaguar Cars Limited.

23.8.8 The Seller and the Buyer intend that, following the transfer of any Embedded NSC to a Target Company, NSC Newco or to the Buyer or to a member of the Buyer's Group, the Buyer shall, to the maximum extent permitted by Law, maintain or procure the maintenance by a Target Company, NSC Newco or member of the Buyer's Group of proper VAT records in respect of such Embedded NSC and accordingly:

- (a) the Seller shall, to the extent permitted by Law, deliver to the Buyer on the transfer of such Embedded NSC all records relating to VAT with regard to such Embedded NSC;
- (b) the Seller shall not make any request to any Tax Authority for such records to be preserved by the Seller rather than the Buyer;
- (c) the Buyer shall, to the extent that records are transferred to the Buyer, preserve or procure the preservation of such records in the jurisdiction in which the relevant Embedded NSC is situated for such period as may be required by law and during that period permit the Seller reasonable access to them to inspect or make copies of them, provided that the Seller shall only be entitled to access to records relating to any period commencing before Completion;
- (d) the Buyer shall not cease to retain such records without first giving the Seller a reasonable opportunity to inspect and remove such of them as the Seller wishes;
- (e) the Seller (or any person for the time being nominated under this sub-clause (e)) may by written notice to the Buyer nominate another person for the purpose of sub-clause (d), in which case the reference in that sub-clause to the Seller shall be read as a reference to the person nominated; and
- (f) where records are required by law to be retained by the Seller and are in fact so retained, sub-clauses (c), (d) and (e) shall apply but with the phrase "to the extent that records are transferred to the Buyer" replaced by "to the extent that records are not transferred to the Buyer" and the references to "Seller" replaced by "Buyer" and the references, other than that in the phrase set out in this Sub-clause, to "Buyer" replaced by "Seller".

23.8.9 Except to the extent that this Sale and Purchase Agreement provides otherwise, if one party (**Party A**) is required by the terms of this Sale and Purchase Agreement to reimburse the other party (**Party B**) for any cost or expense, Party A shall reimburse Party B for the full amount of such cost or expense, including any part of it which represents amounts in respect of VAT, save to the extent that Party B (or its Affiliate) is entitled to credit or repayment in respect of that VAT from any Tax Authority.



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- 23.8.10 Without prejudice to the rights of the parties under this Sale and Purchase Agreement or any of the other Transaction Documents, the Buyer and the Seller acknowledge that their understanding is that the IP Consideration is to be paid for and on behalf of UK resident Target Companies to a US resident entity or entities in respect of Intellectual Property Rights held by those US resident entity or entities, and that therefore no UK VAT should be charged by the Seller or the Seller Group in addition to the IP Consideration by the transferor of such Intellectual Property Rights. If and to the extent that, in respect of the IP Consideration, any VAT is required to be paid under the "reverse charge" mechanism provided for by section 8 of VATA 1994 or any analogous provision of the Laws of any jurisdiction, the Buyer shall, at the Buyer's expense, comply or procure compliance with any such requirement and the Buyer acknowledges that no VAT so chargeable shall give rise to any liability of the Seller under any of the Transaction Documents, provided that this Clause 23.8.10 shall in no way limit any claim that the Buyer may have under the Warranties or the Tax Deed.
- 23.8.11 If the Seller or any member of the Seller's Group determine that they should properly and correctly charge VAT in respect of any supplies made by the Seller (or any member of the Seller Group) made at or immediately following Completion under or pursuant to this Sale and Purchase Agreement including, but not limited, the supply of Intellectual Property Rights (for the purposes of this Clause 23.8.11 only, the **Completion Supplies**) then:
- the Seller shall use all reasonable endeavours to notify the Buyer in writing at least ten (10) Business Days before Completion that VAT will be charged in respect of any Completion Supplies, such notification to include a breakdown of which Completion Supplies in respect of which the Seller or a member of the Seller Group intends to charge VAT and the amount of VAT that the Seller or a member of the Seller Group intends to charge; and
 - if the Seller's notification (in the form described in (a) above) is given less than ten (10) Business Days before Completion, Clause 23.8.1 shall be amended so that "five (5)" is substituted by "five (5) plus x", in respect of Completion Supplies only. For these purposes "x" shall be a number equal to 10 less the number of Business Days' notice prior to Completion actually given to the Buyer, and if no such notification is given before Completion x shall be ten (10); and
 - in each case, the parties shall co-operate and discuss in good faith in order to identify that part of the payment given for the Completion Supplies that should be allocated to those Completion Supplies in respect of which VAT is due.
- 23.8.12 Without prejudice to the generality of Clause 5.2, the Seller shall, between the date of this Sale and Purchase Agreement and Completion, provide in a timely manner the Buyer with such information as is reasonably requested in writing in relation to:
- the ongoing efforts to register various Target Companies for VAT in various jurisdictions, as detailed in the Data Room and the Disclosure Letter;
 - the ability of each Target Company to recover VAT input tax (on the assumption that the Target Companies were not members of a group for VAT purposes);
 - the application of the provisions of Part XV Value Added Tax Regulations 1995 (the Capital Goods Scheme) to any assets held at Completion by any Target Company, and to the Halewood Properties; and



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(d) the VAT registration status (including confirmation of whether part of a VAT group) of each Target Company, in each case so as to facilitate the Buyer in its VAT planning for the period from Completion, and, for the avoidance of doubt, nothing contained in this Clause 23.8.11 shall give the Buyer, directly or indirectly, rights to control or direct the operations of the Target Companies prior to Completion.

23.8.13 If VAT is paid in respect of the payment for any supply of goods or services made or deemed to be made by the Seller (or a member of the Seller Group) to the Buyer (or a member of the Buyer's Group), or vice versa, under this Sale and Purchase Agreement, and the relevant Tax Authority later accepts that no VAT was due in respect of such supply, the Seller (in the case of a supply made by the Seller or member of the Seller Group) or the Buyer (in the case of a supply made by the Buyer or member of the Buyer's Group) shall and shall procure that all reasonable endeavours are used to obtain a refund or credit from the relevant Tax Authority of or for the VAT in question, and shall pay or procure the payment of any resulting VAT refund or an amount equal to any resulting VAT credit (less the reasonable costs and expenses of the recovering party) to that other party within five (5) Business Days of receipt of such VAT refund or VAT credit.

23.9 Deductions from Payments

23.9.1 Except to the extent otherwise set out in this Sale and Purchase Agreement, any payment to be made by any party (including for these purposes any member of the Seller Group, Target Company, NSC Newco or member of the Buyer's Group) under this Sale and Purchase Agreement (the **Payer**) to any other party to this Sale and Purchase Agreement, member of the Seller Group, Target Company, NSC Newco or member of the Buyer's Group (the **Payee**) shall be made in full without any set-off, restriction or condition (whether for or on account of any counterclaim or otherwise) and without, and free and clear of, any deduction or withholding whatsoever (save only as required by Law).

23.9.2 If a Payer makes a deduction or withholding required by Law from a payment under this Sale and Purchase Agreement (other than the payment of the Purchase Price or interest or any payment made by the Buyer, a member of the Buyer's Group or any Target Company or NSC Newco for the acquisition of shares or assets from the Seller or a member of the Seller Group, including but not limited to the IP Consideration, the Halewood Plant Consideration, the Halewood Site Consideration and the Halewood Sports and Social Club Consideration), the sum due from the Payer shall be increased to the extent necessary to ensure that, after the making of any such deduction or withholding, the Payee receives a sum equal to the sum it would have received had no deduction or withholding been made.

23.9.3 If a payment under this Sale and Purchase Agreement (other than the payment of the Purchase Price or interest or any payment made by the Buyer, a member of the Buyer's Group or any Target Company or NSC Newco for the acquisition of shares or assets from the Seller or a member of the Seller Group, including but not limited to the IP Consideration, the Halewood Plant Consideration, the Halewood Site Consideration and the Halewood Sports and Social Club Consideration) is subject to Tax in the hands of the Payee or would have been subject to Tax but for the utilisation of a Relief then, subject to Clause 23.9.4, the sum due shall be increased to the extent necessary to ensure that after payment of the Tax the Payee receives and retains a net sum equal to the sum it would have received had the payment not been subject to Tax.



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- 23.9.4 The Seller shall have no liability to increase any payment under this Sale and Purchase Agreement under Clause 23.9.3 to the extent that any Tax in the hands of the Payee may be extinguished, satisfied, eliminated or mitigated by the Buyer, any Target Company, or any NSC Newco, whether by way of Group Relief or otherwise, as the result of the utilisation of any Seller's Relief.
- 23.9.5 At the Seller's written direction, the Buyer shall procure that each Target Company, NSC Newco and member of the Buyer's Group shall take all such steps as are reasonably necessary to utilise any Seller's Relief including effecting any capital allowances claim (by way of use of the Covenantor's Pool (as defined in the Tax Deed) in accordance with clause 8.21 of the Tax Deed) for Group Relief purposes in accordance with Clause 23.9.4.
- 23.9.6 If any deduction or withholding is required by Law as referred to in Clause 23.9.1, the Payer shall:
- (a) make such deduction or withholding; and
 - (b) pay the full amount deducted or withheld to the relevant Tax Authority, in accordance with Law,
- and it is acknowledged, for the avoidance of doubt, that where there is a deduction or withholding required by Law from a payment under this Sale and Purchase Agreement and no increased payment is required under Clause 23.9.2, the Payee shall be deemed to have received the gross amount (before any such deduction or withholding).
- 23.9.7 If, at any time after any increased payment is made as a consequence of the application of Clause 23.9.2 or 23.9.3 or, the Payee receives or is granted credit against, refund of, or remission from any Tax payable but which it would not otherwise have received or been granted, the Payee shall to the extent that it can do so without prejudicing the retention of the amount of such credit or remission, reimburse the Payer such amount as, acting reasonably, the Payee determines will leave it in no worse a position than it would have been in had the circumstances giving rise to the increased payment not in fact arisen. Such reimbursement shall be made not later than ten (10) Business Days after the Payee receives or is granted such credit.
- 23.9.8 If the Payee's right to receive any amount subject to any deduction or withholding under Clause 23.9.2 or to any Tax in the hands of the Payee under Clause 23.9.3 has been assigned to it or novated then the liability of the Payer under Clauses 23.9.2 and 23.9.3 shall be limited to the amount (if any) for which it would have been liable in the absence of such assignment or novation.
- 23.9.9 For the avoidance of doubt nothing in this Clause 23.9 shall cause the Payer in any event to be required to increase any payment by an amount greater than that which would result in the Payee receiving an amount equal to that which it would have received had no withholding or deduction (in the case of an increase under Clause 23.9.2) or Tax in the hands of the Payee (in the case of an increase under Clause 23.9.3) been suffered.
- 23.9.10 The Seller warrants and represents to the Buyer that each of the United Kingdom Patents to be assigned to or licensed to Jaguar Cars Limited and/or Land Rover UK pursuant to the Intellectual Property Agreements and on payment of the IP Consideration is beneficially owned by a UK Seller or a Treaty Seller, and that the part of the IP Consideration properly attributable to such United Kingdom Patents will be owned beneficially by such UK Seller or Treaty Seller, as appropriate.



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- 23.9.11 The Buyer acknowledges that, in reliance on the representation given by the Seller in Clause 23.9.10, it believes that section 911(1)(c) of the Income Tax Act 2007 applies in relation to the Treaty Sellers and, accordingly, pursuant to section 911(2) of the Income Tax Act 2007, save to the extent required:
- (a) pursuant to any change in law (whether in the form of statute, case law, guidance or interpretation by a Tax Authority or otherwise) coming into effect on or before payment of the IP Consideration; or
 - (b) under any notice issued by HMRC under section 912 of the Income Tax Act 2007; or
 - (c) as a result of the Buyer on or before payment of the IP Consideration forming the reasonable belief that the representation at Clause 23.9.10 is in whole or part incorrect,
- the Buyer shall (for and on behalf of the relevant Target Company, in accordance with the terms of this Sale and Purchase Agreement) or shall procure that such part of the IP Consideration as is required to be paid as is properly attributable to the United Kingdom Patents, is paid without any withholding or deduction under section 910 Income Taxes Act 2007 whatsoever.
- 23.9.12 The Seller shall indemnify the Buyer against any liability for Tax of the Buyer arising as a result of HMRC determining that section 910 of the Income Tax Act 2007 applied in respect of all or part of payment the IP Consideration (including, but not limited to, by virtue of the operation of section 911(3) of the Income Tax Act 2007). Notwithstanding any other provisions of this Sale and Purchase Agreement, any payment made under this Clause 23.9.12 or the indemnity at Clause 23.9.13(b) shall not be subject to any financial limitations (whether in this Sale and Purchase Agreement or otherwise) provided that the Seller shall not be required to compensate the Buyer, and Land Rover UK and Jaguar Cars Limited (under the terms of the Intellectual Property Common Terms Agreement), in aggregate, more than once in respect of the same liability for Tax.
- 23.9.13 The Buyer shall cooperate with the Seller and shall, as requested in writing by the Seller, use all reasonable endeavours
- (i) to contest any determination of HMRC that any payment comprising part of the IP Consideration properly attributable to the United Kingdom Patents should have been subject to any withholding or deduction of United Kingdom Tax, and
 - (ii) to procure the recovery from HMRC of any Tax associated with such determination, provided that the Buyer shall not be required to take any action:
- (a) if there is reasonable evidence to suggest that an act or failure to act in relation to the determination in question constitutes fraud by the Seller or any Affiliate of the Seller; or
 - (b) unless the Seller has indemnified the Buyer (to its reasonable satisfaction) against any costs or expenses or liabilities (including any Tax) which it may suffer as a result of taking such action as requested by the Seller under this Clause 23.9.13; or
 - (c) in the context only of an appeal to a court (including for the avoidance of doubt the Special Commissioners or the Value Added Tax and Duties Tribunal but excluding requests for local re-consideration to HMRC) unless the Seller has been advised by leading independent Tax Counsel acceptable to the Buyer in its reasonable discretion, after disclosure of all relevant information and documents, that it is reasonable to take the action requested by the Seller and that any appeal against the determination in question will, on the balance of probabilities, succeed, and a copy of such advice has been furnished to the Buyer.



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- 23.9.14 In the event that the Buyer is entitled to recover any Tax from HMRC in accordance with and having complied with Clause 23.9.13, the Buyer shall pay to the Seller the sum equal to the lesser of:
- (a) any amount so recovered by the Buyer (together with an amount equal to any interest payment or repayment supplement received by the Buyer in connection with the recovery); and
 - (b) the amount already paid by the Seller in respect of such Tax under the indemnity at Clause 23.9.12,
- in each case less all costs and expenses reasonably incurred by the Buyer in making such recovery (to the extent not already paid to the Buyer under the indemnity referred to at Clause 23.9.13(b)) and less any Tax chargeable on the Buyer in respect of any sum received.

23.10 Amendments

This Sale and Purchase Agreement, the documents in the Agreed Form and any of the documents referred to in this Sale and Purchase Agreement may not be amended except by written agreement between the parties and no other purported amendment shall be effective.

23.11 No Waiver

- 23.11.1 No waiver by any party of any default by the other party in the performance of any of the provisions of this Sale and Purchase Agreement:
- (a) shall operate or be construed as a waiver of any other or further default whether of a like or different character; or
 - (b) shall be effective unless in writing duly executed by a duly authorised representative of such party.
- 23.11.2 Neither the failure by any party to insist on any occasion upon the performance of the terms, conditions, and provisions of this Sale and Purchase Agreement, nor time or other indulgence granted by one party to the other shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right under this Sale and Purchase Agreement, which shall remain in full force and effect.

23.12 Entirety

- 23.12.1 This Sale and Purchase Agreement and the Transaction Documents are intended by the parties as the final expression of their agreement and are intended also as a complete and exclusive statement of the terms of that agreement.
- 23.12.2 All prior written or oral understandings, offers or other communications of every kind pertaining to this Sale and Purchase Agreement are abrogated and withdrawn.

23.13 Third Party Rights

Except as provided expressly in this Sale and Purchase Agreement, the parties do not intend any term of this Sale and Purchase Agreement to be enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party.



EXECUTION VERSION

23.14 Severance

If any provision of this Sale and Purchase Agreement is held by any court or administrative body of competent jurisdiction to be illegal or unenforceable, wholly or partly, under any Law, such provision, or, as the case may be, part of such provision, shall to that extent be deemed not to form part of this Sale and Purchase Agreement. The enforceability of the remainder of this Sale and Purchase Agreement, however, shall not be affected.

23.15 Notices

23.15.1 Save as otherwise provided in this Sale and Purchase Agreement, all notices or other communications which are required or permitted under this Sale and Purchase Agreement shall:

- (a) be in writing;
- (b) be in the English language; and
- (c) be delivered personally or sent by first class post or pre-paid recorded delivery (or international courier if overseas) or fax, addressed as follows:

If to the Seller:

Ford Motor Company
One American Road – Suite 1134
Dearborn, Michigan 48126
USA

Attention:

Corporate Secretary

Fax:

+1 313 248 8713

With a copy to:

Hogan & Hartson
Juxon House
100 St Paul's Churchyard
London EC4M 8BU
Attention: Mr William J Curtin III
Fax: +44 (0)20 7367 0220

If to the Buyer:

TML Holdings Limited
18 Grosvenor Place
London
SW1X 7HS

Attention:

Company Secretary

Fax:

+44 (0)20 7235 8727

With a copy to:

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS
Attention: Ms Nimi Patel
Fax: +44 (0)20 7374 0888



EXECUTION VERSION

If to the Guarantor:

Tata Motors Limited

Bombay House
24 Homi Mody Street
Fort Mumbai 400 000
India

Attention:

Company Secretary

Fax

+91 22 6665 8060

With a copy to:

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS
Attention: Ms Nimi Patel
Fax: +44 (0)20 7374 0888

23.15.2 In the absence of evidence of earlier receipt, and subject to Clauses 23.15.3 and 23.15.4, a notice or other communication shall be deemed given and received:

- (a) if delivered personally, when left at the address referred to above;
- (b) if sent by post (except by international courier), two (2) Business Days after posting it;
- (c) if sent by international courier, five (5) Business Days after it is collected by such courier from the Buyer; and
- (d) if sent by facsimile, at the time of successful completion of the transmission (as per a transmission report from the machine from which the facsimile was sent).

23.15.3 If receipt or deemed receipt of a notice or other communication occurs before 9.00 am (in the country of receipt) on a Business Day, the notice or other communication shall be deemed to have been received at 9.00 am (in the country of receipt) on that day, and if deemed receipt occurs after 5.00 pm (in the country of receipt) on a Business Day, or on a day which is not a Business Day, the notice or other communication shall be deemed to have been received at 9.00 am (in the country of receipt) on the next Business Day.

23.15.4 The deemed service provisions in Clause 23.15.2 shall not apply to:

- (a) a notice or other communication served by post, if there is a national or local suspension, curtailment or disruption of postal services which affects the collection or the notice or other communication or is such that the notice cannot reasonably be expected to be delivered within two (2) Business Days after posting or, if sent by international courier, five (5) Business Days after it is collected by such courier from the Buyer; and
- (b) a notice or other communication served by facsimile, if, before the time at which the notice or other communication would otherwise be deemed to have been served, the recipient informs the sender that the notice or other communication has been received in a form which is unclear in any material respect and, if it informs the sender by telephone or email, it also despatches a confirmatory facsimile within two (2) hours.

23.15.5 In proving service, it shall be sufficient to prove that:

- (a) the envelope containing the notice or other communication was addressed to the address of the relevant party set out in Clause 23.15.1 (or as otherwise notified by that party pursuant to Clause 23.15.6) and delivered either to that address or into the custody of the postal authorities as a pre-paid recorded delivery or registered post letter or letter sent by international courier; or



EXECUTION VERSION

- (b) the notice or other communication was transmitted in full by facsimile to the facsimile number of the relevant party set out in Clause 23.15.1 (or as otherwise notified by that party pursuant to Clause 23.15.6) (as evidenced by a machine generated confirmation of full receipt).

- 23.15.6 A party may by notice of at least five (5) Business Days to the other party change the address or facsimile number to which such notices and communications to it are to be delivered.
- 23.15.7 No notice or other communication given under this Sale and Purchase Agreement shall be validly served if sent by e-mail.

23.16 Execution

- 23.16.1 To facilitate execution, this Sale and Purchase Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original, but all the counterparts together constitute the same document. It shall not be necessary that the signature of, or on behalf of, each party appears on each counterpart, but it shall be sufficient that the signature of, or on behalf of, each party appears on one or more of the counterparts.
- 23.16.2 To facilitate execution, this Sale and Purchase Agreement may be executed through the use of facsimile transmission, and a counterpart of this Sale and Purchase Agreement that contains the facsimile signature of a party, which counterpart has been transmitted by facsimile transmission to the other party at its facsimile number set out in Clause 23.15 or at such other facsimile number as such other party shall request, shall constitute an executed counterpart of this Sale and Purchase Agreement.

24. GOVERNING LAW AND DISPUTES

24.1 Governing Law

This Sale and Purchase Agreement and the documents to be entered into pursuant to it and all matters arising from or connected with it are governed by, and shall be construed in accordance with, the laws of England.

24.2 Dispute Resolution

- 24.2.1 The parties hereby submit to the exclusive jurisdiction of the High Court of Justice in England.
- 24.2.2 The Seller hereby agrees that process in connection with proceedings will be validly served on it if served upon Ford Motor Company Limited (Attention: Company Secretary), a private limited company registered in England and Wales under registration number 235446, whose registered office is at Room 1/447, Eagle Way, Brentwood, Essex CM13 3BW, England or such other person resident in England and Wales as the Seller shall notify to the Buyer from time to time. If, for any reason, such person shall cease to be such agent for service of process, the Seller shall forthwith appoint another agent resident in England and Wales for service of process and deliver to each of the other parties a copy of the new agent's acceptance of that appointment within thirty (30) days.



EXECUTION VERSION

- 24.2.3 The Guarantor hereby agrees that process in connection with proceedings will be validly served on it if served upon the Buyer at the address specified in Clause 23.15.1 or such other person resident in England and Wales as the Buyer shall notify to the Seller from time to time. If, for any reason, such person shall cease to be such agent for service of process and deliver to each of the other parties a copy of the new agent's acceptance of that appointment within thirty (30) days.
- 24.2.4 Nothing in this Agreement shall affect the right to serve process in any other manner permitted by Law.



EXECUTION VERSION

IN WITNESS WHEREOF this Sale and Purchase Agreement has been executed by the parties hereto on the day and year first above written:

Signed by) /s/ *Mr Don Leclair*

duly authorised representative of /)
for and on behalf of)

FORD MOTOR COMPANY) /s/ *Mr Lewis Booth*

Signed by) /s/ *Mr C Ramakrishnan*

duly authorised representative of /)
for and on behalf of)

TML HOLDINGS LIMITED)

Signed by) /s/ *Mr Ravi Kant*

duly authorised representative of /) /s/ *Mr C Ramakrishnan*
for and on behalf of)

TATA MOTORS LIMITED)



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EXHIBIT 7.1**Computation of Net Debt to Shareholders' Equity Ratio**

The computation of Net Debt to Shareholders' Equity ratio as of March 31, 2008 and 2007 is as follows:

	As of March 31, 2008	As of March 31, 2007
	(Rs. millions)	
Long-term Debt	58,792.8	40,235.1
Short-term Debt (including current portion)	69,012.5	38,902.0
Total Debt	127,805.3	79,137.1
Cash and Cash Equivalents	11,394.6	7,652.5
Mutual Fund Units (current portion)	261.1	1,378.4
Total Investible Surplus	11,655.7	9,030.9
Net Debt/Shareholders' Equity	1.1	0.77



EXHIBIT 8.1

We have the following consolidated subsidiaries as of March 31, 2008:

<u>Name of the Subsidiary Company</u>	<u>Country of incorporation</u>	<u>% of holding</u>
1 Sheba Properties Ltd.	India	100.00
2 Concorde Motors (India) Ltd.	India	100.00
3 HV Axles Ltd.	India	85.00
4 HV Transmissions Ltd.	India	85.00
5 TAL Manufacturing Solutions Ltd.	India	100.00
6 Tata Motors Insurance Services Ltd. ⁵	India	100.00
7 Tata Daewoo Commercial Vehicle Co. Ltd.	South Korea	100.00
8 Tata Motors European Technical Centre plc	UK	100.00
9 Tata Technologies Ltd. and its 13 subsidiaries	India ¹	82.83 ²
10 Telco Construction Equipment Co. Ltd.	India	60.00
11 Tata AutoComp Systems Ltd. and its 8 subsidiaries	India ³	54.70 ⁴
12 Tata Precision Industries Pte. Ltd., Singapore and its subsidiary	Singapore	51.07
13 Tata Motors Finance Ltd.	India	100.00
14 Tata Motors (Thailand) Ltd.	Thailand	70.00
15 Hispano Carrocera S.A. and its subsidiary ⁶	Spain	21.00
16 TML Holdings PTE Limited and its subsidiary ⁷	Singapore	100.00
17 Tata Motors(SA) (Proprietary) Ltd.	South Africa	60.00
18 TML Distribution Company Ltd.	India	100.00

(1) These subsidiaries are based in many countries abroad.

(2) The holdings in these subsidiaries range between 82.83% to 82.93%

(3) These subsidiaries are based in India, Mauritius, China and Germany.

(4) The holdings in these subsidiaries range between 27.36% to 54.70%.

(5) The name of the subsidiary has subsequently been changed to Tata Motors Insurance Broking & Advisory Services Limited

(6) The subsidiary is based in Morocco.

(7) The subsidiary is based in United Kingdom.



Exhibit 12.1

CERTIFICATION

I, Ravi Kant, certify that:

1. I have reviewed this annual report on Form 20-F of Tata Motors Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: September 28, 2008

/s/ RAVI KANT

Ravi Kant

Managing Director



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Exhibit 12.2**CERTIFICATION**

I, C. Ramakrishnan, certify that:

1. I have reviewed this annual report on Form 20-F of Tata Motors Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: September 28, 2008

/s/ C. RAMAKRISHNAN

C. Ramakrishnan

Chief Financial Officer



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Exhibit 13**CERTIFICATION**

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of Tata Motors Limited (the “Company”) hereby certifies, to such officer’s knowledge, that:

- i. The Company’s annual report on Form 20-F for the year ended March 31, 2008 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- ii. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 28, 2008

/s/ RAVI KANT

Ravi Kant

Managing Director

/s/ C. RAMAKRISHNAN

C. Ramakrishnan

Chief Financial Officer