



Contents

Board of Directors	2
Summarised Balance Sheet and Profit and Loss Account	3
Chairman's Statement	4
Financial Statistics	8
Director's Report	9
Management Discussion and Analysis	23
Report on Corporate Governance	34
Subsidiary Companies - Financial Highlights	50
Fund Flow Statement	52
Standalone Accounts	
- Auditors' Report	53
- Balance Sheet	56
- Profit and Loss Account	57
- Cash Flow Statement	58
- Schedules to Accounts	59
- Significant Accounting Policies	73
- Notes to Accounts	76
Balance Sheet Abstract and Company's General Business Profile	92
Consolidated Accounts	
- Auditor's Report	93
- Balance Sheet	94
- Profit and Loss Account	95
- Cash Flow Statement	96
- Schedules to Accounts	97
- Significant Accounting Policies	105
- Notes to Accounts	110

Annual General Meeting

Date : Tuesday, August 25, 2009
Time : 3.00 p.m.
Venue : Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
Mumbai 400 020.

Rs. 1 crore = Rs. 10 million

Board of Directors

Ratan N Tata

Chairman

Ravi Kant

Vice-Chairman

N A Soonawala

J J Irani

R Gopalakrishnan

N N Wadia

S M Palia

R A Mashelkar

S Bhargava

N Munjee

V K Jairath

P M Telang

Managing Director- India Operations

Registered Office

Bombay House

24, Homi Mody Street

Mumbai 400 001

Tel: +91-22-6665 8282

Fax: +91-22-6665 7799

Email: inv_rel@tatamotors.com

Website: www.tatamotors.com

Management Team

P M Telang, *Managing Director-India Operations*

Rajiv Dube, *President (Passenger Cars)*

C Ramakrishnan, *Chief Financial Officer*

R Pisharody, *President (Commercial Vehicles Business Unit)*

S N Ambardekar, *Head (Manufacturing Operations – CVBU)*

S B Borwankar, *Head (Jamshedpur – Plant)*

A M Mankad, *Head (Car Plant)*

B B Parekh, *Chief (Strategic Sourcing)*

U K Mishra, *Vice President (ADD and Materials-CVBU)*

S Krishnan, *Vice President (Commercial – PCBU)*

P Y Gurav, *Vice President (Corp. Finance – A/c and Taxation)*

S J Tambe, *Vice President (Human Resources)*

A Gajendragadkar, *Vice President (Corp. Finance – Business Planning)*

N Pinge, *Chief Internal Auditor*

R Bagga, *Vice President (Legal)*

Company Secretary

H K Sethna

Share Registrars

TSR Darashaw Limited

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

Tel: 91-22-6656 8484 Fax: +91-22-6656 8494

Email: csg-unit@tsrdarashaw.com

Solicitors

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

Auditors

Deloitte Haskins & Sells

Works

Jamshedpur, Pune, Lucknow, Dharwad, Pantnagar

Bankers

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

Corporate Identity Number (CIN)

L28920MH1945PLC004520

Summarised Balance Sheet

WHAT THE COMPANY OWNED

1. NET FIXED ASSETS
2. INVESTMENTS
3. NET CURRENT ASSETS
4. MISCELLANEOUS EXPENDITURE
5. TOTAL ASSETS (NET)

WHAT THE COMPANY OWED

1. LOANS
2. NET WORTH
Represented by :
Share Capital **Rs. 514.05 crores** (Previous Year Rs. 385.54 crores)
Reserves **Rs. 11716.10 crores** (Previous Year Rs. 7453.96 crores)
3. Foreign Currency Monetary Item Translation Difference Account (net)
4. DEFERRED TAX LIABILITY (NET)
5. TOTAL FUNDS EMPLOYED

	As at March 31, 2009	As at March 31, 2008
	14599.31	10452.27
	12968.13	4910.27
	(1143.82)	(272.85)
	2.02	6.05
	26425.64	15095.74
	13165.56	6280.52
	12230.15	7839.50
	164.12	-
	865.81	975.72
	26425.64	15095.74

Summarised Profit and Loss Account

1. **INCOME**
SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS
LESS : EXCISE DUTY

DIVIDEND AND OTHER INCOME
2. **EXPENDITURE**
RAW MATERIALS / COMPONENTS, MANUFACTURING AND OTHER EXPENSES
EMPLOYEE COST
PRODUCT DEVELOPMENT EXPENDITURE
DEPRECIATION
INTEREST
NOTIONAL EXCHANGE LOSS / (GAIN) (NET) ON REVALUATION OF
FOREIGN CURRENCY BORROWINGS, DEPOSITS AND LOANS GIVEN
TOTAL EXPENDITURE
3. **PROFIT BEFORE TAX**
4. TAX: (i) CURRENT
(ii) DEFERRED
5. **PROFIT AFTER TAX**
6. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR
7. CREDIT TAKEN FOR DIVIDEND DISTRIBUTION TAX FOR PREVIOUS YEAR
8. **APPROPRIATIONS**
(i) Proposed Dividend
(ii) Tax on Proposed Dividend
(iii) Debenture Redemption Reserve
(iv) General Reserve
(v) Balance carried to Balance Sheet

	2008-2009	2007-2008
	28599.27	33093.93
	2938.48	4354.52
	25660.79	28739.41
	925.97	483.18
	26586.76	29222.59
	22356.96	24263.25
	1551.39	1544.57
	51.17	64.35
	874.54	652.31
	673.68	282.37
	65.26	(160.73)
	25573.00	26646.12
	1013.76	2576.47
	(15.00)	(146.01)
	2.50	(401.54)
	1001.26	2028.92
	1383.07	1013.83
	15.29	-
	2399.62	3042.75
	311.61	578.43
	34.09	81.25
	267.80	-
	100.13	1000.00
	1685.99	1383.07
	2399.62	3042.75

Chairman's Statement

Dear Shareholder,

The collapse of the global financial sector, the consequent lack of access to credit and working capital, along with the meteoric rise in commodities and fossil fuel prices, have collectively had an unprecedentedly devastating effect on the global automotive sector.

The passenger car and utility vehicle segments have been particularly hard hit and almost all automobile companies have been facing operating losses in at least the second half of the year under review. The most visible disruption in the industry was, without doubt, the collapse of two of the three major U.S. car makers that filed for bankruptcy and have emerged as new companies with sizeable Federal funds and with substantial equity held either by the U.S. government or the unions.

Worldwide car sales are down 5% as compared to the previous year. The automobile industry the world over is rationalizing production facilities, reducing costs wherever possible, consolidating brands and dropping model lines and deferring R&D projects to conserve funds. The crisis goes beyond the car makers in both directions - upstream, it affects steel producers and downstream, it affects thousands of suppliers and small technology companies. Countless jobs will have been lost this year and major projects will probably be put on hold, awaiting better times.

The worst-hit are automobile companies in the U.S, Europe and Japan, where sales of new cars have declined by 16% in the second half of the year and where stimulus packages designed to rekindle demand have only been partially successful. Russia has also seen major declines in the demand for cars. Thus, one of the major foundations of these nations' industrial base has been de-established. The sales of new cars in these countries have slumped by 24% in the quarter of October to December 2008 as compared to the corresponding period of the previous year.

The Chinese and Indian domestic market for cars have been exceptions. While China has witnessed a significant reduction in its automotive-related exports and supplies to automobile companies, the Chinese domestic car market has grown by 7%. In India the passenger car market has remained more or less flat compared to the previous year. However, the economic downturn in India which has affected spending in infrastructure, construction and general road transport, has, in turn, seriously affected the commercial vehicle sector. Sales of Medium and Heavy commercial vehicles have declined by 33% while the demand for LCVs has actually increased. Thankfully, there are signs of a revival in the commercial vehicle sector, but it will still be a long and arduous road to recovery.

While Tata Motors' standalone Indian operations' profits declined by 51% over the previous year, the Company still posted a net profit of Rs. 1001.26 crores (US\$ 218 million). This of course reflects a strong first half year, and a lower second half year with a particularly difficult third quarter, when the full impact of the collapse of the commercial vehicle sector was felt.

The global slowdown also had a significant impact on the Jaguar Land Rover company which Tata Motors acquired in June 2008. Sales of the Jaguar and Land Rover brands declined by 20% and 51% respectively from October 2008 - March 2009 as compared to the corresponding period in the previous year as the demand for premium vehicles declined.

The Year in Review

- **Jaguar Land Rover (JLR)**

This has been the first year since the acquisition of the Company by Tata Motors and the working relationship has been evolving continuously. Tata Motors recognized that these two global brands, namely, Jaguar and Land Rover, needed to retain their identity, design and technical independence as also their image in the marketplace, while at the same time integrate with the management of Tata Motors, and find synergies in the capabilities and facilities between the two companies. Considerable progress has been made in identifying sources of components from India, recognizing engineering and Computer Aided Design capabilities within Tata Motors and marketing synergies in various geographies. Tata Motors on the other hand has recognized the high level of technology and skills embedded in JLR which could be of great value to both companies.

Important new technology development programs at JLR include the development of a hybrid powertrain which will be introduced in future models of Jaguar and Land Rover. JLR is also planning to have all its future cars constructed with light weight aluminum bodies resulting in considerable savings in weight, and reduction in CO2 emissions.

- **Jaguar**

Jaguar has a history of producing "beautiful fast cars". All the new cars meet that goal in terms of high performance, great road handling and reliability. Jaguar also has a sporting heritage and has produced winning racing cars at major sports car endurance races for some time. This heritage transcended into road cars and the last iconic roadster made was the XK E-type, which many people still consider unbeatable. Our collective aim is to create the next iconic sports car in Jaguar to rekindle the glory of this venerable brand.

During the year Jaguar began deliveries on its new XF sedan, which received rave reviews in the marketplace and which has tremendously bolstered the Company's image. This has been followed by the introduction of new petrol and diesel engines which have also been

extremely well received in the marketplace. In early July, the Company launched the new XJ, which will be the premier passenger sedan in the Jaguar range. The response to the first showing of this model has been very encouraging.

- **Land Rover/Range Rover**

Land Rover/Range Rover vehicles are, without doubt, the gold standard in off-road vehicles. They have been the mainstay of army and police vehicles in many countries, and have successfully merged luxury with ruggedness to produce a formidable, powerful vehicle, whether it be on the highway or over rough terrain. Several new models are under development and will be released in the market in the coming years. These will widen the project range and re-energise the range.

The main challenge in JLR will be to sustain operations through this difficult period arising from the global financial meltdown. There is good reason to believe that the Company's new products and more aggressive marketing will see the Company through this period. It will however call for a change from some of the traditional practices and a commitment to encourage change and to major cost reduction and reduction of development and production time.

- **Tata Motors**

- **Cars**

During the year under review Tata Motors launched several new products. The second generation Indica Vista was launched in August 2008 and has been receiving very high ratings from customers and automotive magazines. Amongst other products introduced in the market are the Indigo CS, Xenon Pickup truck and the new variant of the Safari. The second generation of Indigo is expected to be launched in the latter part of this year.

The Company's plans of spearheading industrial investment in West Bengal by locating the manufacturing plant for the Nano in the state was thwarted by a local political party, citing injustice done to the residents of the area by the state government in the acquisition of land for the project. After facing continuous agitation, and even periodic violence by this particular party and its supporters, Tata Motors came to the conclusion that the only option would be to move out of West Bengal and relocate the Nano manufacturing facilities in another state.

The State of Gujarat was decided upon, and in an impressive display of leadership and pragmatism by the Chief Minister and the State officials, all approvals were received in a scant three days. The equipment from the plant in West Bengal, which was 95 % complete, was dismantled and is being transported to Gujarat. The new plant is expected to be completed in the last quarter of this financial year. In the meantime,

the Nano is being produced in other plant facilities so as to enable around 50,000- 60,000 cars to be available to customers over the next twelve months until the main new facility in Gujarat comes on line.

o **Commercial Vehicles**

The deferment of infrastructure projects and the slowdown in the mining sector have resulted in a tremendous drop in demand for medium and heavy vehicles. As stated earlier, the market for these vehicles declined by 33%. However, the Company's new "sub" 1 tonne Ace has been a runaway success.

During the downturn, the Company has increased its market share in trucks. It has also been able to gain market share in the bus segment with newly developed vehicles from its facilities in Goa and its joint venture facility at Dharwad.

To some, the year under review would be viewed with great despondency. The Company faces a major decline in demand across its product range, it must bear the burden of the major acquisition of JLR, and be faced with a major collapse in vehicle demand in Western Europe and the U.S. But to many in the Company this is yet another year of challenges with the excitement of meeting such challenges head-on.

The spirit, commitment and dedication of the whole Tata Motors team at all its locations and across all levels is truly phenomenal and this continues to be the company's greatest asset. I feel confident that if we can sustain our operations through this difficult period, taking whatever steps we need to take to see the year through, we could overcome all the obstacles in our path. I feel strongly that in later years we can look back on the JLR acquisition and say to ourselves that this was a very worthwhile strategic acquisition and one which has brought us considerable technology and global presence.

The Board joins me in expressing our deep appreciation to all the employees, the Unions and the management team for their support, cooperation and understanding. I would also like to express our appreciation of the support that we have always received from our shareholders and for the faith and confidence they have reposed in us throughout difficult periods. I do hope that we will be able to reward our shareholders for this show of faith at this time in the years to come.



Chairman

Mumbai, July 18, 2009

Tata Motors Limited

FINANCIAL STATISTICS

Year	CAPITAL ACCOUNTS (Rs.in lakhs)						REVENUE ACCOUNTS (Rs.in lakhs)						RATIOS					
	Capital	Reserves and Surplus	Borrowings	Gross Block including CWP	Depreciation	Net Block	Turnover	Depreciation	Profit/(Loss) Before Taxes	Taxes	Profit/(Loss) After Taxes	Dividend including tax	PAT to Sales	Earnings Per Share (Basic)* (Rs.)		Dividend Per Share*# (Rs.)		Net Worth Per Share* (Rs.)
														Ordinary Share	'A' Ordinary Share	Ordinary Share	'A' Ordinary Share	
1945-46	100	1	-	31	2	29	12	2	1	0	1	0	8.3%	0.07	-	-	-	10
1949-50	200	11	94	233	44	189	167	15	11	5	6	0	3.6%	0.03	-	-	-	10
1953-54	500	27	412	731	270	461	321	97	3	0	3	0	0.9%	0.11	-	-	-	11
1954-55	627	27	481	792	303	489	445	35	0	0	0	0	0.0%	0.00	-	-	-	11
1955-56	658	120	812	1010	407	603	1198	105	125	32	93	59	7.8%	1.32	-	0.60	-	12
1956-57	700	149	1382	1352	474	878	2145	70	116	27	89	44	4.1%	1.64	-	0.80	-	13
1957-58	700	117	1551	1675	668	1007	2694	129	99	6	93	52	3.5%	1.72	-	0.90	-	12
1958-59	1000	206	1245	2050	780	1270	2645	113	155	13	142	56	5.4%	1.68	-	0.90	-	12
1959-60	1000	282	1014	2201	940	1261	2825	161	222	93	129	108	4.6%	1.50	-	1.25	-	13
1960-61	1000	367	1263	2593	1118	1475	3735	180	313	122	191	126	5.1%	2.26	-	1.45	-	14
1961-62	1000	432	1471	2954	1336	1618	4164	220	378	188	190	124	4.6%	2.28	-	1.45	-	15
1962-63	1000	450	1758	3281	1550	1731	4364	223	327	185	142	124	3.3%	1.68	-	1.45	-	15
1963-64	1198	630	2470	3920	1802	2118	5151	260	404	200	204	144	4.0%	1.97	-	1.45	-	16
1964-65	1297	787	3275	4789	2144	2645	6613	345	479	208	271	157	4.1%	2.39	-	1.45	-	17
1965-66	1640	995	3541	5432	2540	2892	7938	398	477	189	288	191	3.6%	2.20	-	1.45	-	18
1966-67	1845	1027	4299	6841	3039	3802	9065	505	620	192	428	235	4.7%	2.80	-	1.45+	-	17
1967-68	1845	1121	5350	7697	3608	4089	9499	572	395	66	329	235	3.5%	2.10	-	1.45	-	18
1968-69	1845	1295	5856	8584	4236	4348	10590	630	582	173	409	235	3.9%	2.66	-	1.45	-	19
1969-70	1845	1333	6543	9242	4886	4356	9935	662	274	0	274	221	2.8%	1.72	-	1.35	-	19
1970-71	1845	1516	6048	10060	5620	4440	13624	749	673	270	403	251	3.0%	2.49	-	1.45	-	20
1971-72	1949	2020	6019	10931	6487	4444	15849	758	885	379	506	273	3.2%	3.04	-	1.50	-	23
1972-73	1949	2194	5324	12227	7491	4736	15653	820	832	360	472	266	3.0%	2.87	-	1.50	-	24
1973-74	1949	2394	6434	13497	8471	5026	16290	902	1007	450	557	180	3.4%	3.43	-	0.93	-	26
1974-75	1949	2827	9196	15838	9593	6245	22510	1134	677	136	541	266	2.4%	3.32	-	1.50	-	28
1975-76	2013	3691	9399	18642	10625	8017	27003	1054	855	91	764	276	2.8%	4.60	-	1.50	-	33
1976-77	2328	3833	11816	20709	11685	9024	28250	1145	1056	0	1056	323	3.7%	5.38	-	1.50+	-	30
1977-78	2118	4721	11986	22430	12723	9707	28105	1101	1044	0	1044	313	3.7%	5.37	-	1.50	-	35
1978-79	3151	5106	11033	24900	13895	11005	37486	1200	1514	0	1514	467	4.0%	5.36	-	1.60+	-	27
1979-80	3151	6263	17739	28405	15099	13306	44827	1300	1762	0	1762	605	3.9%	5.96	-	2.00	-	31
1980-81	3151	8095	15773	33055	16496	16559	60965	1616	2437	0	2437	605	4.0%	8.27	-	2.00	-	38
1981-82	4320	10275	25476	38819	18244	20575	79244	1993	4188	0	4188	839	5.3%	10.18	-	2.00+	-	35\$
1982-83	4226	12458	23361	43191	20219	22972	86522	2187	3481	460	3021	827	3.5%	7.34	-	2.00	-	40
1983-84	5421	14103	25473	46838	23078	23760	85624	2923	2163	235	1928	923	2.3%	3.61	-	2.00	-	37@
1984-85	5442	15188	30226	52819	26826	25993	93353	3895	2703	390	2313	1241	2.5%	4.32	-	2.30	-	39
1985-86	5452	16551	44651	61943	29030	32913	102597	3399	1832	215	1617	1243	1.6%	3.00	-	2.30	-	41
1986-87	5452	15886	53476	68352	30914	37438	119689	2157	293	0	293	552	0.2%	0.51	-	1.00	-	40
1987-88	6431	17491	44406	75712	34620	41092	140255	3822	3205	510	2695	1356	1.9%	4.25	-	2.30	-	38@
1988-89	10501	30740	32396	83455	38460	44995	167642	4315	8513	1510	7003	2444	4.2%	6.74	-	2.50	-	40@
1989-90	10444	37870	48883	91488	43070	48418	196910	4891	14829	4575	10254	3126	5.2%	9.87	-	3.00	-	47
1990-91	10387	47921	48323	100894	48219	52675	259599	5426	23455	9250	14205	4154	5.5%	13.69	-	4.00	-	56
1991-92	11765	61863	105168	123100	54609	68491	317965	6475	20884	7800	13084	4389	4.1%	12.45	-	4.00	-	67@
1992-93	12510	64207	144145	153612	61710	91902	309156	7456	3030	26	3004	3642	1.0%	2.47	-	3.00	-	63
1993-94	12867	70745	141320	177824	70285	107539	374786	9410	10195	20	10175	5020	2.7%	7.91	-	4.00	-	65
1994-95	13694	128338	115569	217084	81595	135489	568312	11967	45141	13246	31895	8068	5.6%	23.29	-	6.00	-	104
1995-96	24182	217400	128097	294239	96980	197259	790967	16444	76072	23070	53002	14300	6.7%	21.92	-	6.00	-	100
1996-97	25588	339169	253717	385116	117009	268107	1012843	20924	100046	23810	76236	22067	7.5%	30.40	-	8.00	-	143
1997-98	25588	349930	330874	487073	141899	345174	736279	25924	32880	3414	29466	15484	4.0%	11.51	-	5.50	-	147
1998-99	25590	350505	344523	569865	165334	404531	659395	28132	10716	970	9746	8520	1.5%	3.81	-	3.00	-	147
1999-00	25590	349822	300426	581233	182818	398415	896114	34261	7520	400	7120	7803	0.8%	2.78	-	2.50	-	147
2000-01	25590	299788	299888	591427	209067	382360	816422	34737	(50034)	0	(50034)	0	-	(18.45)	-	-	-	127
2001-02	31982	214524	230772	591006	243172	347834	891806	35468	(10921)	(5548)	(5373)	0	-	(1.98)	-	-	-	77@
2002-03	31983	227733	145831	608114	271307	336807	1085874	36213	51037	21026	30011	14430	2.8%	9.38	-	4.00	-	81
2003-04	35683	323677	125977	627149	302369	324780	1555242	38260	129234	48200	81034	31825	5.2%	24.68	-	8.00	-	102@
2004-05	36179	374960	249542	715079	345428	369651	2064866	45016	165190	41495	123695	51715	6.0%	34.38	-	12.50!	-	114@
2005-06	38287	515420	293684	892274	440151	452123	2429052	52094	205338	52450	152888	56778	6.3%	40.57	-	13.00	-	145@
2006-07	38541	648434	400914	1128912	489454	639458	3206467	58629	257318	65972	191346	67639	6.0%	49.76	-	15.00	-	178@
2007-08	38554	745396	628052	1589579	544352	1045227	3357711	65231	257647	54755	202892	65968	6.0%	52.64	-	15.00	-	203@
2008-09	51405	1171610	1316556	2085921	625990	1459931	2952524	87454	101376	1250	100126	34570	3.4%	22.70	23.20	6.00	6.50	238 ++

Notes :

- @ On increased capital base due to conversion of Bonds / Convertible Debentures / Warrants / FCCN into shares.
- \$ On increased capital base due to issue of Bonus Shares. Net Worth excludes ordinary dividends.
- * Equivalent to a face value of Rs.10/- per share.
- # Includes Interim Dividend where applicable.
- + Including on Bonus Shares issued during the year.
- ! Includes a special dividend of Rs. 2.50 per share for the Diamond Jubilee Year.
- ++ On increased capital base due to Rights issue and conversion of FCCN into shares.

DIRECTORS' REPORT

TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Sixty-Fourth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2009.

1. FINANCIAL RESULTS

	Financial Year (Rs. in Crores)	
	2008-09	2007-08
(i) Gross Revenue	28599.27	33093.93
(ii) Net Revenue (excluding excise duty)	25660.79	28739.41
(iii) Total Expenditure	23908.35	25807.82
(iv) Operating Profit	1752.44	2931.59
(v) Other Income	925.97	483.18
(vi) Profit before Interest, Depreciation, Exceptional items & Tax	2678.41	3414.77
(vii) Interest and Discounting Charges		
(a) Gross Interest and Discounting Charges	1073.10	541.56
(b) Adjustment/Transfer to Capital Account	(399.42)	(259.19)
(c) Net Interest and Discounting Charges	673.68	282.37
(viii) Product Development Expenses	51.17	64.35
(ix) Depreciation	874.54	652.31
(x) Exceptional item - Notional Exchange (loss) / gain (net) on Revaluation of Foreign Currency Borrowings, Deposits and Loan Given	(65.26)	160.73
(xi) Profit Before Tax	1013.76	2576.47
(xii) Tax Expenses	12.50	547.55
(xiii) Profit After Tax	1001.26	2028.92
(xiv) Balance Brought Forward from Previous Year	1383.07	1013.83
(xv) Credit taken for Dividend Distribution Tax for previous year	15.29	-
(xvi) Amount Available for Appropriations	2399.62	3042.75
	APPROPRIATIONS	
(a) Debenture Redemption Reserve	267.80	-
(b) General Reserve	100.13	1000.00
(c) Dividend (including tax)	345.70	659.68
(d) Balance carried to Balance Sheet	1685.99	1383.07

2. DIVIDEND

Considering the Company's financial performance, the Directors have recommended a reduced dividend of Rs.6/- per share on the increased capital of 44,98,32,659 Ordinary Shares of Rs.10/- each (previous year - Rs.15/- per share) and Rs.6.50 per share on 6,41,75,655 'A' Ordinary Shares of Rs.10/- each (previous year - NIL per share) fully paid-up for the Financial Year 2008-09.

3. OPERATING RESULTS AND PROFITS

2008-09 was a difficult year faced by the automotive sector globally. The spread of the economic downturn of the Western world significantly affected business environment in India as well. The Company faced significant pressure in its domestic and overseas markets. Despite the challenges, the Company successfully completed the acquisition of Jaguar and Land Rover and launched the Tata Nano, overcoming serious impediments of a last minute plant dislocation amidst much political turmoil.

Tata Motors Limited

In view of the fall in demand in the domestic and international markets, the Company's turnover for the year declined by 13.6% to Rs. 28,599 crores. The Company however continues to be the largest automobile Company in India in revenue. Lower volumes and high input prices for major part of the year caused EBITDA margin to fall to 6.8% in FY 09 compared with 10.2% in the last Fiscal. Currency volatility and high interest cost resulted in a PBT of Rs. 1014 crores, a decline of 60.7% over the last Fiscal. The Profit After Tax was Rs. 1,001 crores, a decline of 50.7% over the last year.

Performance of the Company in both the Commercial and the Passenger Vehicles segments is discussed in detail in the Management Discussion and Analysis which forms a part of this Annual Report. A snapshot is given below.

4. COMMERCIAL VEHICLES

The Company reported sales of 291,993 commercial vehicles in the domestic and international markets, a decline of 17.2% over the last fiscal. Domestic sales declined by 15.2% to 265,373 vehicles, while exports declined by 33.2% to 26,620 vehicles as a result of the recessionary trends in most markets.

Despite the tough operating environment, the Company was able to consolidate its position as a market leader in the domestic market and improve its market share from 62.2% to 63.8% during the year. The Company gained considerable market share in both the M&HCV as well as LCV segments in the domestic market. While LCV volumes grew by 3.0% during the year, driven primarily by the new products launched in the last year, M&HCV volumes declined by 31.4%, due to the impact of slowdown in industrial activity.

The Company launched 28 new commercial vehicles during the year. New products offer better features and fuel efficiency, thereby lowering the total cost of ownership for the users. The contribution of new products to total sales volumes has been increasing steadily. Among the new products launched in 2008-09, were LPT 3118 - a truck with lift axle, CNG variants of the Ace, Magic and Xenon, new range of LCV buses manufactured by Tata Marcopolo Motors and the ICV 909 bus.

The Company also completed the execution of its first order of 650 low floor buses to Delhi Transport Corporation (DTC). It has also bagged a second order of 1625 similar buses from DTC to be executed in financial year 2009-10, the total order value of which is over Rs.2200 crores.

Ace and Magic volumes continue to increase and their contribution to the total sales volumes is increasing. These products are also relatively less affected by the overall economic downturn.

The Company has also unveiled the World Truck range of its next generation heavy trucks in May 2009. The sales are expected to start in the first half of the current financial year. The Company expects to launch application specific variants at appropriate times.

5. PASSENGER VEHICLES

The Company achieved a sales volume of 214,428 vehicles (including Fiat cars) in the domestic and overseas markets. Sales in the domestic market were 207,512 vehicles, a decline of 4.8% over the previous year. However, the Company continued to be amongst the top three players in the Indian passenger vehicle market with a market share of 13.1% (only Tata cars).

The Company paved the way to strengthen its presence in the domestic passenger vehicles market with a series of launches during the year. It launched the second generation Indica Vista and the Fiat 500 as a CBU import as well as the Xenon XT, a lifestyle pick-up. The Company also made an entry into the upper mid-size segment through the distribution of the Fiat Linea in the last quarter of the year followed by the Fiat Grande Punto in June 2010. The Indica Vista received the Jury Award at the Business Standard Motoring Car of the Year Awards and the Best Value for Money Car at the UTVi Autocar Awards. In March 2009, the Company launched the Tata Nano, in the domestic market. The launch generated tremendous excitement in the media and the automobile industry worldwide with over 2.03 lacs fully paid bookings being received in a 17 day period. The Company was also awarded the Wall Street Journal Technology Innovation Award for the Tata Nano, in the transportation sector.

The continued success of the Compact Sedan Indigo CS helped the Company achieve a 56.6% growth in volumes in the entry mid-size segment. With the addition of Sumo Grande in utility vehicles in the year, the Company crossed sales of four lacs units of the Sumo range since its launch. The Company

showcased its future product offerings at the Geneva Motor Show 2009. The Tata Nano Europa which would be launched in the European markets, received a lot of media attention, so did the Tata Indica Vista EV- a plug-in electric Indica Vista with a 215 km range between charges, which would be launched in select European countries in the current year. The Company also presented the Pr1 ma concept, a premium sedan based on the New Indigo platform.

The Company entered the certified pre-owned car business under the brand name Tata Motors Assured. It would offer reliable and high quality certified pre-owned Tata cars with service and warranty support. This initiative should support the growth of new car sales over a period of time for the Company and also help protect the residual value of its cars.

The Company and its vehicle brands continue to be recognized among the 'Most Trusted Brands' in the industry. The Company continued to improve its quality and customer satisfaction ratings of its first generation vehicles and expects even more significant improvements with the next generation cars.

The Company's passenger vehicle exports at 6,916 vehicles declined by 53.3% over the previous year mainly due to the economic meltdown in most international markets.

6. JAGUAR LAND ROVER

On June 2, 2008, the Company completed the acquisition of Jaguar Land Rover from Ford Motor Company of U.S. (Ford) for a net consideration of US\$ 2.3 billion (on a cash free, debt free basis) in an all cash transaction out of the purchase consideration. Ford also contributed about US\$ 600 million to the Jaguar Land Rover pension plans. Jaguar and Land Rover are global premium automotive businesses encompassing engineering, design, manufacture and marketing of Jaguar luxury performance cars and Land Rover premium all-terrain vehicles.

The purchase consideration included the ownership by Jaguar and Land Rover of necessary Intellectual Property Rights, 3 major manufacturing facilities, 2 advanced design and engineering centres in U.K., a worldwide network of 20 national sales companies and a minimum assured capital allowance of approximately US\$ 1.1 billion for future tax set-offs.

Jaguar Land Rover also tied up with Ford for supply of engines, stampings and other components on a long term basis for its business as also for transition support in areas of auto financing, IT, accounting and access to Ford's test facilities. The Jaguar Land Rover acquisition was routed through the Company's 100% subsidiary, Jaguar Land Rover Limited, U.K., which had availed a short term bridge loan facility of US\$ 3 billion from a syndication of banks and guaranteed by the Company. The Company prepaid part of the said facility out of proceeds of a Rights Issue and certain divestments and the balance outstanding as on March 31, 2009 was US\$ 2.02 billion. For repayment of the said amount, the Company in May 2009 raised resources through further divestments and issued Secured Non-Convertible Credit Enhanced Rupee Debentures in four tranches, having tenors upto 7 years, aggregating Rs.4,200 crores on a private placement basis. The balance facility of US\$ 1 billion was rolled over and guaranteed by the Company, by extending the final maturity upto December 2010.

The global meltdown and high fuel prices, especially after September 2008 with vehicle financing and demand drying up, impacted auto industry worldwide, including Jaguar Land Rover. The volumes over the 10 months post acquisition reduced by 32% as compared to the comparable period in the previous year resulting in a Loss before tax of GB £ 281 million. In response Jaguar Land Rover has taken prompt action to reduce inventory, improve working capital, reduce investments and payroll costs including more than 2000 job losses. Transition initiatives are progressing as per plan in areas of marketing, customer financing support, IT and related infrastructure. The Jaguar brand strategy of offering "Beautiful Fast Cars" is being enhanced continuously through introduction of new products like XF and the new XJ. Jaguar XF, which was launched in 2008, witnessed an excellent response in the market during the year. Similarly the new XJ, which will be launched in the next financial year, will help in further enhancement of the brand as will Jaguar's achievement of number one position in the JD Power vehicle dependability survey. The new models which were launched during the year included Jaguar 10MY XFR, Jaguar 10MY XKR and addition to Land Rover's range of finest all-terrain vehicles were, 10MY Range Rover, 10MY Range Rover Sports, Discovery4 and Freelander2-'Stop-Start' besides other product upgrades.

Tata Motors Limited

Land Rover received a grant offer of £ 27 million to build a new small Range Rover at its Halewood plant. In June 2009, Jaguar Land Rover have begun sales of its range of premium performance saloon cars and sports utility vehicles in the Indian market from a state-of-the-art exclusive showroom in Mumbai with the Company as its distributor. This flagship facility will offer a range of Jaguar and Land Rover vehicles and aims to establish a benchmark experience in luxury car sales in India.

The actuarial losses (net) of Rs.1457.21 crores of pension plans of Jaguar Cars Ltd and Land Rover,UK, have been accounted in "Reserves and Surplus" in accordance with IFRS principles and permitted by AS21 in the consolidated financial statements. The actuarial losses significantly represent short term valuation impact on the plan assets. This treatment is consistent with the accounting principles followed by Jaguar Cars Ltd and Land Rover,UK, under IFRS.

7. TATA MOTOR FINANCE - CUSTOMER FINANCING INITIATIVES

Tata Motors Finance Limited and the Vehicle financing division of the Company which operate under the brand name "Tata Motorfinance (TMF)" financed 1,53,007 new vehicles, a decline of 13.8% over 1,77,437 in the previous year. TMF disbursed Rs.7,415 crores, a decline of 22.9% over Rs.9,620 crores in the previous year. During the year, TMF extended support to the Company's vehicle sale by financing 32.9% of the total domestic sales, compared to 33.6% in the previous year. TMF is on course to become a strong captive financing arm to support the vehicle sales business as well as to de-risk the cyclical revenue stream of the vehicle business. The extensive network of TMF will also complement the dealer network of vehicles sales, thus widening the reach of the Company.

In the Commercial vehicle financing, TMF achieved a market share of 35.8%, with total disbursements of Rs.5,200 crores (previous year Rs.6,300 crores), recording a decline of 17.4% and financed 94,882 units, a decline of 11.9% over the previous year. In the passenger vehicle financing segment, TMF achieved a market share of 29%, with total disbursements at Rs. 1807 crores (previous year Rs.2,228 crores), recording a 18.9% decline and financed 58,125 units, a decrease of 16.7% over the previous year.

8. HUMAN RESOURCES & INDUSTRIAL RELATIONS

During the year the Company entered into a 3 year wage settlement with its Union at Lucknow through amicable process of negotiations. The permanent employee's strength of the Company as on March 31, 2009 was 23,638. The Company's industrial relations were cordial at all plants. Recruitment across all levels, extensive training and skill enhancement activities were carried out at new locations in line with the Company's expansion and growth plans. Due to the tough market conditions necessary steps to reduce overall wage costs, including hiring freeze were taken in the second half of the year.

Towards Organizational Health and Safety, the plants at Jamshedpur, Pune, Uttarakhand and Lucknow were certified with OHSAS 18001 2007. The Company observed block closures which were supported by its employees and unions at Pune, Jamshedpur and Lucknow. The Communication on Progress 2007-08 was submitted to the United Nations Global Compact. The report is based on the ten principles of Global Compact in areas of Human Rights, Environment, Labour and Anti-corruption. The Company's plants at Pune and Jamshedpur were certified with SA-8000, a global social accountability standard for working conditions, certifying labour practices in their facilities and those of their suppliers and vendors.

9. FINANCE

With significant pressure on liquidity mainly towards the second half of the year, the Company's capital expenditure programme and the growing business requirement, the overall borrowings of the Company stood at Rs.13,165.56 crores at a Debt: Equity ratio of 1.08:1. Early correction efforts undertaken by the Management helped to lower inventory levels significantly. The Company has also taken and will continue to implement suitable steps for raising long term resources to match the Company's fund requirement with its loan maturity profile.

During the year, the Company repurchased and cancelled US\$ 17 Million of 0% CARS (Due 2012) and ¥ 300 Million of 0% FCCN (Due 2011). Total profit on this buyback is Rs. 50.74 crores. The Company's rating for foreign currency borrowings was revised by Standard & Poor to B+ (Credit Watch with Negative Implications) and by Moodys' to B3 (Negative Outlook). For borrowing in local currency the rating was revised to A (Stable) by Crisil and to LA+ by ICRA.

10. RIGHTS ISSUES

In October 2008, the Company raised an aggregate of Rs.4139.33 crores through a simultaneous but unlinked Rights Issue of Ordinary Shares and 'A' Ordinary Shares of 64,276,164 Ordinary Shares of Rs.10 each at a premium of Rs.330/- per share aggregating Rs.2185.39 crores in the ratio of one Ordinary Share for every six Ordinary Shares; and 64,276,164 'A' Ordinary Shares of Rs.10 each at a premium of Rs.295/- per 'A' Ordinary Share aggregating Rs.1960.42 crores in the ratio of one 'A' Ordinary Share for every six Ordinary Shares.

The Company was one of the first in India to issue differential voting shares. The 'A' Ordinary Shareholders enjoy all rights and privileges that are enjoyed by Ordinary Shareholders in law and under the Articles of Association, except as to dividend and voting, viz. the right to 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 and the right to vote any resolution on a poll or by postal ballot, by one vote for every ten 'A' Ordinary Shares held.

The difficult market conditions at the time of issuance resulted in the issue receiving a poor response. The Rights Issue was fully subscribed after taking into consideration subscription by Promoters and Underwriters to the extent of the undersubscribed portion. The Net Proceeds have been utilized to prepay part of the Short Term Bridge Loan availed by it for the acquisition of Jaguar and Land Rover from Ford Motor Company.

11. INFORMATION TECHNOLOGY INITIATIVES

The Company continued to strengthen its IT capabilities in all areas of its business, particularly in the design, manufacturing and customer interface functions. The Company uses Digital Product Development, Digital Manufacturing Solutions and better integration with vendors in order to improve significantly its product development processes and capabilities. During the year, the ERP system - SAP was also deployed on the NANO project and the Company's subsidiary TML Distribution Company Limited. The NANO website has been launched which facilitates online booking along with exhibiting all other product details. Launch of a web based supplier portal fulfills the business requirement of capturing potential supplier's information, communication platform for suppliers and news about supply chain.

The Company made significant developments in the Customer Relationship Management and Dealer Management Systems area. The Company has instituted an online Dealer Management System for the channel partners that has helped the dealerships keep a step ahead of the increasing challenges of the automotive industry. It is supplemented with a robust analytical tool to help the dealerships and Tata Motors take decisions. The Company today has multiple touch points for the customer, including portals and a call center to voice their inquiries and concerns. The Company is leveraging its connected dealer network for communication and training.

12. OTHER TECHNOLOGY INITIATIVES

The Company has continued its endeavor to absorb the best of available technologies for its product range to meet the requirements of globally competitive markets. All of the Company's vehicles and engines are compliant with the prevalent regulatory norms in India and in other countries to which the vehicles are exported. The Company has also undertaken programs for development of vehicles which would run on alternate fuels like LPG, CNG, Bio-Diesel, Electric traction etc. The Company, in its constant endeavor to upgrade and improve the product development methods and processes and has acquired capabilities in the area of digital product development such as Modeling of Airbag systems, Introduction of new working methods (Concurrent Engineering with Digital Mockup, Digital Manufacturing along with the NPI process) Knowledge Based Engineering tools to capture and enhance knowledge and incorporate design rules to improve productivity, quality and efficiency in design process.

During the year, the Company has filed 195 Patent applications, 29 Design applications and 90 Copyright applications. 6 Patents were granted, 73 Designs and 3 copyrights were registered to the Company for applications filed in earlier years.

13. CONSOLIDATED FINANCIALS

In accordance with the Statement of Accounting Standard on Consolidated Financial Statements (AS 21) and the Accounting Standard on Accounting for Investments in Associates (AS 23) and Accounting

Tata Motors Limited

Standard on Accounting for Joint Ventures (AS 27), issued by the Institute of Chartered Accountants of India (ICAI), the subsidiary companies, associate companies and joint venture have been considered in the Consolidated Financial Statements of the Company. As may be seen from the consolidated statements, the consolidated gross revenues was Rs. 74,151.21 crores. The consolidated financial performance of the Company is not comparable to 2007-08 on account of the acquisition of Jaguar and Land Rover business in June 2008. In 2007-08, the consolidated gross revenue was Rs. 40,340.79 crores. The consolidated revenues (net of excise) in 2008-09 amounted to Rs. 70,938.85 crores (2007-08: Rs. 35,660.07 crores). On a consolidated basis, the Company reported a Loss after Tax, after adjustment for share of minority interest and profit/(loss) in respect of associate companies in 2008-09 of Rs. 2,505.25 crores; in 2007-08, the Company had reported a Profit after Tax, after adjustment for share of minority interest and profit/(loss) in respect of associate companies of Rs. 2,167.70 crores.

SUBSIDIARY AND ASSOCIATE COMPANIES**a. Subsidiary Companies**

At the beginning of the year, the Company had 30 Subsidiary companies. During the year the following changes have taken place:-

Subsidiary Companies formed / acquired:-

- Telco Construction Equipment Co. Ltd. (TELCON), the Company's subsidiary on April 2, 2008, completed the acquisition of Serviplem, S. A., Zaragoza, Spain (Serviplem) by acquiring 79% of its share capital. Serviplem is in the business of manufacturing Concrete Transit Mixers, Dry Bulk Tanks and Pumps with the brand name 'Baryval'. With about 60% market share in Spain, Serviplem is ranked among the top six manufacturers in the world. Baryval Assistencia Tecnica S.L. is a 60% subsidiary of Serviplem S.A. engaged in the business of assembling transit mixers on trucks. Inner Mongolia North Baryval Engineering Special Vehicle Corporation Ltd (NBSV), a 56% subsidiary of Serviplem, has a manufacturing base in Baotou, China.
- On April 9, 2008, TELCON completed the acquisition of Comoplesa Lebrero, S. A., Zaragoza, Spain (Lebrero) by acquiring 60% of its share capital. Lebrero with whom TELCON was associated since 2002, as its technology partners, is in the business of manufacturing Compactors and Tandem Rollers. Eurl Lebrero France is a 100% subsidiary of Comoplesa Lebrero S.A (Lebrero) and is functioning as a trading office of Compactors manufactured by Lebrero.
- During the year, the Company acquired JaguarLandRover Limited (JLR). As on March 31, 2009, JLR had 34 subsidiary companies.
- Tata Motors European Technical Centre Plc, the Company's wholly owned subsidiary in the U.K. acquired a 71.69% shareholding in Miljobil Grenland, A S, a Norwegian company specialising in the development and manufacture of electric vehicles. Electric vehicles form a significant part of the ongoing strategy for the company. Miljo Innovasjon A S a wholly owned subsidiary of Miljobil Grenland, A S specializes in the development and manufacture of lithium ion batteries. This investment was made in order to secure a route to market for batteries for electric vehicles and enables the Company to develop convenient and sustainable solutions for electric and hybrid vehicles.

Subsidiary Companies merged:-

- Tata Technologies iKS was merged with INCAT Systems INC.

Name changed:-

- Tata Motors Insurance Broking & Advisory Services Ltd from Tata Motors Insurance Services Ltd.
- Tata Technologies (Thailand) Ltd. from INCAT (Thailand) Ltd.
- Tata Technologies Europe Ltd. from INCAT Ltd.

Consequently, the Company has 70 subsidiary companies as on March 31, 2009.

Other than the above there has been no material change in the nature of the business of the subsidiary Companies. The main financial parameters of the Subsidiary Companies for FY 2008-09 are provided under 'Subsidiary Companies: Financial Highlights - 2008-09' on page nos. 50 & 51 of the Annual Report.

As required under the Listing agreement with the Stock Exchanges, the Company is mandatorily required to prepare the Consolidated Financial Statements, according to the applicable Indian Accounting Standards and reflects the financial position of all the subsidiary Companies of the Company.

On an application made by the Company under Section 212(8) of the Companies Act, 1956, the Central Government exempted the Company from attaching a copy of the Balance Sheet and the Profit and Loss Account of the subsidiary companies and other documents to be attached under Section 212(1) of the Act to the Annual Report of the Company. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the subsidiary companies is contained in the report. The Annual Accounts of the subsidiary companies are open for inspection by any member/investor and the Company will make available these documents/details upon request by any Investor of the Company or its subsidiary companies who may be interested in obtaining the same. Further, the annual accounts of the subsidiary companies will also be kept for inspection by any investor at its Registered Office of the Company and at the Head Offices of the subsidiary company concerned.

b. Associate Companies

As on March 31, 2009, the Company had the following associate companies:

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

Tata AutoComp Systems Limited (TACO) is a holding company for promoting domestic and foreign Joint Ventures in auto components and systems and is also engaged in engineering services, supply chain management and after market operations for the auto industry. The Company's shareholding in TACO is 26%.

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

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

Hispano Carrocera S.A. (HC), a well-known Spanish bus manufacturing company, in which the Company had acquired a 21% stake in March 2005 was another major step in the Company's plans for globalization. Hispano has two manufacturing units, one in Spain which caters to the European market and the other one in Casablanca through its subsidiary, Carrosseries Hispano Maghreb, Morocco which caters to the Moroccan and other North African markets. HC is present in both the 'city bus' and 'coach market' segment in both the geographies.

Fiat India Automobiles Limited, a 50:50 joint venture company between Tata Motors Limited and Fiat Company located in Ranjangaon, Maharashtra is engaged in the manufacture of Tata and Fiat branded products as well as engines and transmissions for use by both the partners.

Automobile Corporation of Goa Ltd. (ACGL), a Company in which Tata Motors Limited has a 42.37% shareholding, was incorporated in 1980, jointly with EDC Limited (a Goa government enterprise). ACGL is a listed company engaged in manufacturing sheet metal components, assemblies and bus coaches and is the largest supplier of buses (mainly for exports) to the Company.

14. FIXED DEPOSITS

In December 2008 the Company launched a public fixed deposit scheme to meet a part of the funding requirements of the Company. The scheme has received an overwhelming response and the management of the Company is thankful to all the investors for participating in the scheme and the faith reposed in the Company. The aggregate amount collected under fixed deposit scheme as on March 31, 2009 was Rs.1,232.47 crores from 1,44,000 depositors. The Company has no overdue deposits other than unclaimed deposits.

15. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

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

16. DIRECTORS

Mr V R Mehta, who had been on the Board of the Company since 1998 as an Institutional Nominee of Unit Trust of India and was appointed in his individual capacity in 2005, retired from the Board of Directors w.e.f. January 30, 2009 upon completion of the age of 75 years, as per the 'Policy for Retirement Age of Non-Executive Directors' adopted by the Company. Mr Mehta was on the Board for more than 10 years and was the Chairman of the Audit Committee and Member of the Remuneration Committee. Mr Mehta had by his counsel and guidance significantly contributed to deliberation at the Board and Committee meetings. The Directors place on record their appreciation of the contributions made by Mr Mehta during his tenure as Director of the Company.

M/s S Bhargava, N Munjee and V K Jairath were appointed as Additional Directors, with effect from July 25, 2008, July 25, 2008 and March 31, 2009 respectively, in accordance with Article 132 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. M/s Bhargava, Munjee and Jairath in their capacity as Additional Directors, will cease to hold office at the forthcoming Annual General Meeting and are eligible for appointment. Notices under Section 257 of the Act have been received from a Member signifying his intention to propose their appointment as Directors.

Mr Ravi Kant superannuated on June 1, 2009 as per the Company's Retirement Policy and the terms of his appointment. Taking into consideration the contribution made by Mr Kant during his tenure and the critical phase through which the Company was passing, the Board decided to continue availing the benefit of Mr Kant's counsel and have appointed him as the Non-Executive Vice-Chairman on the Board of Directors of the Company with effect from June 2, 2009. As an Additional Director, Mr Kant holds office up to the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment. Notice under Section 257 of the Act has been received from a Member signifying his intention to propose his appointment as a Director.

Mr P M Telang, Executive Director (Commercial Vehicles Business Unit) was appointed as the Managing Director - India Operations with effect from June 2, 2009. An abstract and memorandum of interest Under Section 302 of the Companies Act, 1956 has been sent to the members of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, M/s N N Wadia and S M Palia are liable to retire by rotation and are eligible for re-appointment.

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

17. CORPORATE GOVERNANCE

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

18. PARTICULARS OF EMPLOYEES

Information in accordance with sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended March 31, 2009, is also given as an Annexure to this Report.

19. AUDIT

M/s Deloitte Haskins & Sells (DHS), who are the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for the Financial Year 2009-10. DHS have, under Section 224(1) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment.

Cost Audit

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956, the Company carries out an audit of cost accounts relating to motor vehicles every year. Subject to the approval of the Central Government, the Company has appointed M/s Mani & Co. to audit the cost accounts relating to motor vehicles for the Financial Year 2009-10.

20. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

21. ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

RATAN N TATA
Chairman

Mumbai, June 26, 2009

ANNEXURE TO THE DIRECTORS' REPORT

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

A. Conservation of Energy

The Company has always been conscious of the need for conservation of energy and has been steadily making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being put on undertaking specific energy conservation projects like Installation of Variable Frequency Drives, Energy Efficient Motors, Energy Efficient Blowers & Pumps, LED & CFL lamps, Wind Ventilators, Compressor Cooling water system improvement, Polycarbonate transparent sheets, downsizing of motors, commissioning of Medium Frequency induction Furnace, Wind Solar Hybrid System, Solar water Heating System, switching off of street lights and High Mast Lights in select areas etc. These changes have resulted in cost savings for the Company aggregating around Rs.18.74 crores. The Company's Jamshedpur plant was awarded a Trophy and Certificate for outstanding performance by CII - ER Energy Conservation (ENCON) Award 2008 contest. The Company's Pune plant won the CII - national Award for "Excellence in Energy Management - 2008" and has been declared an Excellent Energy Efficient Unit. The Company's endeavour for tapping wind energy has also made significant contributions. Total energy produced by wind power for this year was 583.8 lakh units and this resulted in savings in electricity charges of Rs.18.1 crores.

B. Technology Absorption

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

Tata Motors Limited

Major Technology absorption projects undertaken during the last year include:

Technology For	Technology Provider	Status
Vehicle Electrical and Electronic Architecture Development methodology	INTEDIS, Germany	Completed
Vehicle Mechatronics Reliability Validation process.	IDIADA-NSI, Spain	Completed
Door system integration and development of master body side	IDIADA-NSI, Spain	In Progress
Body and trim design on mini truck	LG-Vens, Korea	In Progress
Styling Development of exteriors and interiors of new goods and people carrier	Trilix, Italy	In Progress
Trim design and development of new LCV	NESC, Korea	In Progress

In keeping with the requirement of technological upgradation of its engines development facility, the Company has added facilities such as 220KW Transient Dynamometer with state-of-the-art CVS emission measurement facility for particle number counting system, gravimetric particulate measurement system, etc. The Company has also added to its facility a variety of testing equipment such as high frequency testing machine for Elastomers, Bi-Natural Head Acoustics measurement device, Surface Microphones for wind noise measurement, Full vehicle environmental test facility to simulate extreme climatic conditions for operation of vehicles and rapid metal casting facility for non-ferrous prototype castings etc. The Company has developed and is in the Implementation phase of the following new technologies for its passenger cars and commercial vehicles: a) FATC system Econ mode for optimizing energy consumption on HVAC systems b) In-vehicle navigation and infotainment system c) Rain light sensor for automatic activation of windscreen wiper d) Rear air-conditioner blower control system and e) Pantograph wiper system for Nano, etc. During the year, the Company has filed 195 Patent applications, 29 design applications and 90 copyright applications. 6 Patents, 73 design and 3 copyrights were granted to the Company for applications filed earlier this year.

Technology For	Imported From	Year of Import	Status
Direct injection common rail E IV engines for passenger vehicles	AVL GMBH Austria & Delphi Diesel systems France	2004-05	Implemented
Design and Development of passenger vehicles	Institute of development in Automotive engineering S.p.A Italy	2004-05	Implemented
Safety and NVH Integration in passenger vehicles	MIRA Ltd UK	2004-05	Implemented
Design and Development of New Generation engine	Ricardo UK Ltd	2006-07	Under Implementation
Design and Development of New Generation engine for ICV / MCV	AVL List GMBH Austria Delphi Diesel systems France	2007-08	
Design and Development of Infinitely variable transmission	Torotrack (Holding) Ltd UK	2007-08	
Design and Development of flush sliding window plug in window	Wagon SAS France	2007-08	

During the year the Company spent Rs.1,476.61 crores on Research and Development activities including expenditure on capital assets purchased for Research and Development which was 5.75% of the turnover.

C. Foreign Exchange Earning and Outgoing	Rs. in crores
Earning in Foreign Exchange	2436.57
Expenditure in foreign currency (including dividend remittance)	2957.53

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Overview

The automobile sector in India was severely impacted by the disruption in the Indian and global business environment. GDP growth slowed down considerably from 9% in FY 07-08 to 6.7% in FY 08-09. While the slowdown in the Indian economy was less compared to other world economies, it did have a severe impact on most sectors. Both turnover and profitability of the automotive sector came under tremendous pressure. Double digit inflation and high material cost in the first half of the year leading to higher vehicle prices, higher fuel prices, unavailability of finance, higher cost of financing and uncertainty in the overall economic conditions impacted demand to a great extent. The slowdown in the economy resulted in a drop in industrial production, which reached new lows in the second half of the year. All these factors eroded the bottomline of the companies in the automotive sector. Both the commercial and passenger domestic vehicles industry came under tremendous pressure as a result of these market conditions. The commercial vehicle industry which had already started showing signs of slowing down last year, declined by 17.4% compared to the 7.6% growth in FY 07-08. The passenger vehicle industry, which had showed a growth of 11.3% in the previous fiscal went into negative zone with a decline of 0.5%. Supported by stimulus measures undertaken by the government and the RBI, demand showed some signs of revival towards the end of the year.

In such trying times, the Company's sales of 506,421 vehicles were 13.5% lower than last year volumes. Even though domestic commercial vehicles volumes declined by 15.2%, the Company consolidated its leadership position in the domestic market by introducing new products to complement its existing product portfolio. The passenger vehicles volumes declined by 4.8% in the domestic market, primarily due to the phasing in of the new Indica Vista in the second half of the year and sluggishness of the UV segment. The Company's exports declined by 38.6% during the year, due to the meltdown in major international markets and the consequent swings in foreign exchange rates.

The industry performance in the domestic market during FY08-09 and the Company's share is given below:-

Category	Industry Sales (Nos.)			Company Sales (Nos.)			Company Market Share (%)	
	2008-09	2007-08	Growth	2008-09	2007-08	Growth	2008-09	2007-08
Commercial Vehicles *	415,652	503,218	-17.4%	265,373	312,935	-15.2%	63.8	62.2
Passenger Vehicles #	1,525,313	1,533,268	-0.5%	207,512	218,055	-4.8%	13.6	14.2
Total	1,940,965	2,036,486	-4.7%	472,885	530,990	-10.9%	24.4	26.1

Source: Society of Indian Automobile Manufacturers report and Company Analysis

* including Magic and Winger sales # including Fiat branded cars

The Company tried to mitigate the impact on margins by cost reduction measures and tight control on working capital. The focus on new product development remained and the Company introduced various new products in the marketplace.

2. Industry Structure and Developments

a. Commercial Vehicles

The domestic commercial vehicle industry witnessed a decline of 17.4% compared to the over 7.6% growth achieved in the last fiscal. Industry volumes were impacted by the steep increase in consumer interest rates and vehicle prices, unavailability of finance for majority of the segments and a considerable decline in industrial activity compared to the last year.

The domestic industry performance during FY 2008-09 and the Company's share is tabulated below:-

Domestic Category	Industry Sales (Nos.)			Company Sales (Nos.)			Company Market Share (%)	
	2008-09	2007-08	Growth	2008-09	2007-08	Growth	2008-09	2007-08
LCV *	232,090	229,425	1.2%	151,676	147,316	3.0%	65.4	64.4
M&HCV	183,562	273,793	-33.0%	113,697	165,619	-31.4%	61.9	60.4
Total CV	415,652	503,218	-17.4%	265,373	312,935	-15.2%	63.8	62.2

Source: Society of Indian Automobile Manufacturers report and Company Analysis * including Magic & Winger sales

The Company's commercial vehicle sales in the domestic and international markets, at 291,993 vehicles, were 17.2% lower than the previous year. The Company reported domestic sales of 265,373

Tata Motors Limited

vehicles, which was a decline of 15.2% over the previous year. A strong product portfolio, coupled with the support from the Company's financing arm Tata Motors Finance, helped the Company in gaining considerable market share in the last year, in most product segments. Exports came under tremendous pressure as a result of the meltdown in most international markets, and declined by 33.2%. In the domestic market, the M&HCV segment contracted drastically during the year, and shrunk to almost two-thirds of its size last year. Despite the adversities, the Company continued to strengthen its product portfolio in this segment by introducing multi-axle and heavy duty trucks, tippers and tip trailers to its existing offerings. The Company also strengthened its M&HCV passenger range by launching its Super Milo range of buses with superior operating economics, and the Hi Deck Coaches in association with Hispano- our Spanish associate Company. The Company's market share in the M & HCV category improved from 60.4% to 61.9%.

The LCV segment also faced pressure as a result of the slowdown and the unavailability of finance for a large part of the year. However, the strong performance of the products introduced by the Company in the previous years- Ace, Magic and Winger, helped to register 2.7% growth in volumes, as well as an increase in market share from 64.4% to 65.4% during the year. The Company launched Winger Ambulance, and broke the long standing monopoly of the incumbent in this segment.

During the year, the bus manufacturing facility of Tata Marcopolo Motors Limited at Dharwad began commercial production. Going forward, this plant will cater to India's growing need for world class fully built buses for intra-city and inter-city transportation with comfort, quality and safety of international standard. The manufacturing prowess of the joint venture was proven in the execution of the 650 buses order it had received from DTC in 2007. Based upon the performance of these vehicles, the Company received another order of 1625 buses to be supplied to DTC in a phased manner over the next financial year.

b. Passenger Vehicles

The falling growth rate of the industry for the last two years slipped into negative territory marginally this year. The tightening liquidity and the drastic increase in interest rates, coupled with high fuel prices for a major part of the year suppressed demand to a considerable extent. The overall slowdown in the economy also accentuated the negative sentiments with the consumers. Despite the new launches and heavy promotion spends by players in the industry, the industry declined by 0.5% during the year.

The Industry performance and the Company's performance in the segments that it operates in, is tabulated below:-

Category	Domestic	Industry Sales (Nos.)			Company Sales (Nos.)*			Company Market Share (%)*	
		2008-09	2007-08	Growth	2008-09	2007-08	Growth	2008-09	2007-08
Small car (Mini + Compact)	936,500	929,650	0.7%	115,160	138,916	-17.1%	12.3	14.9	
Midsize Car	245,015	223,034	9.9%	53,057	31,439	68.8%	21.7	14.1	
Utility Vehicle / SUV	223,238	238,705	-6.5%	39,295	47,700	-17.6%	17.6	20.0	
Total Passenger Vehicles#	1,525,313	1,533,268	-0.5%	207,512	218,055	-4.8%	13.6	14.2	

Source: Society of Indian Automobile Manufacturers report and Company Analysis # including all segments *including Fiat branded cars

In a challenging year for the industry, the Company recorded sales of 207,512 vehicles (including Fiat cars) in the domestic and overseas markets. The Company continued to be amongst the top three players in the Indian passenger vehicle market with a market share of 13.1% (only Tata cars). The Company share has been rising since the launch of the Indica Vista in August 2008, exiting in March 2009 with a market share of 14.5%.

The small car segment which contributes to over 60% of the market and has been the major driver of growth in the Indian market in the recent past it witnessed a marginal growth of 0.7% during the year despite new launches. Volumes of Indica, at 111,254 declined by 18% due to the phasing out of the old Indica in the first half and the introduction of the second generation Indica Vista in the second half. Despite this, it remained amongst the top 3 selling cars in the country.

The Company launched a Limited Edition of the Indica Vista on December 30, 2008 in order to commemorate 10 years since the launch of the Indica, during which close to 940,000 Indicas and a total of nearly 1.2 million cars have been produced from the platform. Besides this, the Company launched an LPG version of the Indica V2 Xeta. Indica's market share at 11.9% was augmented by Fiat Palio and Fiat 500's share of 0.4% in the segment. Indica's share climbed up post the new Vista launch with a March exit share of 13.9%. The Fiat 500 was launched in the market as a CBU and has done well to shore up the brand image of Fiat prior to the launch of its locally manufactured new products. The segment is set to see the inclusion of 6 more models to its current strength of 19, most of them towards the premium end.

The entry mid size segment witnessed new product launches and grew by 54.6% during the year. The Indigo CS launched towards the end of last year, received an encouraging response from the market and helped the Company increase its volumes in the entry mid- size segment by 56.6%. The Company increased its market share to 32.8% in the year.

The Company entered the upper mid size segment through the distribution of the Fiat Linea in January 2009, being new product from its joint venture with Fiat. The product received a good response from the market and became the second highest seller in the segment in the three months of launch in the fiscal. Between the Fiat 500, Palio and the Linea, the Company enabled Fiat to acquire a position amongst the top ten car companies in the country.

The Utility Vehicle market went through difficult times due to the hike in fuel prices and the additional excise duty imposed by the Government on vehicles with higher engine displacements, in the first half of the year. Despite a number of new product launches, the segment declined by 6.5% this year. The Company's sales declined by 17.6% and ended the year with a market share of 17.6%, although it regained its No. 2 position in the segment this year, compared to the previous year. The Company launched the Xenon XT - a lifestyle pick up vehicle in its effort to develop a new segment.

The much awaited 'Tata Nano' was launched in March 2009. There was an overwhelming response with over 2.03 lakhs fully paid bookings received by the company.

3. Financial Performance as a measure of Operational Performance

In view of the slump in the domestic and international markets, the Company's profit after tax decreased to Rs. 1,001.26 crores from Rs. 2,028.92 crores in the previous year, the margins were under pressure mainly due to the rising input costs, lower volume growth and high interest cost. The following table sets forth the breakup of the Company's expenses as part of the net revenue.

	Percentage of Turnover	
	2008-09	2007-08
Turnover net of excise duty	100	100
Expenditure:		
Material (including change in stock and processing charges)	75.5	73.3
Employee Cost	6.0	5.4
Manufacturing and other expenses (net)	11.6	11.1
Total Expenditure	93.1	89.8
Other Income	3.6	1.7
Profit before Exceptional Item, Depreciation, Interest and Tax	10.5	11.9
Depreciation (including product development expenditure)	3.6	2.5
Interest and Discounting Charges (Net)	2.6	1.0
Notional Exchange (Loss) / Gain (Net) on revaluation of foreign currency borrowings, deposits and loans given	(0.3)	0.6
Profit before Tax	4.0	9.0

Turnover, net of excise duties reduced by 10.7% to Rs. 25,660.79 crores from Rs. 28,739.41 crores in FY 2007-08. The total number of vehicles sold during the year decreased by 13.5% to 506,421 units from 585,649 units in FY 2007-08. The domestic volumes reduced by 10.9% to 472,885 units from 530,990 units in FY 2007-08, while export volumes reduced by 38.6% to 33,536 units in FY 2008-09 from 54,659 units in FY 2007-08.

Net Raw Material consumption inclusive of processing charges decreased by 8.0% to Rs.19,386.63 crores in FY 2008-09, from Rs.21,074.62 crores in FY 2007-08. Material Cost as a % of net turnover has increased to 75.5% from 73.3% for the last year. This was largely a result of increase in prices of steel, aluminum, nickel, copper and natural rubber. However, the Company managed to lower the impact through its on going cost reduction programme with initiatives like global sourcing, vendor rationalization and value engineering.

Employee Cost reduced increased marginally by 0.4% during the year to Rs. 1,551.39 crores from Rs.1,544.57 crores registered in the previous year mainly inline with trends in industry and economy. The manpower increased marginally to 23,638 from 23,230 with increases also in flexible manpower.

Manufacturing and Other Expenses reduced by 6.8% to Rs. 2,970.33 crores in FY 2008-09 from Rs. 3,188.63 crores in FY 2007-08. These were 11.6% of net turnover for the year as compared to 11.1% for the previous year, due to higher sales and marketing expenses.

Profit before depreciation, exceptional item, interest and tax decreased by 21.6% to Rs. 2,678.41 crores from Rs.3,414.77 crores in FY 2007-08. The margin decreased to 10.4% from 11.9% in FY 2007-08.

Depreciation (including product development expenditure) for 2008-09 increased by 29.2% to Rs. 925.71 crores from Rs. 716.66 crores in FY 2007-08 on account of increase in fixed assets. It represents 3.6% of net turnover as compared to 2.5% for FY 2007-08.

Net interest cost increased to Rs. 673.68 crores in FY 2008-09 from Rs. 282.37 crores in FY 2007-08. With the global crisis in the financial markets the rates at which funds were available to the company had drastically increased. The company required external funds to manage its capital expenditure programme and also to manage working capital requirements.

Profit Before Tax (PBT) of the Company reduced to Rs.1,013.76 crores from Rs.2,576.47 crores in FY 2007-08.

Profit After Tax (PAT) decreased by 50.7% to Rs. 1,001.26 crores from Rs. 2,028.92 crores in FY 2007-08. This was mainly on account of decrease in turnover, due to slump in domestic and international markets. Basic Earning Per Share (EPS) decreased to Rs. 22.70 as compared to Rs. 52.64 last year for Ordinary Shares. Basic EPS for 'A' Ordinary Shares is Rs. 23.20.

Balance Sheet size of the Company increased to Rs. 26,425.64 crores as at March 2009 from Rs. 15,095.74 crores as at March 2008. This increase is attributed to significant capital expenditure incurred by the Company on new products and programmes and strategic investments. As on March 31, 2009, the Ordinary Share Capital of the Company stood at Rs. 449.83 crores as compared to Rs. 385.50 crores as on March 31, 2008 and 'A' Ordinary Share Capital of Rs. 64.18 crores, raised during the year by Rights Issue.

Gross debt (total of secured and unsecured loans) increased to Rs. 13,165.56 crores as on March 31, 2009 as compared to Rs. 6,280.52 crores as on March 31, 2008 as a consequence of higher capital expenditure and strategic investments.

Net debt (gross debt reduced by available cash and bank balances and in mutual fund investments) stood at Rs. 12,486.66 crores as on March 31, 2009 as compared to Rs. 3,617.01 crores as on March 31, 2008.

Fixed Assets including Capital Work in Progress increased to Rs. 14,599.31 crores in FY 2008-09 from Rs.10,452.27 crores in FY 2007-08.

Investments increased to Rs. 12,968.13 crores in FY 2008-09 from Rs. 4,910.27 crores in FY 2007-08. During the year, the Company continued to make additional long term and strategic investments. The Company invested a total of Rs.8,330 crores in equity and preference shares of TML Holding (Pte) Ltd. Singapore which in turn acquired the business of Jaguar Land Rover. The Company has also made further investments of Rs. 100 crores in Tata Motors Finance Ltd., to further strengthen the vehicle financing activity of the Company. An investment of Rs. 115 crores was made in TML Distribution Company Ltd which would work towards further strengthening the Distribution and Sales network of the Company. During the year an additional investment of Rs.117.95 crores was made in Fiat India

Automobiles Ltd. The company also sold off its investments in Mutual Funds, where surplus cash was parked last year, for meeting the requirements.

Net Current Assets decreased to Rs. (1,143.82) crores as at March 31, 2008 from Rs. (272.85) crores as at March 31, 2007. The Current assets, loans and advances have decreased by Rs. 355.23 crores as compared as at March 31, 2007. The increase in Sundry debtors, due to higher year end sale. The Current liabilities and provisions have increased marginally by Rs. 202.41 crores.

The cash generated from operations before working capital changes and before considering the deployment in the vehicle financing business was Rs. 1,556.70 crores as compared to Rs. 2,762.77 crores in the previous year. After considering the impact of working capital changes and inflows on account of securitisation of financing loan portfolio (net of deployment), the net cash generated from operations was Rs. 1,295.02 crores as compared to Rs. 6,179.47 crores in the previous year. The cash and bank balances have reduced by Rs. 1,255.49 crores. As at March 31, 2008, the Company had parked Rs. 1,122.40 crores for making investments in the year 2008-09.

4. Opportunities and Threats

a. Opportunities

Road development: Continued improvement in road infrastructure in coming years is expected to have a positive effect on automobile sales. The Golden Quadrilateral road project was 98% complete as on March 31, 2009. The North South East West (NSEW) road corridors are expected to be completed by December 2009. Rural connectivity is expected to correspondingly improve which would expand significantly the population/markets/supply sources participating in the overall economic growth. Improvement in road infrastructure will facilitate faster transportation of goods and passengers, and would in turn create demand for safer, reliable and faster vehicles. The Company is poised to benefit from the same, as it has a wide range of goods and passenger transportation vehicles ranging from 0.75 Ton load carrier to large haulage tractors (49T) for goods movement, buses and coaches for public transportation and passenger cars and utility vehicles for personal transportation.

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

Growing consumer culture: The demand for a better lifestyle has enhanced consumption levels and rapid growth in several areas like retail chains, cellular phones and cable and satellite television. The Company, with its wide portfolio is expected to benefit from improvement in lifestyle and higher aspiration levels in passenger cars and potential growth in freight movement. This growing consumerism is expected to lead to an increase in car penetration from the current levels of 8 per thousand towards the 500+ levels witnessed in the developing countries.

Large two wheeler market: India has a 65 million two wheeler population and an annual sale of over 7.4 million two wheelers. The Company believes that the gap between two wheeler prices and the current entry level car prices offer a huge opportunity for an affordable, safe and comfortable small car with appealing design and features. It is hoped that the TATA Nano would address this huge potential in demand.

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

b. Threats

Credit unavailability: Tightening of liquidity position and reduction in exposure to vehicle financing by banks/NBFCs, would have an adverse impact on the automotive industry. This was evident last year when the credit crunch was felt not just by the consumers, but the companies as well. Though the captive vehicle financing has been strengthened by the Company, it would be a challenge for the Company to fully offset the decrease in credit availability from outside sources.

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

Fuel prices: Increase in fuel prices has an adverse impact on automobile demand as consumers think of alternative solutions and postpone purchases, as was seen last year when oil prices reached a peak of US\$ 145 per barrel.

Input costs: Prices of commodity items like steel, non-ferrous and precious metals and rubber witnessed unprecedented increases in short period last year, which could only be partially offset by the Company's cost reduction initiatives. Whilst the Company continues to pursue cost reduction initiatives, increase in price of input materials, could have a negative impact on the demand in the domestic market and/or could severely impact the Company's profitability to the extent that these cost escalations are not absorbed by the market through price realization.

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

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

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

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

5. Risks and concerns

Interest rates and credit availability: Consumer interest rates witnessed an upward movement in the second half of FY 08-09. Tightening of the liquidity position, non-availability of vehicle finance and firming up of interest rates would affect vehicle demand, which could impact the Company's revenues and profits.

Exchange rates: The Company's exports constitute 9.1% of the turnover and imports constitute 5.8% of material consumption. Further, the Company has large foreign currency borrowings in the form of foreign currency convertible securities. Movements in exchange rates and volatility in the foreign exchange markets could significantly impact profits.

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

Railways: The renewed focus of Railways on cement, steel and container movement and planned nationwide rail freight corridor connecting major cities could impact the demand of commercial vehicles for goods transportation. However, it is expected that with the growth in road infrastructure and increase

in vehicle penetration and with product offerings suitable for different applications, road transport would continue to have a dominant role and offer flexible, speedy and point-to-point service.

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

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

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

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

New projects: The Company is undertaking a variety of new projects ranging from the launch of a small car to the development of a new truck model. These projects are in various stages of execution. Though the Company employs sophisticated techniques and processes to forecast the demand of new products, yet the same is subject to margin of error. Timely introduction of new products, their acceptability in the market place and managing complexity of operations across various manufacturing locations would be the key to sustain competitiveness.

6. Outlook

FY 2008-09 was an extraordinary year for economies across the world. The financial turmoil of the western world had far reaching implications on the business environment. While the impact on developing economies like India was less severe, the GDP growth slowed down to 6.7% compared with the 9% growth achieved last year.

While the trend in the last quarter of the year indicates that things might be improving, the situation would continue to remain tough for sometime. Interest rates have relatively declined, liquidity has improved and customer confidence seems to be slowly improving. This would positively impact the market for passenger vehicles and the small commercial vehicles to some extent. However, the market for heavy commercial vehicles is expected to remain sluggish for sometime before the economy starts to show revival.

In this scenario, the Company will continue to focus on introducing new products in the market to target new customer segments. The Company will further strengthen the in-house vehicle financing arm to make up for the lack of finance from external sources. The Company has also planned various cost reduction measures, which in addition to the softening of raw material prices will help the Company in improving the competitiveness of the products in the marketplace.

7. Internal Control Systems and their adequacy

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

Tata Motors Limited

Some significant features of the internal control systems are:

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

During the year, the Internal Audit department initiated a Quality Assurance and Improvement Program (QAIP) with the objective of appraising the efficiency and effectiveness of the Internal Audit activity and rating the Internal Audit activity's compliance with its Audit Charter and the Institute of Internal Auditors' (IIA) International Standards for the professional practice of Internal Auditing. As part of this program, A team of external assessors constituted by IIA, USA visited the company and engaged with the Audit Committee, members of Senior Management and the Internal Audit staff. IIA conferred upon the company the Top Rating namely "Generally Conforms", which indicates that the Internal Audit activity's relevant structure, policies, procedures and processes conform with the majority of the elements of the standards and the code of ethics.

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

8. Material Developments in Human Resources/Industrial Relations

A cordial industrial relations environment prevailed at all the manufacturing units of the Company during the year. The Company entered into a three year wage settlement with its Union at Lucknow through amicable process of negotiations. The permanent employee's strength of the Company as on March 31, 2009 was 23638.

9. Overview of the Consolidated Performance and Financial Results of the Company

The following table sets forth selected consolidated financial information for the Company, including as a percentage of turnover net of excise duty, for the years ended March 31, 2009 and 2008. For information we have given the results of Jaguar Land Rover for the period June 1, 2008 to March 31, 2009.

	For the year ended March 31,			
	2009		2008	
	(Rs in crores)	%	(Rs in crores)	%
Turnover net of excise duty	70,938.85	100.0	35,660.07	100.0
Material (incl. change in stock & processing charges)	48,556.55	68.4	24,846.37	69.7
Employee cost	7,297.42	10.3	2,745.16	7.7
Manufacturing and other expenses (net)	12,887.48	18.2	3,818.42	10.7
Total Expenditure	68,741.45	96.9	31,409.95	88.1
Other income	798.96	1.1	267.48	0.8
Profit before Depreciation, Interest, Amortisation, Exceptional item and Tax	2,996.36	4.2	4,517.60	12.7
Depreciation (incl. product development expenditure)	2,854.52	4.0	848.02	2.4
Amortisation of miscellaneous expenditure in subsidiaries	0.9	*0.0	0.96	*0.0
Profit before Interest, Exceptional item and Tax	140.94	0.2	3,668.62	10.3
Interest and Discounting charges (net)	1,930.90	2.7	743.06	2.1
Notional Exchange (gain) / loss (net) on revaluation of foreign currency borrowings, deposits and loans given	339.29	0.5	(160.73)	(0.5)
Profit before Tax	(2,129.25)	(3.0)	3,086.29	8.7

* Denotes less than 0.05%

Comments on the performance of major subsidiaries

The consolidated financial results for fiscal year 2008-09 include Jaguar and Land Rover business (JLR) acquired in June 2008. The consolidated operations were significantly driven by JLR.

Following is the brief overview of the performance of major subsidiaries.

Jaguar and Land Rover Business : Jaguar and Land Rover Business, acquired on June 2, 2008 comprised three major manufacturing facilities in U.K., two advanced design and engineering facilities, National Sales Companies in several regions across the World and significant Intellectual Property Rights. In fiscal 2009, the global financial crisis impacted the whole of the automotive industry. The effect on the premium market has been particularly evident with industry volumes falling between 25% and 30%. Nearly all the key participants in the luxury segment witnessed a fall in volumes mainly due to the general lack of consumer credit.

As compared to corresponding period of the previous year, during the period June'08 to March'09, JLR volumes witnessed a decline of 32%. While Land Rover fell by 39%, decline in Jaguar volumes were contained at 4% mainly supported by the success of the new XF launched in January 2008.

JLR retail sales in North America declined by 37% mainly due to higher fuel prices which affected demand for both new and used vehicles with larger capacity engines. The resultant sharp reduction in residual values, coupled with the reduced availability of credit, made leasing deals both more expensive and less readily available. Jaguar retail volumes for the period June 2008 to March 2009 were 10.9% down compared to the same period in the previous year. Relatively better performance compared to the relevant segment trends was largely due to the positive market reaction to the new Jaguar XF. Land Rover retail volumes for the period June 2008 to March 2009 were down by 45% compared to the same period in the previous year. In the United Kingdom and Europe (excluding Russia) sales were also driven by favourable market reaction to the new Jaguar XF. Jaguar retail volumes for the period June 2008 to March 2009 were flat and up 3% respectively versus the same period in previous year. Land Rover retail volumes for this period were down by 43% and 45% respectively, compared to the same period in the year 2007-08.

Retail volumes had been particularly strong in Russia and China, where volumes grew by 41% and 40% for Jaguar and 10% and -2% for Land Rover. However demand in recent months in Russia has been weakening and future trading conditions appear to remain challenging. Whilst the downturn has slowed Land Rover's expansion plans, Land Rover maintains its position as the number one premium brand in Russia, outselling BMW and Mercedes Benz. In February 2009, JLR signed a memorandum of understanding to supply one of its Chinese importers with 13,000 vehicles over three years. This is a significant order, particularly welcome at this challenging time. The order is for both Jaguar and Land Rover vehicles. China was the company's fifth largest market last year when it sold 2,000 Jaguars and almost 11,000 Land Rovers there. In response to the magnitude of the adverse market conditions and the resulting deterioration in the company's position, JLR implemented decisive actions to realign production with the lower levels of demand.

Tata Motors Limited

In addition, JLR has implemented significant cost reduction initiatives across the business. Fixed marketing and selling costs have been reduced in line with sales volumes and headcount reductions implemented across all functions of more than 2000. Despite the economic climate JLR has successfully launched product upgrades over the past ten months.

Jaguar continued the theme of 'beautiful fast cars' established by the XK. In January 2009 Jaguar revealed the upgraded XF and XK models, featuring powertrain changes giving significantly improved performance and fuel economy, a wider range of models and external styling and interior trim enhancements. The XFR has quickly established itself as the benchmark luxury sports saloon, drawing global praise for its engineering and dynamic qualities, performance and capabilities – underlined by winning a number of comparison tests against significant opposition, particularly from BMW and Mercedes. The new 3.0 liter Diesel has also been acclaimed and is already regarded as the standard against which all other diesel-powered cars are being measured.

In May 2009, the Freelander 2 TD4_e, Land Rover's most fuel efficient to date featuring a new intelligent Stop/Start system, went on sale giving up to a 20% improvement in fuel economy in real world test. In April 2009, Land Rover revealed the upgraded Range Rover, Range Rover Sport and Discovery 4 models which feature a range of powertrain changes together with exterior and interior modification. The new models are intended to go on sale in the second half of 2009. Land Rover is pushing into emerging markets, remains true to its core values (it has only ever produced authentic and tremendously capable 4x4 vehicles) and is working very hard to improve quality, fuel economy and emissions.

Land Rover, in conjunction with Jaguar, announced a £800 million (over five years) programme specifically aimed at reducing carbon dioxide emissions, which is supported by an industry leading carbon offset programme balancing emissions from the manufacture of all Land Rover vehicles as well as the first 45,000 miles of customer vehicle use in the UK and other countries. Key was the introduction of an intelligent stop-start system, which will be fitted as standard to all diesel manual Freelander 2s and effects a 7% improvement in CO₂ emissions.

In early 2009, Jaguar joined the programme with all manufacturing generated emissions from Castle Bromwich and Halewood being offset. Jaguar customers are also provided with a mechanism for them to offset their vehicle usage.

Transition from Ford- JLR is currently in the process of establishing operations in markets where we have previously operated as part of Ford legal entities. This transition is progressing to plan with fifteen markets successfully being transitioned since acquisition. All markets except Singapore have now transitioned. Major markets transitioned to date include USA, Canada, South Africa, France, Brazil and China.

Ford Credit provided dealer / customer financing support for the first 12 months following acquisition. JLR has now transitioned to financing arrangements with FGA Capital (JV between Fiat Auto and Credit Agricole) in UK / Europe and Chase Auto Finance in the US and local providers in certain other key markets.

In addition JLR continues to work with Ford to separate its IT infrastructure and support systems.

Tata Daewoo Commercial Vehicles (TDCV) : During FY 2008-09, Korean commercial vehicle industry declined by 31.7% compared to FY 2007-08;

- Higher base effect which was a result of pre-purchases by the customers prior to switch over from Euro III to Euro IV, effective January 1, 2008.
- Lack of sufficient funds for vehicle financing and higher interest rates in the second half of the year due to global financial crisis.

Total sales of TDCV in FY 2008-09 stood at 9,137 units a decline of 23.2% compared to 11,899 units in the corresponding period last year. However, higher exports at 4,280 units in FY 2008-09 compared to 3,312 units in FY 2007-08 last year helped TDCV to partially offset the decline of sales in the domestic market. Market share of TDCV in MHCV segment stood at 27.1% in FY 2008-09, compared with 33.5 % in FY 2007-08. The loss of market share was mainly on account of vendor constraints.

Telco Construction Equipment Co. Ltd. (TELCON) : During the year, the Construction Equipment sector witnessed sharp downturn especially after Sep08 due to credit squeeze and tight money market situation. The customers were unable to source finance at reasonable rates and coupled with uncertainty in the economy, demand saw a steep decline. However, the company was able to withstand the pressure due to its product range and established spares and service network. The company was able to improve its sales mix through large excavator segment catering to the mining industry which was still showing positive

growth. Thus the company was able to restrict its topline decline to 20%. This also enabled the company to maintain its market share of its excavators and backhoe loaders segments while improving on the wheel loader segment. During the year, the company manufactured its first Indigenous 'Tata-Hitachi ZAXIS 75' and 'Tata-Hitachi ZAXIS 370' Hydraulic Excavators and TM06 Transit Mixer (6 cu.m) (a technology from the Spanish acquisition). Key investments in its Kharagpur project was sustained in spite of slow down and commercial production is planned in October 2009.

Tata Motors Finance Ltd (TMFL) : Tata Motors undertakes its Vehicle Financing business through TMFL, TML (Vehicle Financing) and Tata Capital under the brand Tata Motor Finance (TMF). In line with the volume performance of Tata Motors, the volumes financed by TMF in FY 2008-09 also witnessed a decline. Consequently, combined disbursements for FY 2008-09 were Rs. 7,415 crores a decline of 22.92% from Rs 9,620 crore in FY 2007-08. In passenger car financing, FY 2008-09 market share stood at 29.0%, while market share in CV segment stood at 35.8%. The book size at the end of March '09 for TMFL stood at Rs. 54 billion. NIM of vehicle financing business was ~ 4.6%. Financial performance of TMFL was impacted by higher provisions for NPAs, which continue to be more conservative than as per the norms of Reserve Bank of India.

Tata Technologies Ltd (TTL) : During FY 2008-09, TTL doubled its Profit after Tax with sustained focus high-margin business and streamlining of cost base with -

- Growth in share of offshore business
- High utilization of manpower
- Tight cost management

During the year, TTL won a multi-year multi-million dollar contract to provide Engineering Design, PLM and IT support services from a major Global Auto OEM. TTL is a top-3 solutions and software provider of leading Engineering and PLM products in all major economic geographies. It expanded presence in aerospace design and aero structures market with the help of strategic group alliances and enhanced capability and won several projects in the PLM consulting arena.

Comments on Financial Performance on a Consolidated basis

- a) The sales net of excise duty on a consolidated basis excluding JLR sales, have recorded a negative growth of 11% during the current year mainly due to a significant downturn in the automotive volumes and general economic slowdown. (A reference may be made to review of TML performance discussed and subsidiary performance discussed above).
- b) Profit before Interest, Exceptional items and Tax has declined from Rs. 3668.62 crores in 2007-08 to Rs. 140.94 crores in 2008-09. The significant negative variation is mainly attributable to the following major factors.
 - i) JLR business recorded a loss mainly due to lower volumes, higher selling expenses and fixed costs /employee cost/depreciation which lower volumes could not fully absorb.
 - ii) TML and other subsidiaries recorded a negative growth in volumes which coupled with higher input costs lowered the operating profits.
- c) The PBT has decreased from Rs 3086.29 crores in 2007-08 to Loss before tax of Rs 2129.25 crores in the current year. In addition to factors mentioned in (b) , contributing factors are-
 - i) Increase in financing cost due to acquisition debt, increased working capital requirements and capex for capacity and new product plan.
 - ii) The notional foreign exchange valuation loss (net) on borrowing/deposits/loans given of Rs 339.29 crores in 2008-09 as compared to net gain of Rs. 160.73 crores in 2007-08.
- d) The Consolidated Capital Employed of the Company as on March 31, 2009 was at Rs. 37,254.79 crores as compared to Rs. 19,647.12 crores as on March 31, 2008. The increase of Rs 17,607.67 crores was mainly due to inclusion of Jaguar and Land Rover Group in financial statements.

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

2. THE BOARD OF DIRECTORS

- 2.1. The Board of Directors along with its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. As on March 31, 2009, the Board of Directors comprised of 12 Directors, out of which 10 (83.33%) were Non-Executive Directors. As of date, out of the Board composition of 12 Directors, 11 Directors (91.67%) comprises of Non-Executive Directors. The Company has a Non-Executive Chairman and the 6 Independent Directors comprise of half of the total strength of the Board. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Clause 49 of the Listing Agreement.
- 2.2. None of the Directors on the Company's Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 15 public companies. None of the Directors of the Company are related to each other. All Non Executive Directors are liable to retire by rotation. The appointment of the Managing Director and the Executive Director(s), including the tenure and terms of remuneration are also approved by the members.
- 2.3. The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the declaration made by the Managing Director and the Executive Director regarding compliance with all applicable laws on a quarterly basis as also step taken to remediate instances of non compliance. The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO and CFO certification for the Financial Year ended March 31, 2009.
- 2.4. During the year under review, 9 Board Meetings were held on May 28, 2008, July 30, 2008, August 5, 2008, August 20, 2008, October 8, 2008, October 31, 2008, December 15, 2008, January 30, 2009 and March 25, 2009. The maximum time-gap between any 2 consecutive meetings did not exceed 4 months. The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting, number of directorships, memberships/chairmanships in public companies (including the Company) and their shareholding as on March 31, 2009 in the Company are as follows:

Name of the Director	Category	No. of Board Meetings in the year	Attendance at the last AGM	Directorships ⁽¹⁾		Committee positions ⁽²⁾		Shareholding	
				Chairman	Member	Chairman	Member	Ordinary Shares	'A' Ordinary Shares
Ratan NTata	Non-Executive Chairman, Promoter	8	Yes	10	1	-	-	187346	21836
N A Soonawala	Non-Executive, Promoter	9	Yes	1	5	3	-	0	0
J J Irani ⁽³⁾	Non-Executive, Promoter	7	Yes	3	7	-	2	4815	1300
V R Mehta ⁽⁴⁾	Non-Executive, Independent	8	Yes	-	5	3	2	0	0
R Gopalakrishnan	Non-Executive, Promoter	7	Yes	2	8	-	5	3750	0
NN Wadia	Non-Executive, Independent	7	No	3	5	-	-	0	0
S M Palia	Non-Executive, Independent	8	No	-	7	3	4	300	0
R A Mashelkar	Non-Executive, Independent	8	Yes	-	8	-	2	0	0
S Bhargava ⁽⁵⁾	Non-Executive, Independent	5	N.A.	2	10	4	5	0	0
N Munjee ⁽⁵⁾	Non-Executive, Independent	7	N.A.	1	12	4	6	0	0
V K Jairath ⁽⁶⁾	Non-Executive, Independent	0	N.A.	-	2	-	-	0	0
Ravi Kant ⁽⁷⁾	Managing Director	9	Yes	5	4	-	1	0	0
P M Telang ⁽⁸⁾	Executive Director	8	Yes	3	7	4	-	3180	500

⁽¹⁾excludes Directorships in private companies, foreign companies and associations⁽⁸⁾ Appointed as an Additional Director w.e.f July 25, 2008

⁽²⁾includes only Audit and Investors' Grievance Committees

⁽⁵⁾Appointed as an Additional Director w.e.f March 31, 2009

⁽³⁾Tata Steel Representative

⁽⁷⁾Appointed as the non-executive Vice-Chairman w.e.f. June 2, 2009

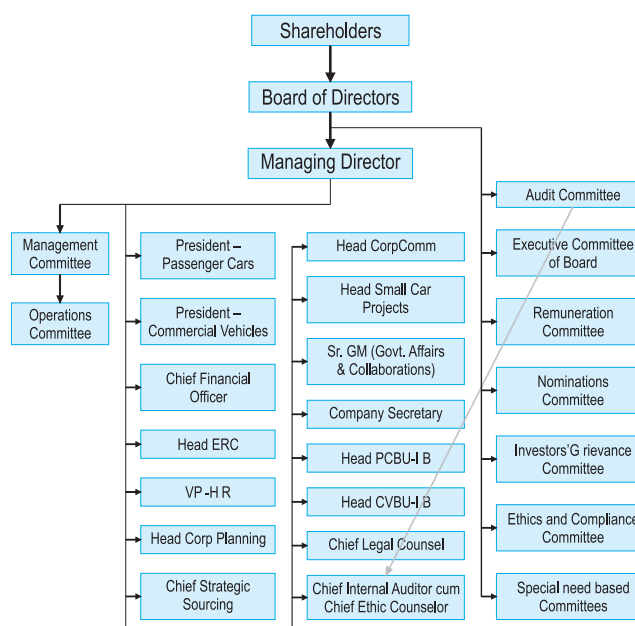
⁽⁴⁾upto and as on January 30, 2009

⁽⁸⁾Appointment as the Managing Director-India Operations w.e.f. June 2, 2009

2.5. **Code of Conduct:** Whilst the Tata Code of Conduct is applicable to all Whole-time Directors and employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, both of which are available on the Company's web-site. All the Board members and senior management of the Company as on March 31, 2009 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director (CEO) is annexed hereto.

3. THE COMMITTEES OF THE BOARD

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



4. AUDIT COMMITTEE

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

Tata Motors Limited

- a. Reviewing the quarterly financial statements before submission to the Board, focusing primarily on:
 - Compliance with accounting standards and changes in accounting policies and practices;
 - Major accounting entries involving estimates based on exercise of judgment by Management;
 - Audit Qualifications and significant adjustments arising out of audit;
 - Analysis of the effects of alternative GAAP methods on the financial statements;
 - Compliance with listing and other legal requirements concerning financial statements;
 - Review Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
 - Overseeing the Company's financial reporting process and the disclosure of its financial information, including earnings press release, to ensure that the financial statements are correct, sufficient and credible;
 - Disclosures made under the CEO and CFO certification and related party transactions to the Board and Shareholders.
 - b. Reviewing with the management, external auditor and internal auditor, adequacy of internal control systems and recommending improvements to the management.
 - c. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - d. Recommending the appointment/removal of the statutory auditor, fixing audit fees and approving non-audit/ consulting services provided by the statutory auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications and independence.
 - e. Reviewing the adequacy of internal audit function, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.
 - f. Discussing with the internal auditor and senior management significant internal audit findings and follow-up thereon.
 - g. 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 report the matter to the Board.
 - h. Discussing with the external auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.
 - i. Reviewing the Company's financial and risk management policies.
 - j. Reviewing the functioning of the Whistle-Blower and the legal compliance mechanism.
 - k. Reviewing the financial statements and investments made by subsidiary companies.
 - l. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
 - m. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
- 4.2. During the year, the Committee reviewed over 105 audit reports covering operational, financial and compliance areas. Key Management personnel presented their risk mitigation plan to the Committee. It also reviewed the internal control system in subsidiary companies, status on compliance of its obligations under the Charter and confirmed that it fulfilled its duties and responsibilities. The Committee through self-assessment evaluates its performance.
- 4.3. The Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee meetings.
- 4.4. The Committee comprises of 3 Independent Directors, all of whom are financially literate and have relevant finance and/or audit exposure. Mr S M Palia is the financial expert. The quorum of the Committee is two members or one-third of its members, whichever is higher.

- 4.5. The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company. During the period under review, 10 Audit Committee meetings were held on May 27, 2008, June 30, 2008, July 14, 2008, July 29, 2008, August 20, 2008, August 25, 2008, October 30, 2008, November 21, 2008, January 29, 2009, and February 24, 2009. The composition of the Audit Committee and attendance at its meetings is as follows:

Composition	V R Mehta ⁽¹⁾	N Munjee ⁽¹⁾ (Chairman)	S M Palia	R A Mashelkar
Meetings attended	9	0	9	9

⁽¹⁾ Mr V R Mehta, Chairman retired on Jan 30, 2009 and Mr N Munjee was appointed as the Chairman of the Audit Committee w.e.f. March 26, 2009.

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

5. REMUNERATION COMMITTEE

- 5.1. The Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director and the Executive Director, retirement benefits to be paid to them under the Retirement Benefit Guidelines approved by the Board and deal with matters pertaining to Employees' Stock Option Scheme.
- 5.2. The Remuneration Committee comprises of 2 Independent Directors (including the Chairman of the Committee) and 2 Non-Executive Directors. During the year under review, 1 Remuneration Committee meeting was held on May 28, 2008. The composition of the Remuneration Committee and attendance at its meeting is as follows:-

Composition	N N Wadia (Chairman)	Ratan N Tata	N A Soonawala	V R Mehta ⁽¹⁾	S Bhargava ⁽¹⁾
Meetings attended	1	1	1	1	0

⁽¹⁾ part of the year

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

5.4. Remuneration Policy

- a. The remuneration of the Managing and the Executive Directors is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro economic review on remuneration packages of heads of other organisations and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing and Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1, annually.

Tata Motors Limited

- b. A sitting fee of Rs.20,000/- for attendance at each meeting of the Board, Audit Committee, Executive Committee, Remuneration Committee and Nominations Committee and Rs.5,000/- for Investors' Grievance Committee, Ethics & Compliance Committee and Rights Committee is paid to its Members (excluding Managing and Executive Director). The sitting fees paid/payable to the non-Whole-time Directors is excluded whilst calculating the above limits of remuneration in accordance with Section 198 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside.
 - c. The remuneration by way of commission to the non-executive directors is decided by the Board of Directors and distributed to them based on their contribution and attendance at the Board and certain Committee meetings as well as time spent on operational matters other than at the meetings. The Members had, at the Annual General Meeting held on July 24, 2008, approved the payment of remuneration by way of commission to the non-Whole-time directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act, for a period of 5 years commencing April 1, 2008.
 - d. Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives. The Presidents and the Vice Presidents took a voluntary cut of 10% on their basic salary for the period January to March 2009 due to the economic downturn.
- 5.5. The Directors' remuneration and sitting fees paid/payable in respect of the Financial Year 2008-09 is given below:-

5.5.1. Non-Executive Directors

(Rs. in Lacs)

Name	Sitting Fees	Name	Sitting Fees	Name	Sitting Fees
Ratan N Tata	3.45	R Gopalakrishnan	2.80	S Bhargava ⁽¹⁾	1.00
N A Soonawala	3.45	N N Wadia	2.60	N Munjee ⁽¹⁾	1.45
J J Irani	2.60	S M Palia	4.05	V K Jairath ⁽¹⁾	-
V R Mehta ⁽¹⁾	3.60	R A Mashelkar	3.40		

⁽¹⁾ part of the year

Taking into consideration the performance and plans of the Company on a stand alone basis, the Board at its meeting held on May 29, 2009 approved of a commission of Rs.2.2 crores (Previous Year: Rs.3.5 crores) to be distributed amongst the Non-Executive Directors for the Financial Year 2008-09. On a review of the Company's consolidated performance, at the Board Meeting held on June 26, 2009 the Board unanimously decided to rescind the earlier resolution on payment of commission to Non-Executive Directors. No commission is therefore paid / payable and the Non-Executive Directors would not be entitled to any commission for the Financial Year 2008-09.

5.5.2. Whole-time Directors

(Rs. in Lacs)

Name	Salary	Perquisites & Allowances	Commission ⁽¹⁾	Retirement Benefits ⁽²⁾
Mr Ravi Kant	62.01	42.30	310.00	17.17
Mr P M Telang	40.95	33.65	200.00	11.34

⁽¹⁾ Payable in FY 09-10 ⁽²⁾ Excludes provision for encashable leave and gratuity as separate actuarial valuation is not available

The Whole-time Directors also took a voluntary cut of 10% on their basic salary for the period January to March 2009 due to the economic downturn.

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

5.6. Service Contracts, Severance Fees and Notice Period

Terms of Agreement	Mr Ravi Kant, Managing Director ⁽¹⁾	Mr P M Telang, Executive Director ⁽²⁾
Period of Contract	July 29, 2005 to June 1, 2009	May 18, 2007 to May 17, 2012
Severance fees	The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.	

⁽¹⁾ Appointed as Vice Chairman in Non-Executive capacity w.e.f. June 2, 2009.

⁽²⁾ Appointed as Managing Director-India Operations w.e.f. June 2, 2009. Please see Notice of Annual General Meeting for details.

5.7. Retirement Policy for Directors

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

6. INVESTORS' GRIEVANCE COMMITTEE

6.1. The Investors' Grievance Committee comprises of Mr S M Palia, Independent Director as the Chairman, Mr R Gopalakrishnan, Non-Executive Director and Mr Ravi Kant, Managing Director (now Vice Chairman). The Investors' Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share/debenture transfers, non-receipt of annual reports, interest/dividend payments, issue of duplicate certificates, transmission (with and without legal representation) of shares and debentures and other miscellaneous complaints. During the year under review, 2 Investors' Grievance Committee meetings were held on July 24, 2008 and November 21, 2008 which were attended by all the members.

6.2. Compliance Officer

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

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

Tel: 91 22 6665 8282, 91 22 6665 7824 / Fax: 91 22 6665 7260 / Email: inv_rel@tatamotors.com

Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Transfer Agents – M/s TSR Darashaw Ltd. at csg-unit@tsrdarashaw.com, whereas complaints or queries relating to the public fixed deposits can be forwarded to Registrars to the Fixed Deposits Scheme – M/s Link Intime India Private Limited at tmlfd@linkintime.co.in.

6.3. The status on the total number of complaints received during the FY 2008-09, is as follows:-

	Equity Shares
Complaints regarding non-receipt of dividend/interest, shares lodged for transfer	1867
Complaints received from the shareholders through SEBI and other Statutory Bodies and resolved	22
Complaints redressed out of the above	1889
Pending complaints as on 31.3.2009	Nil
Other Queries received from shareholders and replied	10447

All letters received from the investors are generally replied to within 15 days. The response time for attending to investors' correspondence during 2008-09 is shown in the following table :

	Number	%
Total number of correspondence received during 2008-09	12336	100.00
Replied within 1 to 4 days of receipt	7235	58.65
Replied within 5 to 7 days of receipt	3846	31.18
Replied within 8 to 15 days of receipt	1141	9.25
Replied after 15 days of receipt ⁽¹⁾	105	0.85
Received in last week of March 2009 and replied in April 2009	9	0.07

(1) These correspondence pertained to:

- Court cases which involved retrieval of case files from records, co-ordination with the Company Advocate etc.
- Registration of legal documents which involved checking of documents/retrieval of old records prior to registration.
- Executed documents received for issue of duplicate certificates and transmission of shares without legal representation which involved checking of documents, sending notices to Stock Exchanges and issuing duplicate certificates/transmission of shares after approval from the Company.

Tata Motors Limited

- 6.4. There were no pending share transfers and complaints pertaining to the Financial Year ended March 31, 2009. Out of the above, 68 complaints pertained to letters received through Statutory/ Regulatory bodies and those related to Court/ Consumer forum matters, fraudulent encashment and non-receipt of dividend amounts.
- 6.5. On recommendations of the Investors' Grievance Committee, the Company has taken various investor friendly initiatives like sending reminders to investors who have not claimed their dues, launching an odd lot scheme, sending nominations forms, launching a shareholders discount scheme, arranging factory visits, etc. Critical feedback, complaints and suggestions received from investors are considered and addressed appropriately.

7. OTHER COMMITTEES

7.1. **The Executive Committee of Board** reviews capital and revenue budgets, long-term business strategies and plans, the organizational structure of the Company, real estate and investment transactions, allotment of shares and/or debentures, borrowing and other routine matters. The Committee also discusses the matters pertaining to legal cases, acquisitions and divestment, new business forays and donations. During the year under review, 6 Committee meetings were held on April 30, 2008, July 8, 2008, November 24, 2008, February 9, 2009, March 10, 2009 and March 31, 2009.

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

Composition	Ratan N Tata (Chairman)	N A Soonawala	J J Irani	R Gopalakrishnan	N N Wadia	Ravi Kant	P M Telang ⁽¹⁾
Meetings attended	6	5	6	6	4	6	1

(1) part of the year

7.3. The Executive Committee of the Board formed a **Donations Committee** in September 2003 and a **Corporate Social Responsibility (CSR) Committee** in January 2006, comprising of the Managing Director and the Senior Management which meets from time to time to fulfill the community and social responsibilities of its stakeholders. During the year, the Donations Committee passed 4 Circular Resolutions.

7.4. **The Nominations Committee of the Board** was constituted with the objective of identifying independent directors to be inducted on the Board from time to time and to take steps to refresh the constitution of the Board from time to time. During the year under review, 2 Nominations Committee Meetings were held on May 28, 2008 and March 25, 2009. The composition of the Nominations Committee and attendance at its meetings is given hereunder:-

Composition	N N Wadia (Chairman)	Ratan N Tata	N A Soonawala	S M Palia
Meetings attended	1	2	2	2

7.5. **The Ethics and Compliance Committee** was constituted to formulate policies relating to the implementation of the Tata Code of Conduct for Prevention of Insider Trading (the Code), take on record the monthly reports on dealings in securities by the "Specified Persons" and decide penal action in respect of violations of the applicable regulations / the Code. The Ethics and Compliance Committee comprises of Mr S M Palia, Independent Director as the Chairman and Mr R Gopalakrishnan, Non-Executive Director. Consequent upon amendments made by SEBI under Insider Trading Regulations SEBI (Prohibition of Insider Trading) Regulations 1992 and based on recommendations made by Tata Sons Limited, the Company has revised the said code during the year. During the year under review, 2 meetings of the Committee were held on July 24, 2008 and November 21, 2008 which were attended by all the members.

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

8. SUBSIDIARY COMPANIES

- 8.1. The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company. The Audit Committee also has a meeting wherein the CEO and CFO of the subsidiary companies make a presentation on significant issues in audit, internal control, risk management, etc. Apart from disclosures made in the Director's Report there were no strategic investments made by the Company's non-listed subsidiaries during the year under review.
- 8.2. The minutes of all the subsidiaries are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies.

9. GENERAL BODY MEETINGS

- 9.1. Location and time of General Meetings in the past 3 years:

Date	Year	Type	Venue	Time
July 24, 2008	2007-2008	Annual	Birla Matushri Sabhagar,	3:00 p.m.
July 9, 2007	2006-2007	General	19, Sir Vithaldas, Thackersey Marg,	
July 11, 2006	2005-2006	Meeting	Mumbai – 400 020	

9.2. Postal Ballot:

- 9.2.1 The Company had successfully completed the process of obtaining the approval of its Members under Section 192A of the Companies Act, 1956, pertaining to:-

- Ordinary Resolution: Increase in the Authorised Share Capital and the alteration of the Capital Clause in the Memorandum of Association of the Company.
- Special Resolution: Alteration of the Articles of Association of the Company.
- Special Resolution: Raising of additional long term resources up to Rs.4,300 crores.
- Ordinary Resolution: Increase in borrowing limits up to Rs.20,000 crores.
- Ordinary Resolution: Creation of Charges up to Rs.20,000 crores.

The results were announced on July 14, 2008.

9.2.2 Voting Pattern and Procedure for Postal Ballot:

- The Board of Directors of the Company had, at its meeting held on March 11, 2008, appointed Ms. Shirin Bharucha, Legal Consultant, as the Scrutinizer for conducting the postal ballot voting process.
- The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under her safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- All postal ballot forms received/receivable up to the close of working hours on July 9, 2008, the last date and time fixed by the Company for receipt of the forms, had been considered by her in her scrutiny.
- Envelopes containing postal ballot forms received on/after July 9, 2008, had not been considered for her scrutiny.
- The results of the Postal Ballot were announced on July 14, 2008 at the Registered Office of the Company as per the Scrutinizer's Report as under :

Particulars	In favour			Against			Invalid Votes		Total No of Shares
	No. of Ballot Papers	No. of Votes in favour	%	No. of Ballot Papers	No. of Votes against	%	No. of Ballot Papers	No. of Invalid Votes	
Resolution No.1	11665	279486343	97.69	209	6608488	2.31	1230	1570830	287665661
Resolution No.2	11140	279434460	97.68	307	6626562	2.32	1657	1655534	287716556
Resolution No.3	11197	278967331	97.68	249	6613710	2.32	1658	1655732	287236773
Resolution No.4	10959	280132836	97.95	449	5868619	2.05	1696	1658673	287660128
Resolution No.5	10891	280151498	97.95	462	5871851	2.05	1751	1671523	287694872

Tata Motors Limited

9.3. The following are the Special Resolutions passed at General Meetings held in the past 3 years:

Date of meeting	Summary
July 24, 2008	Commission to non Whole-time Directors
July 9, 2007	Change in place of keeping registers/records
July 11, 2006	Raising of additional long term resources not exceeding Rs.3000 crores or its equivalent of incremental funds of the Company.

9.4. All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

10. DISCLOSURES

10.1. Besides the transactions mentioned elsewhere in the Annual Report, there were no other materially significant related party transactions that may have potential conflict with the interests of the Company at large.

10.2. The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.

10.3. The Audit Committee and the Board have adopted a Whistle-Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no employee of the Company has been denied access to the Audit Committee.

10.4. The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:-

- **Chairman of the Board:** As the Chairman has a separate office, the Company does not reimburse expenses incurred by him for maintenance of a separate Chairman's office.
At its meeting held on July 25, 2006, the Board of Directors has adopted the Revised Guidelines (2006) regarding the retirement age of Directors. In line with best practice to continuously refresh the Board's membership, the Board is encouraged to seek a balance between change and continuity. A tenure of nine years may be considered a threshold for granting further tenure/s based, inter alia, on the merit and contribution of each Director. Mr N N Wadia, an Independent Director has completed a tenure of 9 years on the Company's Board. The Nomination Committee takes into consideration the above and other criteria such qualifications and expertise whilst recommending inductions on the Board.
- **Remuneration Committee:** Details are given under the heading 'Remuneration Committee'.
- **Shareholder Rights:** A half yearly declaration of financial performance, including summary of significant events in the last six months, is sent to all the shareholders. The Quarterly / Annual Financial Results are also put up on the Company's website, besides being available on the SEBI's website- www.sebidifar.nic / Corporate Filing And Dissemination System (CFDS).
- **Audit Qualifications:** During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- **Training of Board Members:** The Directors interact with the management in a very free and open manner on information that may be required by them. Orientation and factory visits are arranged for new Directors. The Independent Directors are encouraged to attend training programmes that may be of relevance and interest to the Directors in discharging their responsibilities to the Company's stakeholders.

- **Mechanism for evaluating non-executive Board members:** The performance evaluation of non-executive members is done by the Board annually based on criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at Meetings.
- **Whistle Blower Mechanism:** The Company has a Whistle-Blower Policy and the appropriate mechanism in place. Please refer to 'DISCLOSURES' given above.

11. MEANS OF COMMUNICATION

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

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

The Annual Report, Quarterly Results, Shareholding Pattern of the Company are posted through Corporate Filing and Dissemination System (CFDS), a portal which is a single source to view information filed by listed companies. Hard copies of the said disclosures and correspondence are also filed with the Stock Exchanges.

12. GENERAL INFORMATION FOR MEMBERS

12.1. Annual General Meeting

Date and Time	Tuesday, August 25, 2009 at 3:00 p.m.
Venue	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020

12.2. Financial Calendar

Financial Year	Ending March 31
Date of Book Closure	August 5, 2009 to August 25, 2009 (both days inclusive)
Dividend Payment Date	August 26, 2009. The Dividend warrants will be posted on or after August 26, 2009

12.3. Listing

The Company's securities are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

12.4. International Listing

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

12.5. The following are the listed details of the Company shares/ADRs

a) Shares

Type	ISIN No.	Stock Code	
		BSE	NSE
Ordinary Shares	INE155A01014	500570	TATAMOTORS
'A' Ordinary Shares	IN 9155A01012	570001	TATAMTRDVR

b) ADRs

Type	Ticker Symbol	Description	CURRENCY	ISIN	CUSIP	SEDOL
ADR	TTM	Common Shares	INR	US8765685024	876568502	B02ZP96US

Tata Motors Limited

12.6. Two-way Fungibility of Depository Receipts

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

12.7. Market Information

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

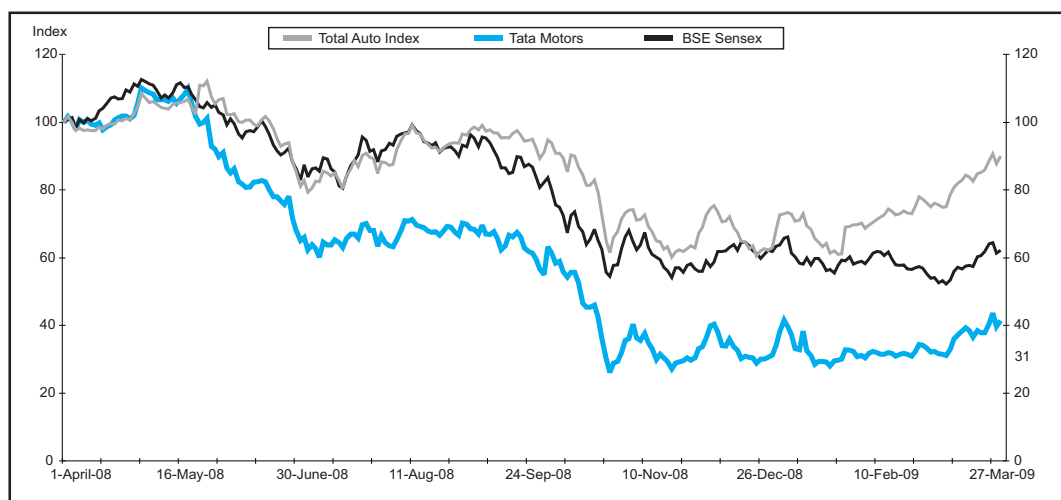
a) Ordinary Shares

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Ltd.		
	High (Rs.)	Low (Rs.)	No. of Shares	High (Rs.)	Low (Rs.)	No. of Shares
Apr-08	662.20	613.25	2869661	664.50	612.70	14208393
May-08	690.45	576.90	3191905	691.55	575.70	16482216
Jun-08	570.30	426.50	3129367	570.45	426.05	17883829
Jul-08	439.60	376.35	3501557	440.85	377.60	15102821
Aug-08	447.20	396.25	4482564	447.95	395.25	15629326
Sep-08	437.80	344.20	5331649	437.75	343.90	21842164
Oct-08	339.25	140.05	12408908	339.65	140.00	32993823
Nov-08	193.85	126.45	14773970	193.95	126.20	49664949
Dec-08	188.10	128.40	17047001	187.85	128.60	49731302
Jan-09	185.70	132.70	11494736	186.45	132.90	40019663
Feb-09	150.00	131.50	13536232	149.95	130.80	43546205
Mar-09	188.80	136.70	30438555	188.90	136.65	104344704

b) 'A' Ordinary Shares

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Ltd.		
	High (Rs.)	Low (Rs.)	No. of Shares	High (Rs.)	Low (Rs.)	No. of Shares
Nov-08	250.60	136.00	4649	278.40	147.60	8372
Dec-08	198.40	164.00	17	164.00	134.35	70
Jan-09	255.00	208.30	60	182.00	113.35	171
Feb-09	280.00	267.00	11	172.90	158.00	30
Mar-09	293.00	257.50	64	175.25	158.00	70

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



Note: All figures rebased to April 1, 2008 = 100

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

(in US \$)

Month	High	Low	Month	High	Low	Month	High	Low	Month	High	Low
Apr-08	16.54	15.15	Jul-08	10.75	8.90	Oct-08	7.41	3.85	Jan-09	5.33	4.01
May-08	17.15	13.85	Aug-08	10.51	9.26	Nov-08	5.10	3.64	Feb-09	4.05	3.25
Jun-08	13.32	9.97	Sept-08	9.84	7.29	Dec-08	4.93	3.75	Mar-09	5.10	3.14

12.10. Registrar and Transfer Agents:-

For Share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents – M/s TSR Darashaw Limited quoting their folio no. at the following addresses:-

- i. For transfer lodgement, delivery and correspondence:
TSR Darashaw Limited, Unit: Tata Motors Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011. Tel: 022-6656 8484; Fax: 022- 6656 8494; e-mail : csg-unit@tsrdarashaw.com; website:www.tsrdarashaw.com
- ii. For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Limited:-
 - 1 503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road, Bangalore - 560 001
Tel : 080– 25320321, Fax : 080-25580019, e-mail : tsrdlbg@tsrdarashaw.com
 - 2 Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001
Tel: 0657 – 2426616, Fax: 0657 – 2426937, Email : tsrdljsr@tsrdarashaw.com
 - 3 Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071
Tel : 033 – 22883087, Fax : 033 – 22883062, e-mail : tsrdlcal@tsrdarashaw.com
 - 4 Plot No.2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002
Tel : 011 – 23271805, Fax : 011 – 23271802, e-mail : tsrdldel@tsrdarashaw.com

Agent: Shah Consultancy Services Limited: 3-Sumathinath Complex, Pritamnagar Akhada Road, Opp. Kothawala Flats, Ellisbridge, Ahmedabad - 380 006
Tel: 079–2657 6038, Email: shahconsultancy8154@gmail.com

For Fixed Deposits, the investors are requested to correspond with the Registrars to the Fixed Deposits Scheme – M/s Link Intime India Private Limited at the following addresses:-

- I. Bhandup Unit : C 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup(West),
Mumbai 400 078 Tel: 022- 2594 -6960- 4 Fax: 022-2594 6969
- II. Fort Unit : 203, Davar House, Next to Central Camera Building, 197/199 D N Road, Fort,
Mumbai 400 001. Tel 022-22694127, email : tmlfd@linkintime.co.in

12.11. Share Transfer System

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Senior Executives of the Company are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days.

12.12. Secretarial Audit

- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A qualified Practising Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Tata Motors Limited
12.13. Shareholding Pattern of Ordinary Shares and 'A' Ordinary Shares

Category	Ordinary Shares					'A' Ordinary Shares ⁽²⁾	
	As on 31.3.09		As on 31.3.08		%Variance 09 V/s 08	As on 31.3.09	
	No. of shares	%	No. of shares	%		No. of shares	%
Promoters and Promoter Group	⁽¹⁾ 187733595	41.73	128819405	33.42	8.31	54082644	84.27
Mutual Funds and Unit Trust of India	12335785	2.74	10160944	2.63	0.11	0	0.00
Government cos., Financial Institutions, Banks and Insurance cos.	69376399	15.43	57079243	14.81	0.62	8196838	12.77
Foreign Institutional Investors	32077806	7.13	65388543	16.96	(9.83)	55450	0.09
NRIs, Foreign cos. and ADRs	87440974	19.44	79068379	20.51	(1.07)	11155	0.02
Others	60868100	13.53	44987440	11.67	1.86	1829568	2.85
Total	449832659	100	385503954	100	0	64175655	100

(1) Out of the above, 612,50,000 shares aggregating to 13.62% of the paid-up capital have been pledged by the Promoters/Promoter Group.

(2) Corresponding figures for the previous year are not available as the 'A' Ordinary Shares were issued and listed during the year.

12.14. Distribution of shareholding as on March 31, 2009
a) Ordinary Shares

Range of Shares	Shares held in				No. of Holders			
	Physical	% to Capital	Electronic Capital	% to Capital	Physical	% to Holders	Electronic	% to Holders
1 - 100	1683215	0.38	8239387	1.83	50226	12.81	245913	62.74
101 - 500	3994650	0.89	13507839	3.00	17866	4.56	57147	14.58
501 - 1000	1850853	0.41	7202861	1.60	2673	0.68	9991	2.55
1001 - 5000	2269148	0.50	11402784	2.54	1254	0.32	6004	1.53
5001 - 10000	404115	0.09	2706861	0.60	60	0.02	388	0.10
Above 10000	26437791	5.88	370133155	82.28	27	0.00	420	0.11
Total	36639772	8.15	413192887	91.85	72106	18.39	319863	81.61

b) 'A' Ordinary Shares

Range of Shares	Shares held in				No. of Holders			
	Physical	% to Capital	Electronic Capital	% to Capital	Physical	% to Holders	Electronic	% to Holders
1 - 100	42918	0.07	143777	0.23	1555	20.39	5316	69.70
101 - 500	30389	0.05	103741	0.16	154	2.02	525	6.88
501 - 1000	3096	0.00	25793	0.04	4	0.05	37	0.49
1001 - 5000	2161	0.00	27326	0.04	2	0.03	15	0.20
5001 - 10000	0.00	0.00	24658	0.04	0	0.00	3	0.04
Above 10000	32787	0.05	63739009	99.32	1	0.00	15	0.20
Total	111351	0.17	64064304	99.83	1716	22.49	5911	77.51

12.15 Top shareholders (holding in excess of 1% of capital) as on March 31, 2009
a) Ordinary Shares

Name of Shareholder	No. of Shares held	% to paid-up capital	Name of Shareholder	No. of Shares held	% to paid-up capital
Tata Sons Ltd.	130168939	28.94	Tata Industries Ltd.	9023297	2.01
Citibank N.A. New York, Depository	58924441	13.10	The New India Assurance Co. Ltd.	4895505	1.09
Life Insurance Corporation of India	46179388	10.27	FID Funds (Mauritius) Ltd.	4866610	1.08
Tata Steel Ltd.	37916139	8.43	Bajaj Allianz Life Insurance Co. Ltd.	4611322	1.03
Daimler Chrysler AG	25596476	5.69			

b) 'A' Ordinary Shares

Name of Shareholder	No. of Shares held	% to paid-up capital	Name of Shareholder	No. of Shares held	% to paid-up capital
Tata Sons Ltd.	46762030	72.87	JM Financial Consultants Pvt Ltd	1406255	2.19
IFCI Ltd.	8196720	12.77	Tata Industries Limited	1289042	2.01
Tata Steel Ltd.	5537729	8.63			

12.16. Dematerialisation of shares

The electronic holding of the shares as on March 31, 2009 through NSDL and CDSL are as follows:-

Particulars	NSDL		CDSL	
	2009	2008	2009	2008
Ordinary Shares	89.69%	88.90%	2.16%	1.47%
'A' Ordinary Shares	99.79%	N.A.	0.04%	N.A.

12.17. Outstanding securities as at March 31, 2009

Foreign Currency Convertible Notes

- 3,00,000 -1% Convertible Notes (due 2011) of US \$ 1000 each, aggregating US\$ 300 million issued in April 2004.
- 1146 - Zero Coupon Convertible Notes (due 2011) of JP¥ 10,000,000 each aggregating JP¥ 11,460,000,000 (equivalent US\$ 100 million) issued in March 2006.
- 4730 - Zero Coupon Convertible Alternative Reference Securities (due 2012) of US\$ 100,000 each aggregating US\$ 473 million issued in July 2007.
- 2410 - Zero Coupon Convertible Notes (due 2009) of US\$ 1000 each, aggregating US\$ 100 million issued in April 2004.

The following are the relevant details of the notes:

Type	Description	Currency	Cusip	ISIN Nos.	Listing at
Zero Coupon Notes (due 2009)	Reg S	US\$	Y8548TAE1	USY8548TAE11	Singapore
1% Notes (due 2011)	Reg S	US\$	Y8548TAF8	USY8548TAF85	Stock
Zero Coupon Notes (due 2011)	Reg S	JP ¥	024521788	XS0245217889	Exchange
Zero Coupon Notes (due 2012)	Reg S	US\$	030788176	XS0307881762	

In May 2009, the Company issued Secured, Credit enhanced, Non cumulative 2% Coupon, Premium Redemption, Non-Convertible Debentures of face value of Rs.10,00,000/- each aggregating to Rs.4,200 crores on a private placement basis in the following tranches:-

ISIN Number	Tranche	Redemption Premium	Yield to Maturity	Maturity
INE155A07169	Rs. 800 crores	Rs. 71.96 crores	6.75%	23 months
INE155A07177	Rs. 350 crores	Rs. 96.55 crores	8.40%	47 months
INE155A07185	Rs. 1,800 crores	Rs. 658.05 crores	8.45%	59 months
INE155A07193	Rs. 1,250 crores	Rs. 919.23 crores	10.03%	83 months

The said debentures are listed on the Wholesale Debt Market segment of the National Stock Exchange of India.

12.18. Plant Locations

Plant Location	Range of Products Produced
Pimpri, Pune – 411 018 ; Chikhali, Pune – 410 501	Medium and Heavy Commercial Vehicles (M&HCVs), Light Commercial Vehicles (LCVs), Utility Vehicles (Uvs) and Cars
Chinchwad, Pune – 411 033	M&HCVs
Jamshedpur, Jamshedpur – 831 010	M&HCVs and LCVs
Chinhat Industrial Area, Lucknow – 226 019	LCVs & Cars
Plot No. 1, Section 11, I.I.E., Pantnagar, District Udham Singh Nagar, Uttarakhand-263145	Project under construction / Implementation
KIADB Block II, Belur Industrial Area, Mummigatti Post, Dharwad - 580007	
Revenue Survey No. 1, Village Northkotpura, Tal. Sanand, Dist. Ahmedabad - 380 015	

12.19. Address for correspondence

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

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

- Pursuant to Sections 205A and 205C of the Act, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits pertaining to the Company and erstwhile Tata Finance Limited (TFL) remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.

Tata Motors Limited

- (ii) In case of non receipt/non encashment of the dividend warrants, Members are requested to correspond with the Company's Registrars/the Registrar of Companies, as mentioned hereunder:

Dividend for	Whether it can be claimed	Contact Office	Action to be taken
2002-03 to 2007-08	Yes	TSR Darashaw Limited	Letter on plain paper.
2000-01 and 2001-02	N.A.	-	Not Applicable due to non declaration of dividend.
1995-96 to 1999-2000	No	TSR Darashaw Limited	None. Already transferred to IEPF.
1978-79 to 1994-95	Yes	Office of the Registrar of Companies, CGO Complex, 'A' Wing, 2 nd floor, Next to RBI, CBD – Belapur, Navi Mumbai-400614. Maharashtra ☎ : 91 22 2757 6802	Claim in Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

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

Financial Year	Dividend / Payment Date	Proposed Date for transfer to IEPF *
2002-03	July 22, 2003	August 18, 2010
2003-04 (Interim)	February 20, 2004	March 20, 2011
2003-04 (Final)	July 8, 2004	August 16, 2012
2004-05	July 12, 2005	August 20, 2013
2005-06	July 12, 2006	August 20, 2014
2006-07	July 10, 2007	August 18, 2015
2007-08	July 25, 2008	September 2, 2016

* Indicative dates. Actual dates may vary.

- (iv) Following amounts have been transferred to IEPF:-

(in Rs.)

Particulars	As on 31.3.08	During FY 08-09	As at 31.3.09
Unpaid Dividend accounts of the Company	2,33,84,145.99	NIL	2,33,84,145.99
Application moneys received for allotment of any securities and due for refund	31,351.08	NIL	31,351.08
Unpaid matured deposit with the Company	2,04,01,711.00	63,45,809.00	2,67,47,520.00
Unpaid matured debentures with the Company	3,95,04,605.53	NIL	3,95,04,605.53
Interest accrued on Matured deposits with companies	69,80,036.64	11,68,776.00	81,48,812.64
Interest accrued on Matured debentures with companies	2,30,60,140.10	NIL	2,30,60,140.10
Total	11,33,61,990.34	75,14,585.00	12,08,76,575.34

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

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

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

Shareholders are advised that respective bank details and address as furnished by them to the Company will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2009.

For Tata Motors Limited

P M Telang

Managing Director - India Operations

Mumbai, June 26, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF TATA MOTORS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Tata Motors Limited for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S Dharmadhikari
Partner
Membership No.: 30802

Mumbai : June 26, 2009

Notes:

(A)	List of Subsidiaries of Telco Construction Equipment Co. Ltd that have been consolidated	Country of Incorporation
1	Serviplem S.A	Spain
2	Eurl Lebrero France	France
3	Comoplesa Lebrero S.A	Spain
4	Baryval Asistencia Tecnica S.L	Spain
5	Inner Mongolia North Baryval Engineering Special Vehicle Corporation Ltd	China
(B)	List of Subsidiaries of Tata Technologies Ltd that have been consolidated	
1	INCAT Systems Inc	USA
2	INCAT Solutions of Canada Inc	Canada
3	Integrated Systems Technologies de Mexico, S.A. de C.V.	Mexico
4	INCAT (Thailand) Ltd	Thailand
5	INCAT GmbH	Germany
6	INCAT Holdings B.V.	Netherlands
7	INCAT International Plc.	UK
8	INCAT K.K.	Japan
9	INCAT SAS	France
10	Tata Technologies Pte Ltd	Singapore
11	Tata Technologies Europe Ltd (Formerly known as INCAT Ltd)	UK
12	Tata Technologies iKs Inc. (Merged into INCAT Systems Inc.)	USA
13	Lemmaerpoot BV (filed for bankruptcy during FY 2006-07 and continues to be under bankruptcy proceedings)	Netherlands
(C)	List of Subsidiaries of Tata Motors European Technical Centre Plc. that have been consolidated	
1	Miljobil Grenland AS	Norway
2	Miljo Innovasjon AS	Norway
(D)	List of Subsidiaries of TML Holdings Pte Ltd, Singapore that have been consolidated	
1	JaguarLandRover Ltd (Formerly known as TML Holdings Ltd, UK)	UK
2	Jaguar Cars Overseas Holdings Ltd	UK
3	Jaguar Land Rover Austria GmbH	Austria
4	Jaguar Belux NV	Belgium
5	Jaguar Cars Ltd	UK
6	Jaguar Land Rover Japan Ltd	Japan
7	Jaguar Cars South Africa (pty) Ltd	South Africa
8	Jaguar Italia SpA	Italy
9	Jaguar Cars Exports Ltd	UK
10	The Daimler Motor Company Ltd	UK
11	The Jaguar Collection Ltd	UK
12	Daimler Transport Vehicles Ltd	UK
13	S.S. Cars Ltd	UK
14	The Lanchester Motor Company Ltd	UK
15	Jaguar Hispania Sociedad	Spain
16	Jaguar Deutschland GmbH	Germany
17	Land Rover	UK
18	Land Rover Group Ltd	Jersey
19	Jaguar Land Rover North America LLC	USA
20	Land Rover Belux SA/NV	Belgium
21	Land Rover Ireland Ltd	Ireland
22	Land Rover Nederland BV	Netherlands
23	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA	Portugal
24	Jaguar Land Rover Australia Pty Ltd	Australia
25	Land Rover Exports Ltd	UK
26	Land Rover Italia SpA	Italy
27	Land Rover Espana SL	Spain
28	Land Rover Deutschland GmbH	Germany
29	Jaguar Land Rover Asia Pacific Company Ltd	Thailand
30	Jaguar Land Rover Mexico SA de CV	Mexico
31	Jaguar Land Rover Korea Co. Ltd	South Korea
32	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd (Name change to Jaguar Land Rover Brand Management Consulting (Shanghai) Co. Ltd)	China
33	Jaguar Land Rover Canada ULC	Canada
34	Jaguar Land Rover France, SAS (incorporated on February 1, 2009)	France
35	Jaguar Land Rover South Africa (pty) Ltd (incorporated on February 2, 2009)	South Africa

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

*Profit for the year is after share of minority interest and share of profit / (loss) in respect of investment in associate companies.

FUNDS FLOW - LAST FIVE YEARS

		(Rs. In crores)				
		2008-09	2007-08	2006-07	2005-06	2004-05
Sources of Funds						
1	Funds generated from operations					
	A. Profit/(Loss) after tax	1001.26	2028.92	1913.46	1528.88	1236.95
	B. Depreciation (including Lease Equalisation)	870.05	647.82	582.51	522.48	450.16
	C. (Reversal) / Provision for diminution in value of investments (net)	(1.96)	(62.93)	1.09	(9.69)	9.67
	D. Net deferred tax charge	(2.50)	401.54	177.22	142.15	51.13
	E. Adjustment in General Reserve for difference in opening liability for Employee Benefits [Note b(v)]	-	-	(27.12)	-	-
	F. Credit for Dividend Distribution Tax of Subsidiary Companies	15.29	-	-	-	-
	G. Exchange gain (net) on Long term Foreign currency monetary items deferred consequent to amendment to AS-11 [Note b(iii)]	106.23	-	-	-	-
	H. Marked to Market Exchange loss on Forward contracts transferred to Hedging Reserve Account on adoption of principles of hedge accounting under AS30 [Note b(v)]	(132.57)	-	-	-	-
	Total	1855.80	3015.35	2647.16	2183.82	1747.91
2	Proceeds from Rights issue of Ordinary shares and 'A' Ordinary shares	4139.33				
3	Proceeds from FCCN, Warrants and Convertible Debentures converted into Ordinary Shares and premium thereon	8.52	6.90	96.38	371.39	132.06
4	(a) Decrease in Working Capital	-	1348.30	-	-	588.93
	(b) Decrease in Finance receivables	406.22	2227.41	-	-	-
5	Increase in Borrowings (net of repayments)	6885.04	2271.38	1072.30	441.42	1235.65
6	Decrease in short term deposits with banks	1081.85	-	508.72	1075.29	-
7	Investments sold (net of purchases and adjustment for diminution in value of investments)	-	-	-	906.60	135.04
8	Effect of amalgamation of TFL, TDDL and SCFL (2004-05 : spare parts division of TMISL)	-	-	-	123.58	0.48
		14376.76	8869.34	4324.56	5102.10	3840.07
Application of Funds						
9	Capital Expenditure (net)	5118.13	4705.95	2456.30	1347.63	898.87
10	Investments made (net of sales)	8055.90	2370.34	462.94	-	-
12	Increase in short term deposits with banks	-	1122.40	-	-	1343.69
13	(a) Increase in Working Capital	830.47	-	728.26	288.50	-
	(b) Increase in Finance receivables	-	-	4.61	2791.98	1041.91
14	Dividends (including tax thereon)	345.70	659.68	676.39	567.78	517.15
15	Arrears of preference dividend (including tax) pertaining to erstwhile Tata Finance Ltd.	-	-	-	19.94	-
16	Deferred Tax Assets (net) taken over on amalgamation	-	-	-	84.89	-
17	Miscellaneous Expenditure (to the extent not written off or adjusted) and utilisation of Securities Premium Account [Note (a) below]	26.56	10.97	(3.94)	1.38	38.45
		14376.76	8869.34	4324.56	5102.10	3840.07
Notes :						
(a)	Utilisation of Securities Premium Account includes FCCN / CARS / Rights issue expenses and premium on redemption of Debentures	30.59	15.01	0.09	5.41	42.48
(b)	The Sources and Application of funds does not include					
	(i) Provision for premium on redemption of CARS / FCCN	835.19 *	675.19 *	284.25	298.20	293.60
	(ii) Exchange gain (net) and depreciation thereon adjusted from General Reserve to Fixed Assets relating to FY 2007-08 consequent to amendment to AS11	85.09 *	-	-	-	-
	(iii) Exchange gain (net) adjusted from General Reserve to Foreign Currency Monetary Item Translation Difference Account relating to FY 2007-08 consequent to amendment to AS11	57.89	-	-	-	-
	(iv) Exchange loss (net) on forward contracts adjusted to General Reserve on adoption of principles of hedge accounting under AS30	6.87 *	-	-	-	-
	(v) Deferred Tax on account of item 1(E) and 1(H)	45.06	-	12.93	-	-
	* net of deferred tax					
(c)	Figures for the previous years have been regrouped wherever necessary.					

AUDITORS' REPORT

TO THE MEMBERS OF TATA MOTORS LIMITED

1. We have audited the attached Balance Sheet of **TATA MOTORS LIMITED** as at March 31, 2009, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S Dharmadhikari
Partner
Membership No.: 30802

Mumbai: May 29, 2009

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme for physical verification of fixed assets in accordance with which the fixed assets have been physically verified during the year by the Management. In our opinion, the frequency of physical verification is reasonable. Having regard to the size of the operations of the Company and on the basis of explanations received, in our opinion, the net discrepancies found on physical verification were not material.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) (a) As explained to us, the stocks of finished goods (other than a significant part of the spare parts held for sale) and work in progress in the Company's custody have been physically verified by the Management as at the end of the financial year, before the year-end or after the year-end, and in respect of stocks of stores and spares, the aforesaid spare parts held for sale, and raw materials in the Company's custody, there is a perpetual inventory system and a substantial portion of the stocks have been verified during the year. In our opinion, the frequency of verification is reasonable. In the case of materials and spare parts held for sale lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held during the year or at the year-end.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, clauses (iii) (b), (iii) (c) and (iii) (d) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (b) The Company has taken loan from two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.13.6 crores and the year-end balance of the loans taken from such parties was Rs.13.6 crores.
- (c) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
- (d) The principal amount is not due for repayment and the Company has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system of the Company.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to the manufacture of motor vehicles pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any other products of the Company.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. We are informed by the Company that the Employees' State Insurance Act, 1948 is applicable only to certain locations of the Company. With regard to the contribution under the Employees' Deposit Linked Insurance Scheme, 1976 (the Scheme), we are informed that the Company has its own Life Cover Scheme, and consequently, an application has been made seeking an extension of exemption from contribution to the Scheme, which is awaited. Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to the Company were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, details of dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute are given below:

Particulars	Financial years to which the matter pertains	Forum where dispute is pending	Amount (Rs. in crores)	
Income tax	1998-99	Appellate Tribunal	0.22	
	1998-99, 2003-04, 2004-05 and 2005-06	Commissioner	165.10	
Sales tax	1984-85, 1985-86, 1986-87, 1987-88, 1988-89, 1990-91, 1992 - 93, 1994 - 95, 2000 - 01, 2005 - 06	High Court	147.59	
	1987-88, 1988-89, 1989-90, 1990-91, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1999-00, 2000-01, 2004-05	Appellate Tribunal	25.57	
	2004-05, 2005-06	Commissioner (Appeals)	0.18	
	1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09	Joint Commissioner	249.50	
	1964-65, 1965-66, 1966-67, 1971-72, 1972-73, 1973- 74, 1974-75, 1975-76, 1979-80, 1982-83, 1984-85, 1985-86, 1986-87, 1987-88, 1988-89, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1999-00, 2000-01, 2001-02, 2004-05, 2005-06	Deputy Commissioner	40.76	
	1988-89, 1989-90, 1991-92, 1992-93, 1995-96, 1996-97, 1997-98, 1998-99, 2001-02	Additional Commissioner	21.80	
	1986-87, 1988-89, 1990-91, 1992-93, 1995-96, 1997-98, 1999-00	Assistant Commissioner	0.09	
	1986-87, 1991-92, 1999-00, 2002-03	Trade Tax Officer	0.54	
	Excise duty	1993-94, 1999-2000, 2001-02, 2002-03, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09	Appellate Tribunal	90.61
		1984-85, 1994-95, 1995-96, 2003-04, 2006-07, 2008-09	Commissioner (Appeals)	0.76

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions are not *prima facie* prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) Based on an overall examination of Balance Sheet of the Company, as at March 31, 2009, short term funds of Rs 6129 crores have been utilized for long term application. As per the information and explanation given to us, the same is attributable to the economic scenario affecting the volumes and funding plans. Further the Company has explained that steps are being taken to augment long term funds.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) In our opinion and according to the information and explanations given to us, during the period covered by our audit report, the Company has issued debentures and the security or charge has been created in respect of debentures issued.
- (xx) We have verified the end use of money raised by the rights issue from the Letter of Offer filed with Securities Exchange Board of India and as disclosed in the Directors' Report.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S Dharmadhikari
Partner
Membership No.: 30802

Mumbai: May 29, 2009

Balance Sheet as at March 31, 2009

			(Rs. in crores)	
			As at March 31, 2008	
	Schedule	Page		
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	1	63	514.05	385.54
(b) Reserves and Surplus	2	63	11716.10	7453.96
			12230.15	7839.50
2. LOAN FUNDS				
(a) Secured	3	64	5251.65	2461.99
(b) Unsecured	4	64	7913.91	3818.53
			13165.56	6280.52
3. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (NET) [Note A(9), page 82 and Note P(i), Page 75]			164.12	-
4. DEFERRED TAX LIABILITY (NET) [Note A(3)(a), page 77]			865.81	975.72
5. TOTAL FUNDS EMPLOYED			26425.64	15095.74
APPLICATION OF FUNDS				
6. FIXED ASSETS	5	65		
(a) Gross Block			13905.17	10830.83
(b) Less - Depreciation			6259.90	5443.52
(c) Net Block			7645.27	5387.31
(d) Capital Work-in-Progress			6954.04	5064.96
			14599.31	10452.27
7. INVESTMENTS	6	66	12968.13	4910.27
8. CURRENT ASSETS, LOANS AND ADVANCES				
(a) Interest accrued on investments			0.11	0.86
(b) Inventories	7	70	2229.81	2421.83
(c) Sundry Debtors	8	70	1555.20	1130.73
(d) Cash and Bank Balances	9	70	1141.82	2397.31
(e) Loans and Advances	10	71	4764.75	4409.52
			9691.69	10360.25
9. CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities	11	72	8958.25	8643.67
(b) Provisions	12	72	1877.26	1989.43
			10835.51	10633.10
10. NET CURRENT ASSETS [(8) - (9)]			(1143.82)	(272.85)
11. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	13	72	2.02	6.05
12. TOTAL ASSETS (NET)			26425.64	15095.74
13. SIGNIFICANT ACCOUNTING POLICIES		73		
14. NOTES TO BALANCE SHEET	14	76		

As per our report attached

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

Mumbai, May 29, 2009

RATAN N TATA
Chairman
N A SOONAWALA
J J IRANI
R GOPALAKRISHNAN
N N WADIA
R A MASHELKAR
N MUNJEE
SBHARGAVA
V K JAIRATH
Directors

RAVI KANT
Managing Director

P M TELANG
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, May 29, 2009

Profit and Loss Account for the year ended March 31, 2009

			(Rs. in crores)	
			2007-2008	
	Schedule	Page		
INCOME				
1. SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS	A (1)	59	28599.27	33093.93
LESS: EXCISE DUTY			2938.48	4354.52
			25660.79	28739.41
2. DIVIDEND AND OTHER INCOME	A (2)	59	925.97	483.18
			26586.76	29222.59
EXPENDITURE				
3. MANUFACTURING AND OTHER EXPENSES	B	60	24824.37	26552.05
4. EXPENDITURE TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS			(916.02)	(744.23)
			23908.35	25807.82
PROFIT BEFORE DEPRECIATION, INTEREST, EXCEPTIONAL ITEMS AND TAX			2678.41	3414.77
5. PRODUCT DEVELOPMENT EXPENDITURE			51.17	64.35
6. DEPRECIATION	5	65	874.54	652.31
7. INTEREST AND DISCOUNTING CHARGES [Note B(4), page 83]			673.68	282.37
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			1079.02	2415.74
8. NOTIONAL EXCHANGE (LOSS) / GAIN (NET) ON REVALUATION OF FOREIGN CURRENCY BORROWINGS, DEPOSITS AND LOANS GIVEN			(65.26)	160.73
PROFIT BEFORE TAX			1013.76	2576.47
9. TAX EXPENSE [Note A(3)(c), page 77]			(12.50)	(547.55)
PROFIT AFTER TAX			1001.26	2028.92
10. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			1383.07	1013.83
Add: Credit taken for Dividend Distribution Tax for previous year			15.29	-
AMOUNT AVAILABLE FOR APPROPRIATION			2399.62	3042.75
11. APPROPRIATIONS				
(a) Proposed Dividend			311.61	578.43
(b) Tax on Proposed Dividend			34.09	81.25
(c) Debenture Redemption Reserve			267.80	-
(d) General Reserve			100.13	1000.00
(e) Balance carried to Balance Sheet			1685.99	1383.07
			2399.62	3042.75
12. EARNINGS PER SHARE [Note B (7), page 85]				
I. Ordinary Shares				
a) Basic	Rupees		22.70	52.64
b) Diluted	Rupees		20.83	48.04
II. 'A' Ordinary Shares				
a) Basic	Rupees		23.20	-
b) Diluted	Rupees		21.33	-
13. SIGNIFICANT ACCOUNTING POLICIES		73		
14. NOTES TO PROFIT AND LOSS ACCOUNT	14 to 18	83		

As per our report attached to the Balance sheet

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

Mumbai, May 29, 2009

RATAN N TATA
Chairman
N A SOONAWALA
J J IRANI
R GOPALAKRISHNAN
N N WADIA
R A MASHELKAR
N MUNJEE
SBHARGAVA
V K JAIRATH
Directors

RAVI KANT
Managing Director

P M TELANG
Executive Director

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, May 29, 2009

Tata Motors Limited

Cash Flow Statement for the year ended March 31, 2009

	2008-2009	2007-2008
A. Cash flow from Operating Activities		
Profit after tax	1001.26	2028.92
Adjustments for:		
Depreciation (including Lease Equalisation adjusted in income)	870.05	647.82
Profit on sale of assets (net)	(13.07)	(20.56)
Profit on sale of investments (net)	(518.56)	(168.62)
Income from transfer of Technology	(138.83)	(169.40)
Gain on buyback of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS)	(50.74)	-
Reversal of provision for diminution in value of investments (net)	(1.96)	(62.93)
Reversal of provision for inter corporate deposits (net)	(5.97)	(0.77)
Gain on transfer of activity relating to financing of Construction Equipment	-	(30.00)
Wealth tax	0.90	(0.30)
Tax expense	12.50	547.55
Interest / Dividend (net)	270.69	33.36
Exchange differences	126.40	(46.34)
Employee Separation Cost	4.03	4.04
	<u>555.44</u>	<u>733.85</u>
Operating Profit before Working Capital changes	1556.70	2762.77
Adjustments for:		
Trade and other receivables	(662.40)	(488.52)
Inventories	192.02	79.12
Trade and other payables	(30.83)	2076.32
	<u>(501.21)</u>	<u>1666.92</u>
Vehicle loans and hire purchase receivables	406.22	2046.80
	<u>(94.99)</u>	<u>3713.72</u>
Cash generated from operations	1461.71	6476.49
Direct taxes paid (net)	(166.69)	(297.02)
Net Cash from Operating Activities	<u>1295.02</u>	<u>6179.47</u>
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(4029.06)	(4411.26)
Sale of fixed assets	17.76	39.32
Proceeds from transfer of Technology	103.03	169.40
Proceeds from transfer of activity relating to financing of Construction Equipment	-	210.61
Loans to associates and subsidiaries	(138.53)	(53.34)
Advance against investments in subsidiary companies and joint venture	(385.52)	(0.05)
Investments in subsidiary companies	(8046.76)	(664.44)
Investments in associate companies	(33.22)	(91.91)
Investments in joint venture	(117.95)	(601.59)
Investments - others	-	(421.26)
Investments in Mutual Fund sold / (made) (net)	795.27	(682.72)
Decrease in Investments in retained interests in securitisation transactions	8.21	14.26
Sale of investments in subsidiary companies	-	164.25
Sale of investments in associate companies	162.70	18.39
Sale / redemption of investments - others	603.53	106.37
Placement of Long Term Inter-corporate deposits	(265.00)	-
Receipt of Long Term Inter-corporate deposits	-	26.92
Decrease in short term Inter-corporate deposits	85.33	182.34
Interest received	136.94	125.56
Preacquisition dividend received	0.18	-
Dividend / Income on investments received	458.42	144.50
Net Cash used in Investing Activities	<u>(10644.67)</u>	<u>(5724.65)</u>
C. Cash Flow from Financing Activities		
Stamp duty on Foreign Currency Convertible Notes (FCCN) conversion	(0.01)	(0.01)
Premium on redemption of FCCN (including tax)	(0.05)	-
Brokerage on Non-Convertible Debentures	(0.90)	-
Proceeds from issue of Convertible Alternative Reference Securities (CARS) (net of issue expenses)	-	1969.99
Proceeds from Rights issue of shares (net of issue expenses)	4109.66	-
Proceeds from Fixed Deposits	1232.47	-
Proceeds from long term borrowings	6146.15	2827.70
Repayment of long term borrowings	(3178.46)	(2831.24)
Increase in short term loans (net)	1549.42	405.48
Dividend paid (including Dividend tax)	(642.41)	(674.91)
Interest paid (including discounting charges paid, Rs. 345.30 crores (2007-2008 Rs. 276.09 crores))	(1111.17)	(566.73)
Net Cash from Financing Activities	<u>8104.70</u>	<u>1130.28</u>
Net (Decrease) / Increase in Cash and cash equivalents	<u>(1244.95)</u>	<u>1585.10</u>
Cash and cash equivalents as at March 31, (Opening Balance)	2397.31 *	826.76 *
Less : Exchange fluctuation on FCCN / CARS proceeds kept outside India and on foreign currency bank balances	(10.54)	(14.55)
Cash and cash equivalents as at March 31, (Closing Balance) # @	<u>1141.82 *</u>	<u>2397.31 *</u>

* Includes Cash Collateral of Rs. 462.92 crores (as at March 31, 2008 Rs. 524.59 crores, as at March 31, 2007 Rs. 290.80 crores)
 # Includes unutilised proceeds from CARS issue (including interest thereon) of Rs. Nil (as at March 31, 2008 Rs. 1122.40 crores)
 @ Includes restricted deposit of Rs. 15.00 crores (as at March 31, 2008 Rs. Nil)
 Previous year's figures have been restated, wherever necessary, to conform to this year's classification.

As per our report attached to the Balance Sheet

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

Mumbai, May 29, 2009

RATAN TATA
Chairman
N A SOONAWALA
J J IRANI
R GOPALAKRISHNAN
N N WADIA
R A MASHELKAR
N MUNJEE
S BHARGAVA
V K JAIRATH
Directors

For and on behalf of the Board

RAVI KANT
Managing Director

P M TELANG
Executive Director

CRAMAKRISHNAN
Chief Financial Officer

HK SETHNA
Company Secretary

Mumbai, May 29, 2009

Schedules forming part of the Profit and Loss Account

		(Rs. in crores)	
		"A" [Item no. 1 and 2]	
		2008-2009	2007-2008
SALE OF PRODUCTS AND OTHER INCOME			
1. Sale of products and other income from operations			
(a)	Sale of Products / Services (Schedule 15, page 88) (Note 1 below)	28017.39	32521.83
(b)	Income from Hire purchase / Loan contracts (Note 2 below)	275.17	363.20
(c)	Miscellaneous income (Note 3 below)	306.71	208.90
		28599.27	33093.93
2. Dividend and other income			
(a)	Trade investments (long term) [Note 4 below]	400.63	264.29
(b)	Other investments (long term) [Note 5 below]	2.61	7.20
(c)	Other investments (current) [Note 6 below]	4.48	56.13
(d)	Profit on sale of investments (net) (trade, long term) [Notes 7 and 8 below]	518.25	155.56
		925.97	483.18
Notes :		2008-2009	2007-2008
(1) Includes exchange (loss) / gain (net)		(439.32)	87.05
(2) Includes :			
(i)	(loss) / gain on securitisation of Loan contracts (net)	(54.18)	27.15
(ii)	interest income from Loan contracts (net)	304.43	306.44
(3) Includes :			
(i)	Profit on sale of assets (net) [includes Capital Profits of Rs. 4.56 crores (2007-08 Rs. 8.74 crores)]	13.56	20.81
(ii)	Gain on transfer of activity relating to financing of Construction Equipment	-	30.00
(iii)	Gain on buyback of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS)	50.74	-
(iv)	Income from Infrastructural Services provided in vendor park	56.57	-
(4) Includes :			
(i)	Dividend from subsidiary companies [including tax deducted at source of Rs. 11.63 crores (2007-08 Rs. 3.79 crores)]	307.34	131.89
(ii)	Reversal of provision for diminution in value of investment	0.28	61.33
(5) Includes :			
(i)	Reversal of provision for diminution in value of investment	1.68	1.60
(ii)	Tax deducted at source	0.04	1.84
(6) Includes profit on sale of current investments (net)		0.31	13.06
(7) Includes profit on sale of investments in subsidiary companies		-	138.75
(8) Includes profit on sale of stakes in :			
(i)	Tata AutoComp Systems Ltd	113.66	-
(ii)	Tata Steel Ltd	358.81	-
(iii)	Tata Teleservices Ltd	47.80	-
(iv)	Tata Securities Ltd	-	18.24

Schedules forming part of the Profit and Loss Account

	(Rs. in crores)	
"B" [Item no. 3]	2008-2009	2007-2008
MANUFACTURING AND OTHER EXPENSES		
1. Purchase of products for sale etc. [Note B(1), page 83]	2180.32	1598.11
2. Consumption of raw materials and components (Schedule 18, page 91)	16218.62	18592.08
3. Processing charges	810.60	851.43
4. Payments to and provisions for employees : (Refer Note B(5), page 84)		
(a) Salaries, wages and bonus	1227.77	1208.22
(b) Contribution to provident and other funds	131.80	171.20
(c) Workmen and staff welfare expenses [Note B(i), page 61]	191.82	165.15
	1551.39	1544.57
5. Expenses for manufacture, administration and selling :		
(a) Stores, spare parts and tools consumed	402.43	465.40
(b) Freight, transportation, port charges, etc.	479.71	537.52
(c) Repairs to buildings [Note B(ii), page 61]	31.15	25.87
(d) Repairs to plant, machinery, etc. [Note B(iii), page 61]	56.06	53.52
(e) Power and fuel	304.94	325.19
(f) Rent	46.55	41.87
(g) Rates and taxes	16.22	16.64
(h) Insurance	44.14	46.48
(j) Publicity	321.29	286.77
(k) Incentive / Commission to dealers	419.76	347.11
(l) Works operation and other expenses [Note B(iv), page 61]	1764.10	1786.49
	3886.35	3932.86
6. Excise Duty on change in Stock-in-trade	(60.95)	(7.48)
7. Changes in Stock-in-trade and Work-in-progress :		
A Opening Stock		
(i) Work-in-progress	296.00	301.32
(ii) Stock-in-trade	1067.86	1103.02
	1363.86	1404.34
B Closing Stock		
(i) Work-in-progress	245.95	296.00
(ii) Stock-in-trade	879.87	1067.86
	1125.82	1363.86
	238.04	40.48
	24824.37	26552.05

Schedules forming part of the Profit and Loss Account

		(Rs. in crores)	
		"B" [Item no. 3] (contd.)	
		2008-2009	2007-2008
NOTES:			
(i)	Item 4 (c) : Workmen and staff welfare expenses include provisions for other employee benefit schemes	24.33	14.28
(ii)	Item 5 (c) : Repairs to buildings exclude amounts charged to other revenue accounts	9.08	8.16
(iii)	Item 5 (d) : Repairs to plant, machinery, etc. exclude amounts charged to other revenue accounts	133.44	142.96
(iv)	Item 5 (l) : Works operation and other expenses include :		
	(1) Loss on assets scrapped / written off	0.49	0.25
	(2) Commission and Brokerage on sales	3.39	2.40
	(3) Provisions and write off for sundry debtors, vehicle loans and advances (net)	228.21	362.86
	(4) Securitisation expenses for Hire purchase / Loan contracts	31.06	45.95
	(5) Lease rentals in respect of plant and machinery	0.18	-

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

“B” [Item no. 3] (contd.)

MANAGERIAL REMUNERATION :

	2008-2009	2007-2008
1. Managerial remuneration for directors (excluding provision for encashable leave and gratuity as separate actuarial valuation for whole-time directors is not available) [Note below]	11.84	9.96
2. The above is inclusive of :		
(a) Estimated expenditure on perquisites	0.27	0.24
(b) Contribution to provident / superannuation funds	0.29	0.27
(c) Commission to directors	7.30	7.90
3. Directors' sitting fees	0.29	0.20
4. Remuneration to directors :		
(a) Profit after tax as per profit and loss account	1001.26	2028.92
(b) Add: (i) Managerial remuneration	11.84	9.96
(ii) Directors' sitting fees	0.29	0.20
(iii) Tax expense	12.50	547.55
(iv) Depreciation as per books	874.54	652.31
	<u>899.17</u>	<u>1210.02</u>
	1900.43	3238.94
(c) Less: (i) Capital profit :		
(a) Sale of assets	(4.56)	(8.74)
(b) Sale of investments	(518.56)	(168.62)
(c) Gain on transfer of activity relating to financing of Construction Equipment	-	(30.00)
(d) Income from transfer of Technology	(138.83)	(169.40)
(e) Gain on buyback of FCCN / CARS	(50.74)	-
(ii) Write back of provision for diminution in value of investments	(1.96)	(62.93)
(iii) Depreciation as per Section 350 of the Companies Act, 1956	(874.54)	(652.31)
	<u>(1589.19)</u>	<u>(1092.00)</u>
Net Profit as per Section 349 / 350 of the Companies Act, 1956	311.24	2146.94
(d) Limit on remuneration to whole-time directors - 10% of net profit	31.12	214.69
Remuneration to whole-time directors [includes commission payable to whole-time directors Rs. 5.10 crores (2007-08 Rs. 4.40 crores)]	9.64	6.46
(e) Limit on commission to non-whole-time directors - 1% of net profit	3.11	21.47
Commission payable to non-whole-time directors	2.20	3.50
Note :		
Excludes retirement benefits / accruals thereof	0.43	0.50

Schedules forming part of the Balance Sheet

		(Rs. in crores)	
		"1" [Item No. 1(a)]	
		As at March 31, 2009	As at March 31, 2008
SHARE CAPITAL [Note (A) 1, page 76]			
Authorised:			
70,00,00,000	Ordinary shares of Rs. 10 each (as at March 31, 2008: 45,00,00,000 shares)	700.00	450.00
20,00,00,000	'A' Ordinary shares of Rs. 10 each (as at March 31, 2008: Nil)	200.00	-
30,00,00,000	Convertible Cumulative Preference shares of Rs. 100 each (as at March 31, 2008: Nil)	3000.00	-
		3900.00	450.00
Issued and subscribed:			
44,98,32,659	Ordinary shares of Rs. 10 each (as at March 31, 2008: 38,55,03,954 shares)	449.83	385.50
6,41,75,655	'A' Ordinary shares of Rs. 10 each (as at March 31, 2008: Nil)	64.18	-
		514.01	385.50
	Less: Calls in arrears - Ordinary shares	0.01	0.01
		514.00	385.49
Share Forfeiture - Ordinary shares			
		0.05	0.05
		514.05	385.54

		"2" [Item No. 1(b)]			
		As at March 31, 2008	Additions	Deductions	As at March 31, 2009
RESERVES AND SURPLUS					
(a)	Securities Premium Account [Note (i) and (ii) below]	1537.22	4037.77	208.68	5366.31
		1936.40	34.38	433.56	1537.22
(b)	Capital Redemption Reserve	2.28	-	-	2.28
		2.28	-	-	2.28
(c)	Debenture Redemption Reserve	334.35	267.80	-	602.15
		334.35	-	-	334.35
(d)	Amalgamation Reserve	0.05	-	-	0.05
		0.05	-	-	0.05
(e)	Special Reserve	55.05	-	-	55.05
		55.05	-	-	55.05
(f)	Revaluation Reserve [Note (iii), page 64]	25.51	-	0.44	25.07
		25.95	-	0.44	25.51
(g)	Hedging Reserve Account [Note (p) (ii), page 75]	-	(87.51)	-	(87.51)
		-	-	-	-
(h)	General Reserve [Note (iv), page 64]	4116.43	100.13	149.85	4066.71
		3116.43	1000.00	-	4116.43
		6070.89	4318.19	358.97	10030.11
(j)	Profit and Loss Account	5470.51	1034.38	434.00	6070.89
		1685.99	1383.07	11716.10	7453.96

Notes:-

(i) The opening and closing balances of Securities Premium Account are net of calls in arrears of Rs 0.03 crore

(ii) Changes in Securities Premium Account

- | | 2008-2009 | | 2007-2008 | |
|--|----------------|---------------|-----------|------------|
| | Additions | Deductions | Additions | Deductions |
| (a) Premium on shares issued on conversion of Foreign Currency Convertible Notes (FCCN) and on shares issued which were held in abeyance out of Rights issue of shares | 8.37 | - | 6.77 | - |
| (b) Premium on Rights issue of shares [Note A(1)(l)(e), page 76] | 4010.98 | - | - | - |
| (c) Provision for premium on redemption of Convertible Alternative Reference Securities (CARS) [net of tax of Rs. Nil (2007-08 Rs. 215.52 crores)] | - | - | - | 418.55 |
| (d) Tax paid on premium on redemption of FCCN | - | 0.01 | - | - |
| (e) Tax impact on premium paid on redemption of FCCN | 0.02 | - | - | - |
| (f) CARS issue expenses [net of tax of Rs. Nil (2007-08 Rs. 7.72 crores)] | - | - | - | 15.00 |
| (g) Rights issue expenses | - | 29.67 | - | - |
| (h) Brokerage on Non-Convertible Debentures [net of tax of Rs. 0.31 crore (2007-08 Rs. Nil)] | - | 0.59 | - | - |
| (j) Exchange difference on provision for premium on redemption of FCCN / CARS [net of tax of Rs. 56.24 crores (2007-08 Rs. 2.87 crores)] | - | 178.40 | 27.61 | - |
| (k) Reversal of provision for premium on redemption of CARS [net of tax of Rs. 9.47 crores (2007-08 Rs. Nil)] | 18.40 | - | - | - |
| (l) Stamp Duty charges on conversion of FCCN | - | 0.01 | - | 0.01 |
| | 4037.77 | 208.68 | 34.38 | 433.56 |

contd.

Schedules forming part of the Balance Sheet

(Rs in crores)

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

	2008-2009		2007-2008	
	Additions	Deductions	Additions	Deductions
(iii) Change in Revaluation Reserve :				
Depreciation on revalued portion of assets taken over on amalgamation of Telco Dadajee Dhackjee Ltd	-	0.44	-	0.44
	-	0.44	-	0.44
(iv) Changes in General Reserve :				
(a) Difference in fair value of forward contracts on application of principles of Hedge Accounting under Accounting Standard (AS) 30 [net of tax of Rs. 3.53 crores (2007-08 Rs. Nil)]	-	6.87	-	-
(b) Impact on account of adoption of Notification amending AS 11 [net of tax of Rs. 15.50 crores (2007-08 Rs. Nil)] (Note (p)(i), page 75)	-	142.98	-	-
(c) Amount transferred from Profit and Loss Account	100.13	-	1000.00	-
	100.13	149.85	1000.00	-

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

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

	As at March 31, 2009	As at March 31, 2008
(a) Privately placed Non-Convertible Debentures :		
(i) 14.75% Non-Convertible Debentures (2008)	-	70.50
(ii) Secured Rated Redeemable Non-Convertible Debentures [Notes 2(i)(a) and 2(ii), page 76 and 77]	300.00	100.00
(b) Sales Tax Deferment Loan [Note 2(i)(b), page 77]	8.57	48.45
(c) From Banks :		
(i) Buyers line of credit [Note 2(i)(c) and 2(i)(d), page 77]	986.26	849.80
(ii) Loans, Cash Credit and Overdrafts Accounts [Note 2(i)(d), page 77]	3956.82	1393.24
	5251.65	2461.99

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

LOANS - Unsecured

	As at March 31, 2009	As at March 31, 2008
(a) Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) [Note (C) (i), page 86]	4522.39	3661.03
(b) Fixed Deposits :		
(i) From Public	940.53	-
(ii) From Shareholders *	291.94	-
(c) Commercial papers [Maximum balance outstanding during the year Rs. 2685 crores (2007-08 : Rs. 1450 crores)]	1215.00	100.00
(d) Short term loans :		
(i) From Banks	850.00	-
(ii) From Subsidiaries	44.05	57.50
(iii) From Others	50.00	-
	7913.91	3818.53
* Includes from Directors	13.60	-

Schedules forming part of the Balance Sheet

(Rs. in crores)

"5"[Item no. 6]

FIXED ASSETS	Cost as at April 1, 2008	Additions/ Adjustments [Note (iv)]	Deductions/ Adjustments	Cost as at March 31, 2009	Depreciation for the year 2008-2009 [Note (vi) and (ix)]	Accumulated depreciation up to March 31, 2009 [Note (v) and (ix)]	Net Book Value as at March 31, 2009
(a) Land	119.11	-	-	119.11	-	-	119.11
	5.31	113.80	-	119.11	-	-	119.11
(b) Buildings, etc. [Note (i) and (ii)(a)]	1029.67	179.65	0.10	1209.22	31.78	311.88	897.34
	839.11	197.55	6.99	1029.67	25.09	280.10	749.57
(c) Leasehold Land [Note (ii)(b)]	72.27	4.83	-	77.10	0.77	5.93	71.17
	72.27	-	-	72.27	0.72	5.16	67.11
(d) Plant & Machinery and Equipment [Note (ii)(a) and (iii)]	8317.80	2367.92	41.89	10643.83	667.60	4974.92	5668.91
	6707.44	1669.19	58.83	8317.80	512.36	4352.48	3965.32
(e) Water System and Sanitation [Note (ii)(a)]	67.19	19.96	-	87.15	3.31	29.15	58.00
	55.47	11.72	-	67.19	2.49	25.84	41.35
(f) Furniture, Fixtures and Office Appliances [Note (iii)]	92.36	8.16	0.14	100.38	4.83	45.39	54.99
	73.42	19.30	0.36	92.36	4.03	40.67	51.69
(g) Technical Know-how	34.51	-	-	34.51	-	34.51	-
	34.51	-	-	34.51	-	34.51	-
(h) Vehicles and Transport [Note (iii)]	106.09	14.62	10.17	110.54	12.96	63.19	47.35
	102.26	20.72	16.89	106.09	14.06	59.05	47.04
(j) Plant taken on Lease [Note (viii)]	42.10	-	-	42.10	3.19	27.45	14.65
	150.75	-	108.65	42.10	11.28	24.26	17.84
(k) IT Assets taken on lease	29.59	22.66	-	52.25	11.86	18.31	33.94
	-	29.59	-	29.59	6.45	6.45	23.14
(l) Leased Premises	31.28	-	-	31.28	0.08	2.19	29.09
	31.28	-	-	31.28	0.08	1.68	29.60
(m) Assets given on lease	407.97	-	-	407.97	4.86	390.48	17.49
	442.94	-	34.97	407.97	4.87	390.12	17.85
(n) Software	211.66	41.30	-	252.96	58.32	150.15	102.81
	125.56	86.10	-	211.66	41.82	91.83	119.83
(o) Product Development Cost	269.23	467.54	-	736.77	74.98	206.35	530.42
	135.48	133.75	-	269.23	29.06	131.37	137.86
GRANDTOTAL	10830.83	3126.64	52.30	13905.17	874.54	6259.90	7645.27
	8775.80	2281.72	226.69	10830.83	652.31	5443.52	5387.31
(p) Capital Work-in-Progress [Note (vii)]							6954.04
							5064.96
							14599.31
							10452.27

Notes :

- (i) Buildings include **Rs. 8,631** (as at March 31, 2008 Rs. 8,631) being value of investments in shares of Co-operative Housing Societies.
- (ii) (a) Buildings, Water System and Sanitation and Plant and Machinery include Gross Block **Rs. 4.76 crores, Rs.1.93 crores and Rs. 3.76 crores** (as at March 31, 2008 Rs. 4.76 crores, Rs. 1.50 crores and Rs. 3.76 crores) and Net Block **Rs. 0.08 crore, Rs. 0.42 crore and Rs. 0.34 crore** respectively (as at March 31, 2008 Rs. 0.08 crore, Rs. 0.08 crore and Rs. 0.34 crore) in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.
 - (b) The registration of Leasehold Land of Rs. 33.53 crores acquired in the year 2006-07 is in process.
- (iii) Includes Plant & Machinery and Equipment, Furniture, Fixtures and Office Appliances and Vehicles and Transport having Gross Block of **Rs. 150.15 crores, Rs. 1.13 crores and Rs. 0.34 crore** (as at March 31, 2008 Rs. 145.65 crores, Rs. 0.90 crore and Rs. 1.40 crores), and Net Block of **Rs. 6.05 crores, Rs. Nil and Rs. 0.11 crore** (as at March 31, 2008 Rs. 6.98 crores, Rs. 0.02 crore and Rs. 0.19 crore) respectively, held for disposal.
- (iv) Additions / Adjustments include :
 - (a) exchange differences and net premiums on derivative contracts, net loss of **Rs. 457.06 crores** (as at March 31, 2008 net loss of Rs. 1.82 crores).
 - (b) premises acquired in satisfaction of debts amounting to **Rs. Nil** (as at March 31, 2008 Rs. 3.17 crores)
- (v) Accumulated Depreciation includes :
 - (a) an adjustment of **Rs. 47.24 crores** (as at March 31, 2008 Rs. 99.28 crores) on assets transferred / sold / discarded during the year.
 - (b) lease equalisation of **Rs. 4.49 crores** (2007-08 Rs. 4.49 crores) adjusted in lease rental income.
 - (c) depreciation of **Rs. 0.44 crore** (2007-08 Rs 0.44 crore) on revalued portion of gross block transferred to Revaluation Reserve.
 - (d) reversal of depreciation of **Rs. 6.87 crores** (as at March 31, 2008 Rs. Nil) on exchange gain adjusted in the carrying cost of assets in 2008-09 pertaining to 2007-08 has been transferred to general reserve in line with the notification issued by the Ministry of Corporate Affairs.
- (vi) Depreciation for the year includes loss of **Rs. 3.97 crores** (2007-08 Rs. 7.91 crores) on assets held for disposal.
- (vii) Capital Work-in-Progress includes :
 - (a) Product Development Cost **Rs. 2460.76 crores** (as at March 31, 2008 Rs. 1705.86 crores).
 - (b) advances for capital expenditure of **Rs. 318.67 crores** (as at March 31, 2008 Rs. 668.92 crores).
 - (c) exchange loss of **Rs. 106.54 crores** (as at March 31, 2008 Rs. Nil).
- (viii) The assets are under renewable secondary lease.
- (ix) Depreciation for the year and Accumulated Depreciation includes amortisation, diminution in value of assets and write down of assets net of reversals.

Schedules forming part of the Balance Sheet

(Rs. in crores)

"6"[Item no. 7]

INVESTMENTS

Number	Face Value Per Unit	Description	As at March 31, 2009	As at March 31, 2008
I. Long Term Investments (at Cost)				
(A) Trade Investments				
(1) Fully paid Ordinary / Equity shares (Quoted)				
27,20,629	10	Automobile Corporation of Goa Ltd. (2,93,700 shares acquired during the year)	99.67	92.79
2,14,40,882	10	Tata Steel Ltd (1,00,00,500 shares sold during the year)	269.86	395.73
70,249	10	Tata Chemicals Ltd.	0.24	0.24
			369.77	488.76
(2) Investments in Subsidiary Companies Fully Paid Ordinary / Equity Shares (Unquoted)				
75,00,000	100	Sheba Properties Ltd.	75.00	75.00
3,03,00,600	10	Tata Technologies Ltd. [Note 7, page 68]	224.10	224.10
5,97,50,000	10	Telco Construction Equipment Company Ltd [Note 6, page 68]	119.50	119.50
24,48,120	10	Concorde Motors (India) Limited	29.63	29.63
6,50,00,000	10	TAL Manufacturing Solutions Ltd.	150.00	150.00
3,40,00,000	10	HV Transmissions Ltd.	68.00	68.00
3,82,50,000	10	HV Axles Ltd.	76.50	76.50
5,00,000	10	Tata Motors Insurance Broking and Advisory Services Ltd (formerly known as Tata Motors Insurance Services Ltd)	17.31	17.31
30,16,060	(KRW) 5000	Tata Daewoo Commercial Vehicle Co. Ltd (Korea)	245.41	245.41
18,63,624	(GBP) 1	Tata Motors European Technical Centre Plc, UK (13,63,624 Shares acquired during the year)	15.56	4.02
7,900	-	INCAT Systems Inc.	0.63	0.63
80,00,00,000	10	Tata Motors Finance Ltd [Note 8, page 68] (5,00,00,000 shares acquired during the year)	1250.00	1150.00
3,06,00,000	10	Tata Marcopolo Motors Ltd [Note 9, page 68]	30.60	30.60
11,50,00,000	10	TML Distribution Company Ltd. (11,50,00,000 shares acquired during the year)	115.00	-
35,07,000	(THB) 100	Tata Motors (Thailand) Ltd [Note 10, page 68]	45.47	45.47
600	(ZAR) 1	Tata Motors (SA) (Proprietary) Ltd [Rs. 3,166.20] (600 shares acquired during the year)	-	-
100	(SGD) 1}	TML Holdings Pte Ltd, (Singapore) [Note 11, (Rs. 2,778.73) page 68]	-	-
47,12,84,322	(USD) 1}	(47,12,84,322 shares acquired during the year)	2238.40	-
			4701.11	2236.17
(3) Fully Paid Ordinary / Equity Shares (Unquoted) in Others				
50,59,203	1(SS)	Tata Precision Industries Pte. Ltd (Singapore) [Note 12, page 68]	3.11	3.11
25,000	1000	Tata International Ltd	3.85	3.85
1,383	1000	Tata Services Ltd	0.14	0.14
350	900	The Associated Building Company Ltd	0.01	0.01
66,65,780	100	Tata Industries Ltd.	82.97	82.97
22,500	100	Tata Projects Ltd	4.68	4.68
16,000	(TK) 1000	NITA Co. Ltd (Bangladesh)	1.27	1.27
33,600	100	Kulkarni Engineering Associates Ltd	0.67	0.67
9,00,00,000	10	Tata Cummins Ltd	90.00	90.00
12,375	1000	Tata Sons Ltd.	68.75	68.75
-	-	Tata Teleservices Ltd (1,14,40,104 shares cancelled during the year consequent to capital reduction)	-	-
5,23,33,170	10	(1,14,40,104 shares sold during the year) Tata AutoComp Systems Ltd (4,02,56,111 shares sold during the year) (87,22,195 shares acquired during the year)	77.47	98.67
2,25,00,001	10	Haldia Petrochemicals Ltd	22.50	22.50
28,263	(EUR) 31.28	Hispano Carrocera, S A [Note 13, page 68]	2.34	2.34
2,40,000	10	Oriental Floratech (India) Pvt. Ltd	0.24	0.24
-	-	TSR Darashaw Ltd (49,436 shares sold during the year)	-	1.94
4,37,46,395	100	Fiat India Automobiles Ltd (formerly known as Fiat India Automobiles Pvt. Ltd) (1,06,97,898 shares acquired during the year)	719.54	601.59
			1077.54	1017.00
(4) Fully paid Cumulative Redeemable Preference Shares (Unquoted)				
(a) in Subsidiaries				
13,54,195	100	7% Concorde Motors (India) Limited	13.54	13.54
1,20,14,999	(USD) 100	6% TML Holdings Pte Ltd, (Singapore) (1,20,14,999 shares acquired during the year)	6091.60	-
13,63,624	(GBP)	6% Tata Motors European Technical Centre Plc, UK (13,63,624 Shares acquired during the year)	9.89	-
			6115.03	13.54
(b) in Others				
1,00,000	1000	7% Tata Sons Ltd	10.00	10.00
2,10,00,000	10	7% Tata AutoComp Systems Ltd	21.00	21.00
50,00,000	10	7.5% Rallis India Ltd	5.00	5.00
			36.00	36.00
			6151.03	49.54
(5) Fully paid Cumulative Compulsorily Convertible Preference Shares (Quoted) in others				
2,39,49,693	100	2% Tata Steel Ltd	239.50	239.50
(6) Non Convertible Debentures (Unquoted)				
6,80,000	100	Rushi Automobiles Ltd	0.58	1.29
7,500	3000	8% Tata Projects Ltd	2.25	2.25
			12541.78	4034.51

Carried forward

Schedules forming part of the Balance Sheet

(Rs. in crores)

“6” [Item no. 7] (contd.)

INVESTMENTS (contd.)

Number	Face Value Per Unit	Description	As at March 31, 2009	As at March 31, 2008
		I. Long Term Investments (at Cost) (Contd.)		
		Brought forward	12541.78	4034.51
		(B) Other Investments		
		(1) Fully paid Equity Shares (Unquoted)		
		NICCO Jubilee Park Ltd	0.05	0.05
50,000	10	(2) Fully paid Bonds (Quoted)		
		6.75% Tax free Unit Trust of India 2008	-	37.84
			<u>12541.83</u>	<u>4072.40</u>
		Less : Provision for Diminution in value of Long Term Investments	<u>13.68</u>	<u>15.64</u>
		Total - Long Term Investments	<u>12528.15</u>	<u>4056.76</u>
		II. Current Investments - others (at Cost or Fair value whichever is lower)		
		(A) Investments in Mutual Fund (Unquoted) Liquid/Liquid Plus Schemes		
-	-	Birla Cash Plus - Institutional Premium - Weekly Dividend Reinvestment	-	15.06
-	-	Birla Sun Life Liquid Plus-Institutional - Weekly Dividend Reinvestment	-	96.69
-	-	Chola Liquid Super Institutional Plan Weekly Dividend	-	15.20
-	-	DWS Insta Cash Plus Fund Super Institutional - Weekly Dividend Plan	-	20.13
-	-	DSP Merrill Lynch Cash Plus - Institutional Weekly Dividend	-	35.25
-	-	JM High Liquidity Fund Super Institutional Plan Growth	-	0.01
-	-	LIC MF Liquid Plus Fund - Weekly Dividend Plan	-	91.63
-	-	Principal Cash Management Fund	-	0.15
-	-	ICICI Prudential Institutional Liquid Plan - Super Institutional Weekly Dividend Re-Investment	-	71.63
-	-	ICICI Prudential Floating Rate Plan - Dividend Reinvestment	-	5.98
-	-	ICICI Prudential Flexible Plan - Weekly Dividend Reinvestment	-	67.19
-	-	Sundaram BNP Paribas Money Fund Super Institutional Weekly Dividend Reinvestment	-	71.95
-	-	Sundaram BNP Paribas Liquid Plus Super Institutional Dividend Reinvestment Weekly	-	60.61
-	-	Tata Liquid Super High Investment Fund-Weekly Dividend	-	20.53
-	-	Tata Floater Fund - Weekly Dividend	-	88.48
-	-	Templeton Floating Rate Income Fund Long Term Plan - Weekly Dividend Reinvestment	-	51.13
-	-	UTI - Liquid Plus Fund Institutional Weekly Dividend Plan-Reinvestment	-	46.40
-	-	Tata Treasury Manager SHIP Weekly Dividend	-	32.77
			<u>-</u>	<u>790.79</u>
		(B) Investments in Equity shares (Quoted)		
35,000	10	Elcot Power Control Ltd	0.37	0.37
91,800	10	Munis Forge Ltd.	0.37	0.37
30,997	10	Roofit Industries Ltd.	0.19	0.19
			<u>0.93</u>	<u>0.93</u>
		(C) Investments in Government Securities (Quoted)		
170	1000	12.00% Uttar Pradesh 2011 Stock	0.02	0.02
		Total - Current Investments carried forward	<u>0.95</u>	<u>791.74</u>
		Total - Long Term Investments carried forward	<u>12528.15</u>	<u>4056.76</u>

Schedules forming part of the Balance Sheet

(Rs. in crores)

“6”[Item no. 7] (contd.)

INVESTMENTS (contd.)

Number	Face Value Per Unit	Description	As at March 31, 2009	As at March 31, 2008
		Long Term Investments brought forward	12528.15	4056.76
		II. Current Investments (at cost or Fair value whichever is lower) (contd.)		
		Brought forward	0.95	791.74
		(D) Investments in Preference Shares (Unquoted)		
1,00,000	100	15.50% Pennar Paterson Securities Ltd	1.00	1.00
2,00,000	100	15.00% Atcom Technologies Ltd. - Cumulative Preference Shares	2.00	2.00
			3.00	3.00
			3.95	794.74
		Less : Provision for Diminution in value of Current Investments	3.93	3.93
		Total - Current Investments	0.02	790.81
		III. Retained interest in securitisation transactions (Unquoted) (Long term) - others	54.44	62.65
		IV. Advance against Investments		
		TML Distribution Company Ltd	110.00	0.05
		Fiat India Automobiles Ltd	150.00	-
		Tata Motors (SA) (Proprietary) Ltd	0.02	-
		TML Holdings Pte Ltd, (Singapore) [Rs. 1,113.64]	-	-
		Tata Motors Finance Ltd	100.00	-
		Tata Marcopolo Motors Ltd	25.50	-
			385.52	0.05
		Total - Investments	12968.13	4910.27

- NOTES:** (1) Face Value per unit in Rupees unless stated otherwise
(2) Book Value of quoted investments
(3) Book Value of unquoted investments
(4) Market Value of quoted investments
(5) Investment in Mutual Funds includes dividend reinvested
(6) As per the shareholders agreement dated December 9, 2005, between Hitachi Construction Machinery Co. Ltd and the Company, these shares are under restriction for sale, assign or transfer for a period of 5 years from the date of the agreement.
(7) The Company has given a letter of comfort to State Bank of India against the bridge loan facility upto US \$ 50 million (Rs. 253.55 crores as on March 31, 2009) extended by the bank to Tata Technologies Pte. Ltd. Singapore, a subsidiary of Tata Technologies Ltd. and an indirect subsidiary of the Company.
(8) The Company has given a letter of comfort to ICRA Ltd for issuing a rating letter to enable Tata Motors Finance Ltd to raise short term debt of Rs. 300 crores.
(9) The Company has given a letter of comfort to HDFC Bank against the short term and long term loans aggregating Rs. 235 crores given by HDFC Bank to Tata Marcopolo Motors Ltd (TMML). The letter of comfort is restricted to 51% of the above amount i.e Rs. 120 crores. Also the Company has given an undertaking to HDFC Bank for non-disposal of its shareholding in TMML below 51% during the tenor of loan.
(10) The Company has given a letter of comfort to Citibank NA against the short term and long term loans aggregating THB 850 million (Rs. 121.71 crores as on March 31, 2009) [THB 850 million (Rs. 108.38 crores as on March 31, 2008)] given by Citibank NA to Tata Motors (Thailand) Ltd (TMTL). The letter of comfort is restricted to 70% of the said amount i.e THB 595 million (Rs. 85.20 crores as on March 31, 2009) [THB 595 million (Rs. 75.87 crores as on March 31, 2008)]. As per the proposed arrangement to be entered between the Company, Thonburi and Citibank NA, on occurrence of certain event, the Company may have to purchase Thonburi's stake of 20% in TMTL. Consequently, this letter of comfort will be prorata increased to reflect the increased stake in the above loan. Also the Company has given an undertaking to Citibank NA for non-disposal of its shareholding in TMTL below 51% during the tenor of the loan. The Company has given an unsecured subordinated Loan of THB 748.29 million (Rs. 106.95 crores as at March 31, 2009) to TMTL.
(11) The Company has given Letters of Comfort to Banks and certain companies (in foreign currencies) amounting to equivalent Rs. 2827.36 crores as on March 31, 2009 for credit facilities given by them to JaguarLandRover Ltd, UK.
(12) The Company has given a letter of comfort to Citibank NA against credit facilities provided by the bank to Tata Precision Industries Pte. Ltd (TPI), Singapore and Tata Engineering Services Pte. Ltd (TES), Singapore, a wholly owned subsidiary of TPI aggregating SGD 13.85 million (Rs. 46.22 crores as on March 31, 2009) [SGD 13.85 million (Rs. 40.31 crores as on March 31, 2008)] in total. The Company has also given an undertaking to Citibank NA for non-disposal of its shareholding in TPI, Singapore, during the tenor of the loan. Further, the Company has also given an unsecured loan amounting to SGD 2.50 million (Rs. 8.34 crores as on March 31, 2009) [SGD 2.50 million (Rs. 7.27 crores as on March 31, 2008)] to TPI, Singapore.
(13) The Company acquired 21% shares in Hispano Carrocera, S.A. on March 16, 2005. As per the terms of agreement, the Company has an Option to acquire the remaining 79% of the shares through one or more transfers, as per terms and conditions duly agreed upon at a price not exceeding Euro 2 million (Rs. 13.51 crores as on March 31, 2009) [Euro 2 million (Rs. 12.68 crores as on March 31, 2008)]. The Company has given an unsecured subordinated Loan of Euro 15 million (Rs. 101.26 crores as at March 31, 2009) [Euro 15 million (Rs. 95.09 crores as at March 31, 2008)]. The Company has also given a letter of comfort to Citibank NA against working capital loans extended by the bank to Hispano aggregating Euro 12 million (Rs. 81.07 crores as on March 31, 2009) [Euro 7 million (Rs. 44.39 crores as on March 31, 2008)]. The Company has also given an undertaking to Citibank NA for non-disposal of its shareholding in Hispano during the tenor of the loan.
(14) Trade Investments also include :

Number	Face Value Per Unit Rupees	Description	Rupees	Rupees
5,000	10	Metal Scrap Trade Corporation Ltd	25000	25000
50	5	Jamshedpur Co-operative Stores Ltd	250	250
16,56,517	1(MS)	Tatab Industries Sdn. Bhd. Malaysia	1	1
100	10	American Express Services Ltd	1	1
4	25,000	ICICI Money Multiplier Bond	1	1
100	10	Optel Telecommunications	1995	1995
200	10	Punjab Chemicals	1	1

Schedules forming part of the Balance Sheet

(Rs. in crores)

"6"[Item no. 7] (contd.)

INVESTMENTS (contd.)

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

Name	No. of Units	Face value	Purchase Cost
Birla IP Premium - Growth	7,47,21,175	74.72	97.50
Birla Sun Life Liquid Plus - Institutional - Weekly Dividend - Reinvestment	8,31,534	0.83	0.83
DBS Chola Liquid Super Institutional Plan - Weekly Dividend	18,849	0.02	0.02
ICICI Prudential Flexible Income Plan Dividend - Weekly Reinvestment Dividend	1,06,296	0.11	0.11
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend - Reinvestment	27,70,44,318	277.04	277.06
ICICI Prudential Institutional Liquid Plan - Super Institutional Weekly Dividend - Reinvestment	7,22,961	0.72	0.72
ICICI Prudential Liquid Fund	1,24,06,435	12.41	15.00
LIC Liquid Fund - Growth Plan	6,22,29,555	62.23	92.51
LIC Liquid Plan Weekly Dividend Reinvestment	8,94,608	0.89	0.89
LIC MF Liquid Fund - Dividend Plan	23,77,54,229	237.75	261.06
Tata Liquid Super High Investment Fund - Daily Dividend	24,85,935	248.59	277.06
TATA Liquid Super High Investment Fund - Weekly Dividend	7,58,991	75.90	87.37
Tata Treasury Manager SHIP Weekly Dividend	530	0.05	0.05
Templeton Floater	4,10,480	0.41	0.41
Templeton Growth Fund	4,25,454	42.55	51.55
UTI Liquid Cash Plus	2,76,125	27.61	37.29

Schedules forming part of the Balance Sheet

(Rs. in crores)

“7” [Item no. 8 (b)]

INVENTORIES (as valued and certified by the Management)

	As at March 31, 2009	As at March 31, 2008
(a) Stores and spare parts (at or below cost)	98.71	111.15
(b) Consumable tools (at cost)	12.07	16.61
(c) Raw materials and components	941.80	778.57
(d) Work-in-progress	245.95	296.00
(e) Stock-in-trade	879.87	1067.86
(f) Goods-in-transit (at cost)	51.41	151.64
	<u>2229.81</u>	<u>2421.83</u>

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

“8” [Item no. 8(c)]

SUNDRY DEBTORS

	As at March 31, 2009	As at March 31, 2008
(a) Over six months : (unsecured)		
Considered good	126.80	61.08
Considered doubtful	21.18	34.60
(b) Others (unsecured)		
Considered good	1423.13	1053.79
	<u>1571.11</u>	<u>1149.47</u>
Less : Provision for doubtful debts	21.18	34.60
	<u>1549.93</u>	<u>1114.87</u>
(c) Future instalments receivable from hirers / lessees [secured under hire purchase / lease agreements and by promissory notes from hirers] [Note A (4), page78] :		
Considered good	5.79	17.55
Considered doubtful	7.37	7.20
	<u>13.16</u>	<u>24.75</u>
Less : Provision for doubtful instalments	7.37	7.20
	<u>5.79</u>	<u>17.55</u>
Unearned finance and service charges on lease receivable / hire purchase contracts	(0.52)	(1.69)
	<u>5.27</u>	<u>15.86</u>
	<u>1555.20</u>	<u>1130.73</u>

“9” [Item no. 8(d)]

CASH AND BANK BALANCES

	As at March 31, 2009	As at March 31, 2008
(a) Cash on hand	2.44	2.00
(b) Current Accounts with Scheduled Banks #	635.73	748.14
(c) Short term deposits with Scheduled Banks [including in foreign currencies Rs. Nil (as at March 31, 2008 Rs. 1122.40 crores)] *	40.73	1122.58
(d) Margin Money / Cash Collateral with Scheduled Banks	462.92	524.59
	<u>1141.82</u>	<u>2397.31</u>
# Includes :		
- In foreign currencies	124.47	24.32
- Cheques on hand	133.80	174.47
- Remittances in transit	156.94	359.59
* Includes unutilised proceeds from Convertible Alternative Reference Securities issue	-	1122.40

Schedules forming part of the Balance Sheet

(Rs. in crores)

"10" [Item no. 8(e)]

	As at March 31, 2009	As at March 31, 2008
LOANS AND ADVANCES		
A) Secured		
Vehicle loans [Note 1 below and [Note A (4), page 78]]*		
Considered good	2001.63	2397.26
Considered doubtful	297.10	207.98
	2298.73	2605.24
Less: Provision for doubtful loans #	297.10	207.98
	2001.63	2397.26
* Includes Rs. 368.59 crores (as at March 31, 2008 Rs. 297.50 crores) on account of overdue Securitised Receivables		
# Includes Rs. 181.88 crores (as at March 31, 2008 Rs. 156.63 crores) towards Securitised Receivables		
B) Unsecured - considered good		
(a) Claims / incentives recoverable, advances / loans to suppliers, contractors, employees and others, rent deposits and other amount due (Notes 2 and 3 below)	803.12	779.63
(b) Dues from subsidiary companies (Note 4 below)	73.12	38.67
(c) Interim dividend declared by subsidiary companies	6.80	63.94
(d) Loans to associates and subsidiaries (Note 5 below)	251.28	110.32
(e) Inter-corporate deposits [net of provision of Rs. 1.38 crores (as at March 31, 2008 Rs. 7.35 crores)] (Note 6 below)	380.01	194.37
(f) Deposits with government, public bodies and others :		
(i) Balances with Customs, Port Trust, Excise, etc.	210.19	224.65
(ii) Others [net of provision of Rs. 0.10 crore (as at March 31, 2008 Rs. 0.10 crore)] (Note 7 below)	309.81	101.69
(g) Prepaid expenses	520.00	326.34
(h) Advance payments against taxes (net)	134.69	59.71
	594.10	439.28
	2763.12	2012.26
	4764.75	4409.52
Notes: (1) Loans are secured against hypothecation of vehicles.		
(2) Include :		
Loans and advances due from Directors and Officers	0.11	0.27
Maximum during the year	0.27	0.44
(3) Net of advances considered doubtful which have been provided for	84.78	85.54
(4) Dues from subsidiary companies :		
(i) HV Axles Ltd	5.42	7.67
(ii) HV Transmissions Ltd	16.48	6.77
(iii) Telco Construction Equipment Company Ltd	1.00	1.27
(iv) Tata Daewoo Commercial Vehicle Company Ltd	1.17	0.63
(v) Tata Motors European Technical Centre Plc, UK	0.03	0.02
(vi) Tata Marcopolo Motors Ltd	39.21	17.23
(vii) Tata Motors (Thailand) Ltd	5.91	2.74
(viii) Tata Technologies Ltd	0.16	0.02
(ix) TML Distribution Company Ltd	0.46	0.19
(x) TML Holdings Pte. Ltd, Singapore	2.13	2.13
(xi) TAL Manufacturing Solutions Ltd	1.15	-
(5) Loans to :		
(a) Associates :		
(i) Hispano Carrocera, S.A.	101.26	95.09
(ii) Tata Precision Industries Pte. Ltd (Singapore)	8.34	7.27
(b) Subsidiaries :		
(i) Tata Motors (Thailand) Ltd	106.95	-
(ii) Tata Motors European Technical Centre Plc, UK	34.73	7.96
(6) Inter-corporate deposits with :		
(a) Subsidiaries :		
(i) HV Transmissions Ltd	6.50	14.00
(ii) Concorde Motors (India) Ltd	30.00	5.50
(iii) Tata Marcopolo Motors Ltd	10.00	-
(iv) TAL Manufacturing Solutions Ltd	6.50	10.00
(b) Joint Venture :		
Fiat India Automobiles Ltd	265.00	51.66
(7) Includes deposits given as collateral security		
(a) Tata Motors Finance Ltd (Subsidiary)	20.00	-
(b) Others	178.48	-

Schedules forming part of the Balance Sheet

(Rs. in crores)

“11” [Item no. 9(a)]

CURRENT LIABILITIES

	As at March 31, 2009	As at March 31, 2008
(a) Acceptances	3859.14	3738.51
(b) Sundry creditors		
(i) Micro, Small and Medium Enterprises [Note 8, page 82]	152.87	81.65
(ii) Others*	4719.26	4548.00
(c) Advance and progress payments	164.47	235.53
(d) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
(i) Unpaid dividends	10.02	8.04
(ii) Application money pending refund Rs. 1,140 (as at March 31, 2008 Rs. 1,140)	-	-
(iii) Unclaimed matured deposits	1.95	2.74
(iv) Unclaimed matured debentures	0.25	0.25
(v) Interest accrued on (iii) and (iv) above	0.15	0.20
	12.37	11.23
(e) Interest / commitment charges accrued on loans but not due	50.14	28.75
	8958.25	8643.67
*Includes payable to subsidiary companies :		
TAL Manufacturing Solutions Ltd	13.21	3.62
Tata Motors Finance Ltd	42.55	15.10

“12” [Item no. 9(b)]

PROVISIONS

	As at March 31, 2009	As at March 31, 2008
(a) Proposed dividend	311.61	578.43
(b) Provision for tax on dividend	34.09	81.25
(c) Provision for retirement and other employee benefit schemes [Note B (5), page 84]	302.30	286.00
(d) Other Provisions [Note B (6), page 85]	1229.26	1043.75
	1877.26	1989.43

“13” [Item no. 11]

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

	As at March 31, 2009	As at March 31, 2008
Employee Separation Cost	2.02	6.05
	2.02	6.05

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

Significant Accounting Policies

(a) **Sales**

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

Sales are net of discount and inclusive of income from services, excise duty, transfer of technology relating to automotive products and exchange fluctuations relating to export receivables. Sales include export and other incentives from the Government as per their policies from time to time.

(b) **Depreciation**

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

- Leasehold Land – amortised over the period of the lease
- Technical Know-how – at 16.67% (SLM)
- Laptops – at 23.75% (SLM)
- Cars – at 23.75% (SLM)
- Assets acquired prior to April 1, 1975 – on Written Down Value basis at rates specified in Schedule XIV to the Companies Act, 1956.
- Software in excess of Rs. 25,000 is amortised over a period of sixty months or on the basis of estimated useful life whichever is lower.
- Assets taken on lease are amortised over the period of lease.

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

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

(c) **Fixed Assets**

(i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation. All costs relating to the acquisition and installation of fixed assets are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of acquisition is further adjusted for exchange differences relating to long term foreign currency borrowings attributable to the acquisition of depreciable asset w.e.f. April 1, 2007. (Note (p)(i), page 75)

(ii) The product development cost incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets [included in the fixed assets] and are amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such period after commencement of the commercial production of the underlying product.

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

(d) **Leases**

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

(e) **Transactions in Foreign Currencies and Accounting of Derivatives**

(i) **Exchange differences**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates.

(1) Exchange differences arising on settlement of transactions and translation of monetary items other than those covered by (2) below are recognised as income or expense in the year in which they arise. Exchange differences considered as borrowing cost are capitalized to the extent these relate to the acquisition / construction of qualifying assets and the balance amount is recognised in the Profit & Loss account.

(2) Exchange differences relating to long term foreign currency monetary assets / liabilities are accounted for with effect from April 1, 2007 in the following manner: (Note (p)(i), page 75)

- Differences relating to borrowings attributable to the acquisition of the depreciable capital asset are added to / deducted from the cost of such capital assets.
- Other differences are accumulated in Foreign Currency Monetary Item Translation Difference Account, to be amortised over the period, beginning April 1, 2007 or date of inception of such item, as applicable, and ending on March 31, 2011 or the date of its maturity, whichever is earlier.

Tata Motors Limited

(e) Accounting of Foreign currency transactions (contd.)**(ii) Hedge Accounting**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. With effect from April 1, 2008, the Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30- Financial Instruments: Recognition and Measurement.

These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the profit and loss account.

Amounts accumulated in Hedging Reserve Account are reclassified to profit and loss in the same periods during which the forecasted transaction affects profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve Account is immediately transferred to the profit and loss account for the period. (Note (p)(ii), page 75)

(iii) Premium or discount on forward contracts other than those covered in (ii) above is amortised over the life of such contracts and is recognised as income or expense. Foreign currency options and other derivatives are stated at fair value as at the year end with changes in fair value recognised in the profit and loss account.

(f) Product Warranty Expenses

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

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

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

During the year, the Company has reviewed the estimation for provisioning for doubtful receivables in respect of its vehicle financing business based on past performance trends. The Company continues to provide for such doubtful receivables based on an assessment and the probable inherent loss in the business, and more conservatively than required under the RBI guidelines applicable to NBFC's. The revised estimation has resulted in lower provisioning of Rs. 54.71 crores in the current year.

(h) Inventories

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

(j) Employee Benefits**(i) Gratuity**

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

(ii) Superannuation

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

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

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

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

- (j) **Employee Benefits (contd.)**
- (iii) **Bhavishya Kalyan Yojana (BKY)**
Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased / disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for the liability for BKY benefits payable in future based on an independent actuarial valuation.
- (iv) **Post-retirement Medicare Scheme**
Under this scheme, employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The liability for post-retirement medical scheme is based on an independent actuarial valuation.
- (v) **Provident fund**
The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.
- (vi) **Compensated absences**
The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.
- (k) **Investments**
Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments comprising investments in mutual funds are stated at lower of cost and fair value, determined on a portfolio basis.
- (l) **Taxes on Income**
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax includes Fringe benefit tax.
Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.
- (m) **Redemption premium / discount on Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)**
Premium payable on redemption of FCCN / CARS as per the terms of issue is provided fully in the year of issue by adjusting against the Securities Premium Account (SPA). Any changes to this premium payable on account of conversion or exchange fluctuation is also adjusted in the SPA. Discount on redemption of FCCN, if any, will be recognised on redemption.
- (n) **Business Segments**
The Company is engaged mainly in the business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.
- (o) **Miscellaneous Expenditure (to the extent not written off or adjusted)**
Cost under individual Employee Separation Schemes are amortised over periods between 24 and 84 months depending upon the estimated future benefit.
- (p) **Change in Accounting Policy**
- (i) Consequent to the notification, issued by the Ministry of Corporate Affairs, amending the Accounting Standard (AS) 11 – The Effects of changes in Foreign Exchange Rates, the Company has opted to change the accounting policy retrospectively w.e.f April 1, 2007 and accordingly the exchange differences on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets and the exchange differences on other long term foreign currency monetary items is amortised over its tenor till maturity or March 31, 2011, whichever is earlier. Earlier such differences were recognised in the Profit and Loss Account. As a result, profit before tax for the year ended March 31, 2009 is higher by Rs. 518.93 crores (net of tax Rs. 417.54 crores). Further an amount of Rs 142.98 crores (net of tax) pertaining to the financial year ending on March 31, 2008 has been debited to the General Reserve.
Cumulative unamortized exchange gain of Rs 164.12 crores (net of tax) has been shown under Foreign Currency Monetary Item Translation Difference Account.
- (ii) Effective from April 1, 2008, the Company has applied hedge accounting principles in respect of forward exchange contracts as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Accordingly, all such contracts outstanding as on March 31, 2009 that are designated as hedging instruments to hedge the foreign currency cash flow risk of highly probable forecast transactions are marked to market and an effective portion of notional loss aggregating Rs. 87.51 crores (net of tax) arising on such contracts, has been directly recognised in the Hedging Reserve Account to be ultimately recognised in the Profit and Loss Account, depending on the exchange rate fluctuation till and when the underlying forecasted transaction occurs. Earlier such notional loss / gain was recognised in the Profit and Loss Account on the basis of exchange rate on the reporting date.

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

“14” [Item no. 14]

(A) Notes to Balance Sheet

- 1 I. The Issued and subscribed capital includes :
 - (a) Ordinary Shares allotted as fully paid up shares for consideration other than cash:
 - 7,53,470 Ordinary Shares allotted to Daimler – Benz AG in consideration of materials supplied to the Company in the financial year 1956-57,
 - 3,00,000 Ordinary Shares allotted to the Shareholders of erstwhile Investa Machine Tools and Engineering Company Limited in terms of the Scheme of Amalgamation sanctioned by the Bombay High Court in the financial year 1966-67,
 - 7,59,510 Ordinary Shares allotted to the Shareholders of the erstwhile Central Bank of India in terms of the Scheme of Amalgamation in the financial year 1970-71,
 - 1,83,823 Ordinary Shares issued to the Shareholders of the erstwhile Noduron Founders Maharashtra Limited in terms of the merger in the financial year 1992-93,
 - 15,24,30,083 Ordinary Shares issued to Financial Institutions and holders of convertible debentures / bonds on conversion of term loans / debentures / bonds,
 - 1,45,04,949 Ordinary Shares issued to the Shareholders of the erstwhile Tata Finance Limited in terms of the merger in the financial year 2005-06.
 - (b) 11,12,92,760 Ordinary Shares issued as fully paid up Bonus Shares by utilising Securities Premium Account, Capital Reserve, Capital Redemption Reserve, Amalgamation Reserve, contribution for Capital Expenditure Account and General Reserve.
 - (c) 2,55,02,402 (as at March 31, 2008 2,55,02,377) Ordinary Shares allotted against the exercise of equivalent number of warrants pertaining to the rights issue of 2001 at Rs.120/- per share.
 - (d) 2,58,64,962 (as at March 31, 2008 2,57,11,937) Ordinary Shares issued upon conversions of Foreign Currency Convertible Notes (FCCNs). Details are as follows:
 - (i) 1% FCCN due 2008
1,83,98,095 (as at March 31, 2008 : 1,83,98,095) Ordinary Shares issued against 99,940 (as at March 31, 2008 : 99,940) Notes. There is no conversion during the year for these Notes (for 2007-08 : Nil).
 - (ii) 0% FCCN due 2009
74,66,867 (as at March 31, 2008 : 73,13,842) Ordinary Shares issued against 97,590 (as at March 31, 2008 : 95,590) Notes. During the year 1,53,025 (for 2007-08 : 1,30,069) Ordinary Shares were allotted , consequent to conversion of 2,000 (for 2007-08: 1,700) Notes.
 - (e) The Company made a simultaneous but unlinked rights issues of 64,276,164 Ordinary Shares of Rs.10 each at a premium of Rs. 330 per share, aggregating Rs. 2185.39 crores and 64,276,164 'A' Ordinary Shares of Rs.10 each at a premium of Rs. 295 per share, aggregating Rs. 1960.42 crores. The Committee of Directors have on October 27, 2008 allotted 64,175,655 Ordinary Shares and 'A' Ordinary Shares each, after holding in abeyance 100,509 Ordinary Shares and 'A' Ordinary Shares each due to legal cases.
 - II. The entitlements to 1,50,473 Ordinary Shares and 1,00,509 'A' Ordinary Shares are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and hence kept in abeyance.
- 2 Secured Loans :
 - (i) Nature of Security (on loans including interest accrued thereon) :
 - (a) Secured Rated Redeemable Non-Convertible Debentures are secured by a pari passu charge by way of equitable English mortgage of the Company's lands, freehold and leasehold, together with immovable properties, plant and machinery and other movable fixed assets in or attached thereto, both present and future, situated at Chinchwad, Pimpri, Chikhali and Waghire in Pune District and village Mouje - Naupada in Thane District in the State of Maharashtra save and except Exports Showroom at Shivsagar Estate, Worli, Mumbai; the residential flats of the Company; the Lloyds Showroom and Basement at Prabhadevi, Mumbai; the plot of land with structures at Mahim, Mumbai; the Company's works situated at Lucknow, Dharwad, Jamshedpur, Pantnagar and Singur; and movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future, situated at Indica car plant at Chikhali, Pune.

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

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

(A) Notes to Balance Sheet (contd.)

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

(ii) Terms of Redemption :

<u>Non Convertible Debentures (NCD's)</u>	<u>Redeemable on</u>
Secured Rated Redeemable Non-Convertible Debentures	November 5, 2009 (At par)

(Rs. in crores)

3 (a) Major components of deferred tax arising on account of timing differences are [Item 4, Page 56]:

	As at March 31, 2009	As at March 31, 2008
Liabilities:		
Depreciation	(963.12)	(757.48)
Product Development Cost	(1044.80)	(612.44)
Others	(2.78)	(3.25)
	(2010.70)	(1373.17)
Assets:		
Employee Benefits / Expenses allowable on payment basis	73.02	69.90
Provision for Doubtful Debts	126.69	105.53
Premium on Redemption of CARS (net of exchange fluctuation on premium)	259.42	212.65
Unabsorbed Depreciation and Business Losses	635.52	-
Others	50.24	9.37
	1144.89	397.45
Net Deferred Tax Liability	(865.81)	(975.72)
(b) Deferred Tax charge for the year		
Opening Deferred Tax Liability	975.72	786.83
Credited to securities premium account	(47.10)	(212.65)
Credited to general reserve	(19.03)	-
Credited to hedging reserve account	(45.06)	-
Others	3.78	-
	868.31	574.18
Less : Closing Deferred Tax Liability	865.81	975.72
Deferred Tax charge for the year	(2.50)	401.54
(c) Tax expense [Item 9, Page 57] :		
	2008-2009	2007-2008
(i) Current Tax (net of credit for Minimum Alternate Tax)	-	139.01
(ii) Fringe Benefit Tax	15.00	7.00
(iii) Deferred Tax	(2.50)	401.54
	12.50	547.55

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

“14” [Item no. 14] (contd.)

(Rs. in crores)

(A) Notes to Balance Sheet (contd.)

4. Future instalments receivable from hirer / lessees and vehicle loans [Schedule 8 (c), page 70 and Schedule 10 (A), page 71] includes **Rs. 729.59 crores** (as at March 31, 2008 Rs. 592.54 crores) in respect of instalments that have become due but have not been recovered. Out of these **Rs. 332.34 crores** (as at March 31, 2008 Rs. 222.12 crores) are due for over six months. There is an aggregate provision of **Rs. 176.63 crores** (as at March 31, 2008 Rs. 155.73 crores) made in respect of overdue instalments.

5. I Disclosure in respect of finance leases :

Assets given on Lease :

	As at March 31, 2009	As at March 31, 2008
(a) (i) Total Gross investment in the leases (Schedule 8(c), page 70)	13.16	24.75
Total gross investment in the leases for a period :		
Not later than one year	11.35	15.86
Later than one year and not later than five years	1.81	8.89
(ii) Present value of the minimum lease payments receivable	12.64	23.06
Present Value of the minimum lease payments receivable :		
Not later than one year	10.90	14.69
Later than one year and not later than five years	1.74	8.37
(b) Unearned finance income	0.52	1.69
(c) The accumulated provision for the uncollectible minimum lease payments receivable	7.37	7.20
(d) A general description of significant leasing arrangements - Finance lease and Hire purchase agreements: The Company has given own manufactured vehicles and machines and equipment on Hire Purchase / Lease. The contingent lease rentals is based on bank interest rate and depreciation in respect of the assets given on lease.		

Assets taken on Lease :

(a) (i) Total of minimum lease payments	37.60	25.09
Total of minimum lease payments for a period :		
Not later than one year	14.25	8.35
Later than one year and not later than five years	23.35	16.74
(ii) Present value of the minimum lease payments payable	34.28	22.67
Present Value of the minimum lease payments payable :		
Not later than one year	12.57	7.19
Later than one year and not later than five years	21.71	15.48
(b) A general description of significant leasing arrangements - The Company has entered into Finance lease arrangements for computers and data processing equipments from a vendor.		

II Disclosure in respect of operating leases :

Assets given on Lease :

(a) Total of minimum lease payments receivable	43.19	39.59
The total of minimum lease payments receivable for a period:		
Not later than one year	8.64	7.92
Later than one year and not later than five years	34.55	31.67
(b) A general description of significant leasing arrangements - The Company has entered into Operating lease arrangements for land and buildings.		

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

“14” [Item no. 14] (contd.)

(A)	Notes to Balance Sheet (contd.)					
6	i) Related party disclosures for the year ended March 31, 2009					
	a) Related Party and their relationship					
	1. Subsidiaries :					
	Tata Technologies Ltd	INCAT International Plc.				
	TAL Manufacturing Solutions Ltd	Tata Technologies Europe Limited (formerly known as INCAT Limited)				
	H V Axles Ltd	INCAT SAS				
	H V Transmissions Ltd	INCAT GmbH				
	Sheba Properties Ltd	INCAT Holdings B.V.				
	Concorde Motors (India) Ltd	Lemmerpoort B.V				
	Telco Construction Equipment Co. Ltd	INCAT K.K				
	Tata Daewoo Commercial Vehicle Co. Ltd	INCAT Systems Inc				
	Tata Motors Insurance Broking & Advisory Services Ltd	Tata Technologies iKS Inc (merged into INCAT Systems Inc w.e.f. 31.03.2009)				
	(formerly known as Tata Motors Insurance Services Ltd)	Integrated Systems Technologies de Mexico, S.A. de C.V.				
	Tata Motors European Technical Centre Plc	INCAT Solutions of Canada Inc				
	Tata Motors Finance Ltd	INCAT (Thailand) Ltd				
	Tata Marcopolo Motors Ltd	Tata Technologies Pte Ltd, Singapore				
	Tata Motors (Thailand) Ltd	Miljobil Grenland AS (from October 6, 2008)				
	Tata Motors (SA) (Proprietary) Ltd	Miljobil Innovasjon AS (from October 6, 2008)				
	TML Holdings Pte. Ltd, Singapore	Serviplem S.A (from April 3, 2008)				
	TML Distribution Company Ltd	Euri Lebrero France (from April 3, 2008)				
	JaguarLandRover Ltd	Inner Mongolia North Baryval Engineering Special Vehicle Corporation Ltd (from April 3, 2008)				
	Jaguar Cars Overseas Holdings Ltd (from June 2, 2008)	Comoplesa Lebrero S.A (from April 9, 2008)				
	Jaguar Land Rover Austria GmbH (from June 2, 2008)	Baryval Assistencia Tecnica S.L (from April 9, 2008)				
	Jaguar Belux NV (from June 2, 2008)	Land Rover Nederland BV (from June 2, 2008)				
	Jaguar Cars Limited (from June 2, 2008)	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA (from June 2, 2008)				
	Jaguar Land Rover Japan Limited (from June 2, 2008)	Jaguar Land Rover Australia Pty Ltd (from June 2, 2008)				
	Jaguar Cars South Africa (pty) Ltd (from June 2, 2008)	Land Rover Exports Ltd (from June 2, 2008)				
	Jaguar Italia SpA (from June 2, 2008)	Land Rover Italia SpA (from June 2, 2008)				
	Jaguar Cars Exports Ltd (from June 2, 2008)	Land Rover Espana SL (from June 2, 2008)				
	The Daimler Motor Company Ltd (from June 2, 2008)	Land Rover Deutschland GmbH (from June 2, 2008)				
	The Jaguar Collection Ltd (from June 2, 2008)	Jaguar & Land Rover Asia Pacific Company Ltd (from August 1, 2008)				
	Daimler Transport Vehicles Ltd (from June 2, 2008)	Jaguar Land Rover Mexico SA de CV (from October 1, 2008)				
	S.S. Cars Ltd (from June 2, 2008)	Jaguar Land Rover Korea Co. Ltd (from October 1, 2008)				
	The Lanchester Motor Company Ltd (from June 2, 2008)	Jaguar Land Rover Automotive Trading (Shanghai) Co., Ltd (from February 19, 2009)				
	Jaguar Hispania Sociedad (from June 2, 2008)	Jaguar Land Rover Canada ULC (from January 1, 2009)				
	Jaguar Deutschland GmbH (from June 2, 2008)	Jaguar Land Rover France, SAS (from February 1, 2009)				
	Land Rover (from June 2, 2008)	Jaguar Land Rover (South Africa) (Pty) Limited (from February 2, 2009)				
	Land Rover Group Ltd (from June 2, 2008)					
	Jaguar Land Rover North America LLC (from June 2, 2008)					
	Land Rover Belux SA/NV (from June 2, 2008)					
	Land Rover Ireland Ltd (from June 2, 2008)					
	2. Associates :					
	Tata AutoComp Systems Ltd	Tata Sons Ltd (Investing Party)				
	Tata Cummins Ltd	Hispano Carrocera, S. A				
	Tata Precision Industries Pte. Ltd	TSR Darashaw Ltd (upto December 14, 2008)				
	Tata Engineering Services Pte. Ltd	Telcon Ecoroad Resurfaces Pvt. Ltd				
	(Due to Common Key Management Personnel)	Automobile Corporation of Goa Ltd				
	Nita Company Ltd					
	Jaguar Cars Finance Ltd (from June 2, 2008)					
	3. Joint Ventures :					
	Fiat India Automobiles Ltd					
	(formerly known as Fiat India Automobiles Pvt. Ltd)					
	TATA HAL Technologies Ltd (formerly known as					
	INCAT HAL Aerostructures Ltd) (from May 28, 2008)					
	4. Key Management Personnel					
	Mr. Ravi Kant					
	Mr. P M Telang					
b)	Transactions with the related parties	(Rs. in crores)				
						2008-2009
		Subsidiaries	Joint Venture	Associates	Key Management Personnel	Total
	Purchase of goods	125.78	749.34	1875.17	-	2750.29
		122.67	0.97	2230.49	-	2354.13
	Sale of goods (inclusive of sales tax)	6987.44	66.84	109.80	-	7164.08
		613.22	-	129.26	-	742.48
	Purchase of fixed assets	53.64	-	-	-	53.64
		111.36	-	160.08	-	271.44
	Purchase of Investments	-	-	-	-	-
		19.84	-	-	-	19.84
	Sale of Investments	-	-	125.87	-	125.87
		-	-	-	-	-
	Sale of fixed assets (including transfer of technology)	138.51	-	-	-	138.51
		182.66	-	-	-	182.66
	Services received	1183.96	-	58.77	9.38	1252.11
		1148.12	-	61.28	6.46	1215.86
	Services rendered	60.57	27.97	8.59	-	97.13
		65.95	12.86	1.76	-	80.57
	Finance given (including loans and equity)	9338.26	582.95	26.17	-	9947.38
		1100.24	522.18	221.32	-	1843.74
	Finance taken (including loans and equity)	860.50	101.66	3007.25	-	3969.41
		231.26	-	-	-	231.26
	Interest / Dividend paid / (received) (net) / Profit on sale of Investments (net)	(301.14)	(33.96)	(283.51)	-	(618.61)
		(135.80)	(2.37)	88.14	-	(50.03)
	Amount receivable	1052.54	81.43	23.31	-	1157.28
		119.26	12.11	16.16	-	147.53
	Amount payable	393.02	155.79	112.66	-	661.47
		172.37	0.97	167.94	-	341.28
	Amount receivable (in respect of loans, interest and dividend)	222.05	265.00	139.58	0.11	626.74
		101.51	51.76	154.32	0.27	307.86
	Amount payable (in respect of loans, interest and dividend)	44.12	-	-	-	44.12
		57.50	-	-	-	57.50
	Securitisation of Debts	250.88	-	-	-	250.88
		-	-	-	-	-
	Bank Guarantee given	11382.25	856.53	-	-	12238.78
		-	-	-	-	-

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

“14” [Item No. 14] (contd.)

(A)	Notes to Balance Sheet (contd.)		(Rs. in crores)	
	(c) Disclosure in respect of material transactions with related parties		2008-2009	2007-2008
(i)	Purchase of goods	Tata Cummins Ltd	1213.81	1647.09
		Fiat India Automobiles Ltd	749.34	0.97
		Tata AutoComp Systems Ltd	367.44	273.01
		Automobile Corporation of Goa Ltd	293.92	310.40
(ii)	Sale of goods	TML Distribution Company Ltd	6656.54	-
		Concorde Motors (India) Ltd	248.46	561.56
		Tata Cummins Ltd	76.06	105.81
(iii)	Sales of Investments	Tata Sons Ltd.	125.87	-
(iv)	Purchase of fixed assets	TAL Manufacturing Solutions Ltd	32.17	107.44
		Tata Technologies Ltd	21.47	3.85
		Hispano Carrocera, S.A	-	160.08
(v)	Purchase of Investments	Sheba Properties Ltd	-	19.84
(vi)	Sale of fixed assets (including transfer of technology)	Tata Daewoo Commercial Vehicle Co.Ltd	138.51	-
		HV Axles Ltd	-	97.21
		HV Transmissions Ltd	-	78.97
(vii)	Services received	HV Axles Ltd	327.60	472.82
		Tata Motors Finance Ltd	216.50	75.18
		Tata Technologies Ltd	198.41	162.35
		HV Transmissions Ltd	190.92	273.27
		Tata Motors European Technical Centre Plc	147.73	127.31
(viii)	Services rendered	Fiat India Automobiles Ltd	27.97	12.86
		HV Axles Ltd	14.78	12.46
		HV Transmissions Ltd	14.37	12.99
		TML Distribution Company Ltd	11.38	-
		Telco Construction Equipment Co.Ltd	9.82	8.60
		Tata Motors (Thailand) Ltd	-	23.65
(ix)	Finance given (including loans and equity)	TML Holdings Pte Ltd, (Singapore)	2238.40	-
	Investment in Equity	Fiat India Automobiles Ltd	267.95	370.40
	Investment in Equity	TML Distribution Company Ltd	224.95	0.05
	Investment in Equity	Tata Motors Finance Ltd	200.00	600.00
	Investment in Cumulative Redeemable Preference Shares	TML Holdings Pte Ltd, (Singapore)	5570.34	-
	Inter Corporate Deposit	Fiat India Automobiles Ltd	315.00	151.78
	Inter Corporate Deposit	TML Distribution Company Ltd	110.00	-
	Inter Corporate Deposit	Tata Motors (Thailand) Ltd	108.50	-
	Inter Corporate Deposit	Tata Motors Finance Ltd	37.00	280.00
(x)	Finance taken (including loans and equity)	Tata Sons Ltd	2979.40	-
	Rights issue money received	Tata Technologies Ltd	257.50	148.65
	Inter Corporate Deposit	TML Distribution Company Ltd	194.30	-
	Inter Corporate Deposit	Tata Motors Finance Ltd	162.00	-
	Inter Corporate Deposit	Fiat India Automobiles Ltd	101.66	-
	Inter Corporate Deposit	Sheba Properties Ltd	25.75	24.41
	Inter Corporate Deposit	Tata Marcopolo Motors Ltd	-	58.00
(xi)	Interest / Dividend paid / (received) / Profit on Sale of Investment	Tata Sons Ltd	126.73	126.73
	Dividend paid	Sheba Properties Ltd	(140.00)	-
	Dividend received	Tata Daewoo Commercial Vehicle Co.Ltd	(77.54)	(25.25)
	Dividend received	Telco Construction Equipment Co.Ltd	(47.80)	(53.77)
	Dividend received	Tata Cummins Ltd	(27.00)	(18.00)
	Dividend received	Tata Technologies Ltd	(15.15)	(12.12)
	Dividend received	HV Axles Ltd	(13.39)	(20.75)
	Dividend received	HV Transmissions Ltd	(11.90)	(20.00)
	Dividend received	Tata Sons Ltd	(9.24)	(9.37)
	Interest received	Hispano Carrocera S.A.	(6.09)	(5.03)
	Profit on sale of Investment	Tata Sons Ltd.	(358.82)	-
(xii)	Securitisation of Debts	Tata Motors Finance Ltd	250.88	-
(xiii)	Bank Guarantee given	Tata Motors Finance Ltd	135.74	-
	Bank Guarantee given for Securitisation of debts	Fiat India Automobiles Ltd	179.03	-
	Bank Guarantee for supplier bill discounting facility	Fiat India Automobiles Ltd	677.50	-
	Bank Guarantee to bankers for credit facilities	JaguarLandRover Ltd	11246.51	-
	Bank Guarantee to bankers for bridge finance facility			

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

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

(A) Notes to Balance Sheet (contd.)

ii) Disclosures required by Clause 32 of the Listing Agreement

Amount of loans / advances in nature of loans outstanding from Subsidiaries and Associates during 2008-2009

Name of the Company	Outstanding as at	Maximum amount	Investment	Direct Investment in
	March 31, 2009	outstanding	in shares of	shares
	Rs. crores	during the year	the Company	of subsidiaries
		Rs. crores	No. of Shares	of the Company
				No. of Shares
a) Subsidiaries				
HV Transmissions Ltd	6.50	34.50	-	-
	14.00	34.50	-	-
Sheba Properties Ltd [Note (i) below]	-	-	-	2,50,000
	-	19.50	-	2,50,000
Tata Technologies Ltd [Note (ii) below]	-	-	-	8,51,10,000
	-	-	-	8,66,13,759
TAL Manufacturing Solutions Ltd	6.50	23.00	-	-
	10.00	10.00	-	-
Telco Construction Equipment Co. Ltd	-	40.00	-	93,990
[Note (iii) below]	-	-	-	-
Concorde Motors (India) Ltd	30.00	30.00	-	-
	5.50	25.00	-	-
HV Axles Ltd	-	4.80	-	-
	-	17.25	-	-
Tata Motors European Technical Centre Plc., UK	34.73	36.87	-	9,498
[Note (iv) below]	7.96	7.96	-	-
Tata Marcopolo Motors Ltd	10.00	25.00	-	-
	-	-	-	-
Tata Motors (Thailand) Ltd	106.95	108.50	-	-
	-	-	-	-
Tata Motors Finance Ltd	-	17.00	-	-
	-	200.00	-	-
TML Distribution Company Ltd	-	80.00	-	-
	-	-	-	-
b) Associates				
Hispano Carrocera, S. A	101.26	102.70	-	-
	95.10	95.10	-	-
Tata Precision Industries Pte. Ltd. (Singapore)	8.34	8.44	-	-
	7.27	7.27	-	-
Tata AutoComp Systems Ltd	23.83	50.00	-	-
	50.00	50.00	-	-
c) Joint Ventures :				
Fiat India Automobiles Ltd	265.00	290.00	-	-
(formerly known as Fiat India Automobiles Pvt. Ltd)	-	-	-	-

Note :

- (i) Shares in Telco Construction Equipment Co. Ltd
(ii) 1,50,000 shares in INCAT Systems Inc. and 8,49,60,000 shares in Tata Technologies Pte. Ltd, Singapore
(iii) 63,990 shares in Serviplem S.A and 30,000 shares in Comoplesa Lebrero S.A
(iv) Shares in Miljobil Grenland AS

7. Pursuant to the joint venture agreement signed with Fiat Group Automobiles S.p.A., Italy and Fiat India Automobiles Limited (FIAL) for establishment of joint venture to manufacture passenger cars, engines and transmissions at Ranjangaon in India, the Company invested Rs. 442.09 crores on December 28, 2007 representing 49% of the equity shareholding in FIAL. Subsequently in March 2008, the Company has subscribed to 50% of the additional equity shares, issued by FIAL, for Rs.159.50 crores, thereby increasing its equity shareholding in FIAL to 49.48% as at March 31, 2008. Further, in 2008-09, the Company invested Rs. 117.95 crores, making its shareholding to 50% in FIAL.

The proportionate share of assets and liabilities as at March 31, 2009 and income and expenditure for the year 2008-09 of FIAL are given below :

	As on	As on	(Rs. in crores)	
	March 31,	March 31,	2008-2009	2007-2008
	2009	2008		
RESERVES AND SURPLUS				
Reserves and Surplus	(349.18)	(43.97)		
ASSETS				
Net Block (including CWIP)	1644.35	785.65		
Investments (Rs. 50.00)	-	-		
Current Assets	756.31	136.09		
	2400.66	921.74		
LIABILITIES				
Unsecured Loans	755.18	67.94		
Current Liabilities	1278.09	444.94		
Provisions	2.51	1.60		
	2035.78	514.48		
Claims not acknowledged as debts	-	7.82		
Capital Commitments	156.93	924.84		
INCOME				
Sale of products and services	401.43	14.85		
Less : Excise duty	(53.57)	(2.19)		
Miscellaneous income	42.74	1.48		
	390.60	14.14		
EXPENDITURE				
Exchange difference (net)	32.35	15.93		
Manufacturing and other expenses	565.51	44.66		
Expenditure transferred to capital and other accounts	(28.97)	(4.34)		
Product Development Cost	0.33	-		
Depreciation	59.49	5.08		
Interest	65.56	0.40		
Tax expenses	1.54	(3.62)		
	695.81	58.11		

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

(Rs. in crores)

“14” [Item no. 14] (contd.)

(A) **Notes to Balance Sheet** (contd.)

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

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during 2008-09 is given below :

	2008-2009	2007-2008
(i) Amounts unpaid as at year end - Interest	0.50	0.03
(ii) Amounts paid after appointed date during the year - Principal	57.00	9.99
(iii) Amount of interest accrued and unpaid as at year end	0.50	0.03
(iv) Amount of interest paid during the year as per section 16	0.04	-
9. Foreign Currency Monetary Item Translation Difference Account [Item 3, Page 56]:		
	As at March 31, 2009	As at March 31, 2008
Opening Balance	-	-
(a) Exchange gain on Foreign Currency Loan given	3.71	-
(b) Exchange gain on investment in preference shares	414.32	-
(c) Exchange loss on FCCN/CARS	(253.91)	-
Closing Balance	164.12	-
	As at March 31, 2009	As at March 31, 2008
10. Claims against the Company not acknowledged as debts -		
(i) Sales Tax - Gross	472.94	277.95
- Net of Tax	312.19	183.47
(ii) Excise Duty - Gross	95.03	59.37
- Net of Tax	62.73	39.19
(iii) Others - Gross	129.97	100.69
- Net of Tax	85.80	66.47
(iv) Income tax (exclusive of the effect of similar matters in respect of assessments remaining to be completed) in respect of matters :		
(a) Decided in the Company's favour by Appellate authorities and for which the Department is in further appeal	107.18	99.90
(b) Pending before Appellate authorities in respect of which the Company is in appeal and expects to succeed, based on decision in earlier assessment years	150.79	152.88
(c) Pending in appeal / other matters	173.64	189.51
11. The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which the Department is in further appeal	27.64	30.27
12. Other money for which the Company is contingently liable -		
(i) In respect of bills discounted and export sales on deferred credit	252.95	535.06
(ii) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation	1062.78	875.01
(iii) Cash Margins / Collateral [Schedule 9 (d), page 70]	439.78	515.36
(iv) In respect of retained interest in securitisation transactions	54.44	62.65
(v) In respect of subordinate receivables	242.56	40.74
(vi) Deposits given as collateral security	198.49	-
(vii) Others	14.18	14.18
13. Estimated amount of contracts remaining to be executed on capital account and not provided for	2450.48	2981.06
14. Guarantees given by the Company to the bankers with regard to credit facilities given to :		
(i) JaguarLandRover Ltd, UK (an indirect subsidiary) USD 2217.80 million	11246.51	-
(ii) Fiat India Automobiles Ltd (a joint venture)	856.03	-

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

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

(Rs. in crores)

		2008-2009	2007-2008
(B)	Notes to Profit and Loss Account :		
(1)	Purchase of products for sale etc. include :		
(i)	(a) Spare parts and accessories for sale	821.63	628.35
	(b) Bodies and trailers for mounting on chassis	834.72	868.61
	(c) Vehicles 12341 nos. (2007-08 : 3303 nos.)	523.97	101.15
		<u>2180.32</u>	<u>1598.11</u>
(ii)	Sales and Opening and Closing Stocks of vehicles and cars include chassis mounted with bodies / trailers and passenger cars. [Also refer Schedule 14(E) and 15, page 88]		
(2)	The total expenditure incurred on Research and Development :		
(a)	Expenditure charged to profit and loss account	54.32	138.56
(b)	Expenditure capitalised during the year	1422.29	1057.41
		<u>1476.61</u>	<u>1195.97</u>
(3)	(a) Auditors' Remuneration (excluding service tax) :		
	(i) Audit Fees	3,00,00,000	3,00,00,000
	(ii) Audit Fees for financial statements as per US GAAP (including SOX certification)	4,00,00,000 #	5,85,00,000 #
	(iii) In other Capacities :		
	Company Law Matters	35,000	35,000
	Tax Audit	37,50,000	37,50,000
	Corporate Governance certification	2,50,000	2,50,000
	Taxation Matters	1,36,062 *	4,50,000 *
	(iv) Other Services (Refer Note 1 below) [includes Rs. 4,000* (2007-08 Rs. 11,62,001*)]	4,82,000 *	14,43,001 *
	(v) Reimbursement of travelling and out-of-pocket expenses	-	13,86,471 *
	(b) Cost Auditors' Remuneration (excluding service tax) :		
	(i) Cost Audit Fees	10,00,000	9,00,000
	(ii) VAT Audit Fees	-	5,00,000
	(iii) Reimbursement of travelling and out-of-pocket expenses	35,800	34,600
	Notes :		
	1. Excludes audit expenses debited to Securities Premium Account related to :		
	(i) CARS issue	-	35,00,000
	(ii) Rights issue	65,00,000	-
	# Includes amount paid for earlier years	4,00,00,000	4,50,00,000
	* Includes remuneration for professional services rendered by firms of auditors in which some of the partners of the statutory auditors firm are partners.		
(4)	Interest and Discounting Charges [Item 7, page 57] :		
	(A) Interest :		
	(a) On Debentures and fixed loans	399.48	214.80
	(b) Others	357.16	76.77
		<u>756.64</u>	<u>291.57</u>
	Less : (i) Transferred to Capital account	262.20	115.95
	(ii) Interest received on bank and other accounts [tax deducted at source Rs. 19.74 crores (2007-08 Rs. 15.85 crores)]	137.22	143.24
		<u>357.22</u>	<u>32.38</u>
	(B) Discounting charges (net)	316.46	249.99
		<u>673.68</u>	<u>282.37</u>

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

“14” [Item no. 14] (contd.)

(Rs. in crores)

(B) Notes to Profit and Loss Account :

(5) Defined benefit plans / Long term compensated absences - As per actuarial valuations as on March 31, 2009

	Gratuity, Superannuation and BKY			Compensated Absences			Post-retirement Medicare scheme		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
i Components of employer expense									
Current Service cost	25.24	21.60	16.40	14.85	12.80	10.42	1.97	1.80	2.15
Interest cost	37.42	34.65	27.44	10.69	9.60	5.96	4.72	4.19	2.73
Expected return on plan assets	(32.56)	(30.70)	(25.41)	-	-	-	-	-	-
Actuarial (Gains) / Losses	(4.26)	39.41	66.35	(9.80)	12.47	31.48	10.00	3.90	14.00
Total expense recognised in the Statement of Profit & Loss Account in Schedule B, page 60 under item :	25.84	64.96	84.78	15.74	34.87	47.86	16.69	9.89	18.88
	4(b) & 4(c)			4(a)			4(c)		
ii Actual Contribution and Benefit Payments for year ended March 31,									
Actual benefit payments	57.20	54.98	58.26	22.49	21.42	17.72	3.43	3.75	3.66
Actual Contributions	22.18	87.98	100.43	22.49	21.42	17.72	3.43	3.75	3.66
iii Net liability recognised in Balance Sheet as at March 31,									
Present Value of Defined Benefit Obligation	485.95	474.36	440.14	130.29	137.04	123.59	70.51	57.25	51.14
Fair value of plan assets	432.39	424.45	367.21	N/A	N/A	N/A	N/A	N/A	N/A
Net liability recognised in Balance Sheet	(53.56)	(49.91)	(72.93)	(130.29)	(137.04)	(123.59)	(70.51)	(57.25)	(51.14)
iv Change in Defined Benefit Obligations (DBO) during the year ended March 31,									
Present Value of DBO at the beginning of the year	474.36	440.14	385.20	137.04	123.59	93.45	57.25	51.11	35.92
Current Service cost	25.24	21.60	16.40	14.85	12.80	10.42	1.97	1.80	2.15
Interest cost	37.42	34.65	27.44	10.69	9.60	5.96	4.72	4.19	2.73
Actuarial losses	6.13	32.95	69.36	(9.80)	12.47	31.48	10.00	3.90	14.00
Benefits paid	(57.20)	(54.98)	(58.26)	(22.49)	(21.42)	(17.72)	(3.43)	(3.75)	(3.66)
Present Value of DBO at the end of the year	485.95	474.36	440.14	130.29	137.04	123.59	70.51	57.25	51.14
v Change in Fair Value of Assets during the year ended March 31,									
Plan assets at the beginning of the year	424.45	367.21	296.62	N/A	N/A	N/A	N/A	N/A	N/A
Actual return on plan assets	42.96	24.24	28.42	N/A	N/A	N/A	N/A	N/A	N/A
Actual Company contributions	22.18	87.98	100.43	22.49	21.42	17.72	3.43	3.75	3.66
Benefits paid	(57.20)	(54.98)	(58.26)	(22.49)	(21.42)	(17.72)	(3.43)	(3.75)	(3.66)
Plan assets at the end of the year	432.39	424.45	367.21	N/A	N/A	N/A	N/A	N/A	N/A
vi Actuarial Assumptions									
Discount Rate (%)	6.75 - 8.50	7.75-8.50	8.00-8.50	8.50	8.50	8.50	8.50	8.50	8.50
Expected Return on plan assets (%)	8.00	8.00	8.00	N/A	N/A	N/A	N/A	N/A	N/A
Medical cost inflation (%)	N/A	N/A	N/A	N/A	N/A	N/A	4.00	4.00	4.00
vii The major categories of plan assets as percentage of total plan assets									
Debt securities	76%	68%	63%	N/A	N/A	N/A	N/A	N/A	N/A
Balances with banks	24%	32%	37%	N/A	N/A	N/A	N/A	N/A	N/A
viii Effect of one percentage point change in assumed Medical inflation rate				One percentage point increase in Medical inflation rate			One percentage point decrease in Medical inflation rate		
				2009	2008	2007	2009	2008	2007
Revised DBO as at March 31,				77.68	58.11	56.39	64.29	52.10	46.55
Revised service cost for the year				2.30	1.95	2.38	1.69	1.42	1.96
Revised interest cost for the year				4.79	4.63	3.01	4.28	3.80	2.48

(a) Defined Contribution Plans-

The Company's contribution to defined contribution plan aggregated **Rs.113.59 crores** (2007-08 Rs.110.63 crores) for the year ended March 31, 2009 has been recognised in the statement of Profit and Loss Account under item 4 (b) in Schedule B on page 60.

- (b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- (c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

(Rs. in crores)

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

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

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

	2008-2009	2007-2008
(a) Product warranty [Note (f), page 74] :		
Opening Balance	155.91	148.75
Provision for the year (net) (including additional provision for earlier years)	215.27	214.19
Payments / debits (net of recoveries from suppliers)	<u>(236.99)</u>	<u>(207.03)</u>
Closing Balance	<u>134.19</u>	<u>155.91</u>
The provision is expected to be utilised for settlement of warranty claims within a period of 2 to 3 years.		
(b) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS) [Note (m), page 75 and Note (C)(i), page 86]:		
Opening Balance	887.84	284.25
Provision for Premium on Redemption of CARS	-	634.07
Foreign currency exchange difference	234.64	(30.48)
Premium on redemption of FCCN	(0.04)	-
Reversal of provision for premium due to buyback of CARS	<u>(27.87)</u>	<u>-</u>
Closing Balance	<u>1094.57</u>	<u>887.84</u>
(c) Provision for inventory relief to dealers	<u>0.50</u>	<u>-</u>
(7) Earnings Per Share :		
(a) Profit after tax	Rs. crores 1001.26	2028.92
(b) The weighted average number of Ordinary Shares for Basic EPS	Nos. 41,30,53,469	38,54,38,663
(c) The weighted average number of 'A' Ordinary Shares for Basic EPS	Nos. 2,74,28,499	-
(d) The nominal value per Share (Ordinary and 'A' Ordinary)	Rupees 10.00	10.00
(e) Share of Profit for Ordinary Shares for Basic EPS	Rs. crores 937.63	2028.92
(f) Share of Profit for 'A' Ordinary Shares for Basic EPS *	Rs. crores 63.63	-
(g) Earnings Per Ordinary Share (Basic)	Rupees 22.70	52.64
(h) Earnings Per 'A' Ordinary Share (Basic)	Rupees 23.20	-
(j) Profit after tax for Basic EPS	Rs. crores 1001.26	2028.92
(k) Add: Interest payable on outstanding Foreign Currency Convertible Notes	Rs. crores 11.00	9.16
(l) Profit after tax for Diluted EPS	Rs. crores 1012.26	2038.08
(m) The weighted average number of Ordinary Shares for Basic EPS	Nos. 41,30,53,469	38,54,38,663
(n) Add: Adjustment for Options relating to warrants, Ordinary Shares held in abeyance, Foreign Currency Convertible Notes and Convertible Alternative Reference Securities	Nos. 4,47,32,183	3,88,45,181
(o) The weighted average number of Ordinary Shares for Diluted EPS	Nos. 45,77,85,652	42,42,83,844
(p) The weighted average number of 'A' Ordinary Shares for Basic EPS	Nos. 2,74,28,499	-
(q) Add: Adjustment for 'A' Ordinary Shares held in abeyance	Nos. 42,957	-
(r) The weighted average number of 'A' Ordinary Shares for Diluted EPS	Nos. 2,74,71,456	-
(s) Share of Profit for Ordinary Shares for Diluted EPS	Rs. crores 953.66	2038.08
(t) Share of Profit for 'A' Ordinary Shares for Diluted EPS *	Rs. crores 58.60	-
(u) Earnings Per Ordinary Share (Diluted)	Rupees 20.83	48.04
(v) Earnings Per 'A' Ordinary Share (Diluted)	Rupees 21.33	-

* 'A' Ordinary Share holders are entitled to receive dividend @ 5% points more than the aggregate rate of dividend determined by the Company on Ordinary Shares for the financial year.

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

“14” [Item no. 14] (contd.)

(C) (i) Issue of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS) :

The Company issued the FCCN and CARS which are convertible into Ordinary Shares or ADRs. Additionally, CARS can be converted into Qualifying Securities* in case there has been a Qualifying Issue as per the terms of Issue. The particulars, terms of issue and the status of conversion as at March 31, 2009 are given below :

Issue	1% FCCN (due 2008)	0% FCCN (due 2009)	1% FCCN (due 2011)	0% FCCN (due 2011)	0% CARS (due 2012)
Issued on	July 31, 2003	April 27, 2004	April 27, 2004	March 20, 2006	July 11, 2007
Issue Amount (in INR at the time of the issue)	US \$ 100 million (Rs. 461.56 crores)	US \$ 100 million (Rs. 438.50 crores)	US \$ 300 million (Rs.1315.50 crores)	JP ¥ 11,760 million (Rs.450.03 crores)	US \$ 490 million (Rs. 1992.71 crores)
Face Value	US \$ 1000	US \$ 1000	US \$ 1000	JP ¥ 10,000,000	US \$ 100,000
Conversion Price per share at fixed exchange rate	Rs. 250.745 US \$ 1 = Rs.46.16	Rs. 573.106 US \$ 1 = Rs.43.85	Rs. 780.400 US \$ 1 = Rs. 43.85	Rs. 1001.39 Re.1 = JP ¥ 2.66	Rs. 960.96 US \$ 1 = Rs. 40.59
Reset Conversion Price (Due to Rights Issue)	NA	NA #	Rs. 737.29 US \$ 1 = Rs. 43.85	Rs. 946.07 Re.1 = JP ¥ 2.66	Rs. 907.87 US \$ 1 = Rs. 40.59
Exercise Period	after September 11, 2003 and upto July 1, 2008	June 7, 2004 to March 28, 2009	June 7, 2004 to March 28, 2011	May 2, 2006 to February 19, 2011	October 11, 2011 to June 12, 2012
Early redemption at the option of the Company subject to certain conditions	on or after July 31, 2006	on or after April 27, 2005 (in whole but not in part)	any time (in whole but not in part) in the event of certain changes affecting taxation in India	i) after March 20, 2009 but prior to February 8, 2011 (in whole or in part) subject to certain conditions or ii) any time (in whole but not in part) in the event of certain changes affecting taxation in India	i) after October 11, 2011 at our option (in whole but not in part) or ii) any time (in whole but not in part) in the event of certain changes affecting taxation in India
Redeemable on	July 31, 2008	April 27, 2009	April 27, 2011	March 21, 2011	July 12, 2012
Redemption percentage of the Principal Amount	116.824%	95.111%	121.781%	99.253%	131.820%
Amount converted	US \$ 99.94 million	US \$ 97.59 million	Nil	Nil	Nil
Aggregate conversion into Shares / ADRs	1,83,98,095	74,66,867			
Aggregate Notes Redeemed	60	Nil	Nil	Nil	Nil
Aggregate Notes Bought Back	Nil	Nil	Nil	30	170
Notes Outstanding as at March 31, 2009	Nil	2,410	3,00,000	1,146	4,730
Aggregate amount of shares that could be issued on conversion of outstanding notes	Nil	Nil #	1,78,42,482 @	45,53,878 @	2,11,47,379 @

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

Since there is no conversion option available after 28th March 2009.

@ Increased due to Rights Issue.

(ii) **Acquisition of Jaguar Land Rover:**

- (a) On June 2, 2008, the Company acquired from Ford Motor Company, Jaguar Land Rover businesses, for a consideration of US \$ 2.5 billion (approx Rs. 10765.19 crores), in an all-cash transaction, through JaguarLandRover Ltd, a wholly owned subsidiary of TML Holdings Pte Ltd, Singapore, which is a 100% subsidiary of the Company. Out of the consideration, Ford has contributed approx US \$ 600 million to the Jaguar Land Rover pension plans.
- (b) The acquisition includes the ownership of three major manufacturing plants, two advanced design centres in UK, a worldwide sales network, Intellectual Property Rights (including perpetual royalty free licenses) and Brands and Trade marks.
- (c) The businesses have been acquired on a debt free basis.
- (d) The initial acquisition cost has been financed through bridge finance facility provided by a syndicate of banks to JaguarLandRover Ltd, which has been guaranteed by the Company. Subsequent to the year ended March 31, 2009, the Company has raised Rs. 4200 crores through issue of Secured Non-Convertible Rupee Debentures, for the part repayment of USD 1 billion out of the outstanding USD 2 billion bridge finance facility and the balance amount of Rs. 5071 crores (equivalent to USD 1 billion) has been refinanced.
- (e) The Company has made an investment of US \$ 471 million (Rs. 2,238.40 crores) in equity shares and US \$ 1201.50 million (Rs. 5,570.34 crores) in redeemable preference shares in TML Holdings Pte Ltd, Singapore.

- (iii) The Company was in the process of construction of plant for manufacture of small car NANO at Singur in the state of West Bengal. During the year, the Company decided to relocate the NANO project at Sanand in the State of Gujarat. A portion of the plant and equipment has been shifted out if Singur. Having regard to the costs and benefits in connection with the relocation of the Project, in the opinion of the Management, no provision is necessary at present to the carrying cost of Capital Work-in-progress.
- (iv) Previous year's figures have been regrouped where necessary.
- (v) Current year figures are shown in bold print.

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

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

(D) Derivative transactions

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

(a) Derivative Instruments outstanding as at March 31, 2009

Currency	Amount (Foreign Currency in millions)	Buy / Sell	Amount (Rs. in crores)
(i) Forward exchange contracts (net)			
US \$ / INR	US \$ 118.94	Sold	603.08
	US \$ 569.82	Sold	2285.98
EUR / US \$	-	-	-
	• 10.75	Sold	68.16
(ii) Interest swaps (notional principal)			
US \$ Swaps	-	-	-
	US \$ 5.00	-	20.06
(iii) Options (net)			
US \$ / JPY	US \$ 99.69	To Sell	505.49
	US \$ 99.69	To Sell	399.94
US \$ / INR	US \$ 10.00	To Sell	50.71
	US \$ 90.00	To Sell	361.06
EUR / US \$	-	-	-
	• 13.00	Hybrid	82.43
US \$ / CHF	US \$ 10.00	Hybrid	50.71
	US \$ 10.00	Hybrid	40.12
(b) Foreign exchange forward contracts, designated as cash flow hedges as at March 31, 2009			
US \$ / INR	US \$ 135.50	Sold	687.05
	-	-	-
(c) Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2009			
	Amount (Foreign Currency in millions)		Amount (Rs. in crores)
(i) Amount receivable on account of sales of goods, investment in preference shares, loan and interest charges	US \$ 1204.05		6105.16
	-		-
	• 20.16		136.11
	• 15.00		95.11
	£ 6.53		47.36
	£ 1.37		10.89
	SGD 2.52		8.39
	SGD 2.50		7.28
	THB 751.04		107.44
	-		-
(ii) Creditors payable on account of loan and interest charges and other foreign currency expenditure	US \$ 1176.83		5967.09
	US \$ 1377.44		5525.94
	• 15.86		107.08
	• 14.25		90.35
	£ 3.99		28.96
	£ 3.36		26.76
	¥ 60.58		3.12
	¥ 1082.09		43.54
	Others		10.28
	Others		4.02

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

“14” [Item no. 14] (contd.)

(E) Information in regard to opening stock and closing stock :

	2008-2009		2007-2008	
	Quantity Nos.	Value	Quantity Nos.	Value
(a) Opening Stock - Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon Manufactured and purchased components for sale :	15,347	850.15	17,093	888.88
Spare Parts for Vehicles		209.86		204.89
Scrap		7.85		9.25
		1067.86		1103.02
(b) Closing Stock - Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon Manufactured and purchased components for sale :	8,903*	621.32	15,347*	850.15
Spare Parts for Vehicles		253.77		209.86
Scrap		4.78		7.85
		879.87		1067.86

* Excluding :

- (i) Capitalised / transferred for internal use **782 vehicles** (2007-08 : 713 vehicles) including **8 vehicles** (2007-08 : 7 vehicles) for homologation / testing.
- (ii) Transferred on settlement of insurance claims for damaged vehicles : **83 vehicles** (2007-08 : 35 vehicles).
- (iii) Donated **15 vehicles** (2007-08 : 10 vehicles).

“15” [Item no. 14]

Information in regard to Sales effected by the Company (excluding inter-divisional transfers, settlements for damaged goods and goods capitalised) :

	2008-2009		2007-2008	
	Quantity Nos.	Value	Quantity Nos.	Value
1. Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon	506,421	25302.71	585,649	30147.56
2. Spare Parts for Vehicles		1894.92		1558.81
3. Diesel Engines	7,325	90.44	14,057	119.67
4. Scrap		122.90		130.51
5. Castings and Forgings		362.00		299.35
6. Income from transfer of technology		138.83		169.40
7. Income from Services		105.59		96.53
		28017.39		32521.83

Schedules forming part of the Profit and Loss Account

"16" [Item no.14]

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

	Unit of measurement	Installed capacity*	Actual production**
1. On road automobiles having four or more wheels such as light, medium and heavy commercial vehicles, jeep type vehicles and passenger cars covered under Sub-heading (5) of Heading (7) of First Schedule (Jamshedpur Works)	Nos.	108000 (102000)	64396 (95145)
2. Motor Vehicles for transport of ten or more persons including the driver, motor cars and other motor vehicles for transport of persons, motor vehicles for transport of goods, chassis fitted with engine for motor vehicles (Pune Works)	Nos.	513125 (565000)	307279 (436177)
3. Motor Vehicles for transport of ten or more persons including the driver, motor cars and other motor vehicles for transport of persons, motor vehicles for transport of goods, chassis fitted with engine for motor vehicles (Lucknow Works)	Nos.	30000 (30000)	21295 (26900)
4. Motor Vehicles for transport of ten or more persons including the driver, motor cars and other motor vehicles for transport of persons, motor vehicles for transport of goods, chassis fitted with engine for motor vehicles (Uttaranchal Works)	Nos.	210000 (75000)	95546 (23136)
5. Diesel Engines for Industrial and Marine applications	Nos.	*** ***	7325 (14120)
6. S. G. Iron Castings	Tonnes	12000 (12000)	10715 (14127)
7. Power Generation		21.95 MW (21.95 MW)	35061305 kWh (30828940 kWh)
8. Manufactured Components for Sale ****	Rupees crores		334.76 (329.56)

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

** Includes production for internal use.

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

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

NOTE :

1. As per Industrial Entrepreneurs Memoranda (IEM), in respect of item (1) to (4) above, the licenced capacity for Jamshedpur works is 49885 nos., Pune works is 612000 nos., Lucknow works is 52500 nos. and Uttaranchal works is 500000 nos.
2. In addition to the above, the Company holds following industrial licenses / IEM for which there is no production during the year.
 - a) Special Purpose Motor Vehicle, other than those principally designed for the transport of persons or goods.
 - b) Truck and Bus Bodies.
 - c) Automotive equipment for various defence applications such as different types of armoured vehicles, heavy tank carriers, shelters, containers, tactical floating bridges and ferries, bullet proof vehicles, high mobility vehicles, mechanised material handling and bridging equipment, mine protected vehicles, etc.

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

“17” [Item no. 14]

Information regarding exports and imports and other matters :

	2008-2009	2007-2008
1. Earnings in foreign exchange :		
(i) F.O.B. value of goods exported [including sales through Export House, Exports to Nepal, Bhutan and local sales eligible for export incentives and exchange differences (net) - gain of Rs. 41.13 crores (2007-08 loss of Rs. 13.30 crores)]	2206.43	2754.05
(ii) Income from transfer of technology	138.83	-
(iii) Interest and Dividend	91.31	90.07
2. C.I.F. value of imports		
(i) Raw Materials and Components	1259.65	1051.05
(ii) Machinery spares and tools	44.07	36.62
(iii) Capital goods	861.55	1314.31
(iv) Spare Parts for sale	10.35	5.69
(v) Other items	34.46	13.16
3. (a) Value of imported and indigenous raw materials and components consumed :		
(i) Imported at Rupee cost	944.37	855.82
(ii) Indigenously obtained.	15274.25	17736.26
(b) Percentage to total consumption :		
(i) Imported	5.82 %	4.60
(ii) Indigenously obtained	94.18 %	95.40

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

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

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

	2008-2009	2007-2008
4. Expenditure in foreign currency (subject to deduction of tax where applicable) :		
(i) Technical Know-how fees	160.60	172.21
(ii) Interest	88.13	131.08
(iii) Consultancy / Professional charges	110.73	112.12
(iv) Payments on Other Accounts [including Exchange differences (net)]	171.30	173.65

5. Remittances in foreign currencies for dividends :

The Company does not have complete information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends declared during the year and payable to non - resident shareholders for the year 2007-08 are as under :

		2008-2009	2007-2008
(i) Number of non-resident shareholders			
a) For 2007-08	Nos.	6,452	-
b) For 2006-07	Nos.	-	5,483
(ii) Number of shares held by them			
a) For 2007-08	Nos.	14,44,56,922	-
b) For 2006-07	Nos.	-	15,63,50,853
(iii) Gross amount of dividend			
a) For 2007-08	Rs. crores	216.69	-
b) For 2006-07	Rs. crores	-	234.53

"18" [Item no. 14]

Information in regard to raw materials and components consumed :

	Unit of Measurement	2008-2009		2007-2008	
		Quantity	Value	Quantity	Value
Steel	Tonnes	1,53,240	603.59	1,93,864	642.73
Steel Tubes	Tonnes	8	0.32	18	0.32
Non-ferrous alloys/metals	Tonnes	2,635	40.71	3,396	49.56
Ferro Alloys	Tonnes	1,251	13.67	1,671	10.72
Steel Melting Scrap	Tonnes	43,281	144.26	62,829	162.91
Paints, Oils and Lubricants.	Tonnes	7,896		7,453	
	Kilo liters	9,692	180.14	13,619	203.29
Tyres, Tubes and Flaps.	Nos.	40,86,280	1,238.14	47,11,883	1,608.19
Engines	Nos.	69,002	980.53	93,114	1,292.80
Other components			13,017.26		14,621.56
			16,218.62		18,592.08

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

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

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details:

Registration No	4520
State Code	11
Balance Sheet Date	31.03.2009

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

(Amount in Rs. Thousand)

Public Issue	Nil
Rights Issue	12,83,513
Bonus Issue	Nil
Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousand)

Total Liabilities	37,26,11,487
Total Assets	37,26,11,487
Sources of Funds:	
Paid-up Capital	51,40,492
Reserves & Surplus	11,71,60,950
Secured Loans	5,25,16,510
Unsecured Loans	7,91,39,078
Deferred Tax Liability	86,58,100
Application of Funds:	
Net Fixed Assets	14,59,93,075
Investments	12,96,81,253
Net Current Assets	(1,14,38,150)
Misc. Expenditure	20,173

IV. Performance of Company

(Amount in Rs. Thousand)

Turnover	29,52,52,435
Total Expenditure	(28,51,14,847)
Profit Before Tax	1,01,37,588
Profit after Tax	1,00,12,594

Earning Per Ordinary Share - Basic (Rs.) :-

(i) Ordinary Shares	22.70
(ii) 'A' Ordinary Shares	23.20

Dividend Rate :-

(i) Ordinary Shares	60%
(ii) 'A' Ordinary Shares	65%

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

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

Share Capital of the Company has increased by Rs 1,28,50,43,600/- during the year consequent to rights issue and conversion of 2,000 0% Foreign Currency Convertible Notes (FCCN) (due 2009) into 1,53,025 Ordinary Shares.

Auditors' Report on Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF TATA MOTORS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TATA MOTORS LIMITED** ('the Company') and its subsidiaries (the Company and its subsidiaries constitute 'the Group') as at March 31, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - (a) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of Rs. 19,671.75 crores as at March 31, 2009, total revenues of Rs. 41,401.27 crores and net cash outflows amounting to Rs. 102.71 crores and of an associate whose financial statements reflect the Group's share of profit of Rs. 0.59 crores for the year then ended and Group's share of profit of Rs. 0.93 crores up to March 31, 2009. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management of the Group, and our opinion is based solely on the reports of the other auditors.
 - (b) The financial statements of a subsidiary, whose financial statements reflect total assets (net) of Rs.7.32 crores (negative) as at March 31, 2009 and total revenues of Rs. 0.44 crores for the year ended on that date are unaudited and we have relied upon the unaudited financial statements as provided by the Company's Management for the purpose of our examination of the consolidated financial statements of the Group.
 - (c) As stated in note B (6) of Schedule 14, as the audited financial statements of certain associates, whose financial statements reflect the Group's share of loss (net) for the year ended March 31, 2009 of Rs. 67.68 crores and Group's share of loss of Rs. 68.80 crores up to March 31, 2009 are not available, we have relied upon the unaudited financial statements as provided by the Management of those components for the purpose of our examination of consolidated financial statements of the Group.
- 4) Without qualifying our opinion, we draw attention to note k(ii) under Significant Accounting Policies. As stated in the note, the actuarial losses (net) amounting to Rs. 1,457.21 crores have been accounted in "Reserves and Surplus" in respect of a group of subsidiary companies.
- 5) We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements', Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures' as notified under the Companies (Accounting Standards) Rules, 2006.
- 6) Based on our audit and on consideration of reports of other auditors on separate financial statements and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
 - ii. in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
 - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S Dharmadhikari
Partner
Membership No.: 30802
Mumbai: June 26, 2009

Consolidated Balance Sheet as at March 31, 2009

(Rs. in crores)

	Schedule	Page		As at March 31, 2008
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	1	99	514.05	385.54
(b) Reserves and Surplus	2	99	5426.59	8311.98
				<u>8697.52</u>
2. MINORITY INTEREST				468.31
3. LOAN FUNDS				
(a) Secured	3	100	13705.50	6011.87
(b) Unsecured	4	100	21268.35	5573.00
				<u>11584.87</u>
4. DEFERRED TAX LIABILITY (NET) [Note A (7) (a), Page 111]				974.45
5. TOTAL FUNDS EMPLOYED			41997.73	<u>21725.15</u>
APPLICATION OF FUNDS				
6. FIXED ASSETS	5	101		
(a) Gross Block			58469.38	12975.65
(b) Less - Depreciation			33269.05	6060.49
(c) Net Block			25200.33	6915.16
(d) Capital Work-in-Progress			10533.00	5948.28
				<u>12863.44</u>
7. GOODWILL (On Consolidation)				566.16
8. INVESTMENTS	6	102		2665.83
9. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (NET) [Note A (1), Page 110]				-
10. CURRENT ASSETS, LOANS AND ADVANCES				
(a) Interest accrued on investments			2.62	1.19
(b) Inventories	7	103	10154.68	3294.64
(c) Sundry Debtors	8	103	4800.13	2060.51
(d) Cash and Bank Balances	9	103	4121.34	3833.17
(e) Loans and Advances	10	104	12648.79	10054.31
			31727.56	<u>19243.82</u>
11. CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities	11	104	24102.57	11295.66
(b) Provisions	12	104	7059.20	2325.37
			31161.77	<u>13621.03</u>
12. NET CURRENT ASSETS [(10) LESS (11)]				5622.79
13. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	13	104		6.93
14. TOTAL ASSETS (NET)			41997.73	<u>21725.15</u>
15. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES		105		
16. NOTES TO BALANCE SHEET	14	110		

As per our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

Mumbai, June 26, 2009

For and on behalf of the Board

RATAN N TATA
Chairman
RAVI KANT
Vice Chairman
N A SOONAWALA
J J IRANI
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
N MUNJEE
SBHARGAVA
V K JAIRATH
Directors

P M TELANG
Managing Director - India Operation

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, June 26, 2009

Consolidated Profit and Loss Account for the year ended March 31, 2009

			(Rs. in crores)	
			2007-2008	
	Schedule	Page		
INCOME				
1. SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS	A (1)	97	74151.21	40340.79
LESS: EXCISE DUTY			<u>3212.36</u>	<u>4680.72</u>
			70938.85	35660.07
2. DIVIDEND AND OTHER INCOME	A (2)	97	<u>798.96</u>	<u>267.48</u>
			71737.81	35927.55
EXPENDITURE				
3. MANUFACTURING AND OTHER EXPENSES	B	98	73411.22	32383.48
4. EXPENDITURE TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS			<u>(4669.77)</u>	<u>(973.53)</u>
			68741.45	31409.95
PROFIT BEFORE DEPRECIATION, INTEREST, AMORTISATION, EXCEPTIONAL ITEMS AND TAX			2996.36	4517.60
5. PRODUCT DEVELOPMENT EXPENDITURE			347.75	65.95
6. DEPRECIATION			2506.77	782.07
7. INTEREST AND DISCOUNTING CHARGES [Note B (1), Page 115]			1930.90	743.06
8. AMORTISATION OF MISCELLANEOUS EXPENDITURE IN SUBSIDIARIES			0.90	0.90
9. ADJUSTMENT OF MISCELLANEOUS EXPENDITURE IN SUBSIDIARIES			-	0.06
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX			(1789.96)	2925.56
10. NOTIONAL EXCHANGE LOSS / (GAIN) (NET) ON REVALUATION OF FOREIGN CURRENCY BORROWINGS, DEPOSITS AND LOAN GIVEN			<u>339.29</u>	<u>(160.73)</u>
PROFIT / (LOSS) BEFORE TAX			(2129.25)	3086.29
11. TAX EXPENSE [Note A (7c), Page 111]			(335.75)	(851.54)
PROFIT / (LOSS) AFTER TAX			(2465.00)	2234.75
12. SHARE OF MINORITY INTEREST			11.48	(132.25)
13. SHARE OF PROFIT / (LOSS) IN RESPECT OF INVESTMENTS IN ASSOCIATE COMPANIES			<u>(51.73)</u>	<u>65.20</u>
PROFIT / (LOSS) FOR THE YEAR			(2505.25)	2167.70
14. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR			<u>1764.12</u>	<u>1366.46</u>
AMOUNT AVAILABLE FOR APPROPRIATION			(741.13)	3534.16
15. APPROPRIATIONS				
a) Tax on Interim Dividend by subsidiaries (including Group's share of subsidiaries' dividend tax)			17.59	10.89
b) Proposed Dividend			311.61	578.43
c) Tax on Proposed Dividend (including Group's share of subsidiaries' dividend tax)			35.38	87.42
d) Debenture Redemption Reserve			267.80	-
e) General Reserve			138.20	1047.43
f) Special Reserve			35.72	12.20
g) Reserve for Research and Human Resource Development			-	32.25
h) Earned Surplus Reserve			6.23	1.42
j) Balance carried to Balance Sheet			<u>(1553.66)</u>	<u>1764.12</u>
			(741.13)	3534.16
16. EARNINGS PER SHARE [Note B (3), Page 119]				
I. Ordinary Shares				
(a) Basic		Rupees	(56.88)	56.24
(b) Diluted		Rupees	(56.88)	51.31
II. 'A' Ordinary Shares				
(a) Basic		Rupees	(56.88)	-
(b) Diluted		Rupees	(56.88)	-
17. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES		105		
18. NOTES TO PROFIT AND LOSS ACCOUNT	14	115		

As per our report attached to the Balance Sheet

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

Mumbai, June 26, 2009

RATAN N TATA
Chairman
RAVI KANT
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J J IRANI
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SBHARGAVA
V K JAIRATH
Directors

P M TELANG
Managing Director - India Operation

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, June 26, 2009

Tata Motors Limited

Consolidated Cash Flow Statement for the year ended March 31, 2009

	(Rs. in crores)	
	2008-2009	2007-2008
A. Cash flow from Operating Activities		
Profit / (Loss) for the year	(2505.25)	2167.70
Adjustments for:		
Depreciation (including Lease Equalisation adjusted in income)	2502.27	777.58
(Profit) / Loss on sale of assets (net)	13.91	(19.93)
Profit on sale of investments (net)	(718.16)	(135.89)
Reversal of provision for diminution in value of investments (net)	(1.96)	(2.93)
Provision for inter corporate deposits (net)	(5.97)	(0.77)
Gain on transfer of activity relating to financing of Construction Equipments	-	(76.00)
Gain on Liquidation of subsidiaries	-	(0.64)
Gain on buy back of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS)	(50.74)	-
Share of (Profit) / Loss in respect of investments in associate companies	51.73	(65.20)
Share of minority interest	(11.48)	132.25
Wealth tax	0.98	(0.24)
Tax expenses	335.75	851.54
Interest / Dividend (net)	1851.70	619.70
(Gain) / Loss on issue of shares by a subsidiary	0.36	(4.66)
Exchange difference	1309.49	(26.02)
Amortisation of miscellaneous expenditure	0.90	0.96
Amortisation of Employee Separation cost	4.03	4.04
	5282.81	2053.79
Operating Profit before Working Capital Changes	2777.56	4221.49
Employee Separation Cost of Subsidiary Companies	(84.08)	-
Adjustments for:		
Trade and other receivables	655.96	(698.36)
Inventories	1489.19	(122.85)
Trade and other payables	(3784.63)	2916.20
	(1639.48)	2094.99
Vehicle / loans and hire purchase receivables	294.45	(52.76)
	(1345.03)	2042.23
Cash generated from Operations	1348.45	6263.72
Direct Taxes Paid (net)	(598.62)	(668.17)
Net Cash from Operating Activities	749.83	5595.55
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(9970.78)	(5280.39)
Loan to associates	-	(53.34)
Sale of fixed assets	74.91	46.44
Proceeds from transfer of activity relating to financing of Construction Equipments	-	887.42
Investments in associate companies	(33.22)	(95.51)
Investments in Mutual Fund (made) / sold (net)	843.56	(792.28)
Investment in JLR Business (consideration for IPR, Halewood plant and JLR Business)	(10765.19)	-
Investment in Subsidiary by Telcon	(138.54)	-
Acquisition of stake in joint venture	-	(442.09)
Investments - others	(2.23)	(421.68)
Decrease in Investments in retained interests in securitisation transactions	8.94	14.26
Sale of Investments in subsidiary companies	-	164.25
Sale of Investments in associate company	162.70	18.39
Sale / redemption of investments - others	852.76	245.21
Proceeds received on liquidation of subsidiaries	-	0.65
Interest received	239.71	154.60
Dividend received from associates	29.81	18.07
Dividend / Income on investments received	73.96	80.98
Receipt of Long Term Inter-corporate deposits	-	26.92
(Increase) / Decrease in short term Inter-corporate deposit	(55.20)	30.68
Net Cash used in Investing Activities	(18678.81)	(5397.42)
C. Cash Flow from Financing Activities		
Proceeds from issue of Convertible Alternative Reference Securities (CARS) (net of issue expenses)	-	1969.99
Premium on redemption of FCCN (including tax)	(0.05)	-
Stamp duty on FCCN conversion	(0.01)	(0.01)
Brokerage on Non-Convertible Debentures	(0.90)	-
Proceeds from long term borrowings	19598.62	5462.98
Repayment of long term borrowings	(8241.42)	(4395.53)
Increase in short term borrowings (net)	4210.56	1138.51
Proceeds from Rights issue of shares (net of issue expenses)	4109.66	-
Proceeds from Fixed Deposits	1232.47	-
Proceeds from issue of shares to minority shareholders	0.34	62.68
Dividend paid (including Dividend Tax)	(651.34)	(685.08)
Tax paid on Interim Dividend by Subsidiaries	(46.03)	-
Dividend paid to minority shareholders	(62.11)	(17.08)
Interest paid [including discounting charges paid, Rs. 508.93 crores , (2007-08 Rs. 296.30 crores)]	(2386.65)	(1049.59)
Net Cash from Financing Activities	17763.14	2486.87
Net (Decrease)/Increase in Cash and cash equivalents	(165.84)	2685.00
Cash and cash equivalents as at March 31 (Opening Balance)	3833.17	1154.27
Add : Cash and Bank balance taken over on acquisition of stake in a subsidiaries / joint venture	1280.52	17.92
Add : Translation adjustment on opening cash and bank balance of foreign subsidiaries	(162.31)	(4.84)
Add : Exchange fluctuation on reserves of foreign subsidiaries	(653.66)	(4.63)
bank balances	(10.54)	(14.55)
Cash and cash equivalents as at March 31 (Closing Balance)	4121.34*	3833.17

* Includes Cash Collateral **Rs. 1729.58 crores** (as at March 31, 2008 Rs. 1594.07 crores, as at March 31, 2007 Rs. 401.49 crores)
Previous years' figures have been restated, wherever necessary, to conform to this years' classification.

As per our report attached to the Balance Sheet

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M S DHARMADHIKARI
Partner

RATAN TATA
Chairman
RAVI KANT
Vice Chairman
N A SOONAWALA
J J IRANI
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
N MUNJEE
S BHARGAVA
V K JAIRATH
Directors

P M TELANG
Managing Director - India Operation

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary
Mumbai, June 26, 2009

Mumbai, June 26, 2009

Schedules forming part of the Consolidated Profit and Loss Account

(Rs. in crores)
"A" [Item no. 1 & 2]

	2008-2009	2007-2008
SALE OF PRODUCTS AND OTHER INCOME		
1. Sale of products and other income from operations		
(a) Sale of products / Services (Note 1 below)	72502.12	39018.62
(b) Income from Hire purchase / Loan contracts (Note 2 below)	1080.64	1070.69
(c) Miscellaneous income (Note 3 below)	568.45	251.48
	74151.21	40340.79
2. Dividend and other income (Note 4 below)	798.96	267.48
	74950.17	40608.27

	2008-2009	2007-2008
Notes:		
(1) Sale of products / Services includes :		
(i) Exchange gain /(loss) (net)	(610.63)	52.24
(ii) Variable marketing expenses of some subsidiaries netted off against sales	(4883.31)	-
(2) Income from Hire Purchase / Loan Contracts includes :		
(i) Income on securitisation / sale of receivables of Loan contracts (net)	60.99	44.32
(ii) Interest income on Loan Contracts (net)	955.62	953.59
(3) Miscellaneous income include :		
(i) Profit on sale of assets (net) [includes Capital Profits (2007-08 Rs 8.74 crores)]	-	23.63
(ii) Gain on transfer of activity relating to financing of Construction Equipment	-	76.00
(iii) Gain on buyback of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS)	50.74	-
(iv) Income from Infrastructural Services provided in vendor park	56.57	-
(4) Dividend and other income includes :		
(i) Income from current investments	8.75	56.78
(ii) Income from long term investments (net)	70.45	66.58
(iii) Reversal of provision for diminution in value of investments	1.96	2.93
(iv) Profit on sale of part interest in subsidiary companies	-	109.72
(v) Profit on sale of current investments	3.26	13.18
(vi) Profit on sale of long-term investments (net)	714.90	12.99
(vii) Gain on liquidation of subsidiaries (net)	-	0.64
(viii) Gain/(Loss) on issue of shares by a subsidiary	(0.36)	4.66

Schedules forming part of the Consolidated Profit and Loss Account

		(Rs. in crores)	
"B" [Item no. 3]		2008-2009	2007-2008
MANUFACTURING AND OTHER EXPENSES			
1. Purchase of products for sale, etc.		6942.99	2318.21
2. Consumption of raw materials and components		40509.68	22057.63
3. Processing charges		559.64	484.02
4. Payments to and provision for employees			
(a) Salaries, wages and bonus		6426.19	2263.92
(b) Contribution to provident and other funds		277.33	255.83
(c) Workmen and staff welfare expenses		593.90	225.41
		7297.42	2745.16
5. Expenses for manufacture, administration and selling:			
(a) Stores, spare parts and tools consumed		765.57	500.23
(b) Freight, transportation, port charges, etc.		1995.73	612.96
(c) Repairs to buildings [Note 1(i) below]		45.55	30.43
(d) Repairs to plant, machinery, etc. [Note 1(ii) below]		268.33	56.70
(e) Power and fuel		686.30	377.72
(f) Rent		95.38	76.94
(g) Rates and taxes		152.49	33.52
(h) Insurance		145.64	53.14
(j) Publicity		2633.52	311.38
(k) Incentive / Commission to dealers		388.34	327.01
(l) Other expenses (Note 2 below)		10380.40	2411.92
		17557.25	4791.95
		(58.68)	(13.19)
6. Excise duty on change in Stock-in-trade			
7. Change in Stock-in-trade and Work-in-progress:			
A. Opening Stock			
(i) Work-in-progress		370.08	365.10
(ii) Stock-in-trade		1332.15	1332.74
		1702.23	1697.84
Stock acquired on acquisitions			
(i) Work-in-progress		799.33	2.94
(ii) Stock-in-trade		5282.77	1.15
		6082.10	4.09
Translation difference		(693.05)	-
B. Closing Stock			
(i) Work-in-progress		1044.02	370.08
(ii) Stock-in-trade		5444.34	1332.15
		6488.36	1702.23
		602.92	(0.30)
		73411.22	32383.48
Notes :			
(1) (i) Repairs to buildings exclude amounts charged to other revenue accounts		9.08	8.16
(ii) Repairs to plant and machinery exclude amounts charged to other revenue accounts		138.64	142.96
(2) Other expenses include:			
(i) Loss on assets scrapped / written off		0.87	3.70
(ii) Warranty Expenses		2212.35	324.63
(iii) Computer Expenses		704.09	91.45
(iv) Loss on sale of assets (includes capital profit of Rs. 4.56 crores)		13.04	-
(v) Lease rentals in respect of plant and machinery		102.67	1.54
(vi) Provision and write off of sundry debtors, vehicle loans and advances (net)		600.50	448.48
(vii) Provision towards guaranteed resale value of vehicles sold		587.71	-
(viii) Exchange Loss		974.88	-
(ix) Securitisation expenses for Hire purchase / Loan contracts		38.45	55.75
(x) Commission and brokerage on sales		77.04	61.11

Schedules forming part of the Consolidated Balance Sheet

		(Rs. in crores)
		"1" [Item No. 1(a)]
		As at March 31, 2009
		As at March 31, 2008
SHARE CAPITAL		
Authorised:		
70,00,00,000	Ordinary shares of Rs. 10 each (As at March 31, 2008: 45,00,00,000 shares)	700.00
20,00,00,000	'A' Ordinary shares of Rs. 10 each (As at March 31, 2008: Nil)	200.00
30,00,00,000	Convertible Cumulative Preference shares of Rs.100 each (As at March 31, 2008: Nil)	3000.00
		3900.00
Issued and subscribed:		
44,98,32,659	Ordinary shares of Rs. 10 each fully paid (As at March 31, 2008: 38,55,03,954 shares)	449.83
6,41,75,655	'A' Ordinary shares of Rs. 10 each fully paid (As at March 31, 2008: Nil)	64.18
		514.01
		0.01
		514.00
		0.05
		514.05
Less: Calls in arrears - Ordinary shares		
Share Forfeiture - Ordinary shares		385.50

		(Rs. in crores)
		"2" [Item No. 1(b)]
		As at March 31, 2009
		As at March 31, 2008
RESERVES AND SURPLUS		
(a)	Securities Premium Account [Note (i) and (ii) below]	5366.31
		1537.22
(b)	Capital Redemption Reserve	2.28
		2.28
(c)	Capital Reserve (on consolidation) [Note (iii) below]	336.01
		365.81
(d)	Debenture Redemption Reserve	602.15
		411.21
(e)	Amalgamation Reserve	0.05
		0.05
(f)	Special Reserve	114.29
		78.57
(g)	Reserve on Research and Human Resource Development	99.69
		67.44
(h)	Earned Surplus Reserve [Note (iv) below]	7.65
		1.42
(j)	Revaluation Reserve [Note (v) below]	110.75
		25.95
(k)	Hedging Reserve Account [Note q (ii), Page 110]	(87.51)
		-
(l)	Pension reserve [Note k (ii), Page 108]	(1457.21)
		-
(m)	General Reserve [Note (vi), Page 100]	4075.18
		3042.32
(n)	Translation Reserve [Note (vii), Page 100]	(2189.39)
		16.13
		6547.86
		5969.80
(o)	Profit and Loss Account [Note (viii), Page 100]	(1553.66)
		1764.12
		5426.59
		8311.98

Notes:

- (i) The opening and closing balances of Securities Premium Account are net of calls in arrears of **Rs. 0.03 crore**
- (ii) **Changes in Securities Premium Account**
- (a) Premium on shares issued on conversion of Foreign Currency Convertible Notes (FCCN) and on shares issued which were held in abeyance out of Rights issue of shares
- (b) Premium on Rights issue of shares
- (c) Provision for premium on redemption of Convertible Alternative Reference Securities (CARS) [net of tax **Rs. Nil** (2007-08 Rs. 215.52 crores)]
- (d) Tax paid on premium on redemption of FCCN
- (e) Tax impact on premium paid on redemption of FCCN
- (f) CARS issue expenses [net of tax of **Rs. Nil** (2007-08 Rs.7.72 crores)]
- (g) Rights issue expenses
- (h) Brokerage on Non-Convertible Debentures [net of tax of **Rs. 0.31 crore** (2007-08 Rs. Nil)]
- (j) Exchange difference on Provision for premium on redemption of FCCN / CARS [(net of tax **Rs. 56.24 crores** (2007-08 Rs. 2.87 crores)]
- (k) Reversal of provision for premium on redemption of CARS [net of tax of **Rs. 9.47 crores** (2007-08 Rs. Nil)]
- (l) Stamp Duty charges on conversion of FCCN
- (iii) Capital Reserve is net of translation of **Rs 29.80 crores** (2007-08 includes (net) Rs. 45.40 crores) on opening balances in respect of foreign subsidiaries.
- (iv) Tata Daewoo Commercial Vehicle Company Ltd. (TDCV) under the Korean Commercial Code is required to appropriate annually at least 10% of cash dividend declared each year to a legal reserve until such reserve equals 50% of capital stock of TDCV. This reserve may not be utilized for cash dividends but may only be used to offset against future deficit, if any, or may be transferred to capital stock of TDCV.
- (v) **Change in Revaluation Reserve**
- (a) Depreciation on revalued portion of assets taken over on amalgamation of Telco Dadajee Dhackjee Ltd
- (b) Revaluation of Jaguar and Land Rover assets
- (c) Depreciation on revalued portion of Jaguar and Land Rover assets

2008-2009		2007-2008	
Additions	Deductions	Additions	Deductions
8.37	-	6.77	-
4010.98	-	-	-
-	-	-	418.55
-	0.01	-	-
0.02	-	-	15.00
-	-	-	-
-	29.67	-	-
-	0.59	-	-
-	178.40	27.61	-
18.40	-	-	-
-	0.01	-	0.01
4037.77	208.68	34.38	433.56
-	0.44	-	0.44
238.08	-	-	-
-	152.40	-	-
238.08	152.84	-	0.44

Schedules forming part of the Consolidated Balance Sheet

(Rs. in crores)

Notes to Reserves and Surplus (contd.)

	2008-2009		2007-2008	
	Additions	Deductions	Additions	Deductions
(vi) (1) Adjustment in General Reserve towards difference in opening liability as per revised AS-15 (net of tax)				
(a) In respect of the Company and its subsidiaries	-	-	-	3.33
(b) Our share of adjustment in an associate company	-	-	0.41	-
(2) Difference in fair value of forward contracts on application of Principles of Hedge Accounting under Accounting standard (AS) 30 [net of tax of Rs. 3.53 crores (2007-08 Rs. Nil)]	-	6.87	-	-
(3) Impact on account of adoption of Notification amending AS 11 [net of tax of Rs. 15.50 crores (2007-08 Rs. Nil)]	-	142.98	-	-
(4) Amount transferred from Profit and loss account	138.20	-	1047.43	-
	138.20	149.85	1047.84	3.33
(vii) During the year, Rs. 2205.52 crores (net) has been deducted [2007-08 deduction of Rs. 67.30 crores(net)] on translation of foreign subsidiaries and minorities share thereof and foreign associates.				
(viii) Profit and Loss Account balance is after considering the proportionate share of post acquisition loss of Rs. 349.18 crores (as at March 31, 2008 Rs. 43.97 crores) of the Joint Venture, Fiat India Automobiles Ltd (Formerly known as Fiat India Automobiles Pvt. Ltd.) and Rs. 1.05 crores (as at March 31, 2008 Rs. Nil) of the Joint Venture, Tata HAL Technologies Ltd.				

“3” [Item no. 3(a)]

(Rs. in crores)

	As at March 31, 2009	As at March 31, 2008
LOANS - Secured		
(a) Non - Convertible Debentures	917.20	787.70
(b) Loans from Financial Institutions / Banks	1576.50	1585.00
(c) Sales Tax Deferment Loan	8.57	48.45
(d) From Banks:		
(i) Buyers line of credit	991.50	864.27
(ii) Loans and Cash Credit / Overdraft Accounts *	10211.73	2726.45
	13705.50	6011.87

* Includes **Rs. 472.34 crores** which have been secured subsequent to the balance sheet date.

“4” [Item no. 3(b)]

	As at March 31, 2009	As at March 31, 2008
LOANS - Unsecured		
(a) Short Term Loans - From Banks	1994.76	1540.00
(b) Commercial Paper	1548.55	119.60
(c) Inter Corporate Deposit / Call Deposit	209.00	51.23
(d) Bridge Loan from banks	10229.14	-
(e) Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)	4522.39	3661.03
(f) Fixed Deposits:		
(i) From Public	940.53	-
(ii) From Shareholders	291.94	-
(g) Foreign currency Loans- Banks	1532.04	201.14
	21268.35	5573.00

Schedules forming part of the Consolidated Balance Sheet

(Rs. in crores)

"5"[Item no. 6]

FIXED ASSETS	Cost as at March 31, 2008	Acquisition During 2008-09	Additions / Adjustments [Note (ii)]	Translation Adjustment	Deductions/ Adjustments	Cost as at March 31, 2009	Depreciation for the year 2008-2009 [Note (vi)]	Accumulated Depreciation on acquisitions during 2008-09 [Note (iii)]	Translation Adjustment- Accumulated Depreciation	Accumulated Depreciation upto March 31, 2009 [Note (iii) and (v)]	Net Book Value as at March 31, 2009
(a) Land and Lease Hold Land	438.34	1223.74	68.08	(152.20)	0.15	1,577.81	22.37	115.44	(11.83)	132.44	1,445.37
	236.66	8.52	210.25	(17.09)	-	438.34	2.74	0.90	-	6.50	431.84
(b) Buildings	1531.77	4830.42	849.08	(582.91)	2.72	6625.64	115.10	2689.69	(326.65)	2802.31	3823.33
	1239.17	87.55	246.93	(33.10)	8.78	1531.77	37.19	3.32	(4.22)	336.82	1194.95
(c) Plant, Machinery and Equipment [Note (i)]	9510.17	30082.66	6848.84	(3866.34)	418.24	42157.09	1988.15	24769.05	(3275.13)	28159.43	13997.66
	7672.75	1.98	1844.80	(35.79)	(26.43)	9510.17	608.62	0.18	(16.52)	4864.39	4645.78
(d) Furniture, Fixtures and Office Appliances [Note (i)]	139.61	883.58	81.19	(65.35)	74.68	964.35	38.92	653.57	(70.31)	648.52	315.83
	102.05	0.39	39.70	(1.17)	1.36	139.61	8.75	0.07	(0.69)	57.40	82.21
(e) Technical Know - how	45.31	-	0.02	0.01	-	45.34	0.58	-	0.01	29.30	16.04
	38.53	-	6.78	-	-	45.31	0.02	-	-	38.77	6.54
(f) Vehicles and Transport [Note (i)]	137.85	1.05	32.03	0.11	16.90	154.14	21.11	0.01	0.04	81.02	73.12
	124.86	1.56	36.91	(0.21)	25.27	137.85	19.04	0.24	(0.16)	71.04	66.81
(g) Assets taken on Lease [Note (v)]	130.92	25.37	24.19	-	6.33	174.15	24.70	3.76	-	64.73	109.42
	185.76	-	54.00	-	108.84	130.92	18.20	-	-	35.79	95.13
(h) Assets given on Lease	411.50	-	-	-	-	411.50	4.86	-	-	393.72	17.78
	446.46	-	-	-	34.96	411.50	4.87	-	-	393.30	18.20
(j) Product Development Cost	378.13	0.67	1176.11	(2.16)	-	1552.75	121.67	0.02	(2.08)	262.66	1290.09
	156.47	48.00	176.00	(2.34)	-	378.13	35.12	-	(0.96)	140.85	237.28
(k) Trade Marks and Brand	-	-	2889.47	-	-	2889.47	-	-	-	-	2889.47
	-	-	-	-	-	-	-	-	-	-	-
(l) Developed Technologies	-	-	940.13	-	-	940.13	71.63	-	(3.98)	77.70	862.43
	-	-	-	-	-	-	-	-	-	-	-
(m) Software	252.05	695.24	172.04	(77.20)	65.12	977.01	97.68	514.28	(66.09)	617.22	359.79
	156.47	-	100.87	(1.08)	4.21	252.05	47.52	-	(0.93)	115.63	136.42
Total	12975.65	37742.73	13081.18	(4746.04)	584.14	58469.38	2506.77	28745.82	(3756.02)	33269.05	25200.33
	10359.18	148.00	2716.24	(90.78)	156.99	12975.65	782.07	4.71	(23.48)	6060.49	6915.16
(n) Capital Work In progress [Note (iv)]											10533.00
											5948.28
											35733.33
											12863.44

Notes:

- (i) Includes Plant, Machinery and Equipment, Furniture, Fixtures and Office Appliances and Vehicles and Transport having Gross block of **Rs.159.20 crores, Rs 1.13 crore** and **Rs. 0.34 crore** (as at March 31, 2008 Rs. 151.75 crores, Rs. 0.90 crore and Rs 1.40 crores) and Net block of **Rs. 6.97 crores, Rs. Nil and Rs. 0.11 crore** (as at March 31, 2008 Rs. 8.96 crores, Rs. 0.02 crore, Rs. 0.19 crore) respectively, held for disposal.
- (ii) Additions / Adjustments include :
- (a) exchange differences and net premiums on forward exchange contracts Net Loss of **Rs. 459.68 crores** (As at March 31, 2008 Net Loss Rs 1.82 crores).
- (b) Premises acquired in satisfaction of debts amounting to **Rs. Nil** (as at March 31, 2008 Rs. 3.17 crores).
- (iii) Accumulated Depreciation includes :
- (a) an adjustment of **Rs. 446.44 crores** (as at March 31, 2008 Rs.125.82 crores) on Assets transferred/sold/discarded during the year.
- (b) lease equalisation of **Rs. 4.49 crores** (as at March 31, 2008 Rs. 4.49 crores) adjusted in lease rental income.
- (c) depreciation of **Rs. 0.44 crore and Rs. 166.56 crores** (2007-08 Rs 0.44 crore and Rs. Nil) on revalued portion of gross block of TDDL and Jaguar and Land Rover respectively transferred to Revaluation Reserve.
- (d) Translation Adjustment for foreign subsidiaries of **Rs. 3756.02 crores** (as at March 31, 2008 Rs. 23.48 crores).
- (e) reversal of depreciation of **Rs. 6.87 crores** (as at March 31, 2008 Rs. Nil) on exchange gain adjusted in the carrying cost of assets in 2008-09 pertaining to 2007-08 has been transferred to general reserve in line with the notification issued by the Ministry of Corporate Affairs.
- (iv) Capital Work In Progress includes :
- (a) Product Development Cost **Rs. 2920.26 crores** (as at March 31, 2008 Rs. 1721.83 crores).
- (b) advances for capital expenditure of **Rs. 403.16 crores** (As At March 31, 2008 Rs 778.58 crores).
- (c) exchange loss of **Rs. 106.54 crores** (as of March 31, 2008 Rs. Nil).
- (v) The Plant and equipments taken on lease are under renewable secondary lease.
- (vi) Depreciation for the year and accumulated depreciation includes amortisation, diminution in value of assets and write down of assets net of reversals.
- (vii) Certain Fixed assets of Jaguar and Land Rover have been revalued by a external valuer, resulting in Revaluation Reserve of **Rs. 238.08 crores**.

Schedules forming part of the Consolidated Balance Sheet

		(Rs. in crores)	
		Cost as at March 31, 2009	Cost as at March 31, 2008
"6"[Item no. 8]			
INVESTMENTS (at cost)			
(A)	In Associates		
(a)	Carrying cost of investments in Associates (Note 8 below) [Including Rs. 56.20 crores (2007-08 Rs. 55.08 crores) of Goodwill and net of Rs. 0.43 crore (2007-08 Rs. 1.54 crores) of Capital Reserve arising on acquisition of associates]	299.30	393.23
(b)	Fully paid Cumulative Redeemable Preference shares (Unquoted)	21.00	21.00
(B)	Others		
(I)	Long Term Investments		
	Quoted		
(a)	Fully paid Ordinary/Equity shares	295.78	422.24
(b)	Fully paid Cumulative Compulsorily Convertible Preference Shares	239.50	239.50
(c)	Bonds	2.23	37.85
	Unquoted		
(a)	Fully paid Ordinary/Equity shares	230.11	262.43
(b)	Fully paid Cumulative Redeemable Preference Shares	15.00	15.00
(c)	Fully Paid Non Cumulative Redeemable Preference Shares	2.00	2.00
(d)	Non Convertible Debentures	6.33	7.04
(e)	Optionally Convertible Debentures	10.96	11.50
(f)	Bonds	6.15	6.15
(g)	Retained interest in securitisation transactions	56.71	65.65
(II)	Current Investments		
	Quoted		
(a)	Fully paid Ordinary/Equity shares	0.93	0.93
(b)	Investment in Securities	0.02	0.02
	Unquoted		
(a)	Fully paid Cumulative Redeemable Preference Shares	3.00	3.00
(b)	Mutual Fund	76.57	966.75
(III)	Cost of investments (Note 7 below)	-	221.56
		1265.59	2675.85
		8.19	10.02
		1257.40	2665.83
	Less: Provision for diminution in value of Investments (Net)		

Notes:

- (1) Book value of quoted investments (other than in associates) 537.53 697.93
- (2) Book value of unquoted investments (other than in associates) 399.57 1553.67
- (3) Market value of quoted investments (other than in associates) 552.43 2763.95
- (4) Investment in Mutual Funds includes dividend reinvested - 43.02
- (5) The Company has given a letter of comfort to Citibank NA against credit facilities provided by the bank to Tata Precision Industries Pte. Ltd (TPI), Singapore and Tata Engineering Services Pte. Ltd. (TES), Singapore, a wholly owned subsidiary of TPI, aggregating SGD 13.85 million (Rs.46.22 crores as on March 31, 2009) [SGD 13.85 million (Rs. 40.31 crores as on March 31, 2008)] in total. The Company has also given an undertaking to Citibank NA for non-disposal of its shareholding in TPI Singapore, during the tenure of the loan. Further, the Company has also given an unsecured loan amounting to SGD 2.50 million (Rs. 8.34 crores as on March 31, 2009) [SGD 2.50 million (Rs.7.27 crores as on March 31, 2008)] to TPI Singapore.
- (6) The Company acquired 21% shares in Hispano Carrocera, S.A. on March 16, 2005. As per the terms of agreement, the Company has an Option to acquire the remaining 79% of the shares through one or more transfers, as per terms and conditions duly agreed upon at a price not exceeding Euro 2 millions (Rs. 13.51 crores as on March 31, 2009) [Euro 2 million (Rs. 12.68 crores as on March 31, 2008)]. The Company has also given an unsecured subordinated Loan of Euro 15 Million (Rs. 101.26 crores as at March 31, 2009) [Euro 15 million (Rs. 95.09 crores) as at March 31,2008]. The Company has also given a letter of comfort to Citibank NA against working capital loans extended by the bank to Hispano aggregating Euro 12 million (Rs. 81.07 crores as on March 31, 2009) [Euro 7 million (Rs. 44.39 crores as on March 31,2008)]. The Company has also given an undertaking to Citibank NA for non-disposal of its shareholding in Hispano during the tenure of the loan.
- (7) Cost of investments represents legal / professional fees and other cost towards investment for acquisition of Jaguar and Land Rover.
- (8) The particulars of investments in associate companies as of March 31, 2009 are as follows:

Sr. No.	Name of the Associates	Country of Incorporation	Ownership Interest (%)	Original Cost of Investment (+)	Amount of Goodwill/ (Capital Reserve) in Original Cost	Share of post acquisition Reserves and Surplus	Carrying Cost of Investments
1)	Tata Cummins Ltd.	India	50.00	90.00	-	79.80	169.80
			50.00	90.00	-	98.64	188.64
2)	Tata AutoComp Systems Ltd. \$	India	26.00	77.47	-	(63.35)	14.12
			50.00	98.67	-	(1.33)	97.34
3)	NITA Company Ltd.	Bangladesh	40.00	1.27	(0.43)	0.81	2.08
			40.00	1.27	(0.43)	(0.06)	1.21
4)	Tata Precision Industries Pte. Ltd.	Singapore	49.99	3.11	-	(3.11)	*
			49.99	3.11	-	(3.11)	*
5)	Hispano Carrocera S. A.	Spain	21.00	2.34	2.34	(2.34)	*
			21.00	2.34	2.34	(2.34)	*
6)	TSR Darashaw Ltd. ^	India	-	-	-	-	-
			26.00	1.68	(1.11)	2.12	3.80
7)	Telcon Ecoroad Resurfaces Pvt. Ltd. @	India	24.55	7.20	1.08	(5.87)	1.33
			24.55	7.20	1.08	(4.13)	3.07
8)	Automobile Corporation of Goa Ltd. ^^	India	42.37	99.67	52.78	11.79	111.46
			37.79	92.79	51.66	6.38	99.17
9)	Jaguar Cars Finance Limited #	UK	49.90	0.51	-	-	0.51
			-	-	-	-	-
	Total			281.57	55.77	17.73	299.30
				297.06	53.54	96.17	393.23

\$ During the year, the Company has sold 24% stake in Tata AutoComp Systems Ltd.

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

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

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

^ TSR Darashaw Ltd was an associate upto December 15, 2008.

^^ During the year, the Company has increased 4.58% stake in Automotive corporation of Goa Ltd.

W.e.f June 02, 2008

Schedules forming part of the Consolidated Balance Sheet

(Rs. in crores)

"7" [Item no. 10 (b)]

INVENTORIES

- (a) Stores and spare parts (at or below cost)
- (b) Consumable tools (at cost)
- (c) Raw materials and components
- (d) Work-in-progress
- (e) Stock-in-trade
- (f) Goods-in-transit (at cost)

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

As at March 31, 2009	As at March 31, 2008
1020.26	132.67
71.73	26.88
1834.66	1122.65
1044.02	370.08
5444.34	1332.15
739.67	310.21
<u>10154.68</u>	<u>3294.64</u>

"8" [Item no. 10(c)]

SUNDRY DEBTORS

- (a) Over six months : (unsecured)
- (b) Others : (unsecured)
- Less: Provision for doubtful debts
- (c) Future instalments receivable from hirers / lessees [secured under hire purchase / lease agreements and by promissory notes from hirers] [Note A (8), Page 112]
- Less: Provision for doubtful instalments
- Less: Unearned finance and service charges on lease receivable / hire purchase contracts

As at March 31, 2009	As at March 31, 2008
286.52	223.46
4694.08	1886.81
4980.60	2110.27
185.74	65.62
<u>4794.86</u>	<u>2044.65</u>
13.16	24.75
7.37	7.20
0.52	1.69
5.27	15.86
<u>4800.13</u>	<u>2060.51</u>

"9" [Item no. 10(d)]

CASH AND BANK BALANCES

- (a) Cash on hand
- (b) Current accounts with Banks #
- (c) Short term deposits with Banks *
- (d) Margin Money / Cash Collateral with Banks

As at March 31, 2009	As at March 31, 2008
35.12	5.05
2108.00	1085.46
248.64	1148.59
1729.58	1594.07
<u>4121.34</u>	<u>3833.17</u>

Includes cheques on hand **Rs. 259.29 crores** (as at March 31, 2008 Rs.184.02 crores) and remittances in transit **Rs. 354.39 crores** (as at March 31, 2008 Rs. 411.36 crores).

* Short term deposits with Bank includes Restricted deposits of **Rs. 5.61 crores** (as at March 31, 2008 Rs. 4.61 crores).

Schedules forming part of the Consolidated Balance Sheet

(Rs. in crores)

"10" [Item no. 10(e)]

	As at March 31, 2009	As at March 31, 2008
LOANS AND ADVANCES		
A) SECURED		
Vehicle loans (Note 1 below)*	7889.93	7841.03
Less: Provision for doubtful loans #	605.80	273.03
Total Vehicle Loans	7284.13	7568.00
* Includes Rs. 629.16 crores (as at March 31, 2008 Rs. 374.94 crores) on account of overdue Securitised Receivables		
# Includes Rs. 237.60 crores (as at March 31, 2008 Rs. 180.71 crores) on account of Securitised Receivables		
Other secured loans (Note 2 below)	72.54	-
Total (A)	7356.67	7568.00
B) UNSECURED - considered good		
(a) Claims / incentive recoverable, advances / loans to suppliers, contractors, employees and others, rent deposits and other amount due (Notes 3 to 5 below)	1838.34	925.41
(b) Loan to associates (Note 6 below)	109.60	102.36
(c) Deposits with government, public bodies and others (Note 7 and 8 below)	2113.72	682.32
(d) Prepaid expenses (Note 9 below)	643.72	333.48
(e) Advance payment against taxes (net)	586.74	442.74
Total (B)	5292.12	2486.31
Total (A) and (B)	12648.79	10054.31
Notes:		
(1) Loans are secured against hypothecation of vehicles		
(2) Credit enhancement has been granted by the originator in respect of the loan		
(3) Net of advances considered doubtful which have been provided for	85.45	86.11
(4) Includes amount due from customers in respect of contract works	28.45	13.44
(5) UK and other Pension Plan (net assets)	261.67	-
(6) Loan to associates:		
(i) Hispano Carrocera, S. A.	101.26	95.09
(ii) Tata Precision Industries Pte. Ltd. (Singapore)	8.34	7.27
(7) Deposits with government, public bodies and others are net of deposits considered doubtful which have been provided for	0.66	8.01
(8) Deposits given as collateral Security	178.48	-
(9) Includes fees towards arrangement / structuring and other incidental costs on bridge loan from bank	30.23	165.58

"11" [Item no. 11 (a)]

	As at March 31, 2009	As at March 31, 2008
CURRENT LIABILITIES		
(a) Acceptances	4239.55	4131.51
(b) Sundry creditors	19418.83	6759.75
(c) Advance and progress payments	340.73	334.19
(d) Amount due to customers in respect of contract work	0.36	21.80
(e) Interest / commitment charges accrued on loans but not due	89.41	37.13
(f) Liability towards Investors Education and Protection Fund under Section 205 C of the Companies Act, 1956 not due	13.69	11.28
	24102.57	11295.66

"12" [Item no. 11 (b)]

	As at March 31, 2009	As at March 31, 2008
PROVISIONS		
(a) Proposed dividends	311.61	578.43
(b) Provision for tax on dividends	35.74	90.14
(c) Provision for retirement and other employee benefit schemes [Note B (2), Page 116, 117 and 118]	1079.17	501.80
(d) Other provisions [Note B (4), Page 119]	5632.68	1155.00
	7059.20	2325.37

"13" [Item no. 13]

	As at March 31, 2009	As at March 31, 2008
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
(a) Employee Separation Cost	81.78	5.58
(b) Others	4.30	1.35
	86.08	6.93

Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account Basis of Consolidation and Significant Accounting Policies

1 Basis of Consolidation:

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

a) Basis of Accounting:

- I. The financial statements of the subsidiary companies / joint venture used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2009. [Refer Note (C) 2 (b), Page 120]
- II. The financial statements of the Group have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India / notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India.

b) Principles of consolidation:

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

- I. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.
- II. The consolidated financial statements include the share of profit / loss of the associate companies which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

An associate is an enterprise in which the investor has significant influence and which is neither a Subsidiary nor a joint venture of the investor.
- III. The financial statements of the joint venture companies have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the Consolidated Financial Statements. (Note C (7), Page 120)
- IV. The excess of cost to the Company of its investments in the subsidiary companies / joint ventures over its share of equity of the subsidiary companies / joint ventures, at the dates on which the investments in the subsidiary companies / joint ventures are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies / joint ventures as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- V. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

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

Sr No.	Name of the Subsidiary Company	Country of incorporation	% of holding either directly or through subsidiaries as at March 31,	
			2009	2008
Direct Subsidiaries				
1	Tata Daewoo Commercial Vehicle Co. Ltd.	South Korea	100	100
2	Telco Construction Equipment Company Ltd.	India	60	60
3	HV Axles Ltd.	India	85	85
4	HV Transmissions Ltd.	India	85	85
5	TAL Manufacturing Solutions Ltd.	India	100	100
6	Sheba Properties Ltd.	India	100	100
7	Concorde Motors (India) Ltd.	India	100	100
8	Tata Motors Insurance Broking & Advisory Services Ltd.(Formerly known as Tata Motors Insurance Services Ltd)	India	100	100
9	Tata Motors European Technical Centre Plc.	UK	100	100
10	Tata Technologies Ltd.	India	81.55	81.71
11	Tata Motors Finance Ltd.	India	100	100
12	Tata Marcopolo Motors Ltd.	India	51	51
13	Tata Motors (Thailand) Ltd.	Thailand	70	70
14	TML Holdings Pte Ltd, Singapore	Singapore	100	100
15	TML Distribution Company Ltd.	India	100	100
16	Tata Motors (SA) (Proprietary) Ltd.	South Africa	60	60
Indirect Subsidiaries *				
17	INCAT (Thailand) Ltd.	Thailand	81.55	81.71
18	Tata Technologies Pte. Ltd.	Singapore	81.55	81.71
19	INCAT International PLC.	UK	81.55	81.71
20	Tata Technologies Europe Ltd (Formerly known as INCAT Ltd.)	UK	81.55	81.71
21	INCAT SAS.	France	81.55	81.71

Basis of Consolidation and Significant Accounting Policies (contd.)

Sr No.	Name of the Subsidiary Company	Country of incorporation	% of holding either directly or through subsidiaries as at March 31,	
			2009	2008
Indirect Subsidiaries (contd.)				
22	INCAT GmbH.	Germany	81.55	81.71
23	INCAT Holdings B.V.	Netherlands	81.55	81.71
24	INCAT K.K.**	Japan	81.55	81.71
25	Tata Technologies iKS Inc.(merged into INCAT Systems w.e.f March 31, 2009)	USA	81.55	81.71
26	INCAT Systems Inc.	USA	81.69	81.85
27	Integrated Systems Technologies de Mexico, S.A. de C.V.	Mexico	81.69	81.85
28	INCAT Solutions of Canada Inc.	Canada	81.69	81.85
29	Miljobil Greenland AS (w.e.f October 6, 2008)	Norway	71.69	-
30	Miljo Innovasjon AS (w.e.f October 6, 2008)	Norway	71.69	-
31	Serviplem S.A. (w.e.f April 2, 2008)	Spain	47.40	-
32	Comoplesa Lebrero S.A. (w.e.f April 9, 2008)	Spain	36.00	-
33	Eurl Lebrero France (w.e.f April 2, 2008)	France	36.00	-
34	Baryval Asistencia Technica S.L. (w.e.f April 9, 2008)	Spain	36.00	-
35	Inner Mongolia North Baryval Engineering Special Vehicle Corporation Limited (w.e.f April 2, 2008)	China	26.64	-
36	JaguarLandRover Ltd (Formerly known as TML Holdings Ltd, UK)	UK	100	100
37	Jaguar Cars Overseas Holdings Ltd (w.e.f June 2, 2008)	UK	100	-
38	Jaguar Land Rover Austria GmbH (w.e.f June 2, 2008)	Austria	100	-
39	Jaguar Belux NV (w.e.f June 2, 2008)	Belgium	100	-
40	Jaguar Cars Ltd (w.e.f June 2, 2008)	UK	100	-
41	Jaguar Land Rover Japan Ltd (w.e.f June 2, 2008)	Japan	100	-
42	Jaguar Cars South Africa (pty) Ltd (w.e.f June 2, 2008)	South Africa	100	-
43	Jaguar Italia SpA (w.e.f June 2, 2008)	Italy	100	-
44	Jaguar Cars Exports Ltd (w.e.f June 2, 2008)	UK	100	-
45	The Daimler Motor Company Ltd (w.e.f June 2, 2008)	UK	100	-
46	The Jaguar Collection Ltd (w.e.f June 2, 2008)	UK	100	-
47	Daimler Transport Vehicles Ltd (w.e.f June 2, 2008)	UK	100	-
48	S.S. Cars Ltd (w.e.f June 2, 2008)	UK	100	-
49	The Lanchester Motor Company Ltd (w.e.f June 2, 2008)	UK	100	-
50	Jaguar Hispania Sociedad (w.e.f June 2, 2008)	Spain	100	-
51	Jaguar Deutschland GmbH (w.e.f June 2, 2008)	Germany	100	-
52	Land Rover (w.e.f June 2, 2008)	UK	100	-
53	Land Rover Group Ltd (w.e.f June 2, 2008)	Jersey	100	-
54	Jaguar Land Rover North America LLC (w.e.f June 2, 2008)	USA	100	-
55	Land Rover Belux SA/NV (w.e.f June 2, 2008)	Belgium	100	-
56	Land Rover Ireland Ltd (w.e.f June 2, 2008)	Ireland	100	-
57	Land Rover Nederland BV (w.e.f June 2, 2008)	Netherlands	100	-
58	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA (w.e.f June 2, 2008)	Portugal	100	-
59	Jaguar Land Rover Australia Pty Ltd (w.e.f June 2, 2008)	Australia	100	-
60	Land Rover Exports Ltd (w.e.f June 2, 2008)	UK	100	-
61	Land Rover Italia SpA (w.e.f June 2, 2008)	Italy	100	-
62	Land Rover Espana SL (w.e.f June 2, 2008)	Spain	100	-
63	Land Rover Deutschland GmbH (w.e.f June 2, 2008)	Germany	100	-
64	Jaguar Land Rover Asia Pacific Company Ltd (w.e.f August 1, 2008)	Thailand	100	-
65	Jaguar Land Rover Maxico SA de CV (w.e.f October 1, 2008)	Mexico	100	-
66	Jaguar Land Rover Korea Co. Ltd (w.e.f October 1, 2008)	South Korea	100	-
67	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd (w.e.f October 1, 2008)	China	100	-
68	Jaguar Land Rover Canada ULC (w.e.f January 1, 2009)	Canada	100	-
69	Jaguar Land Rover France, SAS (w.e.f February 1, 2009)	France	100	-
70	Jaguar Land Rover South Africa (pty) Ltd (w.e.f February 2, 2009)	South Africa	100	-

* Effective holding % of the Company directly and through its subsidiaries.

** Considering the financial position and business strategies, mangement has decided to liquidated INCAT KK, Japan w.e.f April 1, 2009.

d) The following Joint Venture companies are considered in the consolidated financial statements:

	Name of the Joint Venture Company	Country of incorporation	% of holding as at March 31,	
			2009	2008
1	Fiat India Automobiles Private Limited (Formerly Known as Fiat India Automobiles Private Ltd)	India	50.00	49.48
2	Tata HAL Technologies Ltd (w.e.f. May 28, 2008)	India	40.78 *	-
*	Effective holding % of the Company as it is a Joint Venture of Tata Technologies Ltd.			

2. Significant Accounting Policies:

a) Revenue Recognition

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

Discount and variable marketing expenses pertaining to Jaguar and Land Rover group are netted off against sales.

Some of subsidiaries sell vehicles to daily rental car companies and other fleet customers subject to guaranteed repurchase options. The difference between the proceeds and the guaranteed repurchase amount is recognised in Sales over the term of the lease, using a straight-line method. The difference between the cost of the vehicle and the estimated auction value is netted off against revenue over the term of the lease.

Revenue from software consultancy on time and materials contracts is recognised based on certification of time sheet and billed to clients as per the terms of specific contracts. On fixed price contracts, revenue is recognised based on milestone achieved as specified in the contracts on the proportionate completion method on the basis of the work completed. Forseeable losses on such contracts are recognised when probable. Revenue from rendering annual maintenance services is recognised proportionately over the period in which services are rendered. Revenue from third party software products and hardware sale is recognised upon delivery.

Basis of Consolidation and Significant Accounting Policies (contd.)

b) Depreciation

- i) Depreciation is provided on straight line method basis (SLM) over the estimated useful lives of the assets. Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life (years) amortised over the period of the lease
Leasehold Land	20 to 40
Factory Building	9 to 30
Plant and Equipment	3 to 6
Computers	3 to 10
Vehicles	3 to 20
Furniture and fixtures	2 to 10
Technical know-how	10 years
Developed Technologies	upto 8 years
Toolings	

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

Software is amortised over a period of twelve months to ninety six months or on the basis of estimated useful life whichever is lower.

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

c) Fixed Assets

- (i) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation. All costs relating to the acquisition and installation of Fixed Assets are capitalised and include financing costs relating to borrowed funds attributable to construction or acquisition of qualifying Fixed Assets, upto the date the asset / plant is ready for intended use. The cost acquisition is further adjusted for exchange differences relating to long-term foreign currency borrowings, attributable to the acquisition of the depreciable asset. (Note (q) Page 110)
- (ii) The product development cost incurred on new vehicle platform, engines, transmission and new products are recognised as intangible assets [included in the fixed assets] and are amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such period after commencement of the commercial production of the underlying product.
- (iii) Product development costs relating to minor product enhancement, facelifts and upgrades are charged off to Profit and Loss Account as and when incurred.

d) Leases

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

e) Accounting of Transactions in Foreign Currencies

(i) Exchange differences

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates.

- (1) Exchange differences arising on settlement of transactions and translation of monetary items other than those covered by (2) below are recognised as income or expense in the year in which they arise. Exchange differences considered as borrowing cost are capitalised to the extent these relate to the acquisition / construction of qualifying assets and the balance amount is recognised in the Profit & Loss account.
- (2) Exchange differences relating to long term foreign currency monetary assets / liabilities are accounted for with effect from April 1, 2007 in the following manner: (Note (q)(i), Page 110)
- Differences relating to borrowings attributable to the acquisition of the depreciable capital asset are added to / deducted from the cost of such capital assets.
 - Other differences are accumulated in Foreign Currency Monetary Item Translation Difference Account, to be amortised over the period, beginning April 1, 2007 or date of inception of such item, as applicable, and ending on March 31, 2011 or the date of its maturity, whichever is earlier.
- (3) On consolidation, the assets, liabilities and goodwill or capital reserve arising on the acquisition, of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expenditure items are translated at the average exchange rates for the year / month. Exchange differences arising in case of Integral Foreign operations are recognised in the Profit and Loss account and Exchange differences arising in case of Non Integral Foreign operations are recognised in the Group's Translation Reserve classified under Reserves and Surplus.

(ii) Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. With effect from April 1, 2008, the Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30- Financial Instruments: Recognition and Measurement.

These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Profit & Loss Account. Amounts accumulated in Hedging Reserve Account are reclassified to profit and loss in the same periods during which the forecasted transaction affects profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve Account is immediately transferred to the profit and loss account for the period. (Note (q)(ii), Page 110)

- (iii) Premium or discount on forward contracts other than those covered in (ii) above is amortised over the life of such contracts and is recognised as income and expense. Foreign currency options and other derivatives are stated at fair value as at the year end with change in fair value recognised in the Profit & Loss account.

Basis of Consolidation and Significant Accounting Policies (contd.)

f) Product Warranty Expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. Fees or Premiums for the issuance of extended service plans are recognised in income over the contract period in proportion to the costs expected to be incurred in performing services under the contract.

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

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

During the year, the Company and its subsidiary have reviewed the estimation for provisioning for doubtful receivables in respect of its vehicle financing business based on past performance trends. The Company and its subsidiary continue to provide for such doubtful receivables based on an assessment and the probable inherent loss in the business, and more conservatively than required under the RBI guidelines applicable to NBFC's. The revised estimation has resulted in lower provisioning of Rs. 139.9 crores in the current year.

h) Sale of Vehicle Loans

The Company and its subsidiaries sell Vehicle Loans to Special Purpose Entities ("SPE") in securitisation transactions. Recourse is in the form of the Company and its subsidiary's investment in subordinated securities issued by these special purpose entities, cash collateral and bank guarantees. The loans are derecognised in the balance sheet when they are sold and consideration has been received by the Company and its subsidiaries. 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 loans are recognised in the period the sale occurs based on the relative fair value of the portion sold and the portion allocated to retained interests, except for subsidiaries which are governed by prudential norms for income recognition issued by the Reserve Bank of India for Non Banking Financial Companies (NBFC), where gains or losses on sale are accounted for as per these norms.

In case of a subsidiary, the estimated liability for servicing expenses in respect of assigned receivables is made based on the ratio between the cost incurred for servicing current receivables and the collection made during the year. This provision has been necessitated consequent to the change in the method of accounting for profits on direct assigned receivables.

j) Inventories

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

k) Employee Benefits

i) Gratuity

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

ii) Superannuation / Pension

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

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

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

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

Jaguar and Land Rover operate a defined pension scheme, which is contracted out of the state scheme. The actuarial losses (net) of Rs.1457.21 crores of pension plans of Jaguar Cars Ltd and Land Rover, UK, have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with IFRS principles and permitted by AS21. The actuarial losses significantly represent short term valuation impact on the plan assets.

Basis of Consolidation and Significant Accounting Policies (contd.)

iii) Bhavishya Kalyan Yojana (BKY)

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

iv) Post-retirement Medicare Scheme

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

v) Provident fund

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

vi) Compensated absences

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

l) Investments

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

m) Taxes on Income

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

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

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

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

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

o) Borrowing costs

Fees towards structuring / arrangements and underwriting and other incidental costs incurred in connection with borrowings are amortised over the period of the loan.

Basis of Consolidation and Significant Accounting Policies (contd.)

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

Costs under individual Employee Separation Schemes are amortised over periods between 12 to 84 months depending upon the estimated future benefit.

q) Changes in Accounting policy

(i) Consequent to the notification, issued by the Ministry of Corporate Affairs, amending the Accounting Standard (AS) 11 – The Effects of changes in Foreign Exchange Rates, the Company has opted to change the accounting policy retrospectively w.e.f. April 1, 2007 and accordingly the exchange differences on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets and the exchange differences on other long term foreign currency monetary items is amortised over its tenor till maturity or March 31, 2011, whichever is earlier. Earlier such differences were recognised in the Profit and Loss Account.

As a result, Loss before tax for the year ended March 31, 2009 is lower by Rs. 3035.47 crores. Further an amount of Rs. 142.98 crores (net of tax) pertaining to the financial year ending on March 31, 2008 has been debited to the General Reserve.

Cumulative unamortised exchange loss of Rs. 636.48 crores (net of tax) has been shown under Foreign Currency Monetary Item Translation Difference Account.

(ii) Effective from April 1, 2008, the Company has applied hedge accounting principles in respect of forward exchange contracts as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Accordingly, all such contracts outstanding as on March 31, 2009 that are designated as hedging instruments to hedge the foreign currency cash flow risk of highly probable forecast transactions are marked to market and an effective portion of notional loss aggregating Rs. 87.51 crores (net of tax) arising on such contracts, has been directly recognised in the Hedging Reserve Account to be ultimately recognised in the Profit and Loss Account, depending on the exchange rate fluctuation till and when the underlying forecasted transaction occurs. Earlier such notional loss / gain was recognised in the Profit and Loss Account on the basis of exchange rate on the reporting date.

(iii) Consequent to recognising Profits on direct assignment of receivables and the consequent recognition of provision in respect of liability for servicing assigned receivables by a subsidiary Company, the Loss before tax is lower by Rs. 29.30 Crores.

(A) Notes to Balance Sheet

“14” [Item no. 16]

1. Foreign Currency Monetary Item Translation Difference Account (Item 9, Page 94)

	(Rs. in crores)
	As at March 31, 2009
	As at March 31, 2008
Opening Balance	-
(a) Exchange gain on foreign currency loan given	(3.71)
(b) Exchange loss on FCCN / CARS / Bridge Loan	640.19
Closing Balance	<u>636.48</u>

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

		(Rs. in crores)	
		"14" Item no. 16	As at
		As at	As at
		March 31,	March 31,
		2009	2008
(A) Notes to Balance Sheet (contd.)			
2.	(a) Claims not acknowledged as debts	842.54	478.59
	(b) Provision not made for income tax matters in dispute	443.13	453.37
3.	The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which department is in further appeal	28.30	35.34
4.	Estimated amount of contracts remaining to be executed on capital account and not provided for	4545.46	4045.52
5.	Other money for which the Company is contingently liable:		
	(a) In respect of bills discounted and export sales on deferred credit	293.84	750.00
	(b) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation	2398.78	1095.37
	(c) Cash Margin / Collateral	1702.01	1581.34
	(d) In respect of retained interest in securitisation transactions	56.71	65.65
	(e) In respect of subordinated receivables	242.56	40.74
	(f) Inter corporate deposits placed as collateral security	198.49	-
	(g) Others	14.18	15.04
6.	Concorde Motors (India) Limited (CMIL), a subsidiary company acquired certain immovable properties pursuant to a scheme of Arrangement in the year 2004. Stamp duty is payable on conveyance of properties in favour of CMIL. The stamp duty adjudication order has been passed by District Registrar (DUS) for Bangalore property fixing the market value of the immovable property situated at Bangalore as on the date of acquisition at Rs.11.65 crores on which Stamp duty @ 7% amounting to Rs.0.82 crore has been paid by CMIL during the year 2007-08 and has been capitalised under Land & Building. CMIL is in the process of completing similar formalities in respect of the Hyderabad Property that was acquired by CMIL pursuant to the scheme referred above. It is not possible to quantify the amount of duty payable, and adjustments, as and when effected, will be carried out to the cost of land and building relating to the property at Hyderabad.		
7.	(a) Major components of deferred tax arising on account of timing differences are:		
	Liabilities:		
	Depreciation	(1211.35)	(862.78)
	Product development cost and Reserves for Research and Development Expenses	(1051.73)	(629.89)
	Others	(22.23)	(12.46)
		<u>(2285.31)</u>	<u>(1505.13)</u>
	Assets:		
	Unabsorbed depreciation/ business loss	752.50	1.33
	Employees separation schemes	0.01	10.41
	Employee benefits / Expenses allowable on payment basis	259.39	114.93
	Provision for doubtful debts	236.13	135.50
	Premium on redemption of CARS (net of exchange fluctuation on premium)	259.42	212.65
	Others	97.65	55.86
		<u>1605.10</u>	<u>530.68</u>
	Net Deferred Tax Liability	<u>(680.21)</u>	<u>(974.45)</u>
	Jaguar and Land Rover had a total capital allowance pool of GBP 2360 million (Rs. 17149.57 crores) as at December 31, 2007. As part of the transaction with Ford, a minimum capital allowance pool, as at this date, of GBP 580 million (Rs. 4214.73 crores) in respect of qualifying expenditure on plant and machinery was assured by Ford to Jaguar Land Rover. Subject to any enquiries raised by HM Revenue and Customs (HMRC) in relation to the 2007 UK tax returns for the Jaguar Land Rover group, or any additional group relief required to be surrendered to Ford in relation to 2007 and prior years, the full GBP 2360 million (Rs. 17149.57 crores) pool should be available to Jaguar Land Rover for set-off against United Kingdom taxable profits arising in 2008 and future years. The capital allowances are available on a reducing balance basis, currently at a rate of 20% p.a. under laws applicable in the United Kingdom. As at 31 March 2009, a potential deferred tax asset of GBP 548.81 million (Rs. 3988.08 crores) exists in relation to the capital allowance pool. This has not been recognised due to the economic uncertainty of short term trading profits in the UK companies.		
(b)	Deferred Tax (charge) / credit for the year	2008-2009	2007-2008
	Opening Deferred Tax Liability	974.45	817.27
	Credited to Securities Premium Account	(47.10)	(215.52)
	Credited to General Reserve	(19.03)	2.87
	Credited to Hedging Reserve Account	(45.06)	-
	Deferred tax on acquisition	(79.40)	-
	Translation differences on opening balances in respect of foreign subsidiaries	14.67	4.20
	Others	3.79	(1.72)
		<u>802.32</u>	<u>607.10</u>
	Less: Closing Deferred Tax Liability	(680.21)	(974.45)
	Deferred Tax (charge) / credit for the year	<u>122.11</u>	<u>(367.35)</u>
(c)	Tax expense	2008-2009	2007-2008
	i) Current Tax (net of credit for Minimum Alternate Tax)	436.13	472.18
	ii) Fringe Benefit Tax	21.73	12.01
	iii) Deferred Tax	(122.11)	367.35
		<u>335.75</u>	<u>851.54</u>

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

(Rs. in crores)

(A) Notes to Balance Sheet (contd.)
"14"[Item no. 16] (contd.)

	As at March 31, 2009	As at March 31, 2008
8. (A) Disclosure in respect of finance leases:		
(i) Assets given on lease:		
(a) (i) Total Gross investment in the leases (Schedule 8 (c), Page 103)	13.16	24.75
Total Gross investment in the leases for a period:		
Not later than one year	11.35	15.86
Later than one year and not later than five years	1.81	8.89
(ii) Present value of the minimum lease payments receivables	12.64	23.06
Present value of the minimum lease payments receivable for a period:		
Not later than one year	10.90	14.69
Later than one year and not later than five years	1.74	8.37
(b) Unearned finance income	0.52	1.69
(c) The accumulated provision for the uncollectible minimum lease payments receivable	7.37	7.20
(d) A general description of significant leasing arrangements - Finance lease and Hire Purchase agreements: The Group has given own manufactured vehicles and machines and equipment on Hire Purchase / Lease. The contingent lease rentals is based on bank interest rate and depreciation in respect of the assets given on lease.		
(ii) Assets taken on lease:		
(a) (i) Total of minimum lease payments	53.05	49.34
The total of minimum lease payments for a period :		
Not later than one year	23.08	17.15
Later than one year and not later than five years	29.97	32.19
(ii) Present value of minimum lease payments	48.41	43.82
Present value of minimum lease payments for a period :		
Not later than one year	20.34	14.21
Later than one year and not later than five years	28.07	29.61
(b) A general description of the significant leasing arrangements - The Group has taken machines / computers and equipments on lease. The contingent lease rental is based on State Bank Medium Term Lending Rate and the depreciation rate under Income-tax Act, 1961 in respect of assets taken on lease. The assets are under renewable secondary lease.		
(B) Disclosure in respect of operating leases:		
(i) Assets given on lease:		
(a) Total of minimum lease payments	87.31	30.44
The total of minimum lease payments for a period :		
Not later than one year	49.04	6.09
Later than one year and not later than five years	38.27	24.35
(b) A general description of the significant leasing arrangements - The Company has entered into operating lease arrangements for land and buildings.		
(ii) Assets taken on lease:		
(a) Total of minimum lease payments	208.98	45.85
The total of minimum lease payments for a period :		
Not later than one year	66.30	15.08
Later than one year and not later than five years	142.68	30.77
(b) Lease payments recognised in the statement of profit and loss for the year	112.92	15.35
(c) A general description of significant leasing arrangements- The Company has entered into operating lease arrangements for computers, property and office equipments from various vendors.		

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

"14"[Item no. 16] (contd.)

(A) Notes to Balance Sheet (contd.)

9. Related party disclosures for the year ended March 31, 2009

A) Related Party and their relationship

Associates

Tata AutoComp Systems Ltd
Tata Cummins Ltd
Tata Precision Industries Pte. Ltd
Tata Engineering Services Ltd (Due to Common Key Management Personnel)
Tata Sons Ltd (Investing Party)
Nita Company Ltd
Hispano Carrocera, S. A
TSR Darashaw Ltd (Up to December 15, 2008)
Telcon Ecoroad Resurfaces Pvt. Ltd
Automobile Corporation of Goa Ltd
Jaguar Cars Finance Limited (w.e.f June 02, 2008)

Joint Ventures

Fiat India Automobiles Ltd.
(Formerly known as Fiat India Automobiles Private Ltd)
Tata HAL Technologies Ltd
(w.e.f. May 28, 2008)

Key Management Personnel

Mr. Ravi Kant
Mr. P M Telang

In Subsidiary Companies

Mr. Ranveer Sinha
Mr. M L Bapna
Mr. V N Sharma
Dr.Clive Hickman
Mr. A.P. Arya
Mr.A.Jamaiyar
Mr. Anupam Mishra
Mr.P.K.Verma
Mr.Shyam Mani
Mr. P R McGoldrick
Mr. W K Harris
Mr. H Hutchinsson
Mr. Fernando Oviedo
Mr. D Myers
Mr. L James
Mr. Marcus Schleer
Mr. Kevin Noe
Mr. Ramesh Indhewat
Mr. Yoshihiko Takebe
Mr. T Rajashekharan
Mr. Lokesh Shrivastava
(from July 18, 2008)
Mr. Rajeev Kapoor
Mr. David Smith
Mr. Phillip Popham
Mr. Michael O'Driscoll
Mr. Ian Callum
Mr. Ken Gregor
Mr. Michael Mohan
Mr. Des Thurlby
Mr. Paul Cope
Mr. Timothy Davis
Mr. Ermal Faulkner
Mr. Robert Joyce
Mr. Jeremy Vincent
Mr. Simon Warr
Mr. Michael Wright
Mr. Phil Hodgkinson
Mr. Gerry McGovern

w.e.f June 02, 2008

B) Transactions with the related parties

	Joint Venture *	Associates	Key Management Personnel	(Rs. in crores) 2008-2009 Total
Purchase of goods	374.67	1884.66	-	2259.33
	0.49	2230.49	-	2230.98
Sale of goods (inclusive of sales tax)	33.42	112.52	-	145.94
	0.66	135.73	-	136.39
Purchase of fixed assets	-	1.06	-	1.06
	-	160.08	-	160.08
Sale of Investments	-	125.87	-	125.87
Services received	-	-	-	-
	-	68.07	46.10	114.17
Services rendered	13.99	72.91	26.82	99.73
	6.56	4.33	-	25.09
Finance given (including loans and equity)	291.47	28.93	-	10.89
	76.68	221.32	-	320.40
Finance taken (including loans and equity)	50.83	3007.25	-	298.00
	-	6.35	-	3058.08
Interest / Dividend paid / (received) / Profit on sale of investments (net)	(16.98)	(283.23)	0.39	6.35
	(1.21)	87.87	0.11	(299.82)
Amount Receivable	40.71	24.22	0.03	86.77
	6.97	20.30	0.04	64.96
Amount Payable	77.89	126.54	0.34	27.31
	0.49	178.91	-	204.77
Amount Receivable (in respect of loans, interest & Dividend)	132.50	144.48	0.11	179.40
	26.15	156.02	0.29	277.09
				182.46

* Transactions with Fiat India Automobiles Ltd.

C) Disclosure in respect of material transactions with related parties

		2008-2009	2007-2008
i) Purchase of Goods	Tata Cummins Ltd	1213.81	1647.09
	Automobile Corporation of Goa Ltd	293.92	310.40
	Tata AutoComp Systems Ltd	367.44	273.01
ii) Sale of Goods	Tata Cummins Ltd	76.06	105.81
	Nita Co Ltd	32.33	-
iii) Purchase of Fixed Assets	Tata AutoComp Systems Ltd	1.06	-
iv) Sale of Investments	Tata Sons Ltd	125.87	-
v) Services received	Tata Sons Ltd	62.02	56.18
vi) Services rendered	Tata Cummins Ltd	3.63	1.70
	Hispano Carrocera, S. A	4.78	-
	Tata AutoComp Systems Ltd	2.35	-
vii) Finance given including Loan and Equity	Telcon Ecoroad Resurfaces Private Ltd	2.76	-
	Tata AutoComp Systems Ltd.	-	116.50
	Hispano Carrocera, S. A	-	46.07
	Automobile Corporation of Goa Ltd	-	41.48
viii) Finance taken including Loan and Equity	Tata Sons Limited	2979.40	-
	Telcon Ecoroad Resurfaces Private Ltd	-	6.35
ix) Interest/Dividend paid/(received)			
Dividend paid	Tata Sons Limited	126.73	126.73
Dividend received	Tata Cummins Ltd	(27.00)	(18.00)
Dividend received	Tata Sons Limited	(9.24)	(9.37)
Interest received	Hispano Carrocera, S. A	(6.09)	(5.03)
Interest received	Tata AutoComp Systems Ltd	(4.52)	-
Profit on Sale of Investments	Tata Sons Limited	(358.82)	-

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

"14"[Item no. 16] (contd.)

(A) Notes to Balance Sheet (contd.)

10. Consolidated Segment Information for the year ended March 31, 2009

(Rs. in crores)

(A) Primary segment

	Automotive			Others	Inter-Segment Eliminations	Total	
	Tata Vehicles / spares and financing thereof *	Jaguar and Land Rover Business	Intra Segment Eliminations				Total
a) Revenue							
External sales and income from other operations	28625.78	39270.70	-	67896.48	3042.37	-	70938.85
	32297.14	-	-	32297.14	3362.93	-	35660.07
Inter segment sales and other income	38.49	-	-	38.49	423.22	(461.71)	-
	57.10	-	-	57.10	340.88	(397.98)	-
Total Revenue	28664.27	39270.70	-	67934.97	3465.59	(461.71)	70938.85
	32354.24	-	-	32354.24	3703.81	(397.98)	35660.07
b) Segment results before dividend and other income, interest, tax and exceptional items	958.40	(1777.35)	-	(818.95)	217.54	(56.61)	(658.02)
	2845.10	-	-	2845.10	558.25	(2.21)	3401.14
c) i) Dividend and other income							798.96
							267.48
ii) Interest and discounting charges							(1930.90)
							(743.06)
iii) Notional Exchange (Loss) / gain (net) on revaluation of foreign currency borrowings, deposits and loan given							(339.29)
							160.73
d) Profit / (Loss) before tax							(2129.25)
Tax expense							3086.29
							(335.75)
							(851.54)
e) Profit / (Loss) after tax							(2465.00)
							2234.75
f) Segment assets	35545.47	29051.75	-	64597.22	2518.12	(243.81)	66871.53
	30237.55	-	-	30237.55	1749.70	(323.92)	31663.33
g) Segment liabilities	11819.93	16715.70	-	28535.63	1164.10	(82.99)	29616.74
	11254.22	-	-	11254.22	880.29	(118.30)	12016.21
h) Other information							
i) Depreciation	1044.01	1419.15	-	2463.16	49.06	(5.45)	2506.77
	745.55	-	-	745.55	36.52	-	782.07
ii) Capital expenditure	6254.94	10603.68	-	16858.62	449.44	(11.80)	17296.26
	5683.34	-	-	5683.34	182.49	(11.34)	5854.49
j) Segment assets exclude:							
i) Goodwill (on consolidation)							3718.65
							566.16
ii) Investments							1257.40
							2665.83
iii) Foreign Currency Monetary Item Translation Difference Account							636.48
							-
iv) Advance Tax (net)							586.74
							442.74
v) Miscellaneous expenditure (to the extent not written off or adjusted)							86.08
							6.93
vi) Interest accrued on Investments							2.62
							1.19
							6287.97
							3682.85

* Tata Vehicles include Tata Daewoo & Fiat traded vehicles.

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

"14" [Item no. 16] (contd.)

(A) Notes to Balance Sheet (contd.)

10. Consolidated Segment Information for the year ended March 31, 2009 (contd.)

(Rs. in crores)

(A) Primary segment (contd.)

k) Segment liabilities exclude:

i) Minority interest	403.03
	468.31
ii) Loans secured	13705.50
	6011.87
iii) Loans unsecured	21268.35
	5573.00
iv) Deferred tax liability (net)	680.21
	974.45
v) Provision for premium on redemption of Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)	1094.57
	887.84
vi) Proposed dividend and tax thereon	347.35
	668.57
vii) Interest / commitment charges accrued on loans but not due	89.41
	37.13
viii) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due	13.69
	11.28
	37602.11
	14632.45

(B) Secondary segment

	United States	UK	Rest of Europe	India	Rest of World	Total
Revenue from external customers	7509.34	15257.05	13355.42	26159.81	8657.23	70938.85
	567.20	183.11	688.19	29104.15	5117.42	35660.07
Carrying amount of segment assets	1374.03	23648.87	2227.52	35357.67	4263.44	66871.53
	1261.01	114.21	173.38	27848.66	2266.07	31663.33
Capital expenditure	1.46	10603.68	24.13	6584.10	82.89	17296.26
	1.99	11.11	1.91	5390.58	448.90	5854.49

Note:

- (1) The Company has disclosed business segment as primary segment. Automotive segment consists of business of automobiles products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company, wherever applicable. Others primarily include construction equipment, engineering solutions and software operations.
- (2) Segment revenues, expenses and results include transfer between business segments. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

"14" [Item no. 18]

(B) Notes to the Profit and Loss Account:

(1) Interest and Discounting Charges

(a) Interest	1982.82	763.32
	1982.82	763.32
Less : (i) Transferred to Capital Account	292.31	120.80
(ii) Interest received on bank and other accounts	239.70	169.66
	532.01	290.46
	1450.81	472.86
(b) Discounting Charges (net)	480.09	270.20
	1930.90	743.06

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

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

"14" [Item no.18]

(Rs. in crores)

(2) (a) Defined benefit plans / Long term compensated absences - As per actuarial valuations as on March 31, 2009

Particulars	Gratuity, Superannuation and BKY / PSY			Compensated Absences			Post-retirement Medicare scheme		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
i Components of employer expense									
Current Service cost	31.60	26.75	20.06	18.31	15.22	12.83	2.79	2.93	2.69
Interest cost	43.98	40.55	32.14	12.53	11.22	7.17	5.80	5.03	3.22
Expected return on plan assets	(38.49)	(36.09)	(29.66)	-	-	-	-	-	-
Past Service Cost	3.07	-	-	-	-	(0.25)	-	-	-
Actuarial Losses/(Gains)	(5.57)	52.77	68.40	(8.89)	18.34	36.77	10.57	5.74	16.89
Total expense recognised in the Statement of Profit & Loss Account in Schedule B, Page 98 under item :	34.59	83.98	90.94	21.95	44.78	56.52	19.16	13.70	22.80
	4 (b)						4 (a)		
ii Actual Contribution and Benefit Payments for year ended March 31,									
Actual benefit payments	67.01	68.43	69.02	29.55	28.77	20.47	4.51	4.65	3.34
Actual Contributions	37.10	104.37	109.51	29.55	28.77	20.47	4.51	4.65	3.34
iii Net asset/(liability) recognised in balance sheet as at March 31,									
Present value of Defined Benefit Obligation	574.18	558.32	513.74	154.81	162.41	146.40	85.18	70.53	61.48
Fair value of plan assets	515.83	497.46	433.21	N/A	N/A	N/A	N/A	N/A	N/A
Net asset/(liability) recognised in balance sheet	(58.35)	(60.86)	(80.53)	(154.81)	(162.41)	(146.40)	(85.18)	(70.53)	(61.48)
iv Change in Defined Benefit Obligations (DBO) during the year ended March 31,									
Present Value of DBO at beginning of year	558.32	513.74	451.08	162.41	146.40	110.35	70.53	61.48	42.02
Liability on Acquisitions	-	0.73	-	-	-	-	-	-	-
Current Service cost	31.60	26.75	20.06	18.31	15.22	12.83	2.79	2.93	2.69
Interest cost	43.98	40.55	32.14	12.53	11.22	7.17	5.80	5.03	3.22
Plan amendments	3.07	-	-	-	-	(0.72)	-	-	-
Actuarial (gains)/ losses	4.22	44.98	79.48	(8.89)	18.34	37.24	10.57	5.74	16.89
Benefits paid	(67.01)	(68.43)	(69.02)	(29.55)	(28.77)	(20.47)	(4.51)	(4.65)	(3.34)
Present Value of DBO at the end of year	574.18	558.32	513.74	154.81	162.41	146.40	85.18	70.53	61.48
v Change in Fair Value of Assets during the year ended March 31,									
Plan assets at beginning of year	497.46	433.21	351.98	N/A	N/A	N/A	N/A	N/A	N/A
Actual return on plan assets	48.28	28.31	40.74	N/A	N/A	N/A	N/A	N/A	N/A
Actual Company contributions	37.10	104.37	109.51	29.55	28.77	20.47	4.51	4.65	3.34
Benefits paid	(67.01)	(68.43)	(69.02)	(29.55)	(28.77)	(20.47)	(4.51)	(4.65)	(3.34)
Plan assets at the end of year	515.83	497.46	433.21	-	-	-	-	-	-
vi Actuarial Assumptions									
Discount Rate (%)	6.75-8.50	7.75-8.50	8.00-8.50	8.50	8.50	8.50	8.50	8.50	8.50
Expected Return on plan assets (%)	8.00	8.00	8.00	N/A	N/A	N/A	N/A	N/A	N/A
Medical cost inflation (%)	N/A	N/A	N/A	N/A	N/A	N/A	4.00	4.00	4.00
vii The major categories of plan assets as percentage to total plan assets									
Debt securities	78%	69%	64%	N/A	N/A	N/A	N/A	N/A	N/A
Balances with banks	22%	31%	36%	N/A	N/A	N/A	N/A	N/A	N/A
viii Effect of one percentage point change in assumed Medical inflation rate	One percentage point increase in Medical inflation rate						One percentage point decrease in Medical inflation rate		
	2009	2008	2007				2009	2008	2007
Revised DBO as at March 31,	93.69	72.10	67.78				77.74	64.68	56.00
Revised service cost	3.21	3.12	2.97				2.50	2.35	2.47
Revised interest cost	5.96	5.54	3.55				5.30	4.54	2.93

- a) Defined Contribution Plans-
The Company's contribution to defined contribution plan aggregated **Rs.176.86 crores** (2007-08 Rs. 147.95 crores) for the year ended March 31, 2009 has been recognised in the statement of Profit and Loss Account under item 4 (b) in Schedule B on page 98.
- b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- d) Effective April 1, 2006, the Company adopted the revised accounting standard on employee benefits. Pursuant to the adoption following amounts have been adjusted to general reserve for difference as per revised AS15 :

Ex Gratia on retirement	2007-2008		
	Gross	Tax	Net
	5.05	(1.72)	3.33
	5.05	(1.72)	3.33

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

"14" [Item no.18] (contd.)

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

(2) (b) Details of Severance Indemnity plan applicable to Tata Daewoo Commercial Vehicle Co.Ltd., Korea as on March 31, 2009

	(Rs. in crores)		
	2009	2008	2007
i Components of employer expense			
Current Service cost	14.75	18.90	15.88
Interest cost	7.64	6.87	6.25
Actuarial losses	19.96	7.69	23.51
Total expense recognised in the Statement of Profit & Loss Account in Schedule B, Page 98 under item 4 (b)	42.35	33.46	45.64
ii Actual Contribution and Benefit Payments for year ended March 31,			
Actual benefit payments	10.16	7.87	9.43
Actual Contributions	10.16	7.87	9.43
iii Net liability recognised in Balance Sheet as at March 31,			
Present value of Defined Benefit Obligation	174.83	156.50	149.63
Fair value of plan assets	-	-	-
Net liability recognised in Balance Sheet	(174.83)	(156.50)	(149.63)
iv Change in Defined Benefit Obligations during the year ended March 31,			
Present Value of DBO at the beginning of the year	156.50	149.63	113.73
Current Service cost	14.75	18.90	15.88
Interest cost	7.64	6.87	6.25
Actuarial losses	19.96	7.22	23.51
Benefits paid	(10.16)	(7.87)	(9.43)
Exchange fluctuation	(13.86)	(18.25)	(0.31)
Present Value of DBO at the end of the year	174.83	156.50	149.63
v Change in Fair Value of Assets during the year ended March 31,			
Plan assets at the beginning of the year	N/A	N/A	N/A
Acquisition Adjustment	N/A	N/A	N/A
Actual return on plan assets	N/A	N/A	N/A
Actual Company Contributions	10.16	7.87	9.43
Benefits paid	(10.16)	(7.87)	(9.43)
Plan assets at the end of the year	-	-	-
vi Actuarial Assumptions			
Discount Rate	5.00%	5.38%	5.00%
Expected return on plan assets	N/A	N/A	N/A
Medical cost inflation	N/A	N/A	N/A

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

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

"14" [Item no.18]

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

(2) (c) Details of Defined benefit plans applicable to Jaguar and Land Rover group from June 02, 2008 to March 31, 2009

Particulars	(Rs. in crores)	
	Post-retirement Pension scheme 2009	Post-retirement Medicare scheme 2009
i Components of employer expense		
Current Service cost	483.90	0.47
Interest cost	1263.37	0.47
Expected return on plan assets	(1713.44)	-
Asset restriction	(14.62)	-
Actuarial Losses	16.25	-
Total expense recognised in the Statement of Profit & Loss Account in Schedule B, Page 98 under item :	35.46	0.94
ii Actual Contribution and Benefit Payments for period ended March 31,		
Actual benefit payments	563.68	-
Actual Contributions	552.64	-
iii Amount recognised in Pension Reserve		
Actuarial loss	2585.69	-
Movement in restriction of pension asset	(959.22)	-
Exchange Fluctuation	(169.26)	-
Amount recognised in Pension Reserve	1457.21	-
iv Net liability recognised in balance sheet as at March 31,		
Present value of Defined Benefit Obligation	22119.55	8.65
Fair value of plan assets	22591.74	-
Restriction of pension asset	(290.37)	-
Unrecognised actuarial gains and losses	(3.42)	-
Onerous Obligation	(436.01)	-
Net asset recognised in balance sheet	261.67	-
Net (Liability) recognised in balance sheet	(519.28)	(8.65)
v Change in Defined Benefit Obligations (DBO) during the year ended March 31,		
Liability on Acquisition	26595.11	7.59
Current Service cost	483.89	0.47
Interest cost	1263.37	0.47
Actual Member Contributions	552.64	-
Actuarial losses	(2462.41)	(1.02)
Benefits paid	(563.69)	-
Expenses paid	(0.07)	-
Plan combinations	57.41	-
Exchange fluctuations	(3806.70)	1.14
Present Value of DBO at the end of year	22119.55	8.65
vi Change in Fair Value of Assets during the year ended March 31,		
Plan assets on Acquisition	29341.88	N/A
Actual return on plan assets	(3520.28)	N/A
Actual Company contributions	552.64	N/A
Actual Member Contributions	552.64	N/A
Benefits paid	(563.68)	N/A
Expenses paid	(0.07)	N/A
Plan combinations	54.50	N/A
Exchange fluctuations	(3825.89)	N/A
Plan assets at the end of year	22591.74	N/A
vii Actuarial Assumptions		
Discount Rate (%)	6.70-7.16	7.77
Inflation (%)	2.52-3.30	N/A
Expected Return on plan assets (%)	5.80-6.40	N/A
Medical cost inflation (%)	N/A	4.90-8.10
viii The major categories of plan assets as percentage to total plan assets		
Equity securities	27%-36%	N/A
Debt securities	36%-62%	N/A
Other	3%-29%	N/A

- a) Defined Contribution Plans-
Jaguar and Land Rover group's contribution to defined contribution plan aggregated **Rs. 8.48 crores** for the year ended March 31, 2009 has been recognised in the statement of Profit and Loss Account under item 4 (b) in Schedule B on Page 98.
- b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

"14"[Item no. 18]

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

(Rs. in crores)

		2008-2009	2007-2008
(3) Earnings Per Share:			
(a) Profit / (Loss) for the year	Rs. crores	(2505.25)	2167.70
(b) The weighted average number of Ordinary Shares for Basic EPS	Nos.	413,053,469	385,438,663
(c) The weighted average number of 'A' Ordinary Shares for Basic EPS	Nos.	27,428,499	-
(d) The nominal value per Share (Ordinary and 'A' Ordinary)	Rupees	10.00	10.00
(e) Share of Profit / (Loss) for Ordinary Shares for Basic EPS	Rs. crores	(2349.25)	2167.70
(f) Share of Profit / (Loss) for 'A' Ordinary Shares for Basic EPS *	Rs. crores	(156.00)	-
(g) Earnings Per Ordinary Share (Basic)	Rupees	(56.88)	56.24
(h) Earnings Per 'A' Ordinary Share (Basic)	Rupees	(56.88)	-
(j) Profit / (Loss) for the year for Basic EPS	Rs. crores	(2505.25)	2167.70
(k) Add: Interest payable on outstanding Foreign Currency Convertible Notes	Rs. crores	#	9.16
(l) Profit for the year for Diluted EPS	Rs. crores	#	2176.86
(m) The weighted average number of Ordinary Shares for Basic EPS	Nos.	#	385,438,663
(n) Add: Adjustments for Options relating to warrants, Shares held in abeyance, Foreign Currency Convertible Notes and Convertible Alternative Reference Securities	Nos.	#	38,845,181
(o) The weighted average number of Ordinary Share for Diluted EPS	Nos.	#	424,283,844
(p) The weighted average number of 'A' Ordinary Share for Basic EPS	Nos.	#	-
(q) Add: Adjustment for 'A' Ordinary Shares held in abeyance	Nos.	#	-
(r) The weighted average number of 'A' Ordinary Shares for Diluted EPS	Nos.	#	-
(s) Share of Profit for Ordinary Shares for Diluted EPS	Rs. crores	#	2176.86
(t) Share of Profit for 'A' Ordinary Shares for Diluted EPS*	Rs. crores	#	-
(u) Earnings Per Ordinary Share (Diluted)	Rupees	(56.88)	51.31
(v) Earnings Per 'A' Ordinary Share (Diluted)	Rupees	(56.88)	-
* 'A' Ordinary Share Holders are entitled to receive dividend @ 5% points more than the aggregate rate of dividend determined by the Company on Ordinary Shares for the financial year.			
# Since there is a loss for the year, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.			
(4) Other provisions include:		2008-2009	2007-2008
(a) Product warranty and Liability:			
Opening Balance		264.97	215.86
Add: On acquisition of subsidiaries		4495.30	-
Add: Provision for the year (net) (including additional provision for earlier years)		2266.11	310.57
Less: Payments / debits (net of recoveries from suppliers)		(2220.48)	(261.46)
Foreign currency translation		(420.99)	-
Closing Balance		4384.91	264.97
The provision is expected to be utilised for settlement of warranty claims within a period of 2 to 4 years.			
(b) Provision towards Environmental costs:			
Opening Balance		-	-
Add: On acquisition of subsidiaries		165.39	-
Add: Provision for the year (net)		15.04	-
Less: Payments / debits		(8.09)	-
Foreign currency translation		(20.80)	-
Closing Balance		151.54	-
(c) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS):			
Opening Balance		887.84	284.25
Provision for premium on redemption of CARS		-	634.07
Foreign currency exchange difference		234.64	(30.48)
Premium on Redemption of FCCN		(0.04)	-
Reversal of provision for premium due to buyback of CARS		(27.87)	-
Closing Balance		1094.57	887.84
(5) The additional disclosure as required by AS 7 (Revised) on Construction Contracts are as follows:			
(a) Advance received is Rs. 16.08 crores (as at March 31, 2008 Rs. 12.71 crores)			
(b) Retention money is Rs. 11.00 crores (as at March 31, 2008 Rs. 11.59 crores)			
(c) Contract revenue recognised during the year is Rs. 116.31 crores (2007-08 Rs. 104.00 crores)			
(d) Aggregate amount of costs incurred and recognised profits (less recognised losses) Rs. 183.57 crores (as at March 31, 2007 Rs. 108.05 crores)			
(6) The share of profit / (loss) in respect of investments in associate companies include the figures which are considered as per the unaudited financial statements / profit and loss account for the year ended March 31, 2009, as per the details given below :			
		Share in Post acquisition Reserves and Profit and Loss account upto March 31, 2009	Profit / (Loss) for the year ended March 31, 2009
Name of the Associate		(Rs. in crores)	
Tata AutoComp Systems Ltd		(63.35)	(68.31)
TSR Darashaw Ltd.**		-	0.63
Hispano Carrocera, S. A.		(2.34) *	-*
Tata Precision Industries Pte. Ltd.		(3.11) *	-*
		(68.80)	(67.68)

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

** TSR Darashaw Ltd. was an associate upto December 15, 2008

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

(C) Other notes:

- (1) (a) On June 2, 2008, the Company acquired from Ford Motor Company, Jaguar Land Rover businesses, for a consideration of US \$ 2.5 billion (Rs. 10765.19 crores). Out of the consideration, Ford has contributed approx US \$ 600 million to the Jaguar Land Rover pension plans. The acquisition includes the ownership of three major manufacturing plants, two advanced design centres in UK, a worldwide sales network, Intellectual Property Rights (including perpetual royalty free licenses) and Brands and Trade marks. The initial acquisition cost has been financed through bridge finance facility provided by a syndicate of banks to JaguarLandRover Ltd, an indirect subsidiary, which has been guaranteed by the Company.
- (b) The business of Jaguar and Land Rover comprised a number of subsidiaries (including national sales companies), several divisions and the Halewood facility all of which were integrated into Ford Motor Company prior to acquisition. Under the acquisition process, certain divisions relating to Jaguar and Land Rover were carved out of Ford entities and were either transferred to existing companies or to new companies formed as part of the reorganisation process. These companies together with the existing subsidiaries and the Halewood facility relating to Jaguar Land Rover business were reconstituted under Jaguar Cars Limited and Land Rover (part of JLR Group). Certain of these divisions relating to distribution operations are being transferred by Ford Motor Company to the JLR group upon completion of pending formalities and receipt of local regulatory approvals. The relevant transfer in two of countries was not completed as at March 31, 2009. The results of these divisions after acquisition (June 2, 2008) are included in the Consolidated Financial Statements in terms of sale and purchase agreement.
- (2) (a) During the year, Telco Construction Equipment Co. Ltd. (TELCON), acquired Comoplesa Lebrero S.A, Spain, (TELCON holds 60%) and Serviplem S.A, Spain, (TELCON holds 79%) for a total consideration of Euro 39.15 million (Rs. 250.97 crores). The Share purchase agreements governing these acquisitions provide a Purchase option (which may be exercised by TELCON) and a sell option (which may be exercised by the original shareholders of the entities) in respect of the balance shareholding in the subsidiaries that is currently not held by TELCON. The Sundry creditors in schedule 11 includes Rs.120.00 crores being part of the consideration payable to the erstwhile shareholders of Serviplem S.A which are due to be paid in tranches by 2011, as defined in the share purchase agreement.
- (b) For the purpose of consolidation, unaudited financial statements of Serviplem S.A. from April 2, 2008 to December 31, 2008 and unaudited financial statement of Comoplesa Lebrero S.A. from April 9, 2008 to December 31, 2008 has been considered. Further, there are no significant transactions or events requiring adjustments to the Consolidated Financial Statements from January 1, 2009 to March 31, 2009.
- (3) During the year, Tata Motors European Technical Centre Plc has acquired 71.69% shareholding of Norwegian battery technology firm Miljobil Grenland AS for NOK 3 million (Rs. 21.11 crores).
- (4) The financial results for the year ended March 31, 2009 include the results of the operation of Jaguar Land Rover businesses for the period June 02, 2008 to March 31, 2009, Serviplem S.A. from April 2, 2008 to December 31, 2008, Comoplesa Lebrero S.A. from April 9, 2008 to December 31, 2008 and Miljobil Grenland AS for the period October 06, 2008 to March 31, 2009. The financial results for the year ended March 31, 2009 are not comparable to this extent with the previous year.
- (5) Pursuant to the joint venture agreement entered into with Fiat Group Automobiles S.p.A., Italy and Fiat India Automobiles Limited (FIAL) (formerly known as Fiat India Automobiles Private Limited (FIAPL)) for establishment of joint venture to manufacture passenger cars, engines and transmissions at Ranjangaon in India, the Company invested Rs. 442.09 crores on December 28, 2007 representing 49% of the equity shareholding in FIAL. Subsequently in March 2008, the Company has subscribed to 50% of the additional equity shares, issued by FIAL, for Rs.159.50 crores, thereby increasing its equity shareholding in FIAL to 49.48% as at March 31, 2008. Further in July 2008, the company has subscribed to 10,697,898 of the additional equity shares issued by FIAL for Rs.117.95 crores, thereby increasing its equity shareholding in FIAL to 50% as at March 31, 2009.
- (6) Pursuant to the joint venture agreement entered into with Hindustan Aeronautics Limited, Tata Technologies Ltd. invested Rs. 1 crore on May 28, 2008 representing 50 % of the equity shareholding in Tata HAL Technologies Limited.
- (7) The proportionate share of assets and liabilities as at March 31, 2009 and income and expenditure for the year ended March 31, 2009 of the above joint venture companies based on audited financial statements are given below:

	As on March 31, 2009	As on March 31, 2008	2008-2009	(Rs. in crores) 2007-2008
RESERVES AND SURPLUS				
Reserves and Surplus	(350.23)	(43.97)		
ASSETS				
Net Block (including CWIP)	1644.61	785.65		
Investments (Rs.50)	-	-		
Current Assets	756.67	136.09		
	2401.28	921.74		
LIABILITIES				
Unsecured Loans	755.18	67.94		
Current Liabilities	1278.37	444.94		
Provisions	2.53	1.60		
	2036.08	514.48		
Claims not acknowledged as debts	-	7.62		
Capital Commitments	156.93	924.84		
			401.53	14.85
			(53.57)	(2.19)
			42.75	1.48
			390.71	14.14
			32.35	15.93
			566.68	44.66
			(28.97)	(4.34)
			0.33	-
			59.49	5.08
			65.56	0.40
			1.54	(3.62)
			696.98	58.11

- (8) The Company made a simultaneous but unlinked rights issue of 64,276,164 Ordinary Shares of Rs. 10 each at a premium of Rs. 330 per shares, aggregating Rs. 2185.39 crores and 64,276,164 'A' Ordinary Shares of Rs. 10 each at a premium of Rs. 295 per share, aggregating Rs. 1960.42 crores. The Committee of Directors have on October 27, 2008 allotted 64,175,655 Ordinary Shares and 'A' Ordinary shares each, after holding in abeyance 100,509 Ordinary Shares and 'A' Ordinary Shares each due to legal cases.
- (9) The Company was in the process of construction of plant for manufacture of small car NANO at Singur in the state of West Bengal. During the year, the Company decided to relocate the NANO project at Sanand in the State of Gujarat. A portion of the plant and equipment has been shifted out of Singur. Having regard to the costs and benefits in connection with the relocation of the Project, in the opinion of the Management, no provision is necessary at present to the carrying cost of Capital Work-in-Progress.
- (10) Previous year figures have been re-grouped where necessary.
- (11) Current year figures are shown in bold prints.

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