TATA MOTORS

65th Annual Report 2009-2010

MOTOR SHOWS

10th Auto Expo 2010, New Delhi

The Tata Nano EV displayed at the 80th Geneva Motor Show

First Jaguar Land Rover showroom opens in India

The Chairman, Mr. Ratan N. Tata, inaugurating the first Jaguar Land Rover showroom at Ceejay House, Mumbai

New Product Launches

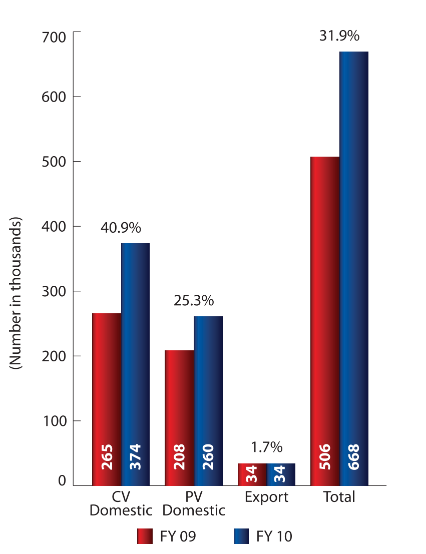
Tata Indigo MANZA

Tata 407 Pickup

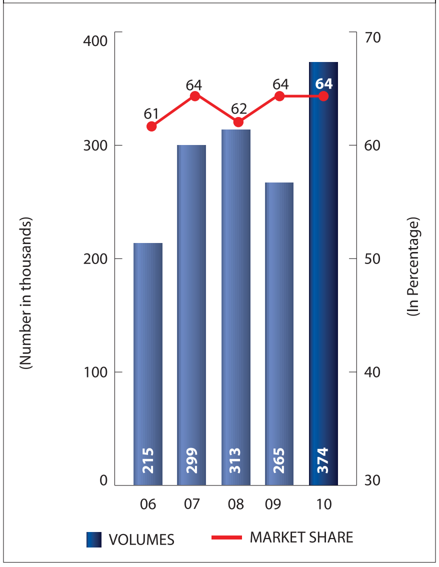
Tata Super ACE

Tata Prima

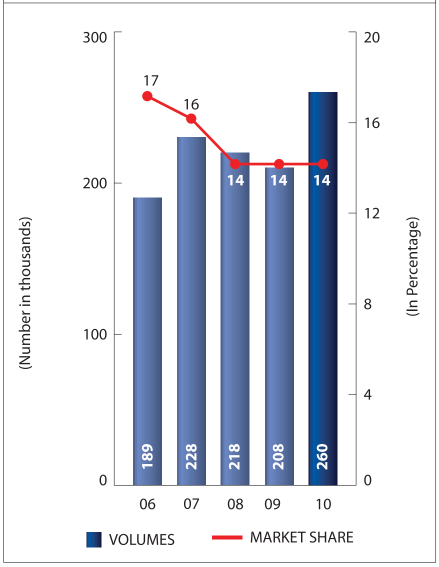
VOLUME GROWTH



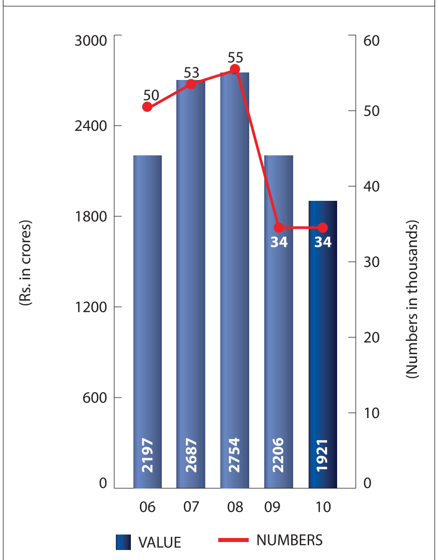
COMMERCIAL VEHICLE SALES (DOMESTIC) AND MARKET SHARE



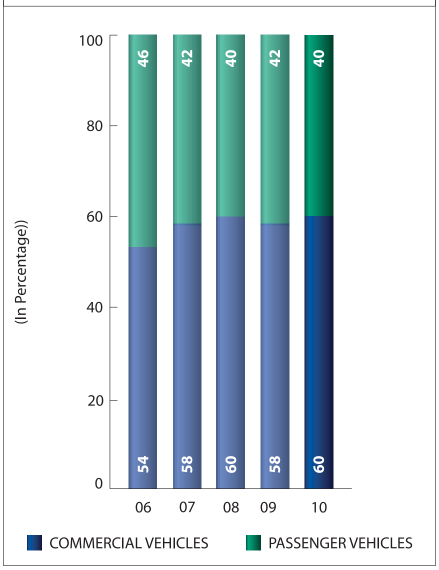
PASSENGER VEHICLE SALE (DOMESTIC) AND MARKET SHARE



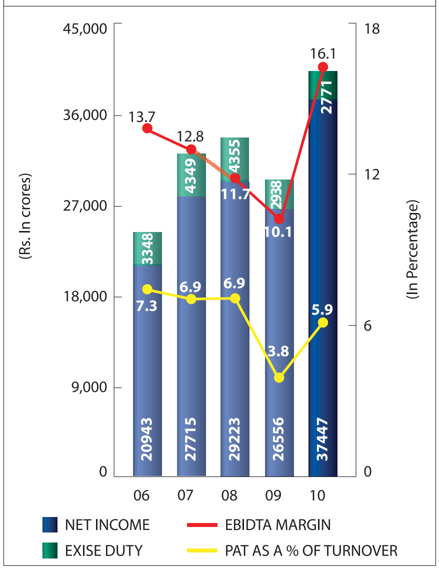
EXPORTS (FOB) VALUE AND NUMBERS



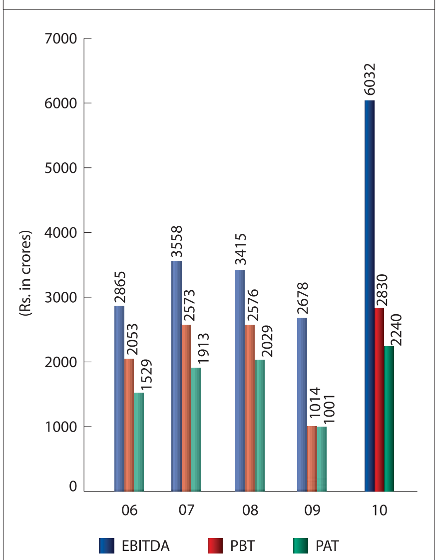
PRODUCT MIX (VOLUMES)



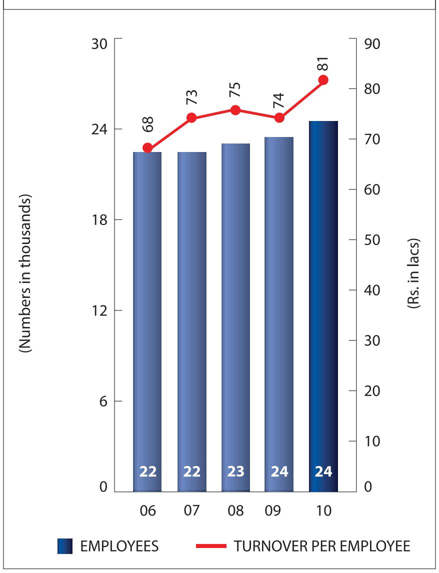
TURNOVER, EBIDTA AND PAT AS A % OF TURNOVER



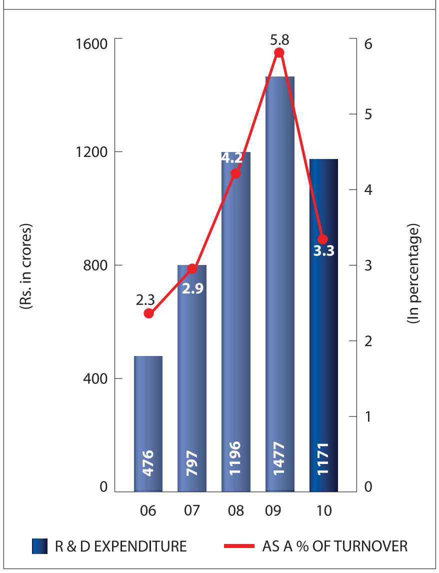
PROFITS



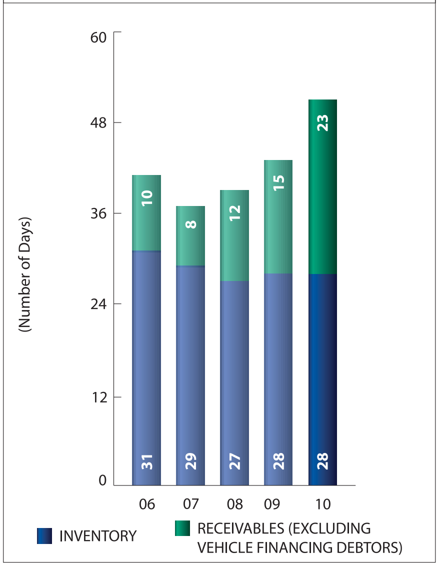
EMPLOYEE AND TURNOVER PER EMPLOYEE



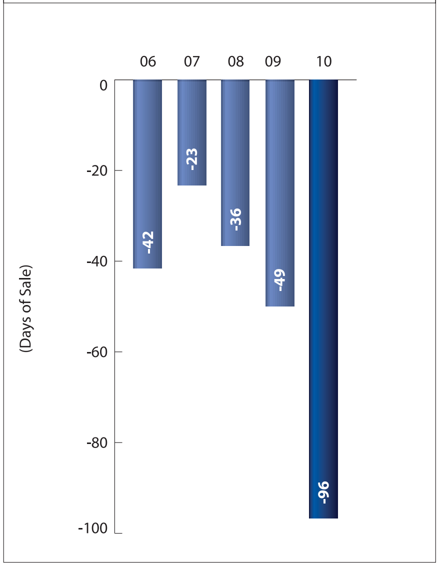
R & D EXPENDITURE AND AS A % OF NET TURNOVER



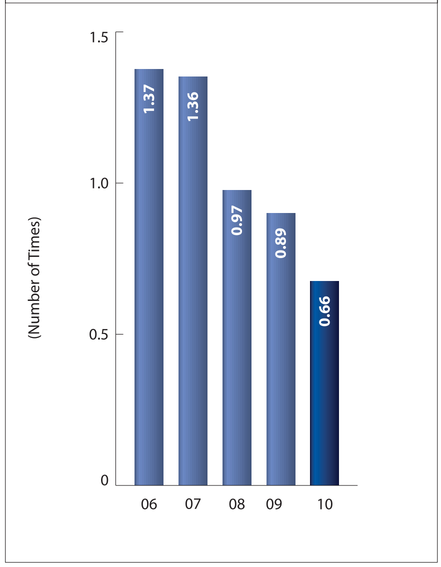
INVENTORY AND RECEIVABLES



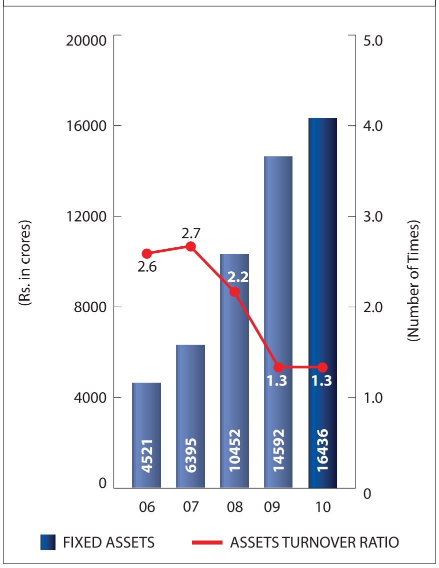
NET WORKING CAPITAL (NET OF VEHICLE FINANCE BUSINESS)



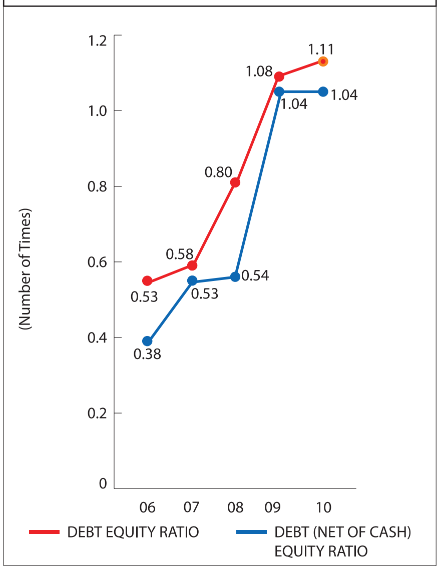
CURRENT RATIO



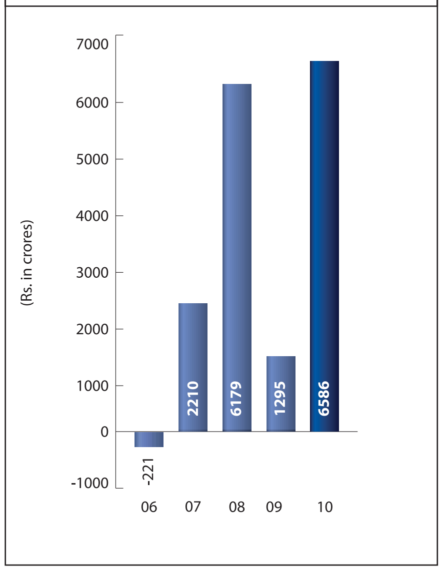
FIXED ASSETS AND ASSET TURNOVER RATIO



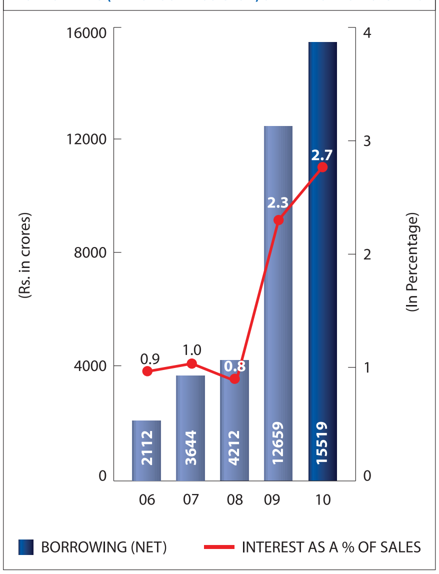
DEBT EQUITY RATIO AND DEBT (NET OF CASH) EQUITY RATIO



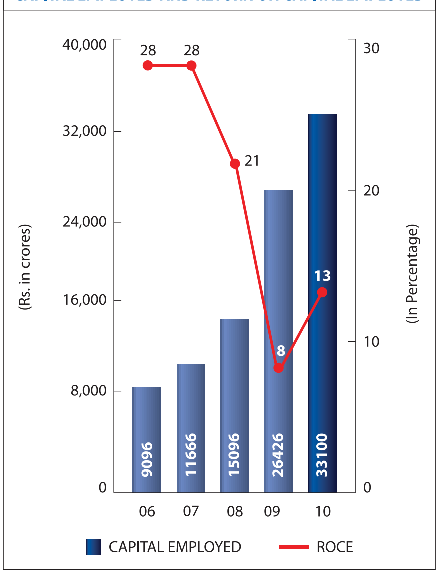
NET CASH GENERATED FROM OPERATIONS



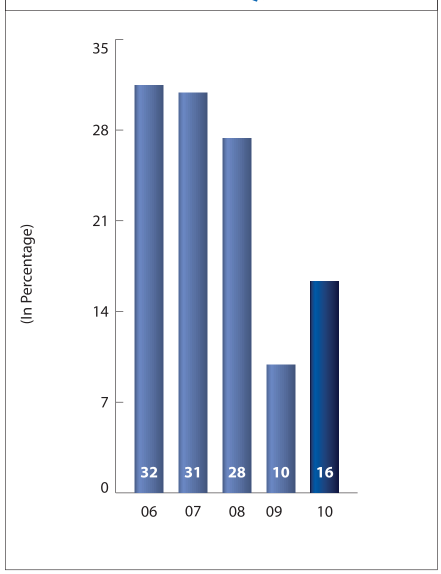
BORROWINGS (NET OF SURPLUS CASH) & INTEREST AS A % SALES



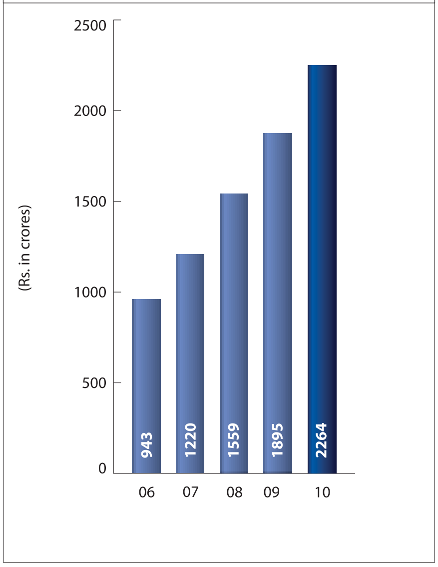
CAPITAL EMPLOYED AND RETURN ON CAPITAL EMPLOYED



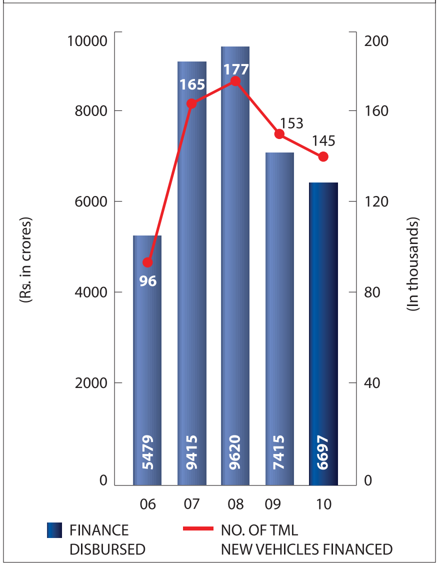
RETURN ON EQUITY



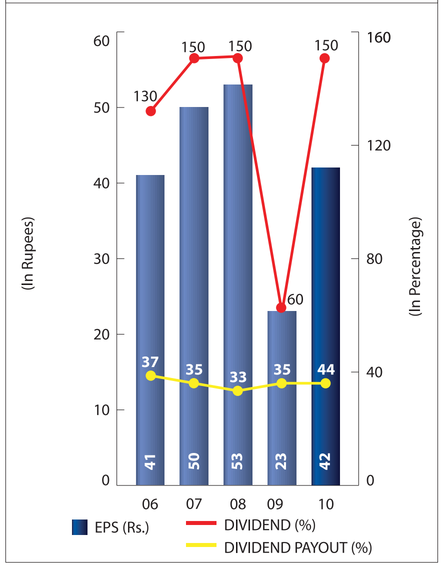
SALE OF VEHICLE SPARE PARTS



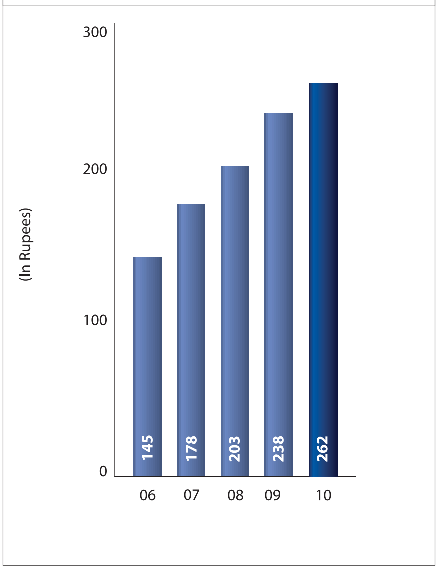
TATA MOTORS FINANCE GROWTH



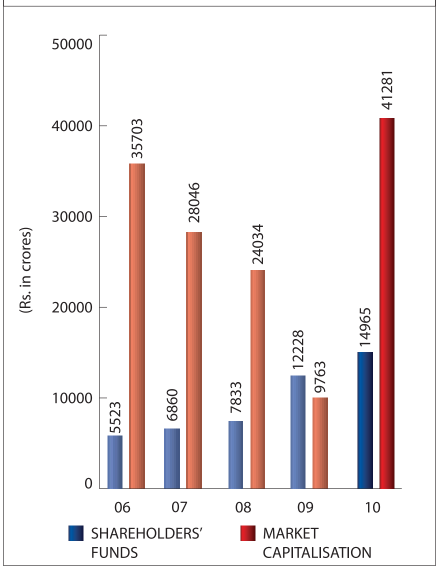
DIVIDEND ON ORDINARY SHARES (%), EPS AND PAYOUT RATIO



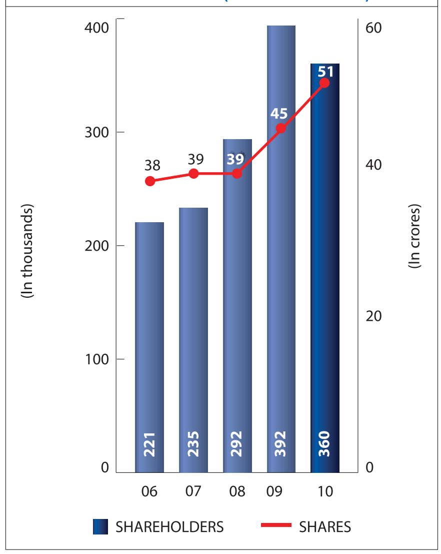
BOOK VALUE PER SHARE



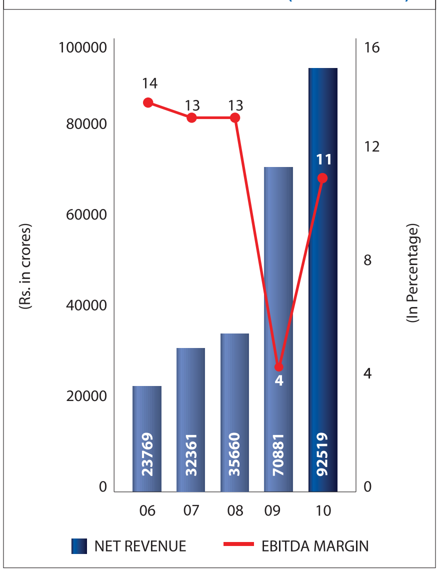
SHAREHOLDERS' FUND AND MARKET CAPITALISATION



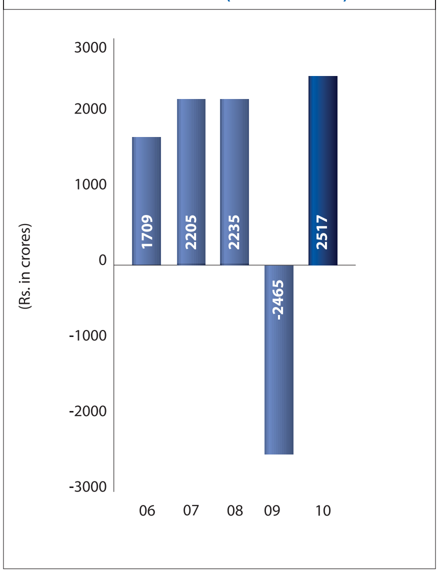
NUMBER OF SHAREHOLDERS AND NUMBER OF SHARES (ORDINARY SHARES)



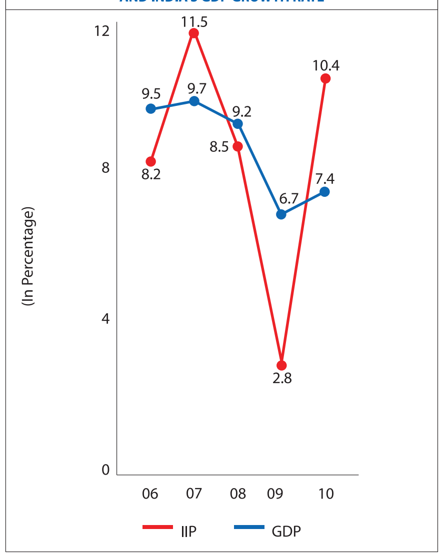
NET REVENUE AND EBITDA MARGIN (CONSOLIDATED)



PROFIT AFTER TAX (CONSOLIDATED)



GROWTH OF INDEX OF INDUSTRIAL PRODUCTION AND INDIA'S GDP GROWTH RATE



Contents

Annual General Meeting

Date	:	Wednesday, September 1, 2010
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

J J Irani

R Gopalakrishnan

N N Wadia

S M Palia

R A Mashelkar

S Bhargava

N Munjee

V K Jairath

Ranendra Sen

Carl-Peter Forster
Chief Executive Officer & Managing Director

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

Works

Jamshedpur, Pune, Lucknow, Pantnagar, Sanand

Management Team

Carl-Peter Forster, Chief Executive Officer & Managing Director
P M Telang, Managing Director-India Operations
C Ramakrishnan, Chief Financial Officer
R Pisharody, President (Commercial Vehicles Business Unit)
T Leverton, Head, Advanced and Product Engineering
S N Ambardekar, Sr. Vice President (Manufacturing Operations-CVBU)
S Krishnan, Sr. Vice President (Commercial-PCBU)
P Y Gurav, Sr. Vice President (Corp. Finance-Accounts and Taxation)
S B Borwankar, Head (Jamshedpur-Plant)
Vikram Sinha, Head (Car Plant-PCBU)
B B Parekh, Chief (Strategic Sourcing)
U K Mishra, Vice President (ADD and Materials-CVBU)
A A Gajendragadkar, Vice President (Corp. Finance-Business Planning)
N Pinge, Chief Internal Auditor
R Bagga, Vice President (Legal)
R Ramakrishnan, Vice President - Sales & Marketing(CVBU)
S Ravishankar, Vice President (Engg. Systems, ERC)
Girish Wagh, Head (Small Car Project)

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

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

Auditors

Deloitte Haskins & Sells (Registration No. 117366W)

Bankers

State Bank of India, 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, Hongkong Bank, ICICI Bank, Standard Chartered Bank, Union Bank of India, Punjab National Bank, Indian Bank, IDBI Bank, Karur Vysya Bank, Federal Bank, United Bank of India, Allahabad Bank, State Bank of Patiala, Andhra Bank, State Bank of Mysore, ING Vysya Bank

Corporate Identity Number (CIN)

L28920MH1945PLC004520

Summarised Balance Sheet

(Rs. in crores)

WHAT THE COMPANY OWNED	Company		Tata Motors' Group	
	As at March 31, 2010	As at March 31, 2009	**As at March 31, 2010**	As at March 31, 2009
1. NET FIXED ASSETS	**16436.04**	14592.16	**38506.33**	35733.33
2. GOODWILL	**-**	-	**3422.87**	3718.65
3. INVESTMENTS	**22336.90**	12968.13	**2219.12**	1257.40
4. DEFERRED TAX ASSETS (NET)	**-**	-	**425.97**	269.44
5. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (NET)	**161.69**	-	**-**	636.48
6. NET CURRENT ASSETS	**(5834.61)**	(1136.67)	**808.81**	565.79
7. MISCELLANEOUS EXPENDITURE	**-**	2.02	**-**	86.08
8. TOTAL ASSETS (NET)	**33100.02**	26425.64	**45383.10**	42267.17
WHAT THE COMPANY OWED				
1. LOANS	**16625.91**	13165.56	**35192.36**	34973.85
2. NET WORTH	**14965.47**	12230.15	**8206.48**	5940.64
3. MINORITY INTEREST	**-**	-	**213.51**	403.03
4. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (NET)	**-**	164.12	**191.15**	-
5. DEFERRED TAX LIABILITY (NET)	**1508.64**	865.81	**1579.60**	949.65
6. TOTAL FUNDS EMPLOYED	**33100.02**	26425.64	**45383.10**	42267.17

Summarised Profit and Loss Account

(Rs. in crores)

	Company		Tata Motors' Group	
	2009-2010	2008-2009	**2009-2010**	2008-2009
1. **INCOME**				
SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS	**38364.10**	28568.21	**95567.42**	74093.31
LESS : EXCISE DUTY	**2771.05**	2938.48	**3048.17**	3212.36
	35593.05	25629.73	**92519.25**	70880.95
DIVIDEND AND OTHER INCOME	**1853.45**	925.97	**1793.12**	798.96
	37446.50	26555.70	**94312.37**	71679.91
2. **EXPENDITURE**				
RAW MATERIALS / COMPONENTS, MANUFACTURING AND OTHER EXPENSES	**29578.64**	22325.90	**75153.32**	61387.03
EMPLOYEE COST	**1836.13**	1551.39	**8751.77**	7297.42
PRODUCT DEVELOPMENT EXPENDITURE	**144.03**	51.17	**498.20**	347.75
DEPRECIATION / AMORTISATION	**1033.87**	874.54	**3887.13**	2506.77
INTEREST AND DISCOUNTING CHARGES	**1103.84**	673.68	**2239.71**	1930.90
EXCEPTIONAL ITEMS	**920.45**	65.26	**259.60**	339.29
TOTAL EXPENDITURE	**34616.96**	25541.94	**90789.73**	73809.16
3. **PROFIT / (LOSS) BEFORE TAX**	**2829.54**	1013.76	**3522.64**	(2129.25)
4. TAX EXPENSE	**(589.46)**	(12.50)	**(1005.75)**	(335.75)
5. **PROFIT /(LOSS) AFTER TAX**	**2240.08**	1001.26	**2516.89**	(2465.00)
6. SHARE OF MINORITY INTEREST	**-**	-	**(30.33)**	11.48
7. SHARE OF PROFIT / (LOSS) IN RESPECT OF INVESTMENTS IN ASSOCIATE COMPANIES	**-**	-	**84.50**	(51.73)
8. **PROFIT /(LOSS) FOR THE YEAR**	**2240.08**	1001.26	**2571.06**	(2505.25)

Chairman's Statement

Dear Shareholder,

The world has been recovering from the global financial crisis which devastated the economies of so many countries and so many business sectors.

The automobile industry has always been a barometer for the economic strength of a nation. It is therefore not surprising that this sector was amongst the worst-hit industrial sectors during the period of this global meltdown. Automotive sales in North America, Continental Europe and the United Kingdom were particularly hard-hit in 2008-09, due mainly to the rise in fuel prices and the collapse of the banking institutions. Sales of cars in the United States declined by 21.5% over the previous year while sales in Europe and the United Kingdom declined by 11.9% and 6.4% respectively. This resulted in dramatic changes in the structure of global auto makers. Two of the 'Big Three' U.S. car companies filed for bankruptcy in mid-2009 and re-emerged with substantial federal funds, a lower cost base, and lower debt. The new structure and the related government-led financial packages, along with market incentives helped the industry to survive this crisis. Today, auto makers the world over are concentrating on new technologies to meet the stringent forthcoming emission goals which are being set. Hybrids and plug-in electric cars are also being introduced in the market in increasing numbers as alternative propulsion options.

By contrast, the automotive sector in Asia experienced growth. China and India were the main drivers of this growth. The domestic car markets of China and India have remained exceptionally buoyant. China, now the world's largest car producer, saw its passenger car sales increase 47.5% from 5.7 million units in 2008 to 8.4 million units in 2009. India too witnessed growth in passenger vehicle sales of 24.5% from 1.5 million units in FY09 to about 1.9 million units in FY10 in the domestic market. Commercial vehicle sales in India also registered a recovery of 40% on the increased execution of major infrastructure projects in the country.

Consequently, Tata Motors posted record consolidated net revenues and profits of Rs. 92,519 crores ($19,376 million) and Rs. 2,571 crores ($538 million) respectively during the current year. The Company's domestic sales in India for cars and commercial vehicles was 633,862 units – a growth of 34.1%. Passenger vehicle sales alone increased by 25.3% to 260,020 units.

Jaguar/Land Rover wholesale sales for FY 2009-10 grew to almost 194,000 units. Both brands improved their performance impressively mainly due to the very positive customer response to its newly-launched luxury sedans and the fact that the Company has succeeded in achieving a significant reduction in cost with improved operational efficiencies.

Also, during the year, despite the adverse market and financial conditions, Tata Motors was also able to restructure and pay down its debt by $977 million, thus making the Company a stronger and more viable enterprise.

Today and Beyond

The global automobile industry seems to be recovering – in line with the world's improving economic climate. Market sentiment has improved. The outlook for Tata Motors appears to be robust. The automotive demand in Asia remains strong and the market in Europe, United Kingdom and the United States has improved.

- JLR's operations have been profitable over the last two quarters and the new Jaguar and Land Rover products recently launched have all been well-received in the market. The Company has enormous talent, capabilities and skills, in addition to an impressive development of product and process technologies. These will enable the Company to achieve a more prominent position in the international automobile marketplace in the coming years.

  Highlights for each brand and their future plans are summarized below:-

  - **Jaguar** – The newly launched XF and XJ luxury sedans have been welcomed by customers in the market. Jaguar cars are regaining the confidence of customers as being reliable, in addition to being high-performance, with great road-handling and occupant safety.

    The Company is considering widening the product range of Jaguar cars by introducing a station wagon, a new entry-level Jaguar, and a new roadster.

  - **Land Rover / Range Rover** – The Range Rover continues to be the gold standard for off-road vehicles. Work is underway to revamp and refresh the entire model range. The new Range Rover 'EVOQUE' will be a bold design evolution in SUVs. Fuel-efficient 'start/stop' and hybrid vehicles will also be introduced progressively. The current range of vehicles has seen resurgence in demand, and the challenge before the Company today is to deliver enough vehicles to meet market demand. China has emerged as the third-largest global market for Land Rover/Range Rover and studies are underway to consider options to increase market penetration in China, India and other developing markets.

- **Tata Motors – India**

  During the year Tata Motors launched its all-new second-generation Indigo Manza sedan to join the new Indica Vista hatchback launched last year. Both have been well-received in the market. In January, the Company also displayed its new Crossover vehicle, two new passenger carriers and an entire new range of heavy commercial vehicles. These are being released progressively during the current year.

  The shift of the Nano manufacturing facilities from Singur in West Bengal to Sanand in Gujarat has been completed. The new plant in Sanand, Gujarat, has become operational in a record 14 months' time and while this new facility will initially produce 250,000 Nanos per annum, it will have the capability to expand to 500,000 units per annum. In the interim, Nano deliveries had been executed from the Company's facilities in Uttaranchal. The new Sanand plant will now make it possible to derive scale and optimization of manufacturing processes. The Nano has been selling extremely well and continues to evoke unprecedented customer interest across the country.

Recognizing that scale and market growth are essential, Tata Motors has, in addition to its domestic growth, viewed international expansion as an important strategic factor. With the acquisition of Jaguar/Land Rover, Daewoo Commercial Vehicle Company Limited, Hispano Carrocera S.p.A. Spain, and a major bus joint venture with Marco Polo of Brazil, Tata Motors expects to be in a position to offer a much wider product range in passenger cars and commercial vehicles in an increasing number of international markets. The operational strategy would be to leverage the Company's strengths in the design and development of products for the base of the pyramid, namely, addressing the often-unserved large potential market at the low end, while also growing in the higher priced segment. The Company also plans to undertake several joint initiatives which will leverage the respective strengths and economies of its various domestic and overseas establishments.

While sales of JLR, as also the Indian commercial vehicle segment suffered badly in 2008-09 during the global meltdown, resulting in a consolidated loss, all these segments have been able to register an impressive recovery in 2009-10, vindicating the sound fundamentals of the Company's longer-term strategies.

There is great confidence that with the major initiatives undertaken in terms of global acquisitions, product development, new product introductions and operational synergies, Tata Motors will achieve growth and take its place as a respected and viable automobile enterprise in the global industry with meaningful size and scale in the various segments in which it operates.

The progress which the Company has made would never have been possible without the tremendous support of our management, our workforce and our unions. We also appreciate the confidence and loyalty displayed by our customers, whom we will always strive to serve better. Last, but not least, we wish to thank our shareholders for their continued faith and support to the Company through good times and bad. All of this has gone towards making Tata Motors the company it is today. We would need this continued support to achieve the goals we have set for Tata Motors in the years ahead.

Ratan N. Tata

Chairman

Mumbai, July 16, 2010

Notice

NOTICE IS HEREBY GIVEN THAT THE SIXTY-FIFTH ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Wednesday, September 1, 2010 at 3.00 p.m., at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2010 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Ordinary Shares and 'A' Ordinary Shares.
3. To appoint a Director in place of Mr Ratan N Tata, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Dr R A Mashelkar, who retires by rotation and is eligible for re-appointment.
5. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:

   "RESOLVED that Mr R Gopalakrishnan, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed a Director of the Company."

   "RESOLVED FURTHER that the vacancy, so created on the Board of Directors of the Company, be not filled."
6. To appoint Auditors and fix their remuneration.

Special Business

7. **Appointment of Mr Ranendra Sen as a Director**

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

   "RESOLVED that Mr Ranendra Sen who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 1, 2010 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act"), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company whose office shall be liable to retirement by rotation."
8. **Appointment of Mr Carl-Peter Forster as a Director**

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

   "RESOLVED that Mr Carl-Peter Forster who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 1, 2010 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act"), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."
9. **Appointment of Mr Carl-Peter Forster as Chief Executive Officer and Managing Director**

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

   "RESOLVED that pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), as amended or re-enacted from time to time, read with Schedule XIII of the Act and subject to the approval of the Central Government, the Company hereby approves the appointment and terms of remuneration of Mr Carl-Peter Forster as the Chief Executive Officer and Managing Director of the Company for the period from April 1, 2010 to March 31, 2013, upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr Forster."

Tata Motors Limited

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

By Order of the Board of Directors

H K SETHNA
Company Secretary

Mumbai, July 1, 2010

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

Notes:

a. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos.5, 7 to 9 set out above and details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/re-appointment at this Annual General Meeting are annexed hereto.

b. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution /authority, as applicable, issued by the member organization.

c. Only registered Members (including the holders of 'A' Ordinary Shares) of the Company may attend and vote at the Annual General Meeting.

The holders of the American Depositary Receipts (the 'ADRs') and Global Depositary Receipts (the 'GDRs') of the Company shall not be entitled to attend the said Annual General Meeting. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said meeting through the Depositary, to give or withhold such consents, to receive such notice or to otherwise take action to exercise their rights with respect to such underlying shares represented by each such American Depositary Share. A brief statement as to the manner in which such voting instructions may be given is being sent to the ADR holders by the Depositary. The Depositary for the holders of the GDRs shall exercise voting rights in respect of the deposited shares by issue of an appropriate proxy or power of attorney in terms of the Deposit Agreement pertaining to the GDRs.

In respect of 'A' Ordinary Shares, if any resolution at the meeting is put to vote by a show of hands, each 'A' Ordinary Shareholder shall be entitled to one vote, i.e., the same number of votes as available to holders of Ordinary Shares. If any resolution at the meeting is put to vote on a poll, or if any resolution is put to vote by postal ballot, each 'A' Ordinary Shareholder shall be entitled to one vote for every ten 'A' Ordinary Shares held.

d. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

e. The Register of Members and Transfer Books of the Company will be closed from Thursday, August 12, 2010 to Wednesday, September 1, 2010, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after September 2, 2010 as under:

(i) To all Beneficial Owners in respect of shares held in electronic form, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on August 11, 2010;

(ii) To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on August 11, 2010.

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

f. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS). NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. The NECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents.

g. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.

h. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialised mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrars and Transfer Agents.

i. Members' attention is particularly drawn to the "Corporate Governance" section in respect of unclaimed and unpaid dividends.

j. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.

k. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.

Explanatory Statement

The following Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 ("the Act"), sets out all material facts relating to the business mentioned at Item Nos. 5, 7 to 9 of the accompanying Notice dated July 1, 2010.

Item No. 5: In accordance with the provisions of Section 256 of the Act and the Articles of Association of the Company, Mr R Gopalakrishnan retires by rotation. Mr R Gopalakrishnan has not sought re-election and it has been decided by the Board that the vacancy so created on the Board of Directors of the Company should not be filled.

Mr Gopalakrishnan is a Director of the Company since December 22, 1998 and is also a Member of the Executive Committee of the Board, Investors' Grievance Committee and Ethics and Compliance Committee. The Board has placed on record its appreciation of the contributions made by Mr Gopalakrishnan to the Company. Members' attention is invited to the Directors' Report.

Item No. 7: The Board of Directors ('the Board'), at its Meeting held on May 27, 2010 appointed Mr Ranendra Sen as an Additional Director with effect from June 1, 2010, pursuant to Section 260 of the Act and Article 132 of the Articles of Association of the Company. Under Section 260 of the Act, Mr Sen ceases to hold office at this Annual General Meeting but is eligible for appointment as a Director. Notice under Section 257 of the Act has been received from a Member signifying his intention to propose Mr Sen's appointment as a Director.

Mr Sen graduated from St. Xavier's College and joined the Indian Foreign Service in 1966. From 1986 to 1991, he was Joint Secretary to successive Prime Ministers, responsible for foreign and defence policies, atomic energy, space and other tasks. During his 43 years as a public servant, he participated in about 180 multilateral and bilateral summits. Mr Sen served as a political appointee as Ambassador to the United States during the most rapid and far-reaching transformation of India-US relations from 2004 to 2009.

Brief information of Mr Sen is given in the Annexure attached to the Notice.

The Board considers it desirable that the Company should continue to avail of the services of Mr Sen and accordingly commends the Resolution at Item No.7 for approval by the Members.

Mr Sen is concerned or interested in Item No.7 of the Notice.

Item Nos. 8 and 9: Mr Carl-Peter Forster was appointed as the Group Chief Executive Officer of the Company w.e.f. February 15, 2010 and was entrusted with the overall responsibility of Tata Motors' operations globally, including Jaguar Land Rover.

With over 4 million Tata vehicles plying in India, the Company is the country's market leader in commercial vehicles and among the top three passenger vehicle manufacturers in India. Tata cars, buses and trucks are being marketed in several countries in Europe, Africa, the Middle East, South Asia and South America. It also has franchisee/joint venture assembly operations in Kenya, Bangladesh, Ukraine, Russia and Senegal. Through subsidiaries and associate companies, Tata Motors has operations in the UK, South Korea, Thailand and Spain. Among them is Jaguar Land Rover, the business comprising the two iconic British brands which were acquired in 2008 which has global operations. The Company also has an industrial joint venture with Fiat S.p.A., Italy in India.

The Company is emerging as a major player in the global field with a presence in almost all Automobile segments. It is a reputed brand worldwide especially in the recent years having a global footprint in almost all continents. The Company has further plans to consolidate its position in various product segments in India and globally and is working on various initiatives, significant being, improving quality, reducing cost, expanding product range and market reach.

Mr Forster has 24 years of international experience in the automobile industry and was the CEO of General Motors, Europe where he looked after Opel/Vauxhall, Saab and European activities of Chevrolet. Prior to this, Mr Forster held various positions in BMW, including that of Managing Director of BMW South Africa and was also on the Managing Board of BMW responsible for manufacturing. Mr Forster holds a Diploma in Aeronautical Engineering from the Technical University in Munich and a Diploma in Economics from the Rheinische Friedrichs-Wilhelm-Universitat in Bonn, Germany. Mr Forster, a German resident and national, holds a valid employment Visa and registration certificate issued by Foreigners Regional Registration Office, Mumbai. Brief information of Mr Forster is given in the Annexure attached to the Notice.

Taking into consideration the size and complexity of the Company's global operations, the enormous responsibility for oversight of the Tata Motors' Group and the qualifications and accomplishments of Mr Forster, the Board at its meeting held on March 30, 2010 appointed Mr Forster as an Additional Director and subject to the approval of the Members and the Central Government, also as the Chief Executive Officer and the Managing Director ('the Managing Director') of the Company w.e.f. April 1, 2010.

Under Section 260 of the Act, Mr Forster ceases to hold office at this Annual General Meeting but is eligible for appointment as Director. Notice under Section 257 of the Act has been received from a Member signifying his intention to propose Mr Forster's appointment as a Director and the Members' approval is sought for the said proposal vide Resolution at Item No.8.

Tata Motors Limited

Pursuant to Section 302 of the Act, an Abstract of the main terms and conditions of Mr Forster's appointment was sent to the Members for their information. An application has also been made to the Central Government in respect of the said appointment and remuneration to be paid to Mr Forster and the appointment is subject to receipt of the said approval.

The terms of appointment and remuneration as approved by the Board pursuant to the recommendation of the Remuneration Committee include:-

a. **Tenure of Agreement:** April 1, 2010 to March 31, 2013.

b. **Nature of duties:** The Managing Director shall be responsible for the substantial management and administration of the Company comprising primarily of contributing in high level business development, networking, business guidance, business visibility, administration, finance, policy and decision making, in accordance with the directions of the Board. Mr Forster shall also accept and discharge those duties which may be assigned to him by the Board from time to time including serving on the Boards of associated/subsidiary companies or any other executive body or committee of such company and any other duties which can be reasonably expected of him in consideration of his position as the Managing Director.

   The discharge of the duties by Mr Forster shall be subject to superintendence, control and direction of the Board and shall also be subject to any limits and restrictions imposed under the Agreement with the Company or imposed by Applicable Law, Articles of Association of the Company, corporate governance documents, the approval of the Central Government and restrictions imposed by the Board of the Company.

c. **Remuneration:**

   Salary: Rs.34,90,000/- p.m.;

   Bonus and variable incentives remuneration based on certain performance criteria laid down by the Board;

   Benefits, perquisites and allowances as may be determined by the Board or a Committee thereof from time to time.

   Minimum Remuneration: Notwithstanding anything to the contrary, where in any financial year, the Company has no profits or its profits are inadequate during the currency of the tenure of the Managing Director, the Company will, subject to the approval of Central Government as required under applicable laws continue to pay to Mr Forster, remuneration by way of Basic Salary, Incentive Remuneration, benefits, bonus, perquisites and allowances as may be approved by the Board/Committee thereof from time to time.

d. **Other terms of Appointment:**

   (i) During the Term, the Managing Director:

   - is required to devote sufficient time and attention to the affairs and business of the Company and will have no other engagement or employment in any capacity for remuneration or otherwise, without the prior written consent of the Board or except to the extent with any subsidiary/affiliate of the Company;
   - shall not become interested or otherwise concerned, directly or though his affiliates, in any selling agency of the Company.

   (ii) The terms of appointment also include appropriate clauses for:

   - non compete/conflict of interest and non-solicitation during the term and for a period of 12 months thereafter. For the period of the post-contractual prohibition of competition and the post-contractual non-solicitation covenant set out above, the Company would pay the Managing Director, compensation of 50% of his last drawn basic salary;
   - adherence with the Tata Code of Conduct and maintenance of confidentiality.

   (iii) During the Term, the Company or Mr Forster may terminate the appointment with effect to the end of a month upon written notice to the other party, on the following terms:

   - If the Managing Director elects to terminate his employment during this period, he shall be entitled to do so provided he gives the Company 6 month's basic salary.
   - If the Company elects to terminate the Managing Director's employment, it shall give the Managing Director all salary and benefits payable under his employment agreement for the period of 3 years from the effective date of employment. Within the said 3 year period, the Managing Director shall use reasonable efforts to find an appropriate new position, in which event, 50% of the Managing Director's salary and bonus entitlements shall be due to him.
   - Notwithstanding anything mentioned above, the Company will have the right, after due inquiry and opportunity to the Managing Director of being heard, to terminate the employment with immediate effect in the event it is proved that the Managing Director is guilty of (a) misappropriation of funds; (b) serious violation of applicable laws, the Company's Articles of Association, the Tata Code of Conduct which result in significant loss or damage to the Company; (c) serious violation of any of his duties which result in significant loss or damage to the Company; (d) repeated or continuing breach or non observance by the Managing Director of the Board's directives which result in significant

loss or damage to the Company; (e) abuse of confidential information for his own purposes; and (f) an undisclosed serious violation of the non-compete covenant.

In such event, the Company would not be required to pay the Managing Director any remuneration from the date of termination.

- Upon termination, the Managing Director would resign from the office as a director in the Company or other offices held by him in the Company and/or any of its subsidiaries/affiliates without claim for compensation for loss of office.

(iv) Mr Forster is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283(1)(l) and other applicable provisions of the Act.

In compliance with the provisions of Sections 269, 309, and other applicable provisions of the Act read with Schedule XIII of the Act, the terms of remuneration specified above are now being placed before the Members for their approval vide Resolution at Item No. 9.

The Board commends the Resolutions at Item Nos. 8 and 9 for approval by the Members.

Mr Forster is concerned or interested in Item Nos. 8 and 9 of the Notice.

By Order of the Board of Directors

H K SETHNA
Company Secretary

Mumbai, July 1, 2010

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

Details of Directors retiring by rotation seeking re-election and appointment of Directors at this Annual General Meeting

Particulars	Mr Ratan N Tata	Dr R A Mashelkar	Mr Ranendra Sen	Mr Carl-Peter Forster
Date of Birth & Age	December 28, 1937 72 years	January 1, 1943 67 years	April 9, 1944 66 years	May 9, 1954 56 years
Appointed on	August 14, 1981	August 28, 2007	June 1, 2010	April 1, 2010
Qualifications	B.Sc. (Architecture) from Cornell University, USA, including 1 yr. at the Cornell Graduate School of Business Administration.	Chemical Engineering Scientist, Ph. D from Bombay University.	Graduate Degree from St. Xavier's College and joined Indian Foreign Service in 1966.	Diploma in Aeronautical Engineering from Technical University, Munich, Diploma in Economics from the Rheinische Friedrichs - Wilhelm-Universitat, Bonn, Germany.
Expertise in specific functional areas	Eminent industrialist with wide business experience across a variety of industries.	Wide experience and renowned knowledge in Scientific Areas.	Diplomat. Expertise in policy matters pertaining to foreign affairs, defence, atomic energy and space areas.	Wide international experience in automobile industry.
Directorships held in other Public companies (excluding foreign and private companies)	Tata Chemicals Ltd. Tata Consultancy Services Ltd. Tata Industries Ltd. Tata Sons Ltd. Tata Steel Ltd. Tata Tea Ltd. Tata Teleservices Ltd. The Bombay Dyeing & Manufacturing Co. Ltd. The Indian Hotels Co. Ltd. The Tata Power Co. Ltd.	ICICI Knowledge Park. Hindustan Unilever Ltd. IKP Centre for Technologies in Public Health. KPIT Cummins Infosystems Ltd. Piramal Lifesciences Ltd. Reliance Industries Ltd. Sakal Papers Ltd. Thermax India Ltd.	NIL	Fiat India Automobiles Ltd.
Memberships/ Chairmanships of Audit and Investor Grievances committees across public companies	NIL	***Audit*** Hindustan Unilever Ltd. Reliance Industries Ltd. Tata Motors Ltd.	NIL	NIL
Shareholding	1,87,346 Ordinary Shares & 21,836 'A' Ordinary Shares	NIL	NIL	NIL

Tata Motors Limited

FINANCIAL STATISTICS

	CAPITAL ACCOUNTS (Rs.in lakhs)						REVENUE ACCOUNTS (Rs.in lakhs)						RATIOS					
Year	Capital	Reserves and Surplus	Borrowings	Gross Block	Depre-ciation	Net Block	Turnover	Depre-ciation	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	2085206	625990	1459216	2949418	87454	101376	1250	100126	34570	3.4%	22.70	23.20	6.00	6.50	238++
2009-10	57060	1439487	1662591	2364896	721292	1643604	4021755	103387	282954	58946	224008	99194	5.6%	42.37	42.87	15.00	15.50	262^

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.

^ On increased capital base due to GDS issue and conversion of FCCN into shares.

Directors' Report

TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Sixty-Fifth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2010.

FINANCIAL PERFORMANCE SUMMARY

(Rs. in crores)

		Company		Tata Motors' Group	
		2009-10	**2008-09**	**2009-10**	**2008-09**
A	**FINANCIAL RESULTS**				
(i)	Gross Revenue	**38,364.10**	28,568.21	**95,567.42**	74,093.31
(ii)	Net Revenue (excluding excise duty)	**35,593.05**	25,629.73	**92,519.25**	70,880.95
(iii)	Total Expenditure	**31,414.77**	23,877.29	**83,905.09**	68,684.45
(iv)	Operating Profit	**4,178.28**	1,752.44	**8,614.16**	2,196.50
(v)	Other Income	**1,853.45**	925.97	**1,793.12**	798.96
(vi)	Profit before Interest, Depreciation, Amortization, Exceptional items & Tax	**6,031.73**	2,678.41	**10,407.28**	2,995.46
(vii)	Interest and Discounting Charges (Net)	**1,103.84**	673.68	**2,239.71**	1,930.90
(viii)	Cash Profit	**4,927.89**	2,004.73	**8,167.57**	1,064.56
(ix)	Depreciation, Amortisation & Product Development Expenses	**1177.90**	925.71	**4385.33**	2854.52
(x)	Profit / (Loss) for the year before Exceptional items & Tax	**3,749.99**	1,079.02	**3,782.24**	(1,789.96)
(xi)	Exceptional items	**920.45**	65.26	**259.60**	339.29
(xii)	Profit / (Loss) Before Tax	**2,829.54**	1,013.76	**3,522.64**	(2,129.25)
(xiii)	Tax Expense	**589.46**	12.50	**1,005.75**	335.75
(xiv)	Profit / (Loss) After Tax	**2,240.08**	1,001.26	**2,516.89**	(2,465.00)
(xv)	Share of Minority Interest and Share of Profit/(Loss) in respect of investments in associate companies	**-**	-	**54.17**	(40.25)
(xvi)	Profit / (Loss) for the year	**2,240.08**	1,001.26	**2,571.06**	(2,505.25)
(xvii)	Balance Brought Forward from Previous Year	**1,685.99**	1,383.07	**(1,553.66)**	1,764.12
(xviii)	Credit taken for Dividend Distribution Tax for Previous Year	**-**	15.29	**-**	-
(xix)	Amount Available for Appropriations	**3,926.07**	2,399.62	**1,017.40**	(741.13)
B	**APPROPRIATIONS**				
(a)	Debenture Redemption Reserve	**500.00**	267.80	**500.00**	267.80
(b)	General Reserve	**500.00**	100.13	**520.32**	138.20
(c)	Other Reserves	**-**	-	**13.08**	41.95
(d)	Dividend (including tax)	**991.94**	345.70	**1,001.85**	364.58
(e)	Balance carried to Balance Sheet	**1,934.13**	1,685.99	**(1,017.85)**	(1,553.66)

DIVIDEND

Considering the Company's financial performance, the Directors have recommended a dividend of Rs.15/- per share on the increased capital of 506,381,356 Ordinary Shares of Rs.10/- each (previous year- Rs.6/- per share) and Rs.15.50 per share on 64,176,560 'A' Ordinary Shares of Rs.10/- each (previous year- Rs 6.50 per share) and any further Ordinary Shares and/or 'A' Ordinary Shares that may be allotted by the Company prior to August 12, 2010 (being the book closure date for the purpose of the said dividend entitlement) for 2009-10. The said dividend, if approved by the Members, would involve a cash outflow of Rs.991.94 crores (previous year - Rs.345.70 crores) resulting in a payout of 44% of the unconsolidated profits of the Company.

Tata Motors Limited

OPERATING RESULTS AND PROFITS

After the economic downturn and difficult market conditions in the automotive sector globally in 2008-09, during the year, economies across the world (with a few exceptions) showed signs of recovery and growth. The Indian economy bounced back quickly and strongly growing at 7.2% in 2009-10. The automotive sector in India started the year steadily, gathered momentum in different segments in the second half of the year and ended the year with a record growth and performance.

The Company's turnover, in this background and with a strong portfolio coupled with successful launch of new products and variants in commercial vehicles and passenger vehicles, was Rs.38,364 crores, a growth of 34.3% over the previous year. The volume growth coupled with other actions on pricing and cost reduction enabled the Company to achieve significant improvement in EBIDTA margin to 11.7% (6.8% in 2008-09). The Profit Before Tax of Rs.2,830 crores and Profit After Tax of Rs.2,240 crores also grew significantly over the previous year by 179.1% and 123.7% respectively.

The Tata Motors' Group turnover was Rs.95,567 crores, a growth of 29% over previous year contributed mainly by market recovery, improved realization and successful launch of new products. Consolidated Profit Before Tax was Rs.3,523 crores (Loss of Rs.2,129 crores in 2008-09) and Consolidated Profit for the year was Rs.2,571 crores (Loss of Rs.2,505 crores in 2008-09).

The performance of the Company and its subsidiaries is elaborated in the Management Discussion and Analysis Report which forms a part of this Annual Report. A snapshot is given below.

VEHICLE SALES AND MARKET SHARES

The Company recorded a sale of 633,862 vehicles in 2009-10, a growth of 34% over previous year (472,885 vehicles) in the domestic market in India, representing a 25.5% share in the industry (improving from 24.4% share in the previous year).

Commercial vehicle sales were highest ever at 373,842 vehicles achieving a robust growth of 40.9% over previous year and a market share of 64.2% (a gain of 0.4%, over previous year). A strong product portfolio, successful launch of new products and variants, extensive efforts in marketing and finance enablement for customers and leadership in market research and penetration, contributed to the significant improvement in overall performance. Some of the key highlights were:-

- In M&HCV, growth of 36.5% to 155,161 vehicles and a market share improvement to 63.3% (from 61.9% in the previous year); launch of the next generation of heavy trucks - **Prima** range; completion of delivery of 1,625 low entry buses to Delhi Transport Corporation and delivery of major portion of the orders of over 5,000 buses under JnNURM Scheme of Government of India for modernizing the public transport in India.
- The Light Commercial Vehicle (LCV) sales recorded a spectacular growth of 45.4% in FY 2009-10. While this was largely aided by the growth in the small commercial vehicles, the rest of the segment also grew handsomely. The competition in the small commercial vehicle range increased resulting in a 0.5% loss in the domestic market share reducing it to 64.8%. The Company's sales increased by 44.2% to 218,681 LCVs. The Company launched new variants on the Ace platform, **Ace EX**, **Super Ace** and the **407 Pickup** which are expected to help in gaining volumes.

Passenger vehicle sales were 260,020 vehicles, highest ever, achieving a growth of 25.3% over previous year and a market share of 13.7% (stable compared to 13.6% in the previous year). The Company continues to be amongst the top three players in the passenger vehicle market which has over 25 players. The growing sales of the new generation **Indica Vista** and successful launch and market response for the **Indigo Manza** mainly contributed to the growth. Some of the key highlights were:

- In the Small Car segment, increase in market share to 13.3% (as against 12.7%, in the previous year), with the growing sales of **Indica Vista**, sales of the **Nano** and the **Fiat Punto**;
- Commencement of sales of **Nano** in July 2009 and completing deliveries of 30,763 cars to the customers and commencement of trial production in the Sanand plant.
- The **Indigo** range sales of 54,551 units, a growth of 10.9% over the previous year and also the highest ever sales by the Company in this range, mainly due to the launch of the **Indigo Manza** in October 2009.
- Sale of 33,507 Multi-Utility Vehicles (MUVs), a decline of 14.7% against the last year and as a result the market share dropped to 12.4%. The **Grande Mk II** which was launched in December 2009 has been well accepted in the market and is expected to help in regaining market share in the UV segment.

- Sale of 24,884 Fiat cars which has given Fiat a 1.3% market share as against 0.5% in the previous year with **Linea** sales at 11,102 nos. (a segment share of 10.1%) and the **Grande Punto** sales at 13,281 (a segment share of 3.5%).
- The Company sold 225 **Jaguar** and **Land Rover** vehicles through its exclusive dealerships in India in the first year of the sales of the **Jaguar Land Rover** brands.

The Company's international business remained affected by the economic downturn in many of the key markets. The Company's commercial vehicle exports grew moderately by 4.7% to 27,878 vehicles and passenger vehicles exports declined by 9.9% to 6,231 vehicles. With improved economic outlook and market recovery and with the new product range, the Company expects significant improvement in its international business in the future.

Tata Motors' Group sales were 880,396 vehicles across its entire range of products and markets. The key highlights were:

- The Company has sold 667,971 vehicles.
- Jaguar Land Rover achieved sale of 193,982 vehicles as compared to 167,348 vehicles in 2008-09 (in 10 months since Tata Motors acquisition of the business in June 2008). Jaguar Land Rover continued to enhance its product offerings through an all new **XFR**, powertrain offerings and 2010 model year vehicles. The new Jaguar **XJ** was unveiled in London in July 2009 and had its public debut at the Frankfurt Motor Show in September 2009.
- In South Korea, Tata Daewoo Commercial Vehicle Company Limited (TDCV) successfully launched the new premium truck platform – **Prima**; TDCV sales were stagnant at 9,011 vehicles in Korea and international markets as compared to 9,137 vehicles in the previous year.
- In Thailand, Tata Motors (Thailand) Limited saw a very good response to the CNG version of the Tata Pick-up vehicle – **Xenon**.

TATA MOTORS FINANCE LIMITED- CUSTOMER FINANCING INITIATIVES

The vehicle financing activity under the brand "Tata MotorFinance" (TMF) of Tata Motors Finance Limited, a wholly-owned subsidiary company, financed a total of 1,44,806 vehicles during the year as compared to 1,00,611 vehicles in the previous year. Total disbursements were Rs.6,697 crores as against Rs.4,900 crores in the previous year. The disbursals for new commercial vehicles were Rs.5,123 crores (96,593 units) as compared to Rs.3,319 crores (59,467 units) during the previous year. For passenger cars, total disbursements were Rs.1,454 crores (48,213 units) as compared to Rs.1,288 crores (41,144 units) in the previous year. The market share in terms of products financed by the Company increased from 22.4% in commercial vehicles to 26% and remained constant at 21% in passenger cars. TMF has shown improvements in disbursements as well as Net Interest Margins, mainly driven by the overall economic recovery coupled with a strong focus on controlling costs, improving quality of fresh acquisitions, micro-management of collections. TMF's strategy on controlling, managing and reversing non-performing assets (NPAs) and 'Risk Scored Pricing Model' thrust on customer relations and a branch based re-organised field structure has set a robust platform to enable future growth.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

Industrial Relations were cordial at all locations. In a challenging environment and business conditions, the support from the workforce and unions was positive throughout. The key highlights in the human resources and industrial relations were:-

- The Company's plant at Uttarakhand was conferred with the prestigious Golden Peacock Award for Safety & Environment and the National Award for energy conservation by the Ministry of Power. The Pune plant received the Frost and Sullivan Green leader award for 2009 in the automotive sector. The Jamshedpur plant obtained a revised and updated certification under SA 8000 - a global social accountability standard for working conditions, certifying labour practices at the facilities including those of suppliers. Towards organizational health and safety, the plants at Jamshedpur, Pune, Uttarakhand and Lucknow are certified under OHSAS 18001. The communication on progress during 2009-10 was submitted to the United Nations Global Compact. The Company has also submitted GRI report for 2008-09 based on G3 Guidelines of sustainability reporting framework. The Company also undertook several initiatives, including on-line tools for performance improvement, employee development and training.
- At Jaguar Land Rover, the year under review was dominated by the economic downturn and the need to cut costs quickly, which resulted in large numbers of non-production shifts in the 3 UK plants (Castle Bromwich, Halewood and Solihull). Jaguar Land Rover worked closely with its Trade Unions and negotiated a Framework Agreement which secured £68 million

of cost savings. It closed its Defined Benefit pension scheme to new workers with effect from April 24, 2010, by introducing a Defined Contribution scheme. All Jaguar Land Rover sites have been prepared to commence certification process for OHSAS 18001 external accreditation for Health and Safety standards, commencing July 2010.

The Company had 482 employees who were in receipt of remuneration of not less than Rs.24 lacs during the year or Rs. 2 lacs per month during any part of the said year. The Information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder is provided in the Annexure forming part of the Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

FINANCE

The borrowings of the Company as on March 31, 2010 stood at Rs.16,625.91 crores (previous year Rs.13,165.56 crores). The key highlights were:-

- In 2009-10, the Company raised Rs.4,200 crores from the issue of Secured, Rated, Credit Enhanced, Listed, 2% Coupon Non-Convertible Debentures (NCDs) with premium on redemption and Rs.200 crores from the issue of 9.95% Secured NCDs.
- In a challenging financial market environment, the Company successfully rolled over in May 2009, the bridge finance it had obtained for acquisition of the Jaguar Land Rover business for a period of 18 months, till December 2010. Subsequently, the Company was able to prepay this loan facility in October 2009 from certain divestments, improved cash generation from operations and also through fund raised, US$ 375 million from the issue of Global Depository Receipts and US$ 375 million from issue of Foreign Currency Convertible Notes.
- Further, the Company made a limited period enhanced conversion offer to the non-U.S. holders of the 0% JPY 11,760 million and 1% US$ 300 million Convertible Notes. The offer met with great success with bondholders representing 93% of the JPY bonds and 76% of US$ series bonds, opting to convert their bonds into Ordinary Shares, which resulted in debt of US$ 345 million being extinguished against the issue of 26.64 million Ordinary Shares.
- The Company also sold 20% stake in Telco Construction Equipment Company Limited (Telcon), in favour of Hitachi Construction Machinery Co. Ltd. (Hitachi) for a consideration of Rs.1,152.51 crores (net of expenses) resulting in the Company's shareholding being reduced to 40% (on consolidated basis).

Jaguar Land Rover completed guarantee arrangements to facilitate the drawdown of a £338 million loan from European Investment Bank for its projects aimed at emission reduction, besides other financing activities like an inventory financing facility; renewal of a US$200 million loan; and repaid short term borrowing totaling £220 million.

Tata Motors' Group debt:equity ratio in the operations continues to remain high at 4.3:1, though significantly bought down from 5.9:1 as at March 31, 2009. The Board is conscious of this, and the need to strengthen the long-term funding for the business.

The Company will further consider suitable steps to de-leverage and hence de-risk the balance sheet from volatility and has also taken and will continue to implement suitable steps for raising long term resources to match the Company's fund requirement and to optimize its loan maturity profile. The Company's rating for foreign currency borrowings was revised by Standard & Poor to B (Positive Outlook) and by Moodys' to B3 (Stable Outlook). For borrowing in local currency the rating was revised to A+ (Stable Outlook) by Crisil and to LA+ (Stable Outlook) by ICRA.

INFORMATION TECHNOLOGY INITIATIVES

Tata Motors' Group continued to reinforce its IT capabilities in all areas of business in design/ engineering, manufacturing, vendor interface and dealer/customer interface functions. The major initiatives undertaken were:-

- in Product Development/Engineering, 3D design visualization capability, enriching digital content by adding behaviour to digital models, Knowledge Based Engineering tools and enhanced digital collaboration with vendors;

- Digital manufacturing solutions and validation was extensively deployed for the Nano facilities planning; manufacturing Execution systems implemented in the high-volume plants at Uttarakhand and Sanand;
- Supplier portal, which facilitates close collaboration from design/development stage to production planning and scheduling;
- CRM-DMS program enhancements, which further enrich the on-line common platform system for the Company's sales, spare parts service activities and for all channel partners, giving the Company an on-line real-time market and customer interaction and information capability;
- Extension of customer touch points through web, call centre and SMS.
- Jaguar Land Rover completed the process of separating its operations in markets where it previously operated as a part of the Ford legal entity and the process to separate the IT infrastructure and support systems is expected to be completed shortly. Jaguar Land Rover also rolled out its new SAP solution to many of its existing National Sales Companies around the world including South Africa, Brazil, North America, France and China. Jaguar Land Rover has initiated a major programme to re-engineer Product Creation capability, covering every aspect of Product Lifecycle Management (PLM) from concept to recycling, delivering a system that will provide everyone with immediate access to all Product Creation information, with simple-to-use, graphically-orientated user interfaces.

Tata Technologies Limited continues to be a key strategic partner in several of these technology initiatives.

NEW PRODUCT, TECHNOLOGY AND ENVIRONMENT - FRIENDLY INITIATIVES

Product Development

Tata Motors' Group continuously assesses customer needs to develop new and innovative products which deliver better value to its customers. In pursuance of this strategy, the Company has developed significant in-house capabilities and works with a range of partners to keep its product profile rich and meet market expectations. Some of the key initiatives and projects include :-

- The new heavy truck range Prima unveiled in May 2009, will be enriched through several product and application variants such as tractor trailers, tippers, rigid trucks over the next few years. TDCV received the Grand Prize of 2009 Good Design Selection of Korea for the Prima, and development on a range of light trucks is underway.
- The new range of buses (based on the Prima platform with bodies being made by Tata Marcopolo displayed at the Delhi Auto Expo in January 2010) have been launched. Tata Hispano has developed a new Intercity Coach the Xerus and a new Suburban Bus, the Intea and is working on developing a range of other buses.
- In small commercial vehicles, the Ace platform is being exploited to introduce variants to address various market segments. The Ace EX and Super Ace have been launched and the Company will introduce the multi-purpose vehicle, Venture, the passenger vehicle variant, Magic Iris and the micro-truck Ace Zip.
- The Aria, India's first indigenously developed crossover vehicle, showcased at the last Auto Expo is expected to be launched in the first half of 2010-11.
- Variants of the Nano, to suit specific needs of the domestic and international markets are being developed. Increased thrust is being made to explore opportunities for launch of the Indica Vista and the Indigo Manza in various international markets.
- In July 2009, Jaguar Land Rover launched to the world, the beginnings of its response to Environmental and C02 challenges with more compact and efficient vehicles. The New XJ launched in early 2010-11, features the next generation Jaguar's aerospace-inspired aluminum body architecture enhanced power train with ultra efficient petrol and diesel engine variants, highest standards of personal luxury and specifications, amongst which is its instrument cluster with a 12" thin film transistor (TFT) screen. The Range Rover Evoque, a new more compact product, with class leading C02 performance and technology is under development. The product will showcase technology features including 'Park-for-you' and 'Magna-ride' to deliver outstanding Chassis dynamics, whilst also showcasing increased use of Aluminium and composites for exterior body panels to reduce weight.

Development of Environment-friendly Technologies

As a responsible automobile manufacturer, Tata Motors' Group aims to develop vehicles and technologies to reduce the carbon footprint by developing vehicles running on alternative fuels and hybrids such as:

Tata Motors Limited

- Development of a complete range of CNG vehicles including Ace, Magic, Xenon, Winger, Indigo and also trucks and buses. Over 2200 CNG fuelled buses were supplied to Delhi Transport Corporation. Tata Motors (Thailand) Limited was the first OEM to offer a factory fitted CNG variant of the Xenon pickup in the Thai market. Tata Daewoo Commercial Vehicle Co. Ltd. (TDCV) pioneered the development and introduction of the first Liquefied Natural Gas (LNG) tractor trailer and the LPG MCV truck in the South Korean market.
- Hybrid technologies offer perfect solutions for certain commercial vehicle applications. The Company is working on developing Diesel and CNG hybrid solutions for city bus applications in India and also in Spain through its subsidiary Tata Hispano. Tata Hispano received a grant from the Spanish Government for the development of a Hybrid Low Floor City Bus. The Company is working on both, series and parallel hybrid solutions and plans to display the vehicles during the Delhi Commonwealth Games in October 2010. A mild-hybrid on the Ace platform - Ace Ex with a start-stop arrangement which delivers a saving in fuel consumption in heavy traffic conditions was launched in the previous year.
- On the electric vehicle range, the Company has secured its position in research and development of electric vehicle technology. Ace EV, displayed at Zaragosa exhibition in 2008 and Vista EV displayed at Geneva Motor show in 2009, are in advanced stages of development. These vehicles will be launched in the European markets, especially the northern European market where there are strong fiscal incentives for such vehicles in the urban city centers.
- The Company is simultaneously working to introduce a range of technologies, which will help in reducing fuel consumption on its petrol and diesel powered vehicles such as improved fuel injection systems, electric power steering, radial tyres for commercial vehicles, low resistance tyres, automatic transmissions and weight reduction of components.
- Despite the severe financial conditions of the last 12 months, Jaguar Land Rover has continued to invest heavily in process and product research. During the past 12 months, 120 technology projects have been progressed toward implementation on future programmes. The 10 model year programmes delivered a range of advanced technologies including Dual View Screen (world first), Continuously Variable Damping, Auto Headlamp Dipping and Advanced All-Round Camera features. All of these were well received by the press and customers alike and served to raise the technology image of Jaguar Land Rover products.
- Further, an extensive range of new technologies are under development for future programmes including 'Series' and 'Parallel' hybrid vehicles, with the first generation of full parallel hybrids moving towards application readiness later this year. Other projects include Limo-green (series Hybrid), Power train downsizing, EV transmissions, etc; some of which have been successful in securing government funding.

SUBSIDIARY/ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

a. During the year, the following changes have taken place in subsidiary companies:

Subsidiary companies formed/acquired:

- Tata Hispano Motors Carrocera S.A., (Hispano) became a subsidiary consequent upon the Company exercising its put option and increasing its stake from 21% to 100%. Consequently its wholly owned subsidiary Carrosseries Hispano Maghreb, Morocco also became the Company's subsidiary.
- JaguarLandRover Limited, the Company's subsidiary formed the following subsidiaries, viz. Jaguar Land Rover Brazil LLC, Limited Liability Company "Jaguar Land Rover" (Russia), Land Rover Parts Limited and Land Rover Parts US LLC.

Companies ceasing to be subsidiary companies:

- The Company partially divested 20% stake in Telco Construction Equipment Company Limited (Telcon) in favour of Hitachi Construction Machinery Co. Ltd (Hitachi). Consequently, its stake in Telcon was reduced to 40% (on consolidated basis), resulting in Telcon and its 5 subsidiaries, viz. Serviplem S. A., Baryval Assistencia Tecnica S.L., Comoplesa Lebrero S.A., Inner Mongolia North Baryval Engineering Special Vehicle Corporation Ltd and Eurl Lebrero France, ceasing to be subsidiaries of the Company in March 2010 and have become associate companies.
- INCAT Holdings BV, INCAT KK and Lemmerpoort BV, subsidairies of Tata Technologies Limited and Jaguar & Land Rover Asia Pacific Company Limited, a subsidairy of JaguarLandRover Limited were liquidated.
- Miljo Innovasjon AS was merged with Miljobil Grenland AS.

Name changes:

- Tata Technologies Inc. from INCAT Systems Inc.
- Tata Technologies (Canada) Inc. from INCAT Solutions of Canada Inc.
- Tata Technologies de Mexico, S.A. de C.V from Integrated Systems de Mexico, S.A. de C.V.
- Jaguar Land Rover Nederland BV from Land Rover Nederland BV.
- Tata Hispano Motors Carrocera S.A. from Hispano Carrocera S.A.

b. As required under the Listing agreement with the Stock Exchanges, Consolidated Financial Statements of the Company is attached. 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 Standard on Accounting for Joint Ventures (AS 27), issued by the Institute of Chartered Accountants of India, the subsidiaries, associates and joint venture have been considered in the Consolidated Financial Statements 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 the Annual Report of the Company. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. The gist of financial performance of the subsidiary companies for FY 2009-10 are provided under 'Subsidiary Companies: Financial Highlights - 2009-10' in the Annual Report. The Company will make available these documents/ details upon request by any member of the Company or its subsidiary companies who may be interested in obtaining the same and will also be kept open for inspection by them at the Registered Office of the Company and at the Head Offices of the subsidiary company concerned. The same would also be posted on the website of the Company.

c. **Associate companies**

As on March 31, 2010, 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.

Telco Construction Equipment Co. Ltd. (TELCON), in which the Company divested a further 20% stake during the year in favour of Hitachi, is engaged in the business of development, manufacture and sale of construction equipment and allied services. Consequently Telcon is owned 60% by Hitachi and 40% (on consolidated basis) by Tata Motors.

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.

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, 2010 was Rs. 3,173.45 crores from 2,87,343 depositors. The Company has no overdue deposits other than unclaimed deposits. The Company has discontinued the acceptance and renewal of deposits w.e.f. May 28, 2010.

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.

DIRECTORS

Mr N A Soonawala who had been on the Board of the Company since May 1989, stepped down from the Board of Directors w.e.f. March 31, 2010 in accordance with the 'Policy for Retirement Age of Non-Executive Directors' adopted by the Company. His contributions particularly in areas of capital raising, recent acquisitions and its financing/refinancing, financial management and accounting and capital market matters, have helped the Company in meeting its aspirations to become a truly global Company; particularly in times of difficulties such as the global meltdown, market swings, Nano relocation. Mr Soonawala was on the Board for more than 20 years and was a Member of the Executive Committee of the Board, Remuneration Committee and the Nomination Committee. Mr Soonawala had by his counsel and guidance tremendously contributed to the Company over the years in its strategic direction and in its financial structure. The Directors place on record the debt the Company owes to Mr Soonawala in contributing to the Company's growth and premier position in the automobile industry.

Mr R Gopalakrishnan, a Director of the Company since December 1998, who retires by rotation at the ensuing Annual General Meeting has conveyed his decision not to offer himself for re-appointment. Mr Gopalakrishnan was also a Member of the Executive Committee of the Board, Investors' Grievance Committee and Ethics and Compliance Committee and has added value to deliberations at Board/Committee Meetings. The Directors place on record their appreciation of the contribution made by Mr Gopalakrishnan during his tenure as Director of the Company.

The Board at its meeting held on May 27, 2010, appointed Mr Ranendra Sen as an Additional Director, w.e.f. June 1, 2010 in accordance with Section 260 of the Companies Act, 1956 and Article 132 of the Articles of Association of the Company.

Mr Carl-Peter Forster was appointed as Chief Executive Officer and Managing Director of the Company w.e.f. April 1, 2010. 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 Ratan N Tata and R A Mashelkar 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.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Practicing Company Secretary 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.

AUDIT

M/s Deloitte Haskins & Sells (DHS), Registration No. 117366W, 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 2010-11. 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 2010-11.

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.

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's record performance. The Directors would also like to thank the employee unions, shareholders, 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, May 27, 2010

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 & Circulation pumps in paint shop , replacement of forced draft exhaust arrangement by natural draft exhaust arrangement for the extraction of fumes in paint shop, installation of energy efficient motors, LED & CFL lamps, Wind Ventilators, Super Magnetic Dust Separators, Solar Photovoltaic Hybrid System for corridor lighting, use of natural light in plant by using Polycarbonate translucent sheets, switching off unwanted high bay lights & shop substation transformers, downsizing of the motors, provision of heat resistive cover for furnaces, introduction of Propane in place of LDO in ovens and heat treatment furnace, transferring cylinder block core production from Shell Core method to Cold Box method, etc. These changes have resulted in cost savings for the Company of around Rs.8.5crores & annual CO2 reduction of 15179 tCO2. The company's CVBU Pune plant was awarded a Trophy and Certificate for "Green India Awards-2009 & was declared as "Green Leader" by FROST & SULLIVAN, Banglore. ACE Plant at Pantnagar plant won first prize in "Automobile Manufacturing" sector, an award for "National Energy Conservation Awards-2009" by Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India. Car Plant at Pune bagged the First Prize in Safety, Health & Environment (SHE) competition organised by the Confederation of Indian Industry (CII), Western Region, for the year 2009-10. Jamshedpur plant won the Best Entry Award for the Energy Conservation (ENCON) Contest 2009-10 organised by the Confederation of Indian Industry (CII) in the Eastern region (ER). Lucknow has been awarded the Excellent Energy Efficient Unit Award at the 10th National Awards for Excellence in Energy Management - 2009 conducted by CII - Godrej Green Business Centre at Chennai. The Company's endeavour for tapping wind energy has also made significant contributions. Total energy produced by wind power for this year was 529.5 lakh units and this resulted in savings in electricity charges of Rs.18.2 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.

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Major Technology absorption projects undertaken during the last year include:

Technology for	Technology Provider	Status
Model based development for Engine Stop Start functionality	KPIT Cummins, India	Completed
TALC (Touch, Appearance, Light, Colour) Interior Harmony development methodology	Delphi, Germany	Completed
Acoustic tuning for Infotainment system	Delphi, USA	Completed
EMC reliability through design specifications & verification on vehicle	IDIADA-NSI, Spain	Completed
Parallel Hybrid Technology for Buses	Eaton	In Progress
Hardware in Loop (HIL) System and Test Framework development for Body Control Module and Instrument Cluster	KPIT, India	Completed

In keeping with the requirement of technological up gradation of its engines development facility, the company has added facilities such as 440KW High Dynamic Transient Dynamometer with state-of-the-art Raw gas emission measurement facility and intake air-conditioning system for developing heavy duty commercial vehicle engines up to 8 L. The Company has also added a variety of testing facilities and equipment such as Sound Quality Studio, Acoustic transmission loss test rigs for specific body panels, cost effective telemetry based measurement system for pass by noise, wheel force transducers to gather road load data in a single set up and has also indigenously developed in-house capability to conduct side pole impact crash tests. The Company has developed following new technologies/methods and processes for its range of passenger cars and commercial vehicles such as: a) Plastic balance gears; b) Spoked flywheel; c) Mass dampers on rear suspension arms; d) Dual mass flywheel system; etc. During the year, the Company has filed 150 Patent applications, 44 Design applications and 78 Copyright applications. Six Patents were granted, 30 Designs and 34 Copyrights were registered to the Company for applications filed in the earlier years.

Major Technology imports include:

Technology for	Imported from	Year of Import	Status
Development & application of a two cylinder common rail diesel engine for small passenger car and small commercial vehicles.	FEV, Germany	2007-08 2008-09 2009-10	Under Implementation
Gas Injection technology for LCV, MCV & HCV engines	AEC, Australia	2009-10	In Progress
Stop-Start feature for various vehicle platforms	Lucas, UK Continental, USA	2009-10	In progress
Concept -Automated Manual transmission for commercial vehicles	Prodrive, UK Porsche, Germany	2009-10	One Unit imported as Technology Demonstrator Completed
Multiplexed wiring systems for bus platforms	Continental, USA	2009-10	Completed
Gas Injection technology for Ace, Xenon, Winger engines	AFS, Canada	2009-10	Completed
Engine Management for Series Hybrid Technology for Buses	AEC, Australia,	2009-10	In Progress
Design & Development of New Generation engine platforms for LCVs and UVs	Ricardo UK Ltd, UK	2006-07	Under implementation
Design & Development of New Generation engine platforms for ICV / MCV	AVL List GMBH, Austria Delphi Diesel Systems, France	2007-08	Completed
Design & Development of Infinitely variable transmission based on full toriodal traction-Drive variators for various vehicle platforms.	M/s Torotrak (Holdings) Ltd, UK	2007-08	Under implementation
Design & Development of flush sliding and plug	Wagon SAS, France	2007-08	Completed
Design & Development of Electric Hatchback in windows Vehicle – Indica Vista EV	Tata Motors European Technical Centre plc, UK (TMETC)	2008-09	Under implementation

During the year the Company spent Rs.1,170.97 crores on Research and Development activities including expenditure on capital assets purchased for Research and Development which was 3.29% of the net turnover.

C. Foreign Exchange Earnings and Outgoing

	Rs. in crores
Earnings in foreign currency	3,047.56
Expenditure in foreign currency (including dividend remittance)	2,398.70

Management Discussion and Analysis

Business Overview

As the Indian economy bounced back and grew by 7.2% in 2009-10, the automotive industry in India recorded steady growth in the first two quarters and recorded significant growth in the last two quarters of 2009-10.

The commercial vehicle industry grew by 40.1% compared to the decline of 17.4% in 2008-09. The passenger vehicle industry, which had showed a decline of 0.5% in the previous year, grew by 24.8% in 2009-10.

With single digit inflation, the monetary policies of the Government were relaxed leading to a fair availability of vehicle finance in the market, albeit at costs higher than the historical lows. Fuel costs remained fairly stable during the year benefited by the stable international crude oil prices. From April 1, 2010, India was due to migrate its emission norms to the Bharat Stage IV in the 13 metro cities and Bharat Stage III in the rest of the country. Due to the imminent increase in vehicle prices as a result of the technological changes in the vehicles conforming to new regulations, there was a spurt in the demand in the last quarter. The GDP grew by 7.4% in 2009-10 as compared to preceding year. The commodity prices also remained stable for most part of the year thereby keeping the input costs in check. All these factors resulted in the Indian automotive industry posting a significant and profitable growth in 2009-10.

The Company's total sales increased by 31.9% to 667,971 vehicles in 2009-10 in the domestic and overseas markets. The commercial vehicle sales increased to 373,842 in the domestic market, an increase of 40.9% and the Company consolidated its leadership position by introducing new products to complement its existing product portfolio. The passenger vehicles volumes grew by 25.3% to 260,020 vehicles in the domestic market on the back of the launch of the Nano and the Indigo Manza. The Company's exports increased by 1.7% during the year, due to the slow recovery in major international markets.

The industry performance in the domestic market during 2009-10 and the Company's share is given below:-

Category	Industry sales (Nos.)			Company sales (Nos.)			Company market share (%)	
	2009-10	2008-09	Growth	2009-10	2008-09	Growth	2009-10	2008-09
Commercial Vehicles*	582,538	415,724	40.1%	373,842	265,373	40.9%	64.2	63.8
Passenger Vehicles#	1,899,144	1,521,421	24.8%	260,020	207,512	25.3%	13.7	13.6
Total	**2,481,682**	**1,937,145**	**28.1%**	**633,862**	**472,885**	**34.0%**	**25.5**	**24.4**

Source: Society of Indian Automobile Manufacturers report and Company Analysis

** including Magic and Winger sales.   # including Fiat & Jaguar Land Rover branded cars*

The input prices remained stable for most part of the year. The Company continued its cost reduction efforts to improve profitability. Through its continued focus on new product development, the Company launched many new products and variants in the market.

Industry Structure and Developments

Commercial Vehicles

The domestic Commercial Vehicle market in 2009-10 recorded a robust growth of 40.1% which resulted in the highest ever sales of 582,538 units in 2009-10. The market recorded significant growth in the second half of the year mainly due to a buoyant economy and easy availability of credit. This can be attributed significantly to the growth in the Index of Industrial Production (IIP) which grew steadily from a very low growth in the initial part of the year to significantly higher growth towards the end of the year. Cumulatively, the IIP growth rate for 2009-10 was 10.4% as against 2.8% for the previous year. The growth in IIP was seen across all sectors and segments. Aided by these, the growth in volumes in the CV market, was seen across all segments.

The domestic industry performance during 2009-10 and the Company's share is tabulated below:-

Domestic / Category	Industry sales (Nos.)			Company sales (Nos.)			Company market share (%)	
	2009-10	2008-09	Growth	2009-10	2008-09	Growth	2009-10	2008-09
M&HCV	245,063	183,516	33.5%	155,161	113,697	36.5%	63.3	62.0
LCVs*	337,475	232,208	45.3%	218,681	151,676	44.2%	64.8	65.3
Total	**582,538**	**415,724**	**40.1%**	**373,842**	**265,373**	**40.9%**	**64.2**	**63.8**

*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 401,720 vehicles, were 37.6% higher than the previous year. The Company reported domestic sales of 373,842 vehicles, a robust growth of 40.9% over the previous year. The Company recorded its highest ever sales in the domestic commercial vehicle market. A strong product portfolio, coupled with its

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leadership in market penetration/reach and extensive efforts toward finance enablement for customers helped the Company in increasing its market share in the last year. Most of the key international markets were affected more severely than India, by the downturn in the previous year. With a steady recovery in some key markets, commercial vehicle exports also grew by 4.7%.

In the domestic market, the M&HCV segment grew by 33.5% on the back of strong growth in the Indian economy. Growth in the core sectors of the economy benefited the M&HCV segment. The Company's model LPT 3118 was well received in most domestic markets and aided an increase in M&HCV sales. The Company unveiled in May 2009, the range of its next generation of heavy trucks – Prima. The Prima sales have started and over the couple of years, the Company plans to launch variety of models, rigid trucks, tractors and tippers in the 'Prima' range. The market share of the Company increased from 62.0% to 63.3% in this growing market. The Company also completed the delivery of the 1,625 low floor entry Marcopolo buses to Delhi Transport Corporation (DTC) in 2009-10, in addition to 650 buses supplied in the previous year. As a part of the stimulus package to help the automotive industry during crisis in the previous year as also to modernize the public transportation in the cities, the Government of India announced its intention to procure modern city buses under the JnNURM scheme. The Company secured orders for over 5,000 buses, a significant portion of which have been supplied in 2009-10 and the balance will be supplied in 2010-11.

The LCV segment showed spectacular growth throughout 2009-10 and grew by 45.3%. While this was largely aided by the growth in the small commercial vehicles, the rest of the segment comprising the 4 and 7 tonne segments also grew handsomely. The Company launched specific products in both these segments which helped increase in volumes and market shares. The Company also launched the 407 Pick-up which was well received and is expected to increase sales of pick-ups. Tata Ace sales continued to record higher volumes despite completing almost 4 years and its success is unmatched in the Indian auto industry. However competition in the small commercial vehicle range increased with launch of vehicles by competition resulting in the Company losing market share of 0.5% to 64.8%. The Company launched new variants on the Ace platform, Ace EX, Super Ace which are expected to help in gaining additional volumes going forward.

At the Auto Expo in January 2010, the Company unveiled the Magic Iris and the Venture in the passenger carrier range and also the new range of buses powered by the next generation of LCVs. These products would be in commercial production in 2010-11 and would assist in improving the Company's market share.

Passenger Vehicles

The sentiment in the year 2009-10 was significantly positive as compared to the previous year. The overall recovery in the economy coupled with the introduction of new models in the market, availability of finance and aggressive pricing by all the players, resulted in a growth of 24.8% over last year.

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

Domestic / Category	Industry Sales (Nos.)			Company Sales* (Nos.)			Company Market Share* (%)	
	2009-10	2008-09	Growth	2009-10	2008-09	Growth	2009-10	2008-09
Small Car (mini + compact)	1,191,300	935,386	27.4%	158,093	115,160	37.3%	13.3	12.3
Midsize Car	225,726	245,571	(8.1%)	68,420	53,057	29.0%	30.3	21.6
Utility Vehicle/SUV	270,724	223,255	21.3%	33,507	39,295	(14.7%)	12.4	17.6
Total Passenger Vehicles#	**1,899,144**	**1,521,421**	**24.8%**	**260,020**	**207,512**	25.3%	**13.7**	**13.6**

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

In 2009-10, the Company recorded sales of 266,251 vehicles (including Fiat & Jaguar Land Rover) in the domestic and overseas market, the highest ever for the Company. The Company continued to be amongst the top three players in the Indian passenger vehicle market with domestic sale of 260,020 vehicles, its highest ever and with a market share of 13.7%. The Company continued to gain market share month-on-month on account of new products that were launched and had matured during the year. The Indica Vista launched in the previous year continued to receive increasing market acceptance and the Indigo Manza launched in October 2009 was extremely well received in the market. The Company also rolled out the Tata Nano in July 2009. With a slow recovery from the economic turmoil of the previous year in key export markets, passenger vehicle exports declined by 9.9% over the previous year.

The small car industry continued to be the fastest growing segment of the passenger vehicle industry with a growth rate of 27.4%. A large share of this was driven by a recovery in the economy as well as fiercely increasing competition with the entry of global automobile manufacturers. With the introduction of 9 new models, a total of 25 models now compete for a share of this attractive market. With the growing sales of the Vista and the introduction of the Nano and Fiat Punto, the Company improved its overall market share to 13.3% as against 12.3% in the previous year. The Company received a total of 2.03 lakhs bookings for the Nano after the launch in March 2009. With deliveries commencing from July 2009, the Company delivered 30,763 Nanos from its Uttarakhand facility. With construction at the Sanand facility in Gujarat progressing on an accelerated pace, the Company started trial production in the last quarter of 2009-10 and commercial production at Sanand started in April 2010.

The entry midsize car industry grew at 17.7% with sales of 176,604 units during 2009-10. The Indigo range registered an increase of 10.9% consequent upon launch of the Indigo Manza in October 2009, leading to market share gain, ending the year with the highest ever sales in the Indigo range in March 2010. The Indigo CS continued to be well received in the market.

The Utility Vehicle market, which had declined by 6.5% last year, reversed the trend in 2009-10 and bounced back, growing by 21.3%. The Company sold 33,507 units, a decline of 14.7% against the last year and as a result its market share dropped to 12.4% from 17.6% in the previous year. The Grande Mk II launched in December 2009 has been well accepted in the market and the Venture and Aria (unveiled in the Delhi Auto Expo) to be launched in mid 2010-11 will assist in regaining market share in this segment.

The Company sold 24,884 Fiat cars in 2009-10, representing 1.3% market share of Fiat brand against 0.5% in the previous year. Linea sales at 11,102 units (market share 10.1% in the upper mid-size car market) and Grande Punto sales at 13,281 units (market share 3.5% in the B compact car market) have assisted the Company in achieving a higher market share.

The Company sold 225 Jaguar and Land Rover vehicles in its first year of launch of the Jaguar Land Rover brands in India. These brands are getting an extremely good response in the market and the Company is increasing its dealership footprint across the country.

Financial Performance as a measure of Operational Performance (on a standalone basis)

Overall economic recovery and a benign liquidity environment along with government stimulus have driven domestic demand revival during the current year. With the upturn in economy, the Company revenue has grown by 38.9% in 2009-10. Operating margin was higher due to increase in volumes and cost reduction initiatives taken by the Company. The Company recorded Profit before tax of Rs.2,829.54 crores, growth of 179.1%. The Profit before tax includes Rs.1,112.51 crores profit on sale of controlling stake in a subsidiary company and loss of Rs.850.86 crores on redemption of investments in preference shares held in a subsidiary company. The Profit after tax which increased to Rs.2,240.08 crores from Rs.1,001.26 crores in 2008-09 had recorded a growth of 123.7%. The following table set forth the breakup of the Company's expenses as part of the net turnover.

	Percentage of Turnover	
	2009-10	2008-09
Turnover net of excise duty	100.0	100.0
Expenditure:		
Material (including change in stock and processing charges)	71.7	75.7
Employee Cost	5.2	6.0
Manufacturing and other expenses (net)	11.4	11.4
Total Expenditure	88.3	93.1
Other Income	5.2	3.6
Profit before Exceptional Item, Depreciation, Interest and Tax	16.9	10.5
Depreciation (including product development expenditure)	3.3	3.6
Interest and Discounting Charges (Net)	3.1	2.6
Exchange Loss (Net) on revaluation of foreign currency borrowings, deposits and loans given	0.2	0.3
Loss on redemption of investments in Preference Shares held in a subsidiary company	2.4	-
Profit before Tax	7.9	4.0

Turnover net of excise duty

Turnover net of excise duty increased by 38.9% to Rs.35,593.05 crores in 2009-10 from Rs. 25,629.73 crores in 2008-09. The total number of vehicles sold during the year increased by 31.9% to 667,971 units from 506,421 units. The domestic volumes increased by 34.0% to 633,862 units from 472,885 units in 2008-09, while export volumes, marginally increased by 1.7% to 34,109 units from 33,536 units in 2008-09. Gross turnover from sale of vehicles including export and other incentives increased by 37.1% to Rs.34,677.40 crores from Rs.25,302.71 crores in 2008-09. Sale of Spare parts for vehicles increased by 19.5% to Rs.2,263.54 crores from Rs.1,894.92 crores in 2008-09.

Material (including change in stock and processing charges) (Rs. in crores)

	2009-10	2008-09	Change	%
Consumption of raw materials and components	20,392.60	16,187.68	4,204.92	26.0
Purchase of product for sale	4,513.23	2,180.32	2,332.91	107.0
Processing Charges	1,212.90	810.60	402.30	49.6
Change in Stock-in-trade and Work-in-progress	(606.63)	238.04	(844.67)	(354.7)
Material (including change in stock and processing charges)	25,512.10	19,416.64	6,095.46	31.4

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Net Raw Material consumption including processing charges increased by 31.4% to Rs.25,512.10 crores from Rs.19,416.64 crores in 2008-09, due to increase in vehicle volumes. Material cost as a % of net turnover decreased to 71.7% from 75.7% for the last year. The input price increases during the year was off set by cost reduction programme through value engineering and other measures.

Employee Cost: The employee cost increased by 18.4% to Rs.1,836.13 crores from Rs.1,551.39 crores in 2008-09, mainly due to normal annual increments/promotions and increase in headcount. The Company continues to focus on measures to improve/ manage employee cost and productivity.

Manufacturing and Other Expenses: The manufacturing and other expenses as a percentage of net turnover have remained at 11.4% for both the years. In absolute terms, the expenses have increased to Rs.4,066.54 crores in 2009-10 from Rs.2,909.26 crores in 2008-09. The increase is due to variable costs on account of increase in volumes, such as sales incentives, warranty, freight etc.

Other Income increased to Rs.1,853.45 crores from Rs.925.97 crores in 2008-09, mainly due to higher profit on sale of investments. Other income for 2009-10 includes profit of Rs.1,801.12 crores (Rs.520.27 crores for 2008-09) on sale of its investments [including profit on sale of shares in Telcon] and dividend from subsidiary companies Rs.7.62 crores (Rs.307.34 crores for 2008-09).

Profit before Exceptional Items, Depreciation, Interest and Tax increased by 125.2% to Rs.6,031.73 crores from Rs.2,678.41 crores of 2008-09. The increase reflects volume effect, increased operating margin and increased in other income.

Depreciation and amortization (including product development expenditure) for 2009-10 increased by 27.2% to Rs.1,177.90 crores from Rs.925.71 crores in 2008-09. The increase represents impact on account of additions to fixed assets towards plant and facilities for expansion and new products. Further, there has been an increase in amortization consequent to capitalization of product development cost relating to various new products – Prima, Indigo Manza, Nano and other products.

Net interest cost increased to Rs.1,103.84 crores from Rs.673.68 crores of 2008-09. The borrowings have increased mainly on account of capital expenditure and investment in subsidiary SPV companies related to acquisition/meeting additional funding requirements of Jaguar and Land Rover business. A significant portion of the volume effect was offset by the Company by raising finances at competitive rates.

Exceptional Items : TML Holdings Pte. Ltd., Singapore (TMLHPL), a wholly owned subsidiary of the Company, had accumulated losses on account of finance charges and acquisition related expenses for the Jaguar and Land Rover acquisition. In order to restructure TMLHPL's balance sheet, it has redeemed preference shares of the face value of US$195.1 million at a discount of US$189.2 million. Consequent to the redemption, the Company has recognized a loss of Rs.850.86 crores.

Profit Before Tax (PBT) of the Company increased to Rs.2,829.54 crores from Rs.1,013.76 crores in 2008-09, representing an increase of 179.1%.

Tax expenses increased to Rs.589.46 crores from Rs.12.50 crores in 2008-09. The effective tax rate for 2009-10 is 20.8% of PBT as compared to 1.2% for 2008-09. While the tax expense continues to be lower as compared to marginal rate of tax of 33.99%, the increase in tax rate in the current year is mainly due to the fact that the Company had marginal tax liability in 2008-09, on account of overall low profitability, higher proportion of 'Other Income' not liable to tax/liable to lower tax.

Profit After Tax (PAT) of the Company increased by 123.7% to Rs.2,240.08 crores from Rs.1,001.26 crores in 2008-09. Basic Earnings Per Share (EPS) increased to Rs.42.37 as compared to Rs.22.70 last year for Ordinary Shares and Rs.42.87 as compared to 23.20 for 'A' Ordinary Shares.

Balance Sheet size (Fixed Assets, Investments and Net Current Assets) of the Company increased to Rs.33,100.02 crores as at March 31, 2010 from Rs.26,425.64 crores as at March 31, 2009. The increase is attributable to capital expenditure incurred by the Company and strategic investments. As at March 31, 2010, the Share Capital of the Company stood at Rs.570.60 crores.

Fixed Assets (Rs. in crores)

	2009-10	2008-09	Change	%
Gross Fixed Assets (including capital work in progress)	23,648.96	20,852.06	2,796.90	13.4
Accumulated Depreciation	(7,212.92)	(6,259.90)	(953.02)	15.2
Total	**16,436.04**	**14,592.16**	**1,843.88**	**12.6**

The gross fixed assets including Capital Work in Progress increased to Rs.23,648.96 crores as at March 31, 2010 as compared to Rs. 20,852.06 crores as at March 31, 2009. After considering the depreciation the net block represent Rs.16,436.04 crores as at March 31, 2010, an increase of Rs.1,843.88 crores. The major additions were Nano project at Sanand, plant and facilities for World Truck etc. and product development cost, mainly towards Nano, Prima and other new products.

Investments increased to Rs.22,336.90 crores as at March 31, 2010 as compared to Rs.12,968.13 crores as at March 31, 2009. The Company has invested Rs.10,575.60 crores in equity and preference shares of TML Holdings (Pte) Ltd, Singapore, which in turn prepaid the bridge loan taken for acquisition of Jaguar and Land Rover business. Further, TML Holdings (Pte) Ltd, Singapore has redeemed preference shares of Rs.877.16 crores. The Company sold part of its investments in Tata Steel Ltd and 20% stake in Telco Construction Equipment Co. Ltd.

Net Current Assets (Rs. in crores)

	2009-10	2008-09	Change	%
Current Assets, Loans and Advances	11,537.98	9,540.25	1,997.73	20.9
Current Liabilities	(14,609.16)	(8,597.97)	(6,011.19)	69.9
Provisions	(2,763.43)	(2,078.95)	(684.48)	32.9
Net Current Assets	**(5,834.61)**	**(1,136.67)**	**(4,697.94)**	**413.3**

Net current assets decreased to Rs.(5,834.61) crores as at March 31, 2010 from Rs.(1,136.67) crores as at March 31, 2009. The inventories have increased due to increase in turnover. The sundry debtors have increased due to higher year end sale and sale to various state transport undertakings whose payments are received after 60 to 90 days of billing. Current liabilities have increased due to increase in purchase bill discounting and liability towards premium on redemption of non convertible debentures. Provisions have increased mainly on account of increase in proposed dividend.

Gross debt (total of secured and unsecured loans) increased to Rs.16,625.91 crores as at March 31, 2010 as compared to Rs.13,165.56 crores as at March 31, 2009. The following were the main changes impacting the gross debt:-

1. Issue of privately placed Non-Convertible Debentures of Rs.4,200 crores and US$375 million (Rs.1,794 crores) Foreign Currency Convertible Notes (FCCN). These were used for payment of bridge loan taken for Jaguar and Land Rover acquisition.
2. Debt taken for investments in fixed assets.
3. Increase in Fixed Deposit portfolio by Rs.1,940.98 crores
4. Reduction in debts (FCCN/CARS) mainly on account of positive movement of exchange rates.
5. Offer to the FCCN holders, an option to convert their Notes into Ordinary Shares during a limited period. This enabled the Company to lower the debt by Rs.1,556 crores.

Net debt (gross debt reduced by available cash and bank balances and mutual fund investments) stood at Rs.14,962.33 crores as at March 31, 2010 as compared to Rs.12,486.66 crores as at March 31, 2009.

The cash generated from operations before working capital changes and before considering deployment in the vehicle financing business was Rs.4,354.63 crores as compared to Rs.1,556.70 crores in the previous year. This reflects turnaround in the operations mainly due to volumes and profitability. There has been a net positive movement of Rs.2,750.61 crores as compared to negative Rs.95.66 crores in 2008-09, in respect of cash flows relating to receivables, inventory, trade payable and vehicle financing loans. Thus the net cash generated from operations was at Rs.6,586.03 crores as compared to Rs.1,295.02 crores in the previous year. The cash and bank balances have increased by Rs.611.44 crores.

Opportunities and Risks

Opportunities

Road development: Continued improvement in road infrastructure in coming years is expected to have a positive effect on automobile sales. According to Ministry for Road, Transport and Highways, the government will spend about Rs.1,000 billion over future years, with a target of building 20 km of road every day. The Golden Quadrilateral road project was 99% complete as on March 31, 2010. Over 65% of the planned roads under the North South East West (NSEW) road corridor project have been completed till February 2010. Rural connectivity is expected to correspondingly improve which would expand significantly the population/markets/supply sources participating in the overall economic growth. The Eleventh five year plan has projected a requirement of about Rs. 41,000 crores for improving rural road conditions/connectivity under the PMGSY programme (Pradhan Mantri Grameen Sadak Yojna).

Improvement in road infrastructure at a faster pace will facilitate swifter transportation of goods and passengers, and would in turn create a demand for safer, reliable and faster vehicles. With its 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, the Company is poised to gain significantly with these.

Population Dividend and Increase in income levels: India has the youngest population in the world, with about 65% under the age of 35. Further, about 63% of the Indian population is in the working age group (19 – 64 years). The income levels in India, have more than doubled in the last seven years as indicated by Per Capita Income. It is predicted that the Per Capita Income in India, would continue to increase with comparatively higher saving rate. Growing middle income level population and rise in their average income levels all augur well for the automotive industry, both in terms of personal transportation needs as well as goods movement.

Growing consumer culture: In India, the demand for a better lifestyle has enhanced consumption levels and rapid growth in several segments like retail chains, cellular phones and cable and satellite television. Proliferation of mobile phones and satellited televisions is leading to urbanization of mindset and consumerism in rural people. With increasing desire for leading urban lifestyle, per capita movement between villages and urban centres is expected to witness an explosive growth in the coming year, which will lead to huge demand for passenger carriers and buses. Consumerism is also expected to lead to an increase in car penetration from the current levels of 8 per thousand towards the 500+ levels witnessed in the developed countries. 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.

Rural Market Growth: As per the recent report by Accenture Consulting, rural spending is now less dependent on farm income, with less than 50% of the rural income being contributed by farm income. Income remittances from migrant rural populations and increases in non-farm activities such as trading and agro-processing are boosting non-farm income. The increase in procurement prices and improved access to finance and institutional credit has brought greater wealth to rural households. Policy measures such as the waiver of agricultural loans and the National Rural Employment Guarantee Scheme (NREGS), which guarantees 100 days of employment to one member of every rural household, and increased government spending in rural areas, have helped to reduce rural under-employment and raised rural income levels. It is estimated that compared with 48% of motorcycles sales in the rural areas, only 11% of cars/UVs sales are today contributed by the rural market, which indicates a potential growth opportunity in this market. The Company has planned affordable transport solutions and distribution channels to leverage the opportunities presented by this market.

International Business: India continues to be a cost competitive source for the automotive industry globally, both for vehicles and components. India's manufacturing base continues to benefit from these scale economies coupled with 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, which would combine these advantages with local operations and sourcing in these markets.

Risks

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

Fuel Prices: As compared to the volatility in international oil prices in 2008-09 (from a high of US$145 per barrel in June 2008 to a low of US$30 per barrel), the fuel price has remained high at about US$85 in 2009-10. In India the fuel prices are subsidized by the Government and going forward may be decontrolled. Higher fuel prices will force the consumers to think of alternative transportation solutions or defer purchases. The Company's product programmes encompasses initiatives to improve fuel efficiency of its products and investing in programmes for development of alternative solutions. The Kirit Parikh committee recommendations that the retail prices of petrol and diesel to be market determined and that an additional excise duty of Rs.80,000 per car to be levied on diesel cars, if implemented, could adversely impact demand.

Input Costs: With many economies coming out of recession, prices of commodity items like steel, non-ferrous, precious metals, rubber and petroleum products are expected to rise significantly. Whilst the Company continues to pursue cost reduction initiatives, increase in price of input materials could severely impact the Company's profitability to the extent that the same are not absorbed by the market through price increases and/or could have a negative impact on the demand in the domesticmarket.

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.

In the international markets, many of which have stricter norms of 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 demand of the Company's products in international markets.

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.

Exchange Rates: Our operations are subject to risk arising from fluctuations in exchange rates with reference to countries in which we operate. These risks primarily relate to fluctuations of Pound to US Dollar, Japanese Yen and Euro, and fluctuations of Indian Rupee against Pound, US Dollar and Euro.

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

New Project Execution: Intensifying competition, reducing product life cycles and breadth of the Company's product portfolio, necessitates the Company to continuously invest in new products, upgrades and capacity enhancement programme. 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 acceptance in the market place and managing the complexity of operations across various manufacturing locations, would be the key to sustain competitiveness.

Outlook

In 2009-10, the first half was slightly weak; however economies across the world (with a few exceptions) have signs of revival. In 2010-11, global growth is expected to be more than 4% as compared in 2009-10. The Indian economy is expected to grow by 8.8% according to the IMF World Economic Outlook. Other structural factors being favourable, this augurs well for the Indian automotive sector. Key markets for Jaguar Land Rover such as China, Russia, and Middle East are expected to grow, while the UK, USA is expected to recover moderately. Commercial vehicle industry continues to be highly dependent on the developments in infrastructure and manufacturing activity in the country. With increase in the Government spending on infrastructure and increase in the industrial production, the commercial vehicle industry is expected to do well in the next year.

With recovery in the global markets, there is expected to be an increase in the commodity prices, in turn increasing the input costs. Interest rates and liquidity may be affected as a result of inflationary pressures. The competition in both commercial and passenger vehicle segments is expected to intensify in the next year.

On the above background, the Company will continue to focus on retaining its advantage of rich product portfolio, market reach and penetration and the 'Tata' brand, in order to be close to its customers. The Company will continue to introduce to the market, new products and variants, some of which have already been unveiled at the Delhi Auto Expo this year. These will offer superior value to the customers and improve the Company's market position. Aggressive cost reduction will be accentuated to offset the increase in input costs.

The Company will also aggressively pursue opportunities in the International markets as they recover from the downturn.

Jaguar Land Rover will continue to focus on cost reductions to improve its cost base and competitive positioning in the market. It will also focus on increasing its presence in the emerging markets such as China and Middle East along with launching new products and variants and new technology initiatives for emission level reductions.

Internal Control Systems and their adequacy

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

Some significant features of the internal control systems are:

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

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

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 permanent employee's strength of the Company as on March, 31 2010 was 24,310. In April 2010, the Company entered into a landmark three year wage settlement with its Union at Pune through amicable process of negotiations.

Comments on the performance of major subsidiaries

The consolidated financial results for 2009-10 include the results of Tata Motors and its subsidiaries. The consolidated operations are significantly dominated by Jaguar Land Rover (JLR) and the Company (TML). The consolidated financial information for 2008-09 includes JLR for 10 months as compared to 12 months in 2009-10.

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

Jaguar and Land Rover Business: During the year, external environment for JLR remained unstable with depressed demand in most of the key markets, low confidence level in financial markets, volatility in exchange rates and rising input material prices. Market for premium cars remained weak especially in the first half of the financial year, but in the later half of the year improved with growth witnessed in each successive quarter. Wholesale volumes for 2009-10 were 193,982 units. The prior reporting period only covered ten months and therefore not directly comparable; however the overall trend showed an improvement.

The financial results of JLR continued to show improvement throughout the year and resulted in JLR reporting a profit before tax of £32 million for the year. In addition to this, the last quarter results represented second successive quarter of positive profit after tax, contribution margin improvement and positive cash flow.

The key markets, in which JLR operates, experienced negative economic growth in the early part of the financial year. However, most of these major markets started witnessing growth from third quarter of the year.

Wholesale volumes for the full year ending March 2010 were 47,418 units for Jaguar and 146,564 units for Land Rover. The prior reporting period only covered ten months and therefore not directly comparable, however the overall trend showed an improvement. Limited availability of the X-Type (production ceased in December 2009) and the outgoing XJ (production ceased in May 2009) have suppressed sales, counteracted by the demand driven by the introduction of the new 10MY product launches.

Retail volumes in the UK for the period totalled 57,056 while retail volumes in North America totalled 41,720. Retail growth in China continued to be strong across all products with total retail volumes of 17,004. Retails in Russia totalled 8,831 units, significantly lower than previous periods reflecting the difficult local market conditions. During the year, automotive sector in the UK, Europe and the USA, benefitted from a variety of vehicle scrappage schemes. However, these schemes had minimal benefit for premium vehicle segment in which it operates.

The new Jaguar XJ was unveiled in London in July 2009 and had its public début at the Frankfurt International Motor show in September 2009. The vehicle received significant media acclaim ahead of customer deliveries commencing in 2010-11. This is an important new model which replaces the previous generation XJ model. The new model features the next generation of Jaguar's aerospace-inspired aluminium body architecture, a choice of standard or long wheelbase models, enhanced power trains with all of Jaguar's new ultra-efficient Gen III 5.0 litre petrol and 3.0 litre diesel engines available, together with the highest standards of personal luxury and specification. Among the product innovations is its instrument cluster with a 12" thin film transistor (TFT) screen.

During 2009 Jaguar launched 10MY products including the introduction of a new naturally aspirated and supercharged 5.0 litre petrol engine for the models XF, XK and XKR and the all new XFR, along with an acclaimed new 3.0 litre diesel engine in the XF model giving significantly improved performance and fuel economy. Jaguar's 10MY product actions continued to deliver positive sales performance. Sales of the Jaguar XF were up 30% in quarter 4 versus the same period last year.

The new LR-V8 5.0 supercharged petrol and LR-TDV6 3.0 diesel engines introduced in the 2010 model year (MY) were designed to deliver significant improvements in performance, fuel economy and emissions. 2010 MY Range Rover was available for sale from July 2009 with 2010 MY Range Rover Sport and Discovery 4/LR4 being available from September 2009. Fuel consumption in the Range Rover LR-V8 5.0 supercharged has been reduced by 7.3 per cent and CO_2 emissions reduced by 7.4 per cent. The LR-TDV6 3.0 diesel reduces fuel consumption by 8.9 per cent and CO_2 emissions by 8.3 per cent in the Range Rover Sport and 9.7 per cent and 9.6 per cent respectively in Discovery 4/LR4 (on EU combined cycle).

Land Rover during the year confirmed the production plan of its exciting LRX concept car. The new vehicle will début in 2010-11 and join the Range Rover line-up in 2011-12 and will be the smallest, lightest, most efficient Range Rover ever.

On June 1, 2009, JLR's official entry to the fast growing Indian car market was marked by the opening of a flagship showroom facility in Mumbai. JLR will continue to grow its presence in the Indian market by opening additional dealerships across India.

During the year, JLR also completed guarantee arrangements to allow the drawdown of a £338m EIB loan which will further advance Jaguar Land Rover's research and development programmes focused on technologies that will reduce CO_2 emissions from its vehicles; agreed a syndication of an inventory financing facility to increase the available funding from £85m to £116m; negotiated renewal of a US$200m loan for another year and repaid short term borrowing totaling £220m.

In November 2009, JLR completed the process of separating operations in markets where it previously operated as part of Ford legal entity. JLR continued to work with Ford to separate its IT infrastructure and support systems that is expected to be completed by the end of first quarter of FY2011.

Tata Daewoo Commercial Vehicles (TDCV): Financial year 2009-10 was a very challenging year for TDCV. TDCV faced severe slowdown in its main export markets, coupled with an appreciating currency. These factors had an adverse impact on its profitability. However, TDCV paved the way to strengthen its presence in the domestic market with the successful launch of its new range of premium trucks "PRIMA". The financial instability of the company's sole distributor in domestic market has brought new challenges and opportunity for the company to set-up alternate marketing and distribution channels. In heavy commercial vehicle, TDCV sold 3,080 vehicles in 2009-10 with a market share of 28.1% as compared to 2,678 vehicles and market share of 28.4% for 2008-09. In the medium duty truck market TDCV sold 2,273 units in 2009-10 with a market share of 23.7% compared to 2,138 units in 2008-09 and a market share of 25.6%; a fall of 1.9% in total market share. The Gulf Cooperation Council block, which is the major export market for TDCV had been one of the worst affected during the global financial crisis. These countries are largely dependent on oil revenues and with oil prices at relatively lower level, they cancelled and/or indefinitely postponed their order for our commercial vehicles. The Company exported 3,562 units in 2009-10 compared to 4,184 units in 2008-09, a decline of 14.9%. Majority of exports were made to countries like Iraq and Algeria. TDCV bagged an export order of 2,570 units from the IRAQ Ministry of Defense, out of which 1,500 units have been shipped during 2009-10.

Tata Motors Finance Ltd (TMFL): The year under review has been a year of consolidation for TMFL resulting in an improved operating performance. Many facets of TMFL's operations, including disbursements, management of non-performing assets as well as collection efficiencies have shown significant improvements. As the economy recovered during the first half of the year, a strong focus on controlling overall costs, coupled with a focus on improving quality of fresh acquisitions and micro-management of collections, has set the organization on a robust platform. TMFL has shown improvements in disbursements as well as net interest margins, despite very aggressive prices offered by some private and state owned banks.

With a spurt in the volumes of Tata Motors, the disbursals of TMFL also increased substantially. During the year TMFL achieved a market share of 24.8% for Commercial Vehicles and Passenger car segment combined. The number of contracts booked in the FY 09-10 was 148,016 as compared to 108,835; an increase of 36% in 2009-10. TMFL initiated several measures to improve the management of the NPA's and also improve margins and operating efficiencies. This resulted in increase in its Profit after Tax by Rs.164.88 crores, which represents 136.6% increase as compared to 2008-09.

Tata Technologies Ltd (TTL): In 2009-10 the Profit before Tax increased by 35.8% as compared to 2008-09. This was on account of:

- Cost saving plan containing impact of recession on earnings and margin.
- Improving operational efficiency with project profitability and shared service.
- Improvement in off-shore customers.
- Accelerating diversification in Global services and PLM Solutions.

Comments on Financial Performance on a Consolidated basis

The sales net of excise duty on a consolidated basis, have recorded a growth of 30.5% in 2009-10 to Rs.92,519.25 crores. The increase is attributable to growth in revenue both at Tata Motors and Jaguar Land Rover business on the background of robust growth in automotoive volumes. Automotive operations is our most significant segment, accounting for 96.9% and 95.8% for fiscal 2010 and 2009 respectively, of our total revenues. For Fiscal 2010, revenue from automotive operations before inter segment eliminations was Rs.89,615.07 crores as compared to Rs.67,877.07 crores for fiscal 2009. (A reference may be made to review of performance of TML and Jaguar Land Rover business discussed above).

The following table set forth selected consolidated financial information for the Company, including as a percentage of turnover net of excise duty, for the year ended March 31, 2010 and 2009.

Tata Motors Limited

Percentage of Turnover (Rs. in crores)

	2009-10	2008-09
Turnover net of excise duty	100.0	100.0
Expenditure:		
Material Cost (including change in stock and processing charges)	67.4	68.5
Employee Cost	9.5	10.3
Manufacturing and other expenses	18.8	24.6
Expenditure transferred to capital and other accounts	(5.0)	(6.5)
Total Expenditure	90.7	96.9
Other income	1.9	1.1
Profit before Exceptional Item, Depreciation, Interest and Tax	11.2	4.2
Depreciation (including product development expenditure)	4.7	4.0
Interest and Discounting Charges (Net)	2.4	2.7
Exceptional items	0.3	0.5
Profit / (loss) before Tax	3.8	(3.0)

Material Cost (including change in stock and processing charges) (Rs. in crores)

	2009-10	2008-09
Consumption of raw materials and components	54,105.54	40,253.38
Purchase of product for sale	8,538.52	6,978.22
Processing Charges	878.99	559.64
Change in Stock-in-trade and Work-in-progress	(1,148.67)	793.04
Material (including change in stock and processing charges)	**62,374.38**	**48,584.28**

Net Raw Material consumption including processing charges increased by 28.4% to Rs.62,374.38 crores from Rs.48,584.28 crores of 2008-09, due to increase in vehicle volumes. The material cost has come down from 68.5% to 67.4% of net sales. The reduction is mainly on account of improved product mix, better price realization and continuous cost reduction initiatives.

Employee Cost

While the employee cost has increased on an absolute basis by Rs.1,454.35 crores, as a % to net revenue it has come down from 10.3% to 9.5% in the current year. The increase in employee cost at TML and other subsidiaries (excluding Jaguar Land Rover business) mainly relates to increase cost on account of normal yearly increases, performance payments, impact of wage revisions and on account of increased volumes. The increase in Jaguar Land Rover business mainly relates to higher pension costs, primarily due to actuarial assumptions and volumes.

Manufacturing and Other Expenses (Rs. in crores)

	2009-10	2008-09	Change
Expenses for manufacture, administration and selling			
(a) Stores, spare parts and tools consumed	1,058.99	765.57	293.42
(b) Freight, transportation, port charges, etc.	2,050.44	1,995.73	54.71
(c) Repairs to buildings	57.05	45.55	11.50
(d) Repairs to plant, machinery, etc.	278.13	268.33	9.80
(e) Power and fuel	689.45	686.30	3.15
(f) Rent	106.71	95.38	11.33
(g) Rates and taxes	181.63	152.49	29.14
(h) Insurance	161.92	145.64	16.28
(i) Publicity	2,974.18	2,633.52	340.66
(j) Incentive/Commission to dealers	595.57	388.34	207.23
(k) Works operation and other expenses	9,130.42	10,323.41	(1,192.99)
Expenses for manufacture, administration and selling	17,284.49	17,500.26	(215.77)
Excise Duty on change in Stock-in-trade	86.95	(58.68)	145.63
Total	**17,371.44**	**17,441.58**	**(70.14)**

Manufacturing and other expenses decreased marginally to Rs.17,371.31 crores from Rs.17,441.58 crores of 2008-09. As a % to net revenue (excluding expenditure transferred to capital and other accounts) it has come down from 24.6% to 18.8% in the current year. As could be seen from the above table that despite increase in volumes, the group has been in a position to contain the cost at all levels. The increase in stores, spare parts and tools consumed is due to higher level of production. The publicity expenses have increased by Rs.340.66 crores, mainly towards new product introductions (Nano, Prima, New Jaguar XJ). The incentives/ commission relates to Tata Motor's business, where the increase is mainly volume driven.

The works operation and other expenses during the current year have come down to 9.9% from 14.6% of net revenue. The major factor of decrease has been significant reduction in provision towards residual risk on vehicles sold by Jaguar Land Rover business. There has been a significant drop in the resale value of the cars in those markets in 2008-09, which necessitated provisions in the last year. During the year on account of improvement in the resale prices, these provisions have been written back and there have been significantly lower provisions in the current year.

Expenditure transferred to capital and other accounts represents amounts allocated out of employee cost and other expenses for the amounts capitalized mainly for product development costs. Expenditure transferred to capital and other accounts decreased marginally to Rs. 4,592.50 crores from Rs. 4,638.83 crores in 2008-09.

Other Income increased to Rs. 1,793.12 crores from Rs.798.96 crores in 2008-09, mainly due to higher profit on sale of investments. The other income in the current year includes profit on sale of controlling stake in Telcon Rs.1,057.92 crores. The profit (net) on account of sale of other investments was Rs.693.62 crores in 2009-10 as compared to Rs.718.16 crores for 2008-09.

Profit before Interest, Depreciation, Exceptional items and Tax has increased from Rs. 2,995.46 crores in 2008-09 to Rs. 10,407.28 crores in 2009-10. The increase reflects significant turnaround during the year in the operations of the Company and Jaguar Land Rover business.

Depreciation and Amortization (including product development expenditure) for 2009-10 increased by 53.6% to Rs.4,385.33 crores from Rs.2,854.52 crores in 2008-09. The increase in depreciation and amortization expenses of Rs.1,380.36 crores represent impact on account of increased capitalization at TML including the effect of assets installed in the earlier years for which full effect has come in the current year. Further, there has been an increase in amortization of product development cost consequent to commencement of commercial production of new products mainly Prima, Nano and other products. The increase is also attributable to product development written off during the year of Rs.498.20 crores as compared to Rs.347.75 crores in 2008-09 and increased depreciation of tooling's at Jaguar Land Rover business.

Net interest cost (Rs. in crores)

	2009-10	2008-09	Change
Interest and discounting charges			
Interest expenses	2,126.34	1,982.82	143.52
Discounting Charges	671.30	480.09	191.21
Interest capitalized	(332.32)	(292.31)	(40.01)
Interest received	(225.61)	(239.70)	14.09
Interest expenses	**2,239.71**	**1,930.90**	**308.81**

Net interest cost increased by 16% to Rs.2,239.71 crores from Rs.1,930.90 crores in 2008-09. Out of the total increase of Rs. 308.81 crores, Rs. 191.21 crores represents increase in level of acceptances consequent to higher volumes in the current year. The TML group has been successful in containing the costs through borrowings at lower rates and by substituting part of the borrowings through issue of equity. (Please refer to details of Gross debt)

Exceptional Items (Rs. in crores)

	2009-10	2008-09	Change
Exchange (Gain) / Loss (Net) on revaluation of foreign currency borrowings, Deposits and loans given	(84.47)	339.29	(423.76)
Others	344.07	-	344.07

Others consist of (a) employee separation cost of Rs.191.12 crores of Jaguar and Land Rover; (b) unamortised debt issue cost of Rs.105.04 crores written off on prepayment of bridge loan for acquisition of Jaguar Land Rover business; and (c) provision for a product liability case.

Consolidated Profit before Tax (PBT) has increased to Rs.3,522.64 crores in 2009-10 from a Loss before Tax of Rs.2,129.25 crores in 2008-09, representing a positive swing of Rs. 5,651.89 crores. This represents a remarkable recovery in the automotive volumes and improvement in the performance of Jaguar Land Rover business.

Tax expense has increased to Rs.1,005.75 crores in 2009-10 from Rs.335.75 crores in 2008-09. The tax expense as a % to PBT was 28.6% in 2009-10. The tax expense is higher during the year due to significant increase in proportion of taxable profits in TML as also on account of provision for tax made at subsidiary companies of Jaguar Land Rover which have been consolidated on a line by line basis.

Consolidated Profit for the year of the Group increased to Rs.2,571.06 crores from a Loss for the year of Rs.2,505.25 crores in 2008-09.

Tata Motors Limited

Consolidated Balance Sheet size (Fixed Assets, Investments and net current assets) of the Group increased to Rs.45,383.10 crores as at March 31, 2010 from Rs.42,267.17 crores as at March 31, 2009. The increase is attributable to capital expenditure for expansion and setup of new facilities and product development cost incurred by the Group.

Fixed Assets (Rs. in crores)

	2009-10	2008-09	Change	%
Gross Fixed assets (including Capital Work-in-Progress)	72,919.85	69,002.38	3,917.47	5.7
Accumulated Depreciation	34,413.52	33,269.05	1,144.47	3.4
Net Fixed assets	38,506.33	35,733.33	2,773.00	7.8

Net Fixed Assets including Capital Work-in-Progress increased to Rs.38,506.33 crores as at March 31, 2010 as compared to Rs.35,733.33 crores as at March 31, 2009. The gross fixed assets have increased by Rs.3,917.47 crores. The increase is mainly in TML (refer discussion of standalone performance). There was decrease in Net fixed assets of Rs.788.91 crores due to sale of controlling stake in Telcon, which is now accounted as an associate.

Investments increased to Rs.2,219.12 crores as at March 31, 2010 as compared to Rs.1,257.40 crores as at March 31, 2009. The movement (net) of Rs.961.72 crores represents decrease due to sale of investments of Tata Steel Ltd. and increase on account of (a) reporting of investments in Telcon as an associate consequent to sale of controlling stake and (b) investments in Mutual Funds of Rs.988.05 crores.

Net Current Assets (Rs. in crores)

	2009-10	2008-09	Change	%
Current Assets, Loans & Advances	42,529.64	32,685.97	9,843.67	30.1
Current Liabilities	(34,077.33)	(23,980.16)	(10,097.17)	42.1
Provisions	(7,643.50)	(8,140.02)	496.52	(6.1)
Net Current Assets	808.81	565.79	243.02	43.0

Net Current Assets increased to Rs.808.81 crores as at March 31, 2010 from Rs.565.79 crores as at March 31, 2009. The increase in current assets represents – (a) increase in inventory by Rs.361.43 crores and sundry debtors by Rs.2,396.32 crores, which have necessitated due to increase in volumes and also increase in sale to government customers; (b) Cash and bank balances increased by Rs.4,621.98 crores due to surplus cash at Jaguar Land Rover business, representing level of operations. The Company is exploring possibilities of deploying the cash towards repayment of borrowings and/or parking of the surplus cash to generate income; and (c) Loans and advances increased by Rs.2,464.13 crores, which represents increase in vehicle financing activity to support the demand; net increase in receivable on account of Minimum Alternative Tax credit entitlement in future years and increase in excise duty/VAT and other dues from the government.

Current liabilities have increased on account of increase in sundry creditors and acceptances and liability towards premium on redemption of Non-Convertible Debentures created during 2009-10 of Rs.1,745.79 crores. The increase in creditors/acceptances relate to volumes in the current year, more particularly in the last quarter. Provisions have decreased due to decrease in Provision for warranty and residual risk at Jaguar Land Rover business.

Gross debt (total of secured and unsecured loans) increased marginally to Rs.35,192.36 crores as at March 31, 2010 as compared to Rs.34,973.85 crores as at March 31, 2009. Bridge Loan taken for Jaguar and Land Rover business was paid during 2009-10, through funds raised, improved cash generation from operations and sale of certain investments.

Net debt (gross debt reduced by available cash and bank balances and mutual fund investments) stood at Rs.27,170.49 crores as at March 31, 2010 as compared to Rs.32,505.52 crores as at March 31, 2009. The reduction represents surplus cash and bank balances and increase in mutual fund investments as explained above.

The cash generated from operations before working capital changes and before considering deployment in the vehicle financing business was Rs.7,955.29 crores as compared to Rs.2,776.58 crores in the previous year. After considering the impact of working capital changes and inflows on account of securitization of financing loan portfolio (net of deployment), the net cash generated from operations was at Rs.9,326.93 crores as compared to Rs.749.83 crores in the previous year. The cash increase on account of change in operating assets and liabilities of Rs.2,600.85 crores in 2009-10 was due to increase in trade and other payables by Rs.8,079.11 crores due to increase in manufacturing activity which was partially offset by (a) Increase in trade and other receivables amounting Rs.4,342.63 crores due to increase in sales volumes; (b) Increase in inventories amounting to Rs.1,244.53 crores on account of increase in manufacturing activity and due to higher sales volume; and (c) Increase in vehicle/loans and hire purchase receivables by Rs.521.10 crores.

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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. As a global organisation the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board alongwith its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency fairplay and independence in its decision making.

The Corporate Governance philosophy has been further strengthened with the implementation, a few years ago, by the Company of the Tata Business Excellence Model as a means to drive excellence, the Balanced Scorecard methodology for tracking progress on long term strategic objectives and the Tata Code of Conduct which articulates the values, ethics and business principles and serves as a guide to the Company, its directors and employees and an appropriate mechanism to report any concern pertaining to non-adherence to the said Code and addressing the same is also in place. 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 is listed on the New York Stock Exchange and 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.

THE BOARD OF DIRECTORS

The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. Mr Carl-Peter Forster was appointed as Tata Motors Group CEO & Managing Director of the Company w.e.f. April 1, 2010. The Board currently comprises of twelve Directors out of which ten Directors (83.33%) are Non-Executive Directors. The Company has a Non-Executive Chairman and the six 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.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five 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 fifteen public companies. None of the Directors of the Company is related to each other. All Non Executive Directors excluding the 'Steel' Director (Tata Steel representative), are liable to retire by rotation. The appointment of the Managing Directors, including the tenure and terms of remuneration are also approved by the members.

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 Directors regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non compliance. CEO & Managing Director 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, 2010.

During the year under review, eleven Board Meetings were held on April 27, 2009, May 29, 2009, June 26, 2009, July 27, 2009, August 31, 2009, October 1, 2009, October 26, 2009, November 27, 2009, January 29, 2010, February 26, 2010 and March 30, 2010. The maximum time-gap between any two consecutive meetings did not exceed four 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 (including Tata Motors), memberships/chairmanships of the Board and Committees of public companies and their shareholding as on March 31, 2010 in the Company are as follows:

Tata Motors Limited

Name of the Director	Category	No. of Board Meetings attended in the year	Attendance at the last AGM	Directorships[1]		Committee positions[2]		Shareholding	
				Chairman	Member	Chairman	Member	Ordinary Shares	'A' Ordinary Shares
Ratan N Tata	Non-Executive Chairman	11	Yes	10	1	-	-	187346	21836
Ravi Kant [3]	Non-Executive, Vice Chairman	11	Yes	5	3	-	1	-	-
N A Soonawala[4]	Non-Executive	10	Yes	1	4	3	-	-	-
J J Irani [5]	Non-Executive	11	Yes	3	7	-	2	4815	1300
R Gopalakrishnan	Non-Executive	10	Yes	2	7	-	5	3750	-
N N Wadia	Non-Executive, Independent	7	Yes	3	4	-	-	-	-
S M Palia	Non-Executive, Independent	9	Yes	-	7	3	4	300	-
R A Mashelkar	Non-Executive, Independent	8	Yes	1	8	-	3	-	-
S Bhargava	Non-Executive, Independent	10	Yes	3	9	4	5	-	-
N Munjee	Non-Executive, Independent	8	Yes	1	14	4	4	-	-
V K Jairath	Non-Executive, Independent	9	Yes	-	2	-	-	50	-
Carl -Peter Forster[6]	Group CEO & Managing Director	0	No	-	-	-	-	-	-
P M Telang[7]	Managing Director - India Operations	11	Yes	2	7	1	-	3180	500

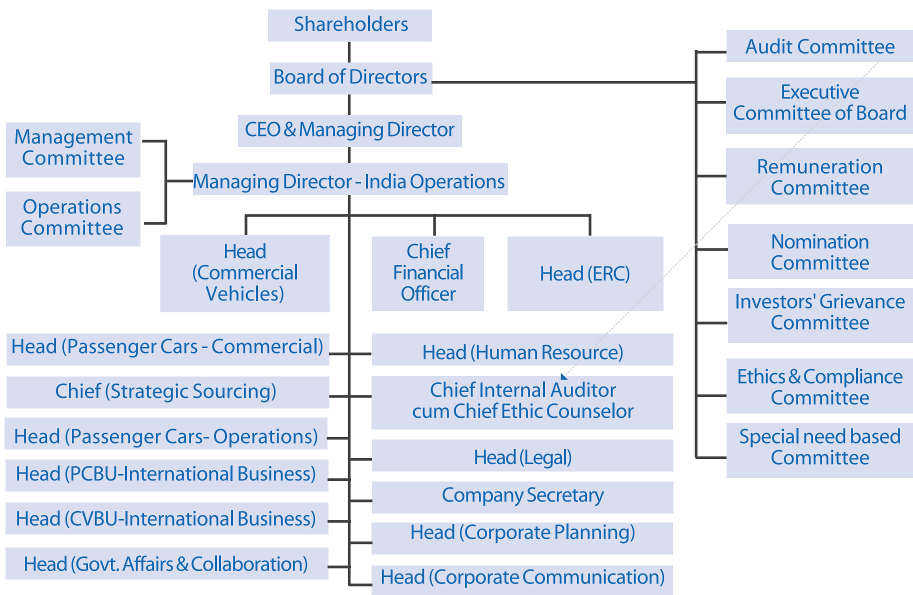
(1) excludes Directorships in private companies, foreign companies and associations
(2) includes only Audit and Investors' Grievance Committees
(3) appointed as the non executive Vice - Chairman w.e.f. June 2, 2009
(4) ceased to be a Director w.e.f. March 31, 2010
(5) Tata Steel Representative
(6) appointed as Tata Motors Group CEO & Managing Director w.e.f. April 1, 2010
(7) appointed as the Managing Director – India Operations w.e.f. June 2, 2009

On May 27, 2010, the Board of Directors appointed Mr Ranendra Sen as Non-Executive Director w.e.f. June 1, 2010

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, 2010 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO and Managing Director is annexed hereto.

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 Board of Directors and the Committees also take decisions by the circular resolutions which are noted at the next meeting. 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.



AUDIT COMMITTEE

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:

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.

n. Approving the appointment of CFO after assessing the qualification, experience and background etc of the candidate.

During the year, the Committee reviewed key audit findings covering operational, financial and compliance areas. 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 annually evaluates its performance.

The Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee meetings.

The Committee comprises of three 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.

The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company. During the period under review, fourteen Audit Committee meetings were held on May 4, 2009, May 27, 2009, June 23, 2009, July 24, 2009, August 12, 2009, August 24, 2009, August 28, 2009, September 9, 2009, September 22, 2009, October 23, 2009, November 26, 2009, December 2, 2009, January 28, 2010 and February 24, 2010. The composition of the Audit Committee and attendance at its meetings is as follows:

Composition	N Munjee (Chairman)	S M Palia	R A Mashelkar
Meetings attended	13 *	14	11

** Does not include Audit Committee Meeting held on August 28, 2009 which was chaired by Mr N Munjee via teleconference.*

The Committee meetings are held at the Company's Corporate Headquarters or at its plant locations and are usually attended by the Vice Chairman, CEO and Managing Director, Managing Director-India Operations, the Chief Financial Officer, 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.

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. The management is responsible for the preparation, presentation and integrity of the Company's financial statements including consolidated statements, accounting and financial reporting principles. The 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.

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Deloitte Haskins & Sells, Mumbai (Deloitte) (Registration Number 117366W) 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.

REMUNERATION COMMITTEE

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.

The Remuneration Committee comprises two Independent Directors (including the Chairman of the Committee) and 2 Non-Executive Directors. During the year under review, one Remuneration Committee meeting was held on May 29, 2009. The decisions are taken by the Committee at meetings or by passing circular resolutions. 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[1]	S Bhargava	Ravi Kant[2]
Meetings attended	1	1	1	1	-

[1] *Ceased to be a Director w.e.f. March 31, 2010* [2] *Appointed w.e.f. April 23, 2010*

Remuneration Policy

a. The remuneration of the Managing 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 Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1, annually.

b. 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 Directors). 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 participation and contribution at the Board and certain Committee meetings as well as time spent on operational matters other than at 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 Directors' remuneration and sitting fees paid/payable in respect of the Financial Year 2009-10, are given below:

Non-Executive Directors (Rs. in Lacs)

Name	Commission	Sitting Fees	Name	Commission	Sitting Fees
Ratan N Tata	93	2.80	S M Palia	47	4.80
Ravi Kant [1]	22	2.30	R A Mashelkar	28	3.80
N A Soonawala	72	2.60	S Bhargava	20	2.20
J J Irani	20	2.60	N Munjee	52	4.20
R Gopalakrishnan	18	2.60	V K Jairath	14	1.80
N N Wadia	14	1.60			

[1] *Appointed as Vice-Chairman w.e.f. June 2, 2009*

Managing Directors (Rs. in Lacs)

Name	Salary	Perquisites & Allowances[1]	Commission [2]	Retirement Benefits [3]
Mr P M Telang	54.00	43.16	240.00	122.18
Mr Ravi Kant[4]	13.22	63.70	350.00	3.57

[1] Includes leave enhancement [2] Payable in FY 10-11 [3] Excludes provision for encashable leave and gratuity as separate actuarial valuation is not available [4] For part of the year upto June 1, 2009

Chief Executive Officer & Managing Director

Mr Carl-Peter Forster was appointed as Chief Executive Officer and Managing Director of the Company w.e.f. April 1, 2010. An abstract and memorandum of interest under Section 302 of the Companies Act, 1956 has been sent to the members of the Company. Details of remuneration are included in the Notice of the Annual General Meeting.

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

Service Contracts, Severance Fees and Notice Period

Terms of Agreement	Mr Ravi Kant [1] Managing Director	Mr P M Telang [2] Managing Director – India Operations
Period of Contract	July 29, 2005 to June 1, 2009	June 2, 2009 to June 21, 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. There is no separate provision for payment of Severance fees.	

[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.

Retirement Policy for Directors

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.

INVESTORS' GRIEVANCE COMMITTEE

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, 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 matters pertaining to Company's fixed deposit programme and other miscellaneous complaints. During the year under review, two Investors' Grievance Committee meetings were held on August 25, 2009 and February 24, 2010 which were attended by all the Members.

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 the Registrars to the Fixed Deposits Scheme – M/s Link Intime India Private Limited at tmlfd@linkintime.co.in.

The status on the total number of complaints received during the FY 2009-10, is as follows:-

Type	Nos.
Complaints regarding non-receipt of dividend/interest, shares lodged for transfer	1358
Complaints received from the shareholders through SEBI and other statutory bodies and resolved	78
Complaints redressed out of the above	1435
Pending complaints as on 31.3.2010	1[1]
Other Queries received from shareholders and depositors and replied	8892

[1] 1 SEBI complaint was replied to within 8-15 days but the same has been reflected as unresolved as on 31.03.2010, as per the conditions for complete resolution defined by SEBI.

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All letters received from the investors are replied to and the response time for attending to investors' correspondence during FY2009-10 is shown in the following table:

	Number	%
Total number of correspondence received during 09-10	10328	100.00
Replied within 1 to 4 days of receipt	6848	66.31
Replied within 5 to 7 days of receipt	2250	21.79
Replied within 8 to 15 days of receipt	1104	10.68
Replied after 15 days of receipt[(1)]	81	0.78
Received in last week of March 2010 and replied in April 2010	45	0.44

[(1)] These correspondence pertained to court cases which involved retrieval of case files from records, co-ordination with the Company/Advocate etc.; and executed documents received for issue of duplicate certificates and transmission of shares without legal representation which involved checking of the documents, sending notices to the Stock Exchange and issuing duplicate certificates/transmission of shares after approval from the Company.

There were no pending share transfers and complaints pertaining to the Financial Year ended March 31, 2010. Out of the above, 248 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.

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.

OTHER COMMITTEES

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, two Committee meetings were held on September 16, 2009 and January 13, 2010.

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

Composition	Ratan N Tata	N A Soonawala*	J J Irani	R Gopalakrishnan	N N Wadia	Ravi Kant	Carl–Peter Forster**	P M Telang
Meetings attended	2	2	2	2	-	2	-	2

** Ceased to be a Director w.e.f. March 31, 2010   ** Appointed w.e.f. April 23,2010*

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.

The Nominations Committee of the Board was constituted with the objective of identifying independent directors to be inducted on the Board and to take steps to refresh the constitution of the Board from time to time. During the year under review, no meeting was held under this Committee. The Nominations Committee comprises of Mr N N Wadia as the Chairman, Mr Ratan N Tata, Mr N A Soonawala (ceased to be a Director w.e.f. March 31, 2010), Mr S M Palia and Mr Ravi Kant (appointed w.e.f. April 23, 2010).

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. During the year under review, two meetings of the Committee were held on August 25, 2009 and February 24, 2010 which were attended by all the Members.

Mr C Ramakrishnan, Chief Financial Officer, acts as the Compliance Officer under the said Code.

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

SUBSIDIARY COMPANIES

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. Significant issues pertaining to subsidiary companies are also discussed at Audit Committee meetings. Apart from disclosures made in the Directors' Report there were no strategic investments made by the Company's non-listed subsidiaries during the year under review.

The minutes of all the subsidiary companies 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. The performance of all its subsidiaries is also reviewed by the Board periodically.

GENERAL BODY MEETINGS

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

Date	Year	Type	Venue	Time
August 25, 2009	2008-2009	Annual General Meeting	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020.	3:00 p.m.
July 24, 2008	2007-2008			
July 9, 2007	2006-2007			

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

Date of Meeting	Summary
August 25, 2009	No Special Resolution passed
July 24, 2008	Commission to non Whole time Directors
July 9, 2007	Change in place of keeping registers/records

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.

DISCLOSURES

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

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

Chairman of the Board: Being the Group Chairman, the Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's office.

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 9 years may be considered a threshold for granting further tenure for independent directors based, *inter alia,* on the merit and contribution of each Director.The Nomination Committee takes into consideration criteria such as qualifications and expertise whilst recommending induction of non-executive directors on the Board.

Remuneration Committee: Details are given under the heading 'Remuneration Committee'.

Shareholder Rights: Details are given under the heading "Means of Communications".

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 adopted a Whistle-Blower Policy. Please refer to 'DISCLOSURES' given above.

Tata Motors Limited

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). 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, including on the quarterly and annual results and presentations made to institutional investors analysts are also posted on the Company's website *www.tatamotors.com*.

The 'Investor Centre' section on the Company's website keeps the investors updated on material developments in the Company 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 Company's website.

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.

GENERAL INFORMATION FOR MEMBERS

Annual General Meeting

Date and Time	Wednesday, September 1, 2010 at 3:00 p.m.
Venue	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020

Financial Calendar

Financial Year	Ending March 31
Date of Book Closure	Thursday, August 12, 2010 to Wednesday, September 1, 2010 (both days inclusive)
Dividend Payment Date	September 2, 2010. The Dividend warrants will be posted/dividend amount will be remitted in to the shareholders account on record on or after September 2, 2010

Listing

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

For details on listings of Non-Convertible Debentures on the Wholesale Debt market segment of the NSE, please refer to 'Outstanding Securities' section of this Report.

International Listing

There are two separate programs for the Company's Depositary Receipts.

- The American Depositary Shares (ADSs) (through the conversion of its International Global Depositary Shares into American Depositary Shares (ADSs) are listed on the New York Stock Exchange (NYSE) since September 27, 2004.
- The Global Depositary Shares (GDSs) issued in October 2009 are listed on the Luxembourg Stock Exchange since then. The said GDSs are also traded on London Stock Exchange on IOB platform. Please also refer to the section on 'Outstanding Depositary Receipts and Convertible instruments' for details pertaining to international listing of Foreign Currency Convertible Notes.

The following are the listed details of the Company shares/ADRs /GDRs

Shares

Type	ISIN No.	Stock Code	
		BSE	NSE
Ordinary Shares	INE155A01014	500570	TATAMOTORS
'A' Ordinary Shares	IN9155A01012	570001	TATAMTRDVR

ADRs/GDRs

Type	Listing	Ticker Symbol	Description	Currency	ISIN	CUSIP	SEDOL
ADR	New York SE	TTM	Common Shares	INR	US8765685024	876568502	B02ZP96US
GDR	Luxembourg SE	TTM LX	Common Shares	INR	US8765686014	876568601	B4YT1P2

Two-way Fungibility of Depositary Receipts

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

Market Information

Market price data - monthly high/low of the closing price 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:-

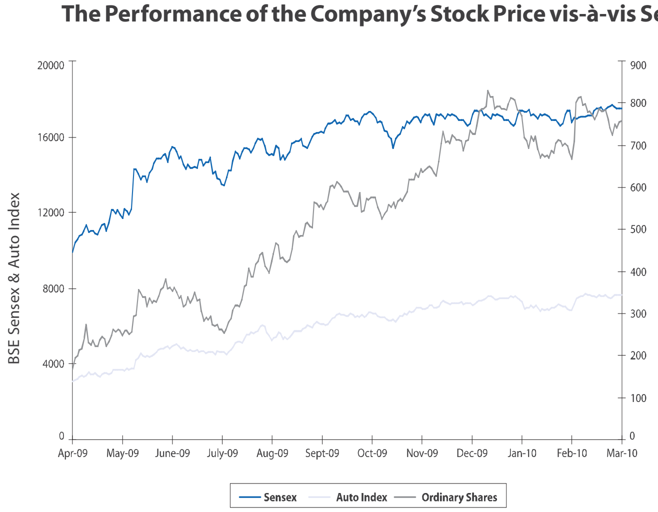
Ordinary Shares

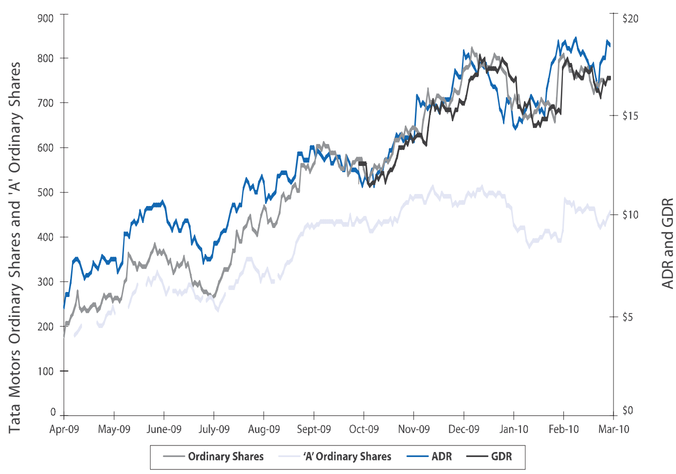
Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (Rs.)	Low (Rs.)	No. of Shares	High (Rs.)	Low (Rs.)	No. of Shares
Apr-09	281.20	179.85	34420570	281.50	180.00	132851917
May-09	363.90	256.90	21493784	363.25	257.30	95619349
Jun-09	389.05	291.15	27410306	389.20	290.75	104660486
Jul-09	421.55	262.05	31716743	421.55	262.65	124196425
Aug-09	498.65	400.95	41261458	499.70	403.85	157214322
Sep-09	614.50	508.20	29474014	614.85	508.30	114392736
Oct-09	587.40	529.40	23635466	589.25	529.30	104393790
Nov-09	660.90	551.85	19536007	663.15	552.35	84839649
Dec-09	792.60	687.85	18126114	791.55	688.70	75784684
Jan-10	827.40	694.35	12800386	826.45	694.35	61047700
Feb-10	721.70	668.70	12161992	721.55	667.40	59038143
Mar-10	811.65	725.25	66820072	813.00	725.20	107797746

'A' Ordinary Shares

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (Rs.)	Low (Rs.)	No. of Shares	High (Rs.)	Low (Rs.)	No. of Shares
Apr-09	282.00	270.35	91	215.00	175.35	604
May-09	309.75	281.00	177	296.10	210.20	200
June-09	318.00	275.00	5024	320.00	267.00	3589
July-09	334.00	258.00	12378	350.85	235.25	17092
Aug-09	369.35	305.00	1612691	365.10	300.05	147441
Sept-09	437.95	387.25	2278027	437.95	383.05	2303801
Oct-09	450.60	417.35	1714932	449.85	413.75	2352053
Nov-09	499.85	429.95	5902577	495.10	431.50	12598044
Dec-09	515.00	473.15	1640279	513.55	472.40	2650777
Jan-10	509.95	417.65	831539	511.35	415.05	2422470
Feb-10	420.50	379.00	289058	420.35	379.35	1547447
Mar-10	482.30	421.50	1311024	484.55	422.25	1934619

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





Tata Motors Limited

The monthly high and low of the Company's ADRs and GDRs is given below: (in US$)

ADRs						GDRs		
Month	High	Low	Month	High	Low	Month	High	Low
April-09	7.81	5.36	October-09	12.89	11.38	October-09	12.51	11.36
May-09	10.11	7.17	November-09	14.32	11.72	November-09	14.24	11.65
June-09	10.58	8.52	December-09	17.19	15.15	December-09	17.05	14.72
July-09	10.55	7.64	January-10	18.03	14.63	January-10	17.89	15.04
August-09	12.10	10.65	February-10	16.18	14.28	February-10	15.69	14.39
September-09	13.33	11.58	March-10	18.77	16.70	March-10	17.70	15.42

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./DP ID & Client ID 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 : tsrdlbang@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 Delh**i – 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

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.

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 Company Secretary-in-Practice 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).

Shareholding Pattern as on March 31, 2010

Category	Ordinary Shares					'A' Ordinary Shares				
	As on March 31, 2010		As on March 31, 2009		% Variance 10 V/s 09	As on March 31, 2010		As on March 31, 2009		% Variance 10 V/s 09
	No. of shares	% shares	No. of	%		No. of shares	%	No. of shares	%	
Promoters and Promoter Group	*187376876	37.00	*187733595	41.73	(4.73)	33934959	52.88	54082644	84.27	(31.39)
Mutual Funds and Unit Trust of India	10880291	2.15	12335785	2.74	(0.59)	4401585	6.86	0	0.00	6.86
Government Companies, Financial Institutions, Banks and cos	79913933	15.78	69376399	15.43	0.35	5133050	7.99	8196838	12.77	(4.78)
Foreign Institutional Investors	90289797	17.83	32077806	7.13	10.70	13166186	20.52	55450	0.09	20.43
NRIs, Foreign companies and ADRs/GDRs	88151027	17.41	87440974	19.44	(2.03)	681546	1.06	11155	0.02	1.04
Others	49769246	9.83	60868100	13.53	(3.70)	6859048	10.69	1829568	2.85	7.84
Total	**506381170**	**100**	**449832659**	**100**	**0**	**64176374**	**100**	**64175655**	**100**	**0**

** Out of the Promoter holding, 4,50,00,000 shares (March 31, 2009 – 6,12,50,000 shares) aggregating 8.89% (March 31, 2009 – 13.62%) of the paid-up capital were pledged.*

Distribution of shareholding as on March 31, 2010.

Ordinary Shares

Range of Shares	No. of shares				No. of shareholders			
	No. of shares	Physical form (%)	Demat form (%)	% of Capital	No. of Holders	Physical form (%)	Demat form (%)	% of Capital
1 - 100	24128446	1.07	3.70	4.77	341041	18.26	76.41	94.67
101 - 500	8201490	0.34	1.28	1.62	11509	0.69	2.50	3.19
501 - 1000	6441641	0.23	1.04	1.27	4605	0.23	1.05	1.28
1001 - 5000	5987365	0.18	1.00	1.18	1989	0.09	0.46	0.55
5001 -10000	2928976	0.07	0.51	0.58	422	0.02	0.10	0.12
Above 10000	458693252	0.16	90.42	90.58	671	0	0.19	0.19
Total	**506381170**	**2.05**	**97.95**	**100.00**	**360237**	**19.29**	**80.71**	**100.00**

'A' Ordinary Shares

Range of Shares	No. of shares				No. of shareholders			
	No. of shares	Physical form (%)	Demat form (%)	% of Capital	No. of Holders	Physical form (%)	Demat form (%)	% of Capital
1 - 100	746294	0.11	1.06	1.17	10135	14.67	76.86	91.53
101 - 500	284144	0	0.44	0.44	383	0.03	3.43	3.46
501 - 1000	364155	0	0.57	0.57	245	0.01	2.20	2.21
1001 - 5000	425574	0	0.66	0.66	140	0	1.26	1.26
5001 -10000	323450	0	0.50	0.50	45	0	0.41	0.41
Above 10000	62032757	0	96.66	96.66	125	0	1.13	1.13
Total	**64176374**	**0.11**	**99.89**	**100.00**	**11073**	**14.71**	**85.29**	**100.00**

Top shareholders (holding in excess of 1% of capital) as on March 31, 2010

Ordinary Shares

Name of Shareholder	No. of shares held	% to paid-up capital
Tata Sons Limited	137858939	27.22
Citibank N.A. New York, NYADR department	58916055	11.63
Life Insurance Corporation of India Limited	54859845	10.83
Tata Steel Limited	34226139	6.76
Tata Industries Limited	9023297	1.78

Tata Motors Limited

Top shareholders (holding in excess of 1% of capital) as on March 31, 2010

'A' Ordinary Shares

Name of Shareholder	No. of shares held	% to paid-up capital
Tata Sons Limited	32379478	50.45
IFCI Ltd.	4076238	6.35
Pru India Equity Open Limited	3924399	6.12
Swiss Finance Corporation (Mauritius) Limited	1808220	2.82
Tata Industries Limited	1061638	1.65
JM Financial Consultants Pvt. Ltd.	1006255	1.57
Dragon Peacock Investments Limited	989442	1.54
ICICI Bank Limited	816807	1.27
Goldman Sachs Funds - Goldman Sachs Brics Portfolio	778690	1.21
Abu Dhabi Investment Authority – Ganges	714519	1.11
Nomura India Investment Fund Mother Fund	700000	1.09

Dematerialisation of shares

The electronic holding of the shares as on March 31, 2010 through NSDL and CDSL are as follows-:

Particulars	Ordinary Shares		'A' Ordinary Shares	
	2010 (%)	2009 (%)	2010 (%)	2009 (%)
NSDL	96.44	89.69	98.93	99.79
CDSL	1.51	2.16	0.96	0.04
Total	**97.95**	**91.85**	**99.89**	**99.83**

Outstanding Securities:

Outstanding Depositary Receipts/Warrants or Convertible instruments, conversion date and likely impact on equity:

A. Depositary Receipts

- 58,920,305 ADSs listed on the New York Stock Exchange.
- 1,312,905 GDSs listed on the Luxembourg Stock Exchange.

B. Foreign Currency Convertible Notes

- 70366 -1% Convertible Notes (due 2011) of US$1000 each, aggregating US$70.37 million issued in April 2004, may at the option of the Note holders, be converted into 4,204,305 Ordinary Shares/ADSs at Rs.733.90 per share (Reset Price) at any time up to March 28, 2011. 229,634 Notes were converted into 18,816,152 Ordinary Shares on March 30, 2010 pursuant to the Company offering enhanced conversion terms for a limited term to Non-US holders.
- 75 - Zero Coupon Convertible Notes (due 2011) of JP¥10,000,000 each aggregating JP¥750 million issued in March 2006, may at the option of the Note holders, be converted into 299,403 Ordinary Shares/ADSs at Rs.941.72 per share (Reset Price) at any time up to February 19, 2011. 1071 Notes were converted into 7,827,114 Ordinary Shares on March 30, 2010 pursuant to the Company offering enhanced conversion terms for a limited term to Non-US holders.
- 4730 - Zero Coupon Convertible Alternative Reference Securities (due 2012) of US$100,000 each aggregating US$ 473 million issued in July 2007 which allow the Company to give the holder an option to convert the CARS, *inter alia,* into qualifying securities as per terms of issue.
- 3750 - 4% Convertible Notes (due 2014) of US$100000 each aggregating US$375 million issued in October 2009 may, at the Option of the Note holders, be converted into 27,925,010 Ordinary Shares at Rs.621.49 per share (Reset Price) at any time into GDSs during November 25, 2009 to October 16, 2014 and ADSs at anytime during October 15, 2010 to October 16, 2014.

  The following are the relevant details of the notes:

Security Type	ISIN Nos.	CUSIP	Listing at
1% Notes (due 2011)	USY8548TAF85	Y8548TAF8	Singapore Stock Exchange
Zero Coupon Notes (due 2011)	XS0245217889	024521788	
Zero Coupon Notes (due 2012)	XS0307881762	030788176	
4% Notes (due 2014)	XS0457793510	045779351	Luxembourg Stock Exchange

There are no outstanding warrants issued by the Company.

Apart from Shares and Convertible Instruments, the following Non Convertible Debentures (NCD) are listed on the National Stock Exchange under Wholesale Debt Market segment*

ISIN Number	Tranche	Redemption Premium	Yield to Maturity (%)	Date of Maturity
INE155A07169	Rs.800 crores	Rs.71.96 crores	6.75	March 31, 2011
INE155A07177	Rs.350 crores	Rs.96.55 crores	8.40	March 31, 2013
INE155A07185	Rs.1800 crores	Rs.658.05 crores	8.45	March 31, 2014
INE155A07193	Rs.1250 crores	Rs.919.23 crores	10.03	March 31, 2016
INE155A07219	Rs.200 crores	Nil	9.95	March 2, 2020
INE155A07227	Rs.500 crores	Nil	10.25	Rs.100 crores – April 30, 2022 Rs.100 crores – April 30, 2023 Rs.150 crores – April 30, 2024 Rs.150 crores – April 30, 2025
INE155A08043	Rs.150 crores	Nil	9.90	May 7, 2020
INE155A08050	Rs.100 crores	Nil	9.75	May 24, 2020

*Detailed information on the above debentures are included in the 'Notes to Accounts'.

Plant Locations

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

Address for correspondence

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

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

(i) 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.

(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
2003-04 to 2008-09	Yes	TSR Darashaw Limited	Letter on plain paper.
2002-03	No	-	None. Already transferred to IEPF.
2000-01 and 2001-02	N.A.	-	Not Applicable due to non declaration of dividend
1995-96 to 1999-2000	No	-	None. Already transferred to IEPF.
1978-79 to 1994-95	Yes	Office of the Registrar of Companies, CGO Complex, 'A' Wing, 2nd floor, Next to RBI, CBD – Belapur, Navi Mumbai - 400614. Maharashtra 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.

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

Financial Year	Date of Declaration	Last date for claiming dividend *
2003-04 (Interim)	February 22, 2004	February 21, 2011
2003-04 (Final)	July 8, 2004	July 7, 2011
2004-05	July 11, 2005	July 10, 2012
2005-06	July 11, 2006	July 10, 2013
2006-07	July 9, 2007	July 8, 2014
2007-08	July 24, 2008	July 23, 2015
2008-09	August 25, 2009	August 24, 2016

**Indicative dates. Actual dates may vary.*

(iv) Following amounts have been transferred to IEPF during the year:

(In Rupees)

Particulars	As on March 31, 2009	FY 09-10	As at March 31, 2010
Unpaid Dividend amounts 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	2,67,47,520.00	66,36,209.00	3,33,83,729.00
Unpaid matured debentures with the Company	3,95,04,605.53	NIL	3,95,04,605.53
Interest accrued on matured deposits with Company	81,48,812.64	27,90,976.00	1,09,39,788.64
Interest accrued on matured debentures with Company	2,30,60,140.10	2,33,312.00	2,32,93,452.00
Total	**12,08,76,575.34**	**96,60,497.00**	**13,05,37,072.20**

(v) While the Company's Registrar has already written to the Members, Debenture holders and Depositors informing them about the due dates for transfer to IEPF for unclaimed dividends/interest 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.

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/NECS 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, 2010.

For Tata Motors Limited

CARL-PETER FORSTER
Chief Executive Officer and Managing Director

Mumbai, May 27, 2010

PRACTISING COMPANY SECRETARIES' 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, 2010, 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 implementation 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 of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

P. N. Parikh
FCS: 327 CP: 1228

Mumbai, May 27, 2010

Tata Motors Limited

SUBSIDIARY COMPANIES: FINANCIAL HIGHLIGHTS - 2009-10

(Rs. In crores)

Sr. No	Subsidiary	Country of Incorporation	Reporting currency #	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Minority Interest	Foreign Currency Monetary Translation Difference Account Asset/ (Liability)	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) Before Tax	Tax Expense/ (Credit)	Profit/ (Loss) after tax	Profit/ (Loss) for the year *	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)
I	**Details of Subsidiaries**															
1	TAL Manufacturing Solutions Ltd.	India	INR	65.00	25.92	-	-	263.52	172.60	186.33	18.94	3.60	15.34	15.34	-	-
2	HV Axles Ltd.	India	INR	45.00	223.84	-	-	395.87	127.03	239.42	95.29	31.44	63.85	63.85	26.24	52.76
3	HV Transmissions Ltd.	India	INR	40.00	140.01	-	-	334.70	154.69	209.25	77.47	24.83	52.64	52.64	23.32	11.00
4	Concorde Motors (India) Ltd.	India	INR	26.80	24.93	-	-	207.46	155.73	791.64	6.21	2.05	4.16	4.16	2.70	-
5	Sheba Properties Ltd.	India	INR	75.00	71.46	-	-	149.74	3.28	5.73	5.51	1.02	4.49	4.49	-	135.61
6	Tata Daewoo Commercial Vehicle Co. Ltd.	South Korea	KRW	57.35	920.00	-	-	2,522.31	1,544.96	2,733.78	105.97	24.35	81.62	81.62	-	2.38
7	Tata Technologies Ltd.	India	INR	37.24	387.17	-	-	546.20	80.85	391.80	107.50	30.94	76.56	76.56	30.35	44.10
8	Tata Motors Insurance Broking & Advisory Services Ltd	India	INR	2.50	0.47	-	-	8.85	5.89	14.76	0.35	-	0.35	0.35	-	2.52
9	Tata Motors European Technical Centre Plc.	UK	GBP	24.83	32.72	-	-	215.69	158.13	178.55	15.37	(1.24)	16.61	16.61	0.84	-
10	TML Distribution Company Ltd.	India	INR	225.00	21.39	-	-	1,579.92	1,333.53	13,904.00	41.01	11.26	29.75	29.75	-	-
11	Tata Motors (SA) (Proprietary) Ltd.	South Africa	ZAR	0.02	(0.02)	-	-	-	-	-	-	-	-	-	-	-
12	Tata Motors Finance Ltd.	India	INR	850.00	481.02	-	-	9,401.06	8,070.04	1,210.92	68.53	24.37	44.16	44.16	-	390.93
13	Tata Marcopolo Motors Ltd.	India	INR	170.00	(48.59)	-	-	430.63	309.22	364.31	(7.47)	0.02	(7.49)	(7.49)	-	0.00
14	Tata Motors (Thailand) Ltd.	Thailand	THB	154.56	(188.64)	-	-	265.10	299.18	152.33	(88.25)	-	(88.25)	(88.25)	-	-
15	TML Holdings Pte Ltd, Singapore	Singapore	USD	17,337.92	401.80	-	235.97	17,977.57	1.88	-	(286.41)	-	(286.41)	(286.41)	-	-
16	Tata Hispano Motors Carrocera S.A. (Formerly known as Hispano Carrocera S.A.)	Spain	EURO	3.70	(179.96)	-	-	187.83	364.53	118.15	(66.92)	(9.49)	(57.43)	(57.43)	-	-
17	INCAT International Plc Ltd	U.K.	GBP	1.65	32.47	-	-	40.60	6.48	-	(1.07)	-	(1.07)	(1.07)	-	-
18	Tata Technologies Inc (formerly known as INCAT Systems Inc.)	USA	USD	201.24	391.58	-	-	141.74	331.26	358.32	8.19	(2.49)	10.68	10.68	-	-
19	Tata Technologies Canada Inc. (formerly known as INCAT Solutions of Canada Inc.)	Canada	USD	(0.00)	4.33	-	-	3.43	7.77	1.84	0.65	(0.02)	0.67	0.67	-	-
20	Tata Technologies de Mexico, S.A. de C.V. (formerly known as Integrated Systems Technologies de Mexico, S.A. de C.V.)	Mexico	USD	(0.70)	(1.56)	-	-	3.00	2.37	11.81	(0.19)	0.14	(0.33)	(0.33)	-	-
21	Tata Technologies Europe Limited (formerly known as INCAT Limited)	UK	GBP	0.70	12.95	-	-	146.44	133.42	324.31	2.67	1.08	1.59	1.59	-	-
22	INCAT GmbH	Germany	EURO	0.99	11.24	-	-	12.31	0.07	-	(0.20)	-	(0.20)	(0.20)	-	-
23	INCAT SAS	France	EURO	0.42	(0.69)	-	-	3.19	3.45	0.32	(0.18)	-	(0.18)	(0.18)	-	-
24	Tata Technologies (Thailand) Limited (formerly known as INCAT (Thailand) Limited)	Thailand	THB	4.93	(3.91)	-	-	1.84	0.82	3.47	(0.73)	-	(0.73)	(0.73)	-	-
25	TATA Technologies Pte Ltd.	Singapore	SGD	282.83	250.52	-	-	543.60	10.25	25.61	4.79	0.01	4.78	4.78	-	-
26	Miljobil Greenland AS	Norway	NOK	6.83	(11.78)	-	-	71.86	76.80	11.57	(19.38)	-	(19.38)	(19.38)	-	-
27	JaguarLandRover Limited	UK	USD	17,754.19	(1,952.04)	-	-	15,802.34	0.19	-	502.52	-	502.52	502.52	-	-
28	Jaguar Cars Limited	UK	GBP	19,390.16	(14,031.27)	-	-	14,194.63	13,460.87	13,017.68	(1,513.00)	70.46	(1,583.46)	(1,583.46)	-	-
29	Land Rover	UK	GBP	5,721.69	(4,476.75)	-	-	35,601.61	30,463.25	23,498.05	(1,014.47)	266.69	(1,281.16)	(1,281.16)	-	-
30	Jaguar Cars Exports Limited	UK	GBP	680.67	103.46	-	-	4,277.31	4,173.85	4,657.18	13.64	(27.27)	40.91	40.91	-	-
31	Jaguar Land Rover North America, LLC.	USA	USD	706.19	57.43	-	-	3,499.60	3,148.90	10,895.38	53.35	24.31	29.04	29.04	-	-
32	Jaguar Hispania SL	Spain	EURO	5.45	12.38	-	-	88.06	88.06	210.28	2.69	0.91	1.78	1.78	-	-
33	Jaguar Deutschland GmbH	Germany	EURO	15.48	124.04	-	-	267.71	143.67	474.94	6.55	2.23	4.32	4.32	-	-
34	Jaguar Belux N.V.	Belgium	EURO	7.57	16.26	-	-	24.58	90.32	270.25	3.19	0.96	2.23	2.23	-	-
35	Jaguar Land Rover Austria GmbH	Austria	EURO	0.88	21.54	-	-	98.83	77.28	374.80	4.33	1.24	3.09	3.09	-	2.21
36	Jaguar Cars Overseas Holdings Limited	UK	GBP	0.00	(0.01)	-	-	-	-	-	-	-	-	-	-	-
37	Jaguar Italia SpA	Italy	EURO	5.31	46.63	-	-	147.84	101.21	374.57	11.42	(3.13)	8.29	8.29	-	-
38	Land Rover Group Limited	Jersey	GBP	260.70	311.75	-	-	564.95	253.21	-	3.03	(3.79)	6.82	6.82	-	-
39	Land Rover Ireland Limited	Ireland	EURO	0.00	18.47	-	-	127.13	114.30	318.96	3.55	0.67	2.88	2.88	-	-
40	Jaguar Land Rover Australia Pty Limited	Australia	AUD	2.88	58.15	-	-	663.43	605.27	1,536.79	13.41	4.83	8.58	8.58	-	-
41	Land Rover Exports Limited	UK	GBP	680.67	324.68	-	-	12,081.84	11,757.16	18,375.68	(1.52)	(38.64)	37.12	37.12	-	-
42	Land Rover Espana SL	Spain	EURO	252.15	300.37	-	-	597.05	296.69	801.16	6.98	1.88	5.10	5.10	-	-
43	Land Rover Deutschland GmbH	Germany	EURO	0.15	194.48	-	-	617.48	423.00	1,434.24	9.09	3.04	6.05	6.05	-	-
44	Land Rover Nederland BV	Netherlands	EURO	0.27	32.36	-	-	128.73	96.37	360.98	5.67	1.31	4.36	4.36	-	-
45	Land Rover Belux SA/NV	Belgium	EURO	1.23	8.42	-	-	182.10	172.50	576.87	0.27	0.21	0.06	0.06	-	-
46	Land Rover Italia SpA	Italy	EURO	115.05	197.52	-	-	722.47	553.75	2,349.71	11.18	10.94	0.24	0.24	-	-
47	Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	Portugal	EUR	8.05	49.27	-	-	121.17	71.90	139.90	2.72	2.57	0.15	0.15	-	-
48	Jaguar Land Rover Mexico, SA de CV	Mexico	MXP	0.02	(131.76)	-	-	67.63	80.80	136.05	19.56	-	19.56	19.56	-	-
49	Jaguar Land Rover Auto Trade (Shanghai) Co. Ltd	China	CNY	12.59	58.36	-	-	161.65	103.29	195.25	21.84	7.59	14.25	14.25	-	-
50	Jaguar Land Rover Japan Limited	Japan	YEN	168.81	360.77	-	-	561.00	200.23	532.63	15.58	(21.96)	37.54	37.54	-	-
51	Jaguar Land Rover Korea Company Limited	South Korea	KRW	23.74	20.73	-	-	111.80	91.07	340.23	4.37	0.98	3.39	3.39	-	-
52	Jaguar Land Rover Canada ULC	Canada	CAD	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Jaguar Land Rover France SAS	France	EURO	18.87	37.72	-	-	426.65	388.94	1,612.83	28.76	-	28.76	28.76	-	-
54	Jaguar Land Rover (South Africa) (Pty) Ltd	South Africa	ZAR	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Jaguar Cars South Africa (Pty) Ltd	South Africa	ZAR	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Jaguar Land Rover Brazil LLC	Brazil	BRL	224.33	269.09	-	-	417.11	148.02	1,107.59	44.82	(5.01)	49.82	49.82	-	-
57	Daimler Transport Vehicles Limited	UK	GBP	0.00	0.00	-	-	0.00	-	-	-	-	-	-	-	-
58	S S Cars Limited	UK	GBP	0.00	0.00	-	-	0.00	-	-	-	-	-	-	-	-
59	The Lanchester Motor Company Limited	UK	GBP	0.00	0.00	-	-	0.00	-	-	-	-	-	-	-	-
60	The Daimler Motor Company Limited	UK	GBP	10.21	10.21	-	-	10.21	-	-	-	-	-	-	-	-
61	The Jaguar Collection Limited	UK	GBP	0.00	0.00	-	-	0.00	-	-	-	-	-	-	-	-
62	Land Rover Parts Limited	UK	GBP	-	61.94	-	-	773.24	711.30	2,765.37	68.94	-	68.94	68.94	-	-
63	Land Rover Parts NA LLC	USA	USD	0.21	0.21	-	-	0.56	0.35	0.66	0.00	-	0.00	0.00	-	-
64	Jaguar Land Rover Russia LLC	Russia	RUR	573.09	783.76	-	-	1,012.29	228.54	2,197.61	196.92	66.06	130.86	130.86	-	-
65	Carrocera Hispano Maghreb, Morroco (w.e.f October 16, 2009)	Spain	EURO	10.53	(15.92)			63.11	67.99	38.12	(8.98)	-	(8.98)	(8.98)	-	-
	Details of Direct subsidiaries ,on consolidated basis including their respective subsidiaries included above															
1	Tata Technologies Limited (Note A, Page 51)			37.24	309.96	-	-	904.69	557.48	1,085.12	125.97	34.97	91.00	91.00	30.35	44.10
2	Tata Motors European Technical Centre Plc.(Note B, Page 51)			24.83	13.12	-	-	73.92	172.56	177.29	(4.01)	(1.24)	(2.77)	(2.77)	-	
3	Tata Hispano Motors Carrocera S.A. (Note C, Page 51)			3.70	(192.00)	-	-	207.67	395.96	67.38	(38.55)	(9.23)	(29.32)	(29.32)	-	-
4	TML Holdings Pte Ltd, Singapore (Note D, Page 51)			17,337.92	(6,913.93)	-	352.84	39,844.74	29,067.91	49,344.21	(394.54)	213.96	(608.50)	(608.50)	-	2.21

0.00 represents rounded off

Notes:

		Country of Incorporation
(A)	**List of Subsidiaries of Tata Technologies Limited that have been consolidated**	
1	INCAT International Plc Ltd	U.K.
2	Tata Technologies Inc (formerly known as INCAT Systems Inc.)	USA
3	Tata Technologies Canada Inc. (formerly known as INCAT Solutions of Canada Inc.)	Canada
4	Tata Technologies de Mexico, S.A. de C.V. (formerly known as Integrated Systems Technologies de Mexico, S.A. de C.V.)	Mexico
5	Tata Technologies Europe Limited (formerly known as INCAT Limited)	UK
6	INCAT GmbH	Germany
7	INCAT SAS	France
8	Tata Technologies (Thailand) Limited (formerly known as INCAT (Thailand) Limited)	Thailand
9	TATA Technologies Pte Ltd.	Singapore
(B)	**List of Subsidiaries of Tata Motors European Technical Centre Plc that have been consolidated**	
1	Miljobil Greenland AS	Norway
(C)	**List of Subsidiaries of Tata Hispano Motors Carrocera S.A. that have been consolidated**	
1	Carrocera Hispano Maghreb, Morroco	Spain
(D)	**List of Subsidiaries of TML Holdings Pte Ltd, Singapore that have been consolidated**	
1	JaguarLandRover Limited	UK
2	Jaguar Cars Limited	UK
3	Land Rover	UK
4	Jaguar Cars Exports Limited	UK
5	Jaguar Land Rover North America, LLC.	USA
6	Jaguar Hispania SL	Spain
7	Jaguar Deutschland GmbH	Germany
8	Jaguar Belux N.V.	Belgium
9	Jaguar Land Rover Austria GmbH	Austria
10	Jaguar Cars Overseas Holdings Limited	UK
11	Jaguar Italia SpA	Italy
12	Land Rover Group Limited	Jersey
13	Land Rover Ireland Limited	Ireland
14	Jaguar Land Rover Australia Pty Limited	Australia
15	Land Rover Exports Limited	UK
16	Land Rover Espana SL	Spain
17	Land Rover Deutschland GmbH	Germany
18	Land Rover Nederland BV	Netherlands
19	Land Rover Belux SA/NV	Belgium
20	Land Rover Italia SpA	Italy
21	Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	Portugal
22	Jaguar Land Rover Mexico, SA de CV	Mexico
23	Jaguar Land Rover Auto Trade (Shanghai) Co. Ltd	China
24	Jaguar Land Rover Japan Limited	Japan
25	Jaguar Land Rover Korea Company Limited	South Korea
26	Jaguar Land Rover Canada ULC	Canada
27	Jaguar Land Rover France SAS	France
28	Jaguar Land Rover (South Africa) (Pty) Ltd	South Africa
29	Jaguar Cars South Africa (Pty) Ltd	South Africa
30	Jaguar Land Rover Brazil LLC	Brazil
31	Daimler Transport Vehicles Limited	UK
32	S S Cars Limited	UK
33	The Lanchester Motor Company Limited	UK
34	The Daimler Motor Company Limited	UK
35	The Jaguar Collection Limited	UK
36	Land Rover Parts Limited	UK
37	Land Rover Parts NA LLC	USA
38	Jaguar Land Rover Russia LLC	Russia

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.

Tata Motors Limited

FUNDS FLOW - LAST FIVE YEARS

(Rs. In crores)

		2009-10	2008-09	2007-08	2006-07	2005-06
Sources of Funds						
1	Funds generated from operations					
	A. Profit after tax	**2240.08**	1001.26	2028.92	1913.46	1528.88
	B. Depreciation (including Lease Equalisation)	**1029.36**	870.05	647.82	582.51	522.48
	C. (Reversal) / Provision for diminution in value of investments (net)	**61.05**	(1.96)	(62.93)	1.09	(9.69)
	D. Net deferred tax charge	**589.46**	(2.50)	401.54	177.22	142.15
	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)]	**(325.81)**	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**	(132.57)	-	-	-
	Total	**3726.71**	1855.80	3015.35	2647.16	2183.82
2	Proceeds from Rights issue of Ordinary shares and 'A' Ordinary shares	**-**	4139.33	-	-	-
3	Proceeds from issue of Global Depository Shares	**1794.19**	-	-	-	-
4	Proceeds from FCCN, Warrants and Convertible Debentures converted into Ordinary Shares and premium thereon	**1555.76**	8.52	6.90	96.38	371.39
5	(a) Decrease in Working Capital	**2145.94**	-	1348.30	-	-
	(b) Decrease in Finance receivables	**1393.58**	406.22	2227.41	-	-
6	Increase in Borrowings (net of repayments)	**3460.35**	6885.04	2271.38	1072.30	441.42
7	Decrease in short term deposits with banks	**-**	1081.85	-	508.72	1075.29
8	Investments sold (net of purchases and adjustment for diminution in value of investments)	**-**	-	-	-	906.60
9	Effect of amalgamation of TFL, TDDL and SCFL (2004-05 : spare parts division of TMISL)	**-**	-	-	-	123.58
		14076.53	14376.76	8869.34	4324.56	5102.10
Application of Funds						
10	Capital Expenditure (net)	**2873.33**	5118.13	4705.95	2456.30	1347.63
11	Investments made (net of sales)	**9429.82**	8055.90	2370.34	462.94	-
12	Increase in short term deposits with banks	**490.67**	-	1122.40	-	-
13	(a) Increase in Working Capital	**-**	830.47	-	728.26	288.50
	(b) Increase in Finance receivables	**-**	-	-	4.61	2791.98
14	Dividends (including tax thereon)	**991.94**	345.70	659.68	676.39	567.78
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]	**290.77**	26.56	10.97	(3.94)	1.38
		14076.53	14376.76	8869.34	4324.56	5102.10

Notes :

		2009-10	2008-09	2007-08	2006-07	2005-06
(a)	Utilisation of Securities Premium Account includes FCCN / CARS / Rights issue expenses and premium on redemption of Debentures	**292.79**	30.59	15.01	0.09	5.41
(b)	The Sources and Application of funds does not include					
	(i) Provision for premium on redemption of CARS / FCCN	**1001.46** *	835.19 *	675.19 *	284.25	298.20
	(ii) Liability towards premium on redemption of NCD	**1745.79**	-	-	-	-
	(iii) 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 *	-	-	-
	(iv) 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	-	-	-
	(v) Exchange loss (net) on forward contracts adjusted to General Reserve on adoption of principles of hedge accounting under AS30	**-**	6.87 *	-	-	-
	(vi) Deferred Tax on account of item 1(E) and 1(H)	**(45.06)**	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** ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company 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 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 (CARO) issued by the Central Government in terms of Section 227(4A) 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 as follows:

   (a) 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;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) 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:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

N. VENKATRAM
Partner
(Membership No.71387)

Mumbai, May 27, 2010.

ANNEXURE TO THE AUDITORS' REPORT

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

(i) The nature of the Company's business activities during the year are such that clauses (xiii), and (xiv) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal, in our opinion, has not affected the going concern status of the Company.

(iii) In respect of its inventory:
- (a) As explained to us, the stock 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 case of materials and spare parts held for sale lying with the 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 explanation given to us, the procedures of physical verification of inventories followed by the Management were 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 and have been properly dealt with in the books of account.

(iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- (a) the Company has granted unsecured loans aggregating Rs. 352.11 crores to three parties covered in the register maintained under Section 301 of the Companies Act, 1956 (including Rs.109.17 crores granted during the year to two parties). At the year-end, the outstanding balances of such loans aggregated Rs. 244.94 crores and maximum amount outstanding during the year was Rs. 296.68 crores.
- (b) the rate of interest and other terms and conditions on such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company having regard to the market yields and the business relationship with the Company to whom loans have been granted.
- (c) The receipts of principal amounts have been as per stipulations however there have been delays in receipts of interests.
- (d) There are no overdue amounts in respect of principal outstanding. In respect of overdue interest amounts of more than rupees one lakh remaining outstanding as at the year-end, the Management has taken reasonable steps for the recovery of the overdue interest amounts.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- (e) the Company has taken loans aggregating Rs.16.64 crores from six parties covered in the Register maintained under Section 301 of the Companies Act, 1956 (including Rs.2.58 crores from five parties during the year). At the year-end, the outstanding balance of such loans taken aggregated Rs.16.64 crores and the maximum amount outstanding during the year was Rs.16.64 crores.
- (f) the rate of interest and other terms and conditions of such loans taken are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
- (g) The principal amount is not due for repayment and the Company has been regular in payment of interest.

(v) 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 such internal control system.

(vi) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the register maintained under the said section have been so entered.
- (b) Where each of such transaction is in excess of rupees five lakhs in respect of any party, and having regard to our comments in para (v) above, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

(vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any 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. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(ix) 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, however, not 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 for any other products of the Company.

(x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing with the appropriate authorities undisputed 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. 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) There were no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to the Company that were in arrears as at March 31, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess which have not been deposited as on March 31, 2010 on account of any disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where pending
Income Tax Laws	Income Tax	0.22	1997-98	Appellate Tribunal
	Income Tax	118.54	1985-86, 2002-2003 to 2004-05 and 2006-07	Commissioner
Central Excise Laws	Excise Duty & Service Tax	172.12	1993-94 to 1994-95,1999-00 and 2002-03 to 2009-10	Appellate Tribunal
	Excise Duty & Service Tax	3.92	2003-04 , 2006-07to 2007-08 and 2009-10	Commissioner (Appeals)
	Excise Duty & Service Tax	0.03	2009-10	Additional Commissioner
Sales Tax Laws	Sales Tax	64.52	1983-84 to 1990-91,1993-94 to 1995-96,1997-98 and 2000-01	High Court
	Sales Tax	126.43	1987-88 to 1992-93, 1995-1996 to 1996-97, 1999-2000 to 2000-01, 2002-03 to2005-06	Appellate Tribunal
	Sales Tax	0.20	1996-97, 1998-99, 2001-02	Commissioner (Appeals)
	Sales Tax	235.91	1997-98 to 2008-09	Joint Commissioner
	Sales Tax	11.98	1979-80,1986-87,1991-92 to 1992-93,1994-95,1996-97 to 2000-01, 2003-04 to 2006-07	Deputy Commissioner
	Sales Tax	0.62	1988-89 to 1989-90,1991-92 to 1992-93, 1995-96,1997-98, 2005-06 to 2006-07	Additional Commissioner
Sales Tax Laws	Sales Tax	2.11	1984-85 to1986-87,1988-89, 1990-91,1995-96,1997-98, 1999-2000,2008-09 to 2009-10	Assistant Commissioner
	Sales Tax	1.84	1986-87,1990-91 to 1991-92, 1993-94,1996-97,1999-2000 to 2001-02	Trade Tax Officer

(xi) 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.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

(xiii) 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.

(xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause (xv) 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 term loans have been applied for the purposes for which they were obtained.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, as at March 31, 2010, we report that short term funds of Rs.6,697.88 crores have been used during the year for long-term investment. Further the Company has explained that steps are being taken to augment long term funds.

(xvii) 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.

(xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has issued 44,000 debentures of Rs.10,00,000 each. The Company has created security in respect of 42,000 debentures and in respect of 2,000 debentures issued in month of March 2010, the Company is in process of executing the Debenture Trust deed and creation of security.

(xix) According to the information and explanations given to us, during the year covered by our audit report, the Company has not raised any money by public issue.

(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

N. VENKATRAM
Partner
(Membership No.71387)

Mumbai, May 27, 2010.

Tata Motors Limited

Balance Sheet as at March 31, 2010

	Schedule	Page			(Rs. in crores) As at March 31, 2009
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	63	**570.60**		514.05
(b) Reserves and Surplus	2	63	**14394.87**		11716.10
				14965.47	12230.15
2. LOAN FUNDS					
(a) Secured	3	64	**7742.60**		5251.65
(b) Unsecured	4	64	**8883.31**		7913.91
				16625.91	13165.56
3. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (NET) [Note A(9), page 82]				**-**	164.12
4. DEFERRED TAX LIABILITY (NET) [Note A(3)(a), page 77]				**1508.64**	865.81
5. TOTAL FUNDS EMPLOYED				**33100.02**	26425.64
APPLICATION OF FUNDS					
6. FIXED ASSETS	5	65			
(a) Gross Block			**18416.81**		13905.17
(b) Less - Depreciation / Amortisation			**7212.92**		6259.90
(c) Net Block			**11203.89**		7645.27
(d) Capital Work-in-Progress			**5232.15**		6946.89
				16436.04	14592.16
7. INVESTMENTS	6	66		**22336.90**	12968.13
8. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (NET) [Note A(9), page 82]				**161.69**	-
9. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Interest accrued on investments			**0.11**		0.11
(b) Inventories	7	70	**2935.59**		2229.81
(c) Sundry Debtors	8	70	**2391.92**		1205.52
(d) Cash and Bank Balances	9	70	**1753.26**		1141.82
(e) Loans and Advances	10	71	**4457.10**		4962.99
			11537.98		9540.25
10. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	11	72	**14609.16**		8597.97
(b) Provisions	12	72	**2763.43**		2078.95
			17372.59		10676.92
11. NET CURRENT ASSETS [(9) LESS (10)]				**(5834.61)**	(1136.67)
12. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	13	72		**-**	2.02
13. TOTAL ASSETS (NET)				**33100.02**	26425.64
14. SIGNIFICANT ACCOUNTING POLICIES		73			
15. NOTES TO BALANCE SHEET	14	76			

As per our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

N VENKATRAM
Partner

Mumbai, May 27, 2010

For and on behalf of the Board

RATAN N TATA
Chairman

RAVI KANT
Vice-Chairman

J J IRANI
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
N MUNJEE
S BHARGAVA
V K JAIRATH
Directors

CARL-PETER FORSTER
Managing Director & Group CEO
P M TELANG
Managing Director - India Operations
C RAMAKRISHNAN
Chief Financial Officer
H K SETHNA
Company Secretary

Mumbai, May 27, 2010

Profit and Loss Account for the year ended March 31, 2010

(Rs. in crores)

	Schedule	Page			2008-2009
INCOME					
1. SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS	A (1)	59		**38364.10**	28568.21
LESS : EXCISE DUTY				**2771.05**	2938.48
				35593.05	25629.73
2. DIVIDEND AND OTHER INCOME	A (2)	59		**1853.45**	925.97
				37446.50	26555.70
EXPENDITURE					
3. MANUFACTURING AND OTHER EXPENSES	B	60	**32155.31**		24762.37
4. EXPENDITURE TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS			**(740.54)**		(885.08)
				31414.77	23877.29
PROFIT BEFORE DEPRECIATION, INTEREST, EXCEPTIONAL ITEMS AND TAX				**6031.73**	2678.41
5. PRODUCT DEVELOPMENT EXPENDITURE				**144.03**	51.17
6. DEPRECIATION / AMORTISATION	5	65		**1033.87**	874.54
7. INTEREST AND DISCOUNTING CHARGES [Note B(4), page 83]				**1103.84**	673.68
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX				**3749.99**	1079.02
8. EXCHANGE LOSS (NET) ON REVALUATION OF FOREIGN CURRENCY BORROWINGS, DEPOSITS AND LOANS GIVEN				**(69.59)**	(65.26)
9. LOSS ON REDEMPTION OF INVESTMENT IN PREFERENCE SHARES HELD IN A SUBSIDIARY COMPANY [Note 12, page 68]				**(850.86)**	-
PROFIT BEFORE TAX				**2829.54**	1013.76
10. TAX EXPENSE [Note A(3)(c), page 77]				**(589.46)**	(12.50)
PROFIT AFTER TAX				**2240.08**	1001.26
11. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR				**1685.99**	1383.07
Add : Credit taken for Dividend Distribution Tax for previous year				**-**	15.29
AMOUNT AVAILABLE FOR APPROPRIATION				**3926.07**	2399.62
12. APPROPRIATIONS					
(a) Proposed Dividend				**859.05**	311.61
(b) Tax on Proposed Dividend				**132.89**	34.09
(c) Debenture Redemption Reserve				**500.00**	267.80
(d) General Reserve				**500.00**	100.13
(e) Balance carried to Balance Sheet				**1934.13**	1685.99
				3926.07	2399.62
13. EARNINGS PER SHARE [Note B (7), page 85]					
I. Ordinary Shares					
a) Basic	Rupees			**42.37**	22.70
b) Diluted	Rupees			**38.99**	20.83
II. 'A' Ordinary Shares					
a) Basic	Rupees			**42.87**	23.20
b) Diluted	Rupees			**39.49**	21.33
14. SIGNIFICANT ACCOUNTING POLICIES		73			
15. NOTES TO PROFIT AND LOSS ACCOUNT	14 to 18	83			

As per our report attached to the Balance Sheet

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

N VENKATRAM
Partner

Mumbai, May 27, 2010

For and on behalf of the Board

RATAN N TATA
Chairman

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Vice-Chairman

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Chief Financial Officer
H K SETHNA
Company Secretary

Mumbai, May 27, 2010

Tata Motors Limited

Cash Flow Statement for the year ended March 31, 2010

(Rs. in crores)

			2009-2010		2008-2009
A.	**Cash flow from Operating Activities**				
	Profit after tax		**2240.08**		1001.26
	Adjustments for:				
	Depreciation / amortisation (including Lease Equalisation adjusted in income)	**1029.36**		870.05	
	Loss / (Profit)p on sale of assets (net) (including assets scrapped / written off)	**38.40**		(13.07)	
	Relocation expenditure, etc.	**67.17**		-	
	Profit on sale of investments (net)	**(1801.71)**		(518.56)	
	Loss on redemption of investment in preference shares held in a subsidiary company	**850.86**		-	
	Income from transfer of Technology	**-**		(138.83)	
	Gain on buyback of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS)	**-**		(50.74)	
	Provision / (Reversal of provision) for diminution in value of investments (net)	**61.05**		(1.96)	
	Impairment of loans to associates and subsidiaries	**23.63**		-	
	Reversal of provision for inter corporate deposits (net)	**(0.16)**		(5.97)	
	Wealth tax	**0.90**		0.90	
	Tax expense	**589.46**		12.50	
	Interest / Dividend (net)	**1054.48**		270.69	
	Exchange differences	**199.09**		126.40	
	Employee Separation Cost	**2.02**		4.03	
			2114.55		555.44
	Operating Profit before Working Capital changes		**4354.63**		1556.70
	Adjustments for:				
	Trade and other receivables	**(1601.82)**		(330.33)	
	Inventories	**(705.78)**		192.02	
	Trade and other payables	**3664.63**		(362.21)	
		1357.03		(500.52)	
	Vehicle loans and hire purchase receivables	**1393.58**		404.86	
			2750.61		(95.66)
	Cash generated from operations		**7105.24**		1461.04
	Income taxes paid (net)		**(519.21)**		(166.02)
	Net Cash from Operating Activities		**6586.03**		1295.02
B.	**Cash Flow from Investing Activities**				
	Purchase of fixed assets		**(2330.38)**		(4029.06)
	Sale of fixed assets		**20.21**		17.76
	Proceeds from transfer of Technology		**-**		103.03
	Loans to associates and subsidiaries		**(107.90)**		(138.53)
	Advance against investments in subsidiary companies and joint venture		**(2.00)**		(385.52)
	Investments in subsidiary companies		**(10619.91)**		(8046.76)
	Investments in associate companies		**-**		(33.22)
	Investments in joint venture		**(130.00)**		(117.95)
	Investments in Mutual Fund (made) / sold (net)		**(519.43)**		795.27
	Decrease in Investments in retained interests in securitisation transactions		**50.43**		8.21
	Sale of investments in subsidiary companies		**1185.80**		-
	Sale of investments in associate companies		**-**		162.70
	Sale / redemption of investments - others		**958.51**		603.53
	Placement of Long Term Inter-corporate deposits		**-**		(265.00)
	Decrease in short term Inter-corporate deposits		**16.21**		85.33
	Deposits of Margin Money / Cash Collateral		**(524.41)**		(140.88)
	Realisation of Margin Money / Cash Collateral		**377.63**		202.55
	Fixed deposits with scheduled banks made		**(412.20)**		(0.16)
	Fixed deposits with scheduled banks realised		**2.15**		-
	Increase in restricted deposits with scheduled banks		**(7.08)**		(1.96)
	Interest received		**135.54**		136.94
	Preacquisition dividend received		**-**		0.18
	Dividend / Income on investments received		**58.54**		458.42
	Net Cash used in Investing Activities		**(11848.29)**		(10585.12)
C.	**Cash Flow from Financing Activities**				
	Expenses on Foreign Currency Convertible Notes (FCCN) conversion		**(0.03)**		(0.01)
	Premium on redemption of FCCN (including tax)		**-**		(0.05)
	Brokerage and other expenses on Non-Convertible Debentures		**(150.75)**		(0.90)
	Proceeds from Rights issue of shares (net of issue expenses)		**-**		4109.66
	Proceeds from issue of shares held in abeyance		**0.05**		-
	Proceeds from Global Depository Shares (GDS) issue		**1794.19**		-
	Expenses incurred on issue of GDS and FCCN		**(126.72)**		-
	Proceeds from Fixed Deposits		**2039.11**		1232.47
	Repayment Fixed Deposits		**(75.96)**		-
	Proceeds from long term borrowings		**13223.04**		6146.15
	Repayment of long term borrowings		**(7273.96)**		(3178.46)
	(Decrease) / Increase in short term loans (net)		**(2367.43)**		1549.42
	Dividend paid (including Dividend tax)		**(344.90)**		(642.41)
	Interest paid [including discounting charges paid, **Rs. 503.78 crores** (2008-2009 Rs. 345.30 crores)]		**(1368.15)**		(1111.17)
	Net Cash from Financing Activities		**5348.49**		8104.70
	Net Increase / (Decrease) in Cash and cash equivalents		**86.23**		(1185.40)
	Cash and cash equivalents as at March 31, (Opening Balance) * #		**668.74**		1864.68
	Less : Exchange fluctuation on FCCN / CARS proceeds kept out side India and on foreign currency bank balances		**(38.70)**		(10.54)
	Cash and cash equivalents as at March 31, (Closing Balance) * #		**716.27**		668.74
Non-cash transactions:					
	FCCN / CARS converted to ordinary shares [Refer note (A) 1(d), page 76]		**1555.70**		8.52
	Loan to subsidiary converted to equity		**89.69**		-

* Excludes Cash Collateral of **Rs. 609.70 crores** (as at March 31, 2009 Rs. 462.92 crores, as at March 31, 2008 Rs. 524.59 crores)

\# Excludes Fixed / restricted deposits with scheduled banks **Rs. 427.29 crores** (as at March 31, 2009 Rs. 10.16 crores, as at March 31, 2008 Rs. 8.04 crores)

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

N VENKATRAM
Partner

Mumbai, May 27, 2010

For and on behalf of the Board

RATAN N TATA
Chairman

RAVI KANT
Vice-Chairman

J J IRANI
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
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Directors

CARL-PETER FORSTER
Managing Director & Group CEO
P M TELANG
Managing Director - India Operations
C RAMAKRISHNAN
Chief Financial Officer
H K SETHNA
Company Secretary

Mumbai, May 27, 2010

Schedules forming part of the Profit and Loss Account

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

		2009-2010	2008-2009
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)	**37925.17**	28017.39
(b)	Income from Hire purchase / Loan contracts (Note 2 below)	**219.66**	244.11
	Sales / Income from Operations	**38144.83**	28261.50
(c)	Other operating income (Note 3 below)	**219.27**	306.71
		38364.10	28568.21
2.	**Dividend and other income**		
(a)	Trade investments (long term) [Note 4 below]	**51.34**	400.63
(b)	Other investments (long term) [Note 5 below]	**0.19**	2.61
(c)	Other investments (current)	**0.21**	4.17
(d)	Profit on sale of current investments [Note 6 below]	**689.20**	0.31
(e)	Profit on sale of investments (net) (trade, long term) [Notes 7 and 8 below]	**1112.51**	518.25
		1853.45	925.97

			2009-2010	2008-2009
Notes :	(1)	Includes exchange loss (net)	**(24.27)**	(439.32)
	(2)	Includes :		
		(i) (loss) / gain on securitisation of Loan contracts (net)	**(1.59)**	(85.24)
		(ii) interest income from Loan contracts (net)	**208.14**	304.43
	(3)	Includes :		
		(i) Profit on sale of assets (net) [includes Capital Profits of **Rs. 0.88 crore** (2008-09 Rs. 4.56 crores)]	**6.84**	13.56
		(ii) Gain on buyback of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS)	-	50.74
		(iii) Income from Infrastructural Services provided in vendor park	-	56.57
	(4)	Includes :		
		(i) Dividend from subsidiary companies [including tax deducted at source of **Rs. Nil** (2008-09 Rs. 11.63 crores)]	**7.62**	307.34
		(ii) Reversal of provision for diminution in value of investment	-	0.28
	(5)	Includes :		
		(i) Reversal of provision for diminution in value of investment	-	1.68
		(ii) Tax deducted at source	-	0.04
	(6)	Includes profit on sale of investment in Tata Steel Ltd	**688.61**	-
	(7)	Includes profit on sale of controlling stake in a subsidiary company [Note C(iv), page 86]	**1112.51**	-
	(8)	Includes profit on sale of shares in :		
		(i) Tata AutoComp Systems Ltd	-	113.66
		(ii) Tata Steel Ltd	-	358.81
		(iii) Tata Teleservices Ltd	-	47.80

Tata Motors Limited

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

"B" [Item no. 3]		2009-2010	2008-2009
MANUFACTURING AND OTHER EXPENSES			
1. **Purchase of products for sale etc.** [Note B(1), page 83]		**4513.23**	2180.32
2. **Consumption of raw materials and components** (Schedule 18, page 91)		**20392.60**	16187.68
3. **Processing charges**		**1212.90**	810.60
4. **Payments to and provisions for employees :** (Refer Note B(5), page 84)			
(a) Salaries, wages and bonus	**1444.54**		1227.77
(b) Contribution to provident and other funds	**184.56**		131.80
(c) Workmen and staff welfare expenses [Note B(i), page 61]	**207.03**		191.82
		1836.13	1551.39
5. **Expenses for manufacture, administration and selling :**			
(a) Stores, spare parts and tools consumed	**460.29**		402.43
(b) Freight, transportation, port charges, etc.	**546.32**		479.71
(c) Repairs to buildings [Note B(ii), page 61]	**56.13**		31.15
(d) Repairs to plant, machinery, etc. [Note B(iii), page 61]	**76.70**		56.06
(e) Power and fuel	**362.62**		304.94
(f) Rent	**45.95**		46.55
(g) Rates and taxes	**12.11**		16.22
(h) Insurance	**44.76**		44.14
(i) Publicity	**387.35**		321.29
(j) Incentive / Commission to dealers	**644.47**		419.76
(k) Works operation and other expenses [Note B(iv), page 61]	**2141.33**		1733.04
		4778.03	3855.29
6. **Excise Duty on change in Stock-in-trade**		**29.05**	(60.95)
7. **Changes in Stock-in-trade and Work-in-progress :**			
A Opening Stock			
(i) Work-in-progress	**245.95**		296.00
(ii) Stock-in-trade	**879.87**		1067.86
	1125.82		1363.86
B Closing Stock			
(i) Work-in-progress	**342.92**		245.95
(ii) Stock-in-trade	**1389.53**		879.87
	1732.45		1125.82
		(606.63)	238.04
		32155.31	24762.37

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

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

				2009-2010	2008-2009
NOTES :					
(i)	Item 4	(c) :	Workmen and staff welfare expenses include provisions for other employee benefit schemes	**15.15**	24.33
(ii)	Item 5	(c) :	Repairs to buildings exclude amounts charged to other revenue accounts	**9.28**	9.08
(iii)	Item 5	(d) :	Repairs to plant, machinery, etc. exclude amounts charged to other revenue accounts	**139.78**	133.44
(iv)	Item 5	(k) :	Works operation and other expenses include :		
			(1) Loss on assets scrapped / written off	**45.24**	0.49
			(2) Commission and Brokerage on sales	**5.10**	3.39
			(3) Provisions and write off for sundry debtors, vehicle loans and advances (net)	**292.75**	228.21
			(4) Lease rentals in respect of plant and machinery	**0.02**	0.18

Tata Motors Limited

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

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

			2009-2010	2008-2009
MANAGERIAL REMUNERATION :				
1. Managerial remuneration for directors (excluding provision for encashable leave and gratuity as separate actuarial valuation for whole-time directors is not available) #			**12.90**	11.84
2. The above is inclusive of :				
(a) Estimated expenditure on perquisites			**0.17**	0.27
(b) Contribution to provident / superannuation funds			**0.18**	0.29
(c) Commission to directors			**9.90**	7.30
3. Directors' sitting fees			**0.32**	0.29
4. Remuneration to directors :				
(a) Profit after tax as per profit and loss account			**2240.08**	1001.26
(b) Add: (i) Managerial remuneration		**12.90**		11.84
(ii) Directors' sitting fees		**0.32**		0.29
(iii) Tax expense		**589.46**		12.50
(iv) Provision for diminution in value of investments		**61.05**		-
(v) Loss on redemption of investment in preference shares		**850.86**		-
(vi) Depreciation / Amortisation as per books		**1033.87**		874.54
			2548.46	899.17
			4788.54	1900.43
(c) Less: (i) Capital profit :				
(a) Profit (net) on sale of assets.		**(0.88)**		(4.56)
(b) Profit (net) on sale of investments		**(1801.71)**		(518.56)
(c) Income from transfer of Technology		**-**		(138.83)
(d) Gain on buyback of FCCN/CARS		**-**		(50.74)
(ii) Write back of provision for diminution in value of investments		**-**		(1.96)
(iii) Depreciation / Amortisation as per Section 350 of the Companies Act, 1956		**(1033.87)**		(874.54)
			(2836.46)	(1589.19)
Net Profit as per Section 349 / 350 of the Companies Act, 1956			**1952.08**	311.24
(d) Limit on remuneration to whole-time directors - 10% of net profit			**195.21**	31.12
Remuneration to whole-time directors [includes commission payable to whole-time directors **Rs. 5.90 crores** (2008-09 Rs. 5.10 crores)]			**8.90**	9.64
(e) Limit on commission to non-whole-time directors - 1% of net profit			**19.52**	3.11
Commission payable to non-whole-time directors			**4.00**	2.20*
# Excludes retirement benefits / accruals thereof			**1.50**	0.43

* Commission payable to non-whole-time directors for the year 2008-09 was not paid as per the resolution passed at the Board Meeting held on June 26, 2009.

Schedules forming part of the Balance Sheet

(Rs. in crores)

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

		As at March 31, 2010	As at March 31, 2009
SHARE CAPITAL [Note (A) 1, page 76]			
Authorised:			
70,00,00,000	Ordinary shares of Rs. 10 each (as at March 31, 2009: 70,00,00,000 shares)	**700.00**	700.00
20,00,00,000	'A' Ordinary shares of Rs. 10 each (as at March 31, 2009: 20,00,00,000 shares)	**200.00**	200.00
30,00,00,000	Convertible Cumulative Preference shares of Rs. 100 each (as at March 31, 2009: 30,00,00,000 shares)	**3000.00**	3000.00
		3900.00	3900.00
Issued and subscribed:			
50,63,81,170	Ordinary shares of Rs. 10 each (as at March 31, 2009: 44,98,32,659 shares)	**506.38**	449.83
6,41,76,374	'A' Ordinary shares of Rs. 10 each (as at March 31, 2009: 6,41,75,655 shares) .	**64.18**	64.18
		570.56	514.01
	Less: Calls in arrears - Ordinary shares	**0.01**	0.01
		570.55	514.00
Share Forfeiture - Ordinary shares		**0.05**	0.05
		570.60	514.05

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

			As at March 31, 2009	Additions	Deductions	As at March 31, 2010
RESERVES AND SURPLUS						
(a)	Securities Premium Account	[Note (i) and (ii) below]	**5366.31**	**3617.80**	**2269.52**	**6714.59**
			1537.22	4037.76	208.67	5366.31
(b)	Capital Redemption Reserve		**2.28**	**-**	**-**	**2.28**
			2.28	-	-	2.28
(c)	Debenture Redemption Reserve		**602.15**	**500.00**	**-**	**1102.15**
			334.35	267.80	-	602.15
(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]	**25.07**	**-**	**0.44**	**24.63**
			25.51	-	0.44	25.07
(g)	Hedging Reserve Account		**(87.51)**	**87.51**	**-**	**-**
			-	(87.51)	-	(87.51)
(h)	General Reserve	[Note (iv), page 64]	**4066.71**	**555.05**	**4.72**	**4617.04**
			4116.43	100.13	149.85	4066.71
			10030.11	**4760.36**	**2329.73**	**12460.74**
			6070.89	4318.18	358.96	10030.11
(i)	Profit and Loss Account					**1934.13**
						1685.99
						14394.87
						11716.10

Notes:-

		2009-2010		2008-2009	
		Additions	Deductions	Additions	Deductions
(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	**1529.11**	**-**	8.37	-
(b)	FCCN conversion expenses	**-**	**25.57**	-	0.01
(c)	Premium on issue of Global Depository Shares (GDS)	**1764.28**	**-**	-	-
(d)	Premium on Rights issue of shares [Note A(1)(I)(e), page 76]	**-**	**-**	4010.98	-
(e)	GDS and FCCN issue Expenses	**-**	**126.82**	-	-
(f)	Rights issue expenses	**-**	**-**	-	29.67
(g)	Brokerage, stamp duty and other fees on Non-Convertible Debentures [net of tax **Rs. Nil** (2008-09 Rs. 0.31 crore)]	**-**	**140.40**	-	0.59
(h)	Exchange difference on provision for premium on redemption of FCCN / Convertible Alternative Reference Securities (CARS) [net of tax **Rs. 34.82 crores** (2008-09 Rs. 56.24 crores)]	**93.52**	**-**	-	178.40
(i)	Reversal of provision for premium on conversion / redemption of FCCN / CARS [net of tax of **Rs. Nil** (2008-09 Rs. 9.47 crores)]	**230.54**	**-**	18.40	-
(j)	Provision for premium on redemption of Non-Convertible Debentures / CARS / FCCN and withholding tax thereon [net of tax **Rs. 26.51 crores** (2008-09 Rs. Nil)]	**-**	**1976.73**	-	-
(k)	Others	**0.35**	**-**	0.01	-
		3617.80	**2269.52**	4037.76	208.67

contd.

Tata Motors Limited

Schedules forming part of the Balance Sheet

(Rs. in crores)

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

		2009-2010 Additions	2009-2010 Deductions	2008-2009 Additions	2008-2009 Deductions
(iii)	**Change in Revaluation Reserve :** Depreciation on revalued portion of assets taken over on amalgamation of a company	-	**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. Nil** (2008-09 Rs. 3.53 crores)]	-	**-**	-	6.87
	(b) Impact on account of adoption of Notification amending AS 11 [net of tax of **Rs. Nil** (2008-09 Rs. 15.50 crores)]	**-**	**-**	-	142.98
	(c) Amount paid (net) towards indemnity relating to business amalgamated in prior year	**-**	**4.72**	-	-
	(d) Amount transferred from Special Reserve	**55.05**	**-**	-	-
	(e) Amount transferred from Profit and Loss Account	**500.00**	**-**	100.13	-
		555.05	**4.72**	100.13	149.85

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

		As at March 31, 2010	As at March 31, 2009
LOANS - Secured [Note (A) 2, page 76]			
(a)	Privately placed Non-Convertible Debentures :		
	(i) 2% Non-Convertible Debentures (2011) [Note 2(i)(a), page 76 and Note 2(ii), page 77]	**800.00**	-
	(ii) 2% Non-Convertible Debentures (2013) [Note 2(i)(a), page 76 and Note 2(ii), page 77]	**350.00**	-
	(iii) 2% Non-Convertible Debentures (2014) [Note 2(i)(a), page 76 and Note 2(ii), page 77]	**1800.00**	-
	(iv) 2% Non-Convertible Debentures (2016) [Note 2(i)(a), page 76 and Note 2(ii), page 77]	**1250.00**	-
	(v) 9.95% Non-Convertible Debentures (2020) [Note 2(i)(b), page 76 and Note 2(ii), page 77]	**200.00**	-
	(vi) Secured Rated Redeemable Non-Convertible Debentures	**-**	300.00
(b)	Sales Tax Deferment Loan	**-**	8.57
(c)	From Banks :		
	(i) Buyers line of credit (long term) [Notes 2(i)(c) and 2(iii), page 77]	**619.97**	986.26
	(ii) Loans, Cash Credit, Overdrafts Accounts and Buyers line of credit (short term) [Note 2(i)(c), page 77]	**2722.63**	3956.82
		7742.60	5251.65

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

		As at March 31, 2010	As at March 31, 2009
LOANS - Unsecured			
(a)	Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) [Note (C) (i), page 86]	**4161.86**	4522.39
(b)	Fixed Deposits * # :		
	(i) From Public	**2333.05**	940.53
	(ii) From Shareholders	**840.40**	291.94
(c)	Commercial papers [maximum balance outstanding during the year **Rs. 1725 crores** (2008-09 : Rs. 2685 crores)]	**800.00**	1215.00
(d)	Short term loans :		
	(i) From Banks	**625.00**	605.00
	(ii) From Subsidiaries	**60.00**	44.05
	(iii) From Others	**13.00**	-
(e)	Other loans :		
	(i) From Banks	**-**	245.00
	(ii) From Others	**50.00**	50.00
		8883.31	7913.91
	* Includes from Directors	**16.12**	13.60
	# Includes repayable within one year	**191.57**	84.39

Schedules forming part of the Balance Sheet

(Rs in crores)

"5" [Item no. 6]

FIXED ASSETS		Cost as at April 1, 2009	Additions / Adjustments [Note (iv)]	Deductions / Adjustments	Cost as at March 31, 2010	Depreciation / Amortisation for the year 2009-2010 [Note (vi) and (ix)]	Accumulated depreciation / amortisation upto March 31, 2010 [Note (v) and (ix)]	Net Book Value as at March 31, 2010
(a)	Land	**119.11**	**400.65**	**-**	**519.76**	**-**	**-**	**519.76**
		119.11	-	-	119.11	-	-	119.11
(b)	Buildings, etc. [Note (i) and (ii)(a)]	**1209.22**	**335.55**	**1.97**	**1542.80**	**42.41**	**353.82**	**1188.98**
		1029.67	179.65	0.10	1209.22	31.78	311.88	897.34
(c)	Leasehold Land [Note (ii)(b)]	**77.10**	**25.37**	**-**	**102.47**	**2.58**	**8.51**	**93.96**
		72.27	4.83	-	77.10	0.77	5.93	71.17
(d)	Plant & Machinery and Equipment [Note (ii)(a) and (iii)]	**10643.83**	**1645.15**	**58.54**	**12230.44**	**747.22**	**5672.18**	**6558.26**
		8317.80	2367.92	41.89	10643.83	667.60	4974.92	5668.91
(e)	Water System and Sanitation [Note (ii)(a)]	**87.15**	**21.94**	**0.01**	**109.08**	**4.67**	**33.82**	**75.26**
		67.19	19.96	-	87.15	3.31	29.15	58.00
(f)	Furniture, Fixtures and Office Appliances [Note (iii)]	**100.38**	**5.75**	**0.06**	**106.07**	**4.87**	**50.21**	**55.86**
		92.36	8.16	0.14	100.38	4.83	45.39	54.99
(g)	Technical Know-how	**34.51**	**-**	**-**	**34.51**	**-**	**34.51**	**-**
		34.51	-	-	34.51	-	34.51	-
(h)	Vehicles and Transport [Note (iii)]	**110.54**	**18.47**	**11.33**	**117.68**	**13.94**	**68.06**	**49.62**
		106.09	14.62	10.17	110.54	12.96	63.19	47.35
(i)	Plant taken on Lease [Note (viii)]	**42.10**	**-**	**5.67**	**36.43**	**2.93**	**25.30**	**11.13**
		42.10	-	-	42.10	3.19	27.45	14.65
(j)	IT Assets taken on lease	**52.25**	**0.97**	**-**	**53.22**	**11.62**	**29.93**	**23.29**
		29.59	22.66	-	52.25	11.86	18.31	33.94
(k)	Leased Premises	**31.28**	**-**	**-**	**31.28**	**0.08**	**2.70**	**28.58**
		31.28	-	-	31.28	0.08	2.19	29.09
(l)	Assets given on lease	**407.97**	**-**	**12.16**	**395.81**	**4.86**	**378.75**	**17.06**
		407.97	-	-	407.97	4.86	390.48	17.49
(m)	Software	**252.96**	**6.92**	**0.06**	**259.82**	**44.58**	**194.67**	**65.15**
		211.66	41.30	-	252.96	58.32	150.15	102.81
(n)	Product Development Cost	**736.77**	**2140.67**	**-**	**2877.44**	**154.11**	**360.46**	**2516.98**
		269.23	467.54	-	736.77	74.98	206.35	530.42
GRAND TOTAL		**13905.17**	**4601.44**	**89.80**	**18416.81**	**1033.87**	**7212.92**	**11203.89**
		10830.83	3126.64	52.30	13905.17	874.54	6259.90	7645.27
(o)	Capital Work-in-Progress [Notes (vii) and (x)]							**5232.15**
								6946.89
								16436.04
								14592.16

Notes :

(i) Buildings include **Rs. 8,631** (as at March 31, 2009 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, 2009 Rs. 4.76 crores, Rs. 1.93 crores and Rs. 3.76 crores) and Net Block **Rs. 0.08 crore**, **Rs. 0.34 crore** and **Rs. 0.32 crore** respectively (as at March 31, 2009 Rs. 0.08 crore, Rs. 0.42 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. 44.33 crores** (as at March 31, 2009 Rs. 33.53 crores) is in process.

(iii) Includes Plant & Machinery and Equipment, Furniture, Fixtures and Office Appliances and Vehicles and Transport having Gross block of **Rs. 164.85 crores**, **Rs. 0.73 crore** and **Rs. 0.57 crore** (as at March 31, 2009 Rs. 150.15 crores, Rs. 1.13 crores and Rs. 0.34 crore), and Net block of **Rs. 4.94 crores**, **Rs. 0.02 crore** and **Rs. 0.13 crore** (as at March 31, 2009 Rs. 6.05 crores, Rs. Nil and Rs. 0.11 crore) respectively, held for disposal.

(iv) Additions / Adjustments include decapitalisation of exchange gain (net of loss on derivative contracts) of **Rs. 308.48 crores** (2008-09 capitalisation of exchange loss of Rs. 457.06 crores).

(v) Accumulated Depreciation includes :

(a) an adjustment of **Rs. 76.78 crores** (as at March 31, 2009 Rs. 47.24 crores) on assets transferred / sold / discarded during the year.

(b) lease equalisation of **Rs. 4.51 crores** (2008-09 Rs. 4.49 crores) adjusted in lease rental income.

(c) depreciation of **Rs. 0.44 crore** (2008-09 Rs 0.44 crore) on revalued portion of gross block transferred to Revaluation Reserve.

(d) reversal of depreciation of **Rs. Nil** (as at March 31, 2009 Rs. 6.87 crores) 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. 23.96 crores** (2008-09 Rs. 3.97 crores) on assets held for disposal.

(vii) Capital Work-in-Progress includes :

(a) Product Development Cost **Rs. 1399.26 crores** (as at March 31, 2009 Rs. 2460.76 crores).

(b) advances for capital expenditure of **Rs. 264.91 crores** (as at March 31, 2009 Rs. 318.67 crores).

(c) exchange differences and net premiums on derivative contracts, Net loss of **Rs. 58.55 crores** (as at March 31, 2009 Net loss of Rs. 106.54 crores).

(viii) The assets are under renewable secondary lease.

(ix) Depreciation for the year and Accumulated Depreciation includes amortisation, diminution in value of assets and write down of assets net of reversals.

(x) Capital Work-in-progress as of March 31, 2010 includes building under construction of Rs. 315.71 crores for the purposes of manufacturing automobiles. Consequent to the decision to relocate and construct a similar manufacturing facility at another location, the management is in the process of evaluating several options, under all of which, no adjustment to the carrying amount of the building is considered necessary based on the information available at the balance sheet date.

Tata Motors Limited

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, 2010		As at March 31, 2009	
		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	**99.67**		99.67	
39,91,615	10	Tata Steel Ltd (39,91,615 shares converted from Cumulative Compulsorily Convertible Preference Shares during the year) (2,14,40,882 shares classified as current investment during the year)	**239.50**		269.86	
70,249	10	Tata Chemicals Ltd	**0.24**		0.24	
				339.41		369.77
		(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	**224.10**		224.10	
-	-	Telco Construction Equipment Company Ltd [Note (C)(iv), page 86] (2,00,00,000 shares sold during the year) *(Associate from current year)*	**-**		119.50	
24,48,120	10	Concorde Motors (India) Ltd	**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	**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 [Note 6, page 68]	**15.56**		15.56	
7,900	-	Tata Technologies Inc. *(formerly known as INCAT Systems Inc.)*	**0.63**		0.63	
85,00,00,000	10	Tata Motors Finance Ltd (5,00,00,000 shares acquired during the year)	**1350.00**		1250.00	
86,700,000	10	Tata Marcopolo Motors Ltd [Note 7, page 68] (5,61,00,000 shares acquired during the year)	**86.70**		30.60	
22,50,00,000	10	TML Distribution Company Ltd (11,00,00,000 shares acquired during the year)	**225.00**		115.00	
98,69,900	(THB) 100	Tata Motors (Thailand) Ltd [Note 8, page 68] (63,62,900 shares received during the year on conversion of loans)	**135.15**		45.47	
600	(ZAR) 1	Tata Motors (SA) (Proprietary) Ltd [Rs. 3,166.20]	**-**		-	
100	(SGD) 1	TML Holdings Pte Ltd, (Singapore) [Rs. 2,778.73]	**-**		-	
2,63,83,26,018	(USD) 1	(2,16,70,41,696 shares acquired during the year) [Notes 9, 10 and 11, page 68]	**12814.00**		2238.40	
1,34,523	(EUR) 31.28	Tata Hispano Motors Carrocera S.A. [Note 13, page 68 and Note (C)(v), page 86] *(formerly known as Hispano Carrocera, S A)* (1,06,260 shares acquired during the year) *(Subsidiary company from current year)*	**16.05**		-	
				15529.04		4701.11
		(3) Fully Paid Ordinary / Equity Shares (Unquoted) in Others				
50,59,203	1(S$)	Tata Precision Industries Pte. Ltd (Singapore) [Note 14, 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	
1,35,000	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	
5,23,33,170	10	Tata AutoComp Systems Ltd	**77.47**		77.47	
2,25,00,001	10	Haldia Petrochemicals Ltd	**22.50**		22.50	
-	-	Tata Hispano Motors Carrocera S.A. [Note (C)(v), page 86] *(formerly known as Hispano Carrocera, S A)* *(Subsidiary company from current year)*	**-**		2.34	
2,40,000	10	Oriental Floratech (India) Pvt. Ltd	**0.24**		0.24	
7,17,46,395	100	Fiat India Automobiles Ltd [Note 15, page 68] (2,80,00,000 shares acquired during the year)	**999.54**		719.54	
3,97,50,000	10	Telco Construction Equipment Company Ltd [Note 5, page 68 and Note (C)(iv), page 86] *(Associate from current year)*	**79.50**		-	
				1434.70		1077.54
		(4) Fully paid Cumulative Redeemable Preference Shares (Unquoted)				
		(a) in Subsidiaries				
13,54,195	100	7% Concorde Motors (India) Ltd	**13.54**		13.54	
1,00,63,999	(USD) 100	6.25% TML Holdings Pte Ltd, (Singapore) [Note 12, page 68] (19,51,000 shares redeemed during the year)	**4520.75**		6091.60	
13,63,624	(GBP) 1	6% Tata Motors European Technical Centre Plc, UK	**9.28**		9.89	
			4543.57		6115.03	
		(b) in Others				
1,00,000	1000	7% Tata Sons Ltd	**10.00**		10.00	
2,10,00,000	10	8% Tata AutoComp Systems Ltd	**21.00**		21.00	
-	-	7.5% Rallis India Ltd (50,00,000 shares redeemed during the year)	**-**		5.00	
			31.00		36.00	
				4574.57		6151.03
		(5) Fully paid Cumulative Compulsorily Convertible Preference Shares (Quoted) in others				
-	-	2% Tata Steel Ltd (2,39,49,693 shares converted to equity shares during the year)		**-**		239.50
		(6) Non Convertible Debentures (Unquoted)				
-	-	Rushi Automobiles Ltd (6,80,000 debentures redeemed during the year)		**-**		0.58
7,500	3000	8% Tata Projects Ltd		**2.25**		2.25
		Carried Forward		**21879.97**		12541.78

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, 2010		As at March 31, 2009	
		I. Long Term Investments (at Cost) (Contd.)				
		Brought forward		**21879.97**		12541.78
		(B) Other Investments				
		Fully paid Equity Shares (Unquoted)				
50,000	10	NICCO Jubilee Park Ltd		**0.05**		0.05
				21880.02		12541.83
		Less : Provision for Diminution in value of Long Term Investments		**74.73**		13.68
		Total - Long Term Investments		**21805.29**		12528.15
		II. Current Investments - others				
		(at Cost or Fair value whichever is lower)				
		(A) Investments in Mutual Fund (Unquoted)				
		Liquid/Liquid Plus Schemes				
6,91,46,251	10	SBI Premier Liquid Fund - Super Institutional - Growth	**100.00**		-	
6,83,42,968	10	LIC MF Savings Plus Fund - Growth Option	**100.02**		-	
5,88,810	1000	Tata Liquid Super High Investment Plan - Appreciation	**100.00**		-	
2,22,69,136	10	Reliance Liquid Fund - Treasury Plan- Institutional Plan - Growth	**50.00**		-	
3,39,54,474	10	Birla Sun Life Cash Plus - Institutional (Growth)	**50.00**		-	
4,46,71,575	10	IDFC Cash Fund-Super Institutional Plan - Plan C - Growth	**50.00**		-	
3,63,73,273	10	HDFC Cash Management Fund - Savings Plan - Growth	**70.00**		-	
				520.02		-
		(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	
4,40,882	10	Tata Steel Ltd (2,14,40,882 shares classified as current investment during the year) (2,10,00,000 shares sold during the year)	**5.54**		-	
				6.47		0.93
		(C) Investments in Government Securities (Quoted)				
170	1000	12.00% Uttar Pradesh 2011 Stock		**0.02**		0.02
		(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
				529.51		3.95
		Less : Provision for Diminution in value of Current Investments		**3.93**		3.93
		Total - Current Investments		**525.58**		0.02
		III. Retained interest in securitisation transactions (Unquoted) (Long term) - others		**4.01**		54.44
		IV. Advance against Investments				
		TML Distribution Company Ltd	**-**		110.00	
		Fiat India Automobiles Ltd	**-**		150.00	
		Tata Motors (SA) (Proprietary) Ltd	**0.02**		0.02	
		Tata Motors Insurance Broking and Advisory Services Ltd	**2.00**		-	
		Tata Motors Finance Ltd	**-**		100.00	
		Tata Marcopolo Motors Ltd	**-**		25.50	
				2.02		385.52
		Total - Investments		**22336.90**		12968.13

Tata Motors Limited

Schedules forming part of the Balance Sheet

(Rs. in crores)

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

INVESTMENTS (contd.)

NOTES : (1) Face Value per unit is in Rupees unless stated otherwise

		As at March 31, 2010	As at March 31, 2009
(2)	Book Value of quoted investments	**344.97**	609.29
(3)	Book Value of unquoted investments	**21991.93**	12358.84
(4)	Market Value of quoted investments	**345.53**	558.32

(5) As per the shareholders agreement dated March 30, 2010, between Hitachi Construction Machinery Co. Ltd and the Company, these shares are under restriction for sale, assignment or transfer for a period of 3 years from the date of the agreement except under certain circumstances as provided in the said agreement.

(6) The Company has given a letter of comfort to Standard Chartered Bank, London for GBP 15 million (Rs. 102.15 crores as on Mar 31, 2010) against loan extended by the bank to Tata Motors European Technical Centre Plc, UK (TMETC). Also the Company has given an undertaking to Standard Chartered Bank, London to retain 100% ownership of TMETC at all times during the tenor of the loan.

(7) The Company has given a letter of comfort of Rs. 120 crores 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). Also the Company has given an undertaking to HDFC Bank that it will not dilute its stake below 51% during the currency of the loan.

(8) The Company has given a letter of comfort to Citibank NA towards the short term and long term loans aggregating THB 850 million (Rs. 117.88 crores as on March 31, 2010) given by Citibank NA to Tata Motors (Thailand) Ltd (TMTL). The letter of comfort is restricted to 86.78% of the said amount i.e. THB 737.63 million (Rs. 102.29 crores as on March 31, 2010). 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 8.81% in TMTL. Consequently, this letter of comfort will be prorata increased to reflect the increased stake in TMTL. Further 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.

(9) The Company has given a letter of comfort along with a letter of irrevocable undertaking to State Bank of India, Bank of Baroda and Bank of India totaling GBP 370 Million (Rs. 2519.65 crores as on Mar 31, 2010) against their guarantees to European Investment Bank for credit facilities availed by Land Rover.

(10) The Company has also given a Letter of Comfort to State Bank of India, Standard Chartered Bank and Bank of Baroda for GBP 175 Million (Rs. 1191.73 crores as on Mar 31, 2010), USD 240 million (Rs. 1078.20 crores as on Mar 31, 2010), GBP 70 million (Rs. 476.69 crores as on Mar 31, 2010) respectively, for credit facilities given by them to Land Rover.

(11) The Company has given a letter of comfort to GE Commercial Distribution Finance Europe Ltd upto GBP 170 million (Rs. 1157.68 crores as on Mar 31, 2010) for revolving syndicated loan facility to Jaguar Cars Ltd and Land Rover. Also the Company has given an undertaking to GE Commercial Distribution Finance Europe Ltd to retain ultimate 100% ownership of Jaguar Cars Ltd and Land Rover at all times during the tenor of the loan.

(12) During the year, TML Holdings Pte Ltd, Singapore, a wholly owned subsidiary of the Company, has redeemed preference shares of the face value of USD 195.1 million at a discount of USD 189.2 million. Consequent to the redemption, the Company has recognized a loss of Rs. 850.86 crores.

(13) The Company has given a letter of comfort to Citibank NA against working capital loans extended by the bank to Tata Hispano Motors Carrocera, S.A. aggregating Euro 15 million (Rs. 90.87 crores as on March 31, 2010). The Company has also given a letter of comfort to Banco de Valencia against bill discounting facility extended by the bank to Tata Hispano Motors Carrocera, S.A. aggregating Euro 2 million (Rs. 12.12 crores as on March 31, 2010). The Company has also given an undertaking to Citibank NA for non-disposal of its shareholding in Hispano Carrocera, S.A. during the tenor of the loan.

(14) 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. 44.48 crores as on March 31, 2010). 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.

(15) The Company has given letter of comfort to certain banks and other lenders against credit facilities extended to Fiat India Automobiles Ltd for Rs. 1600 crores and Euro 130 million (Rs. 787.57 crores as on March 31, 2010). The Letter of Comfort is restricted to 50% of the value of credit facilities extended i.e. Rs. 1193.79 crores.

(16) 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(M$)	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

Schedule forming part of the Balance Sheet

(Rs. in crores)

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

INVESTMENTS (contd.)

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

Name	No. of Units	Face value	Purchase Cost
DSP Blackrock Liquidity Fund - Institutional Plan - Growth	3,79,783	37.98	50.00
ICICI Prudential Liquid Institutional Plan - Growth	74,21,012	74.21	100.00
ICICI Prudential Liquid Super Institutional Plan - Growth	16,58,96,956	165.90	220.00
UTI Liquid Cash Plan Institutional - Growth	20,19,453	201.95	228.00
Birla Cash Plus IP - Daily Dividend Reinvestment	4,87,80,877	48.78	70.00
Birla Cash Plus IP Premium - Daily Dividend Reinvestment	6,98,63,766	69.86	70.00
HDFC Liquid Fund - Premium Plus Plan - Dividend Reinvestment	5,34,14,092	53.41	100.00
LIC Liquid Fund - Dividend Plan	3,18,75,848	31.88	35.00
LIC MF - Liquid Growth	85,80,16,552	858.02	1385.00
SBI MF Saving Plan Dividend Daily Dividend	34,75,432	3.48	5.00
Kotak Liquid Institutional Daily Dividend Reinvestment	2,67,98,874	26.80	50.00
HDFC Cash Management Fund Saving Plan Daily Dividend Reinvestment	11,75,20,966	117.52	125.00
Prudential ICICI Liquid Plan - Institutional Plus - Daily Dividend	5,14,88,621	514.89	515.00
Tata Liquid Super High Investment Fund - Daily Dividend	44,862	4.49	5.00
UTI Liquid Cash Plan - Institutional Daily Dividend	8,33,861	83.39	85.01
Prudential ICICI Liquid Plan - Super Institutional Daily Dividend	9,94,08,624	99.41	130.00
Birla Cash Plus - IP Premium - Growth	15,48,05,986	154.81	225.00
UTI Money Market Fund - Growth	8,83,565	88.36	90.00
IDFC Cash Fund - Super IP - Daily Dividend	6,99,82,504	69.98	70.00
UTI Liquid Cash Plan Institutional - Growth	9,25,306	92.53	135.00
ICICI Prudential Flexible Income Plan Dividend - Daily - Reinvestment Dividend	28,37,523	28.38	30.00
Kotak Liquid (Institutional Premium) - Daily Dividend	46,61,39,466	466.14	570.00
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend	17,00,76,927	170.08	260.00
LIC MF - Saving Plus Daily Dividend	3,00,02,342	30.00	30.00
IDFC Cash Fund - Super Institutional Plan C - Growth	4,46,79,558	44.68	50.00

Tata Motors Limited

Schedules forming part of the Balance Sheet

(Rs. in crores)

"7" [Item no. 9 (b)]

		As at March 31, 2010	As at March 31, 2009
INVENTORIES (as valued and certified by the Management)			
(a)	Stores and spare parts (at or below cost)	**95.76**	98.71
(b)	Consumable tools (at cost)	**13.01**	12.07
(c)	Raw materials and components	**887.25**	941.80
(d)	Work-in-progress	**342.92**	245.95
(e)	Stock-in-trade	**1389.53**	879.87
(f)	Goods-in-transit (at cost)	**207.12**	51.41
		2935.59	2229.81

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

"8" [Item no. 9(c)]

			As at March 31, 2010	As at March 31, 2009
SUNDRY DEBTORS				
(a)	Over six months : (unsecured)			
	Considered good	**62.48**		126.80
	Considered doubtful	**94.56**		21.18
(b)	Others (unsecured)			
	Considered good	**2329.44**		1078.72
		2486.48		1226.70
	Less : Provision for doubtful debts	**94.56**		21.18
			2391.92	1205.52

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

		As at March 31, 2010	As at March 31, 2009
CASH AND BANK BALANCES			
(a)	Cash on hand	**7.90**	2.44
(b)	Current Accounts with Scheduled Banks #	**604.26**	635.73
(c)	Deposits with Scheduled Banks	**531.40**	40.73
(d)	Margin Money / Cash Collateral with Scheduled Banks	**609.70**	462.92
		1753.26	1141.82
#	Includes :		
	- In foreign currencies	**55.22**	124.47
	- Cheques on hand	**186.66**	133.80
	- Remittances in transit	**239.34**	156.94

Schedules forming part of the Balance Sheet

(Rs. in crores)
"10" [Item no. 9(e)]

		As at March 31, 2010		As at March 31, 2009
LOANS AND ADVANCES				
A) Secured				
Vehicle loans [Note 1 below and [Note A (4), page 78]]*				
Considered good	**613.32**			2006.90
Considered doubtful	**304.35**			304.47
	917.67			2311.37
Less: Provision for doubtful loans #	**304.35**			304.47
		613.32		2006.90
* Includes **Rs. 350.98 crores** (as at March 31, 2009 Rs. 368.59 crores) on account of overdue Securitised Receivables				
# Includes **Rs. 185.88 crores** (as at March 31, 2009 Rs. 181.88 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)		**1349.28**		881.08
(b) Dues from subsidiary companies (Note 4 below)		**106.56**		69.96
(c) Interim dividend declared by subsidiary companies		**-**		6.80
(d) Loans and inter-corporate deposits [net of provision of **Rs. 33.19 crores** (as at March 31, 2009 Rs. 9.72 crores)] (Note 5 below)		**581.01**		622.95
(e) Deposits with government, public bodies and others :				
(i) Balances with Customs, Port Trust, Excise, etc.	**152.49**		148.82	
(ii) Others [net of provision of **Rs. 0.10 crore** (as at March 31, 2009 Rs. 0.10 crore)] (Note 6 below)	**174.00**		296.00	
		326.49		444.82
(f) Prepaid expenses		**167.31**		134.69
(g) Income tax refundable (net of provision) (Note 7 below)		**1313.13**		795.79
		3843.78		2956.09
		4457.10		4962.99
Notes: (1) Loans are secured against hypothecation of vehicles.				
(2) Include :				
Loans and advances due from Directors and Officers.		**0.10**		0.11
Maximum during the year		**0.11**		0.27
(3) Net of advances considered doubtful which have been provided for.		**63.44**		76.44
(4) Dues from subsidiary companies :				
(i) HV Axles Ltd		**9.51**		5.42
(ii) HV Transmissions Ltd		**9.88**		16.48
(iii) Telco Construction Equipment Company Ltd *(Associate from current year)*		**-**		0.91
(iv) Tata Daewoo Commercial Vehicle Company Ltd .		**-**		1.17
(v) Tata Marcopolo Motors Ltd		**57.62**		36.77
(vi) Tata Motors (Thailand) Ltd		**8.86**		5.32
(vii) Tata Technologies Ltd		**-**		0.15
(viii) TML Distribution Company Ltd		**4.10**		0.46
(ix) TML Holdings Pte. Ltd, Singapore		**2.15**		2.13
(x) TAL Manufacturing Solutions Ltd		**1.20**		1.15
(xi) Tata Hispano Motors Carrocera S.A. *(Subsidiary company from current year)*		**13.24**		-
		106.56		69.96
(5) Includes given to subsidiaries :				
(i) Tata Hispano Motors Carrocera S.A. *(Subsidiary company from current year)*		**147.73**		-
(ii) Tata Motors (Thailand) Ltd		**60.68**		106.95
(iii) Tata Motors European Technical Centre Plc, UK		**32.59**		34.73
(iv) HV Transmissions Ltd		**-**		6.50
(v) Concorde Motors (India) Ltd		**31.00**		30.00
(vi) Tata Marcopolo Motors Ltd		**10.00**		10.00
(vii) TAL Manufacturing Solutions Ltd		**5.50**		6.50
		287.50		194.68
(6) Includes deposits given as collateral security to subsidiary :				
(i) Tata Motors Finance Ltd		**20.00**		20.00
(7) Includes MAT credit entitlement		**731.80**		220.06

Tata Motors Limited

Schedules forming part of the Balance Sheet

(Rs. in crores)

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

		As at March 31, 2010	As at March 31, 2009
CURRENT LIABILITIES			
(a) Acceptances		**6428.09**	3859.14
(b) Sundry creditors			
(i) Micro, Small and Medium Enterprises [Note 8, page 82]		**233.70**	152.87
(ii) Others*		**5162.90**	4358.98
(c) Advance and progress payments		**826.40**	164.47
(d) Liability towards premium on redemption of Non-convertible Debentures [Note 2(ii), page 77]		**1745.79**	-
(e) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due			
(i) Unpaid dividends	**10.82**		10.02
(ii) Application money pending refund **Rs. 1,140** (as at March 31, 2009 Rs. 1,140)	**-**		-
(iii) Unclaimed matured deposits	**23.13**		1.95
(iv) Unclaimed matured debentures	**0.25**		0.25
(v) Unclaimed interest on deposits and debentures	**0.38**		0.15
		34.58	12.37
(f) Interest / commitment charges accrued on loans but not due		**177.70**	50.14
		14609.16	8597.97
* Includes payable to subsidiary companies :			
Tata Technologies Ltd		**0.01**	-
Tata Daewoo Commercial Vehicle Co. Ltd		**0.27**	-
Tata Motors European Technical Centre Plc		**0.03**	-
TAL Manufacturing Solutions Ltd		**-**	13.21
Tata Motors Finance Ltd		**43.58**	42.55

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

	As at March 31, 2010	As at March 31, 2009
PROVISIONS		
(a) Proposed dividend	**859.05**	311.61
(b) Provision for tax on dividend	**132.89**	34.09
(c) Provision for Taxation (net of payments)	**199.82**	201.69
(d) Provision for retirement and other employee benefit schemes [Note B (5), page 84]	**329.89**	302.30
(e) Other Provisions [Note B (6), page 85]	**1241.78**	1229.26
	2763.43	2078.95

"13" [Item no. 12]

	As at March 31, 2010	As at March 31, 2009
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Employee Separation Cost	**-**	2.02
	-	2.02

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

(a) **Basis of preparation**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

(b) **Use of estimates**

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.

(c) **Revenue Recognition**

The Company recognises revenue on the sale of products, net of discounts, 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 include income from services, transfer of technology relating to automotive products and exchange fluctuations relating to export receivables. Sales include export and other recurring and non-recurring incentives from the Government at the national and state levels. Sale of products is presented gross of excise duty where applicable, and net of other indirect taxes.

Revenues are recognised when collectibility of the resulting receivables is reasonably assured.

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

(d) **Depreciation and Amortisation**

(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) Product development cost 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.

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

(iv) Depreciation is not recorded on capital work-in-progress until construction and installation are complete and asset is ready for its intended use. Capital work-in-progress includes capital advances.

(e) **Fixed Assets**

(i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortization.

(ii) The product development cost incurred on new vehicle platform, engines, transmission and new products are recognised as fixed assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future benefits.

(iii) Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self constructed assets and other direct costs incurred upto the date the asset is ready for its intended use. Borrowing cost incurred for qualifying assets is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. 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.

(iv) 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.

(f) **Impairment**

At each balance sheet date, the Company assesses whether there is any indication that the fixed assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As per the assessment conducted by the Company at March 31, 2010, there were no indications that the fixed assets have suffered an impairment loss.

Tata Motors Limited

Significant Accounting Policies - (contd.)

(g) **Leases**

(i) **Finance Lease**

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 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.

(ii) **Operating Lease**

Leases other than finance lease, are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments under operating leases are recognised in the Profit and Loss Account on a straight-line basis over the term of the lease.

(h) **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 recognized 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 recognized 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:

- 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 amortized 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.

(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 recognized 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.

(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 recognized in the Profit and Loss Account.

(i) **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. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

(j) **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 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.

(k) **Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a moving weighted average / monthly moving weighted average basis. Cost, including variable and fixed overheads, are allocated to work-in-progress and stock-in-trade determined on full absorption cost basis. Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Significant Accounting Policies - (contd.)

(l) **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.

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

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan include pension in certain case, payable upto the date of normal superannuation had the employee been in service, 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.

(m) **Investments**

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

(n) **Income Tax Expenses**

Income tax expenses comprises current and deferred taxes.

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 is net of credit for entitlement for Minimum Alternative tax. Current tax includes Fringe benefit tax, applicable upto year ending March 31, 2009.

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.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

(o) **Redemption premium / discount on Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) / Non Convertible Debentures (NCD)**

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

(p) **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.

Tata Motors Limited

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

"14" [Item no. 15]

(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) 2,55,02,622 (as at March 31, 2009 2,55,02,402) Ordinary Shares allotted against the exercise of equivalent number of warrants pertaining to the rights issue of 2001 at Rs.120/- per share.

(d) 5,25,08,228 (as at March 31, 2009 2,58,64,962) 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, 2009 : 1,83,98,095) Ordinary Shares issued against 99,940 (as at March 31, 2009 : 99,940) Notes. The balance 60 notes have been redeemed during the year 2008-09.

(ii) 0% FCCN due 2009

74,66,867 (as at March 31, 2009 : 74,66,867) Ordinary Shares issued against 97,590 (as at March 31, 2009 : 97,590) Notes. The balance 2,410 notes have been redeemed during the year 2009-10.

(iii) 1% FCCN due 2011

1,88,16,152 (as at March 31, 2009 : Nil) Ordinary Shares issued against 2,29,634 (as at March 31, 2009 : Nil) Notes.

(iv) 0% FCCN due 2011

78,27,114 (as at March 31, 2009 : Nil) Ordinary Shares issued against 1,071 (as at March 31, 2009 : Nil) Notes.

(e) 6,42,76,883 (as at March 31, 2009 : 6,42,76,164) Ordinary Shares at Rs. 340 per share and 6,42,76,883 (as at March 31, 2009 : 6,42,76,164) 'A' Ordinary Shares at Rs. 305 per share were allotted on exercising of options pertaining to Rights issue of 2008.

(f) The Company has issued 2,99,04,306 Global Depository Shares (GDS) each representing one share at a price of US$ 12.54 per GDS, aggregating US$ 375 million (Rs. 1794.19 crores).

II. The entitlements to 1,49,534 (as at March 31, 2009 : 1,50,473) Ordinary Shares and 99,790 (as at March 31, 2009: 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) Rated, Listed, Secured, Credit Enhanced, 2% Coupon, Premium Redemption Non-Convertible Debentures are secured by a second charge in favour of Vijaya Bank , Debenture Trustee and first ranking parri passu charge in favour of State Bank of India as Security trustee on behalf of the Guarantors, by way of English mortgage of the Company's lands, freehold and leasehold, together with all buildings, constructions and immovable and movable properties situated at Chinchwad, Pimpri, Chikhali and Maval in Pune District and plant and machinery and other movable assets situated at Pantnagar in the State of Uttarakhand.

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

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

(A) Notes to Balance Sheet (contd.)

(b) Rated, Listed, Secured, 9.95% Coupon, Non-Convertible Debentures is being secured by a parri passu charge by way of an English mortgage of the Company's freehold land together with immovable properties, plant and machinery and other movable assets situated at Sanand in the State of Gujarat.

(c) 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 moveable current assets except cash and bank balances, loans and advances of the Company both present and future.

(ii) Schedule of repayment and redemption for Non-Convertible Debentures : **(Rs. in crores)**

Non Convertible Debentures (NCDs)	**Redeemable on**	**Principal**	**Premium**	**Total**
2% Non-Convertible Debentures (2011)	March 31, 2011	800.00	71.96	871.96
2% Non-Convertible Debentures (2013)	March 31, 2013	350.00	96.55	446.55
2% Non-Convertible Debentures (2014)	March 31, 2014	1800.00	658.05	2458.05
2% Non-Convertible Debentures (2016)	March 31, 2016	1250.00	919.23	2169.23
9.95% Non-Convertible Debentures (2020)	March 2, 2020	200.00	-	200.00

(iii) The Buyers line of credit from Banks is repayable at the end of three years from the drawdown dates. All the repayments are due from 2010-11 to 2012-13.

(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, 2010	As at March 31, 2009
Liabilities:		
Depreciation	**(980.72)**	(963.12)
Product Development Cost	**(1317.78)**	(1044.80)
Others	**(1.64)**	(2.78)
	(2300.14)	(2010.70)
Assets:		
Employee Benefits / Expenses allowable on payment basis	**76.12**	73.02
Provision for Doubtful Debts	**147.48**	126.69
Premium on Redemption of CARS (including exchange fluctuation on premium)	**251.11**	259.42
Unabsorbed Depreciation and Business Losses	**286.48**	635.52
Others	**30.31**	50.24
	791.50	1144.89
Net Deferred Tax Liability	**(1508.64)**	(865.81)

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

	2009-2010	2008-2009
Opening Deferred Tax Liability	**865.81**	975.72
Debited / (Credited) to securities premium account	**8.31**	(47.10)
Debited / (Credited) to general reserve	**-**	(19.03)
Debited / (Credited) to hedging reserve account	**45.06**	(45.06)
Others	**-**	3.78
	919.18	868.31
Less : Closing Deferred Tax Liability	**1508.64**	865.81
Deferred Tax charge for the year	**589.46**	(2.50)

(c) **Tax expense [Item 10, Page 57] :**

	2009-2010	2008-2009
(i) Current Tax (net of credit for Minimum Alternate Tax)	**-**	-
(ii) Fringe Benefit Tax	**-**	15.00
(iii) Deferred Tax	**589.46**	(2.50)
	589.46	12.50

Tata Motors Limited

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

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

(Rs. in crores)

(A) Notes to Balance Sheet (contd.)

4. Future instalments receivable from hirer / lessees and vehicle loans [Schedule 10 (A), page 71] includes **Rs. 595.71 crores** (as at March 31, 2009 Rs. 729.59 crores) in respect of instalments that have become due but have not been recovered. Out of these **Rs. 351.50 crores** (as at March 31, 2009 Rs. 332.34 crores) are due for over six months. There is an aggregate provision of **Rs. 269.29 crores** (as at March 31, 2009 Rs. 176.63 crores) made in respect of overdue instalments.

	As at March 31, 2010	As at March 31, 2009
5. I **Disclosure in respect of finance leases :**		
Assets taken on Lease :		
(a) (i) Total of minimum lease payments	**25.87**	37.60
Total of minimum lease payments for a period :		
Not later than one year	**13.70**	14.25
Later than one year and not later than five years	**12.17**	23.35
(ii) Present value of the minimum lease payments payable	**24.11**	34.28
Present Value of the minimum lease payments payable :		
Not later than one year	**12.63**	12.57
Later than one year and not later than five years	**11.48**	21.71
(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	**65.35**	56.81
The total of minimum lease payments receivable for a period:		
Not later than one year	**3.86**	2.97
Later than one year and not later than five years	**15.46**	11.81
Later than five years	**46.03**	42.03
(b) Gross block	**74.54**	64.59
Accumulated depreciation	**6.89**	3.38
Depreciation for the year **Rs. 3.52 crores** (2008-09 Rs. 2.62 crores)		

(c) A general description of significant leasing arrangements -
The Company has entered into Operating lease arrangements for buildings and plant & machinery.

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

(A) Notes to Balance Sheet (contd.)

6 **i) Related party disclosures for the year ended March 31, 2010**

a) Related Party and their relationship

1. **Subsidiaries :**

Tata Technologies Ltd
TAL Manufacturing Solutions Ltd
H V Axles Ltd
H V Transmissions Ltd
Sheba Properties Ltd
Concorde Motors (India) Ltd
Telco Construction Equipment Co. Ltd *(till March 29, 2010)*
Tata Daewoo Commercial Vehicle Co. Ltd
Tata Motors Insurance Broking & Advisory Services Ltd
Tata Motors European Technical Centre Plc
Tata Motors Finance Ltd
Tata Marcopolo Motors Ltd
Tata Motors (Thailand) Ltd
Tata Motors (SA) (Proprietary) Ltd
TML Holdings Pte. Ltd, Singapore
TML Distribution Company Ltd
Tata Hispano Motors Carrocera S.A. *(from October 16, 2009)*
(formerly known as Hispano Carrocera, S.A.)
JaguarLandRover Ltd
Jaguar Cars Overseas Holdings Ltd
Jaguar Land Rover Austria GmbH
Jaguar Belux NV
Jaguar Cars Limited
Jaguar Land Rover Japan Limited
Jaguar Cars South Africa (pty) Ltd
Jaguar Italia SpA
Jaguar Cars Exports Ltd
The Daimler Motor Company Ltd
The Jaguar Collection Ltd
Daimler Transport Vehicles Ltd
S.S. Cars Ltd
The Lanchester Motor Company Ltd
Jaguar Hispania Sociedad
Jaguar Deutschland GmbH
Land Rover
Land Rover Group Ltd
Jaguar Land Rover North America LLC
Land Rover Belux SA/NV
Land Rover Ireland Ltd
Jaguar Land Rover Nederland BV *(formerly known as Land Rover Nederland BV)*
INCAT International Plc.
Tata Technologies Europe Limited
INCAT SAS
INCAT GmbH
INCAT Holdings B.V. *(liquidated w.e.f. April 11, 2009)*
Lemmerpoort B.V *(under Bankruptcy proceedings)*
INCAT K.K *(liquidated w.e.f. July 31, 2009)*
Tata Technologies Inc *(formerly known as INCAT Systems Inc)*
Tata Technologies de Mexico, S.A. de CV
(formerly known as Integrated Systems Technologies de Mexico, S.A. de C.V.)
Tata Technologies (Canada) Inc *(formerly known as INCAT Solutions of Canada Inc)*
Tata Technologies (Thailand) Limited *(formerly known as INCAT (Thailand) Ltd)*
Tata Technologies Pte Ltd, Singapore
Miljobil Grenland AS
Miljobil Innovasjan AS *(merged with Miljobil Grenland AS w.e.f. October 12, 2009)*
Carrosseries Hispano Maghreb, Morocco *(from October 16, 2009)*
Serviplem S.A *(upto March 29, 2010)*
Eurl Lebrero France *(upto March 29, 2010)*
Inner Mongolia North Baryval Engineering Special Vehicle
Corporation Ltd *(upto March 29, 2010)*
Comoplesa Lebrero S.A *(upto March 29, 2010)*
Baryval Assistencia Tecnica S.L *(upto March 29, 2010)*
Jaguar Land Rover Portugal - Veiculos e Pecas, LDA
Jaguar Land Rover Australia Pty Ltd
Land Rover Exports Ltd
Land Rover Italia SpA
Land Rover Espana SL
Land Rover Deutschland GmbH
Jaguar & Land Rover Asia Pacific Company Limited *(liquidated w.e.f. October 12, 2009)*
Jaguar Land Rover Mexico SA de CV
Jaguar Land Rover Korea Co. Ltd
Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd
Jaguar Land Rover Canada ULC
Jaguar Land Rover France, SAS
Jaguar Land Rover (South Africa) (Pty) Limited
Jaguar Land Rover Brazil LLC *(from April 1, 2009)*
Limited Liability Company "Jaguar Land Rover" (Russia) *(from April 1, 2009)*
Land Rover Parts Ltd *(from April 2, 2009)*
Land Rover Parts US LLC *(from June 19, 2009)*

2. **Associates :**

Tata AutoComp Systems Ltd
Tata Cummins Ltd
Tata Precision Industries Pte. Ltd
Nita Company Ltd
Tata Sons Ltd (*Investing Party*)
Automobile Corporation of Goa Ltd
Tata Hispano Motors Carrocera S.A. *(upto October 15, 2009)*
(formerly known as Hispano Carrocera, S.A.) (subsidiary from October 15, 2009)
Telco Construction Equipment Co. Ltd *(from March 30, 2010)*
(subsidiary upto March 29, 2010)
Telcon Ecoroad Resurfaces Pvt. Ltd *(upto March 29, 2010)*
Jaguar Cars Finance Ltd

3. **Joint Ventures :**

Fiat India Automobiles Ltd
TATA HAL Technologies Ltd

4. **Key Management Personnel**

Mr. Ravi Kant *(upto June 1, 2009)*
Mr. P M Telang

b) Transactions with the related parties

(Rs. in crores)
2009-2010

	Subsidiaries	**Joint Venture**	**Associates**	**Key Management Personnel**	**Total**
Purchase of goods	**786.99**	**3190.61**	**2445.98**	-	**6423.58**
	125.78	749.34	1875.17	-	2750.29
Sale of goods (inclusive of sales tax)	**14889.04**	**285.60**	**271.14**	-	**15445.78**
	6987.44	66.84	109.80	-	7164.08
Purchase of fixed assets	**41.73**	**-**	**-**	-	**41.73**
	53.64	-	-	-	53.64
Sale of Investments	**-**	**-**	**693.39**	**-**	**693.39**
	-	-	484.69	-	484.69
Sale of fixed assets (including transfer of technology)	**1.34**	**-**	**-**	-	**1.34**
	138.51	-	-	-	138.51
Services received	**1226.18**	**-**	**55.82**	**8.90**	**1290.90**
	1183.96	-	58.77	9.38	1252.11
Services rendered	**74.60**	**1.53**	**8.31**	**-**	**84.44**
	60.57	27.97	8.59	-	97.13
Finance given (including loans and equity)	**12268.71**	**395.00**	**38.81**	**-**	**12702.52**
	9338.26	582.95	26.17	-	9947.38
Finance taken (including loans and equity)	**1640.01**	**265.00**	**67.00**	-	**1972.01**
	860.50	101.66	3007.25	-	3969.41
Interest / Dividend paid / (received) (net)	**836.91**	**(39.90)**	**86.40**	-	**883.41**
	(301.14)	(33.96)	75.31	**-**	(259.79)
Amount receivable	**809.21**	**-**	**47.78**	-	**856.99**
	773.69	-	23.31	-	797.00
Amount payable	**106.52**	**213.03**	**102.84**	-	**422.39**
	114.17	74.36	112.66	-	301.19
Amount receivable (in respect of loans, interest and dividend)	**293.81**	**275.59**	**32.07**	**0.10**	**601.57**
	222.05	265.00	139.58	0.11	626.74
Amount payable (in respect of loans, interest and dividend)	**60.01**	**-**	**13.01**	**-**	**73.02**
	44.12	-	-	-	44.12
Securitisation of Debts	-	-	**-**	**-**	-
	250.88	-	**-**	**-**	250.88
Bank Guarantee / Other assets given as security	**318.16**	**-**	**-**	**-**	**318.16**
	11382.25	856.53	**-**	**-**	12238.78

Tata Motors Limited

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

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

(A) Notes to Balance Sheet (contd.)

(c) Disclosure in respect of material transactions with related parties

(Rs. in crores)

			2009-2010	2008-2009
(i)	**Purchase of goods**	Fiat India Automobiles Ltd	**3190.61**	749.34
		Tata Cummins Ltd	**1809.42**	1213.81
		Tata AutoComp Systems Ltd	**446.19**	367.44
		Automobile Corporation of Goa Ltd	**190.37**	293.92
(ii)	**Sale of goods**	TML Distribution Company Ltd	**14518.42**	6656.54
		Concorde Motors (India) Ltd	**243.47**	248.46
		Tata Cummins Ltd	**156.02**	76.06
(iii)	**Sale of Investments**	Tata Sons Ltd	**693.39**	484.69
(iv)	**Purchase of fixed assets**	TAL Manufacturing Solutions Ltd	**31.46**	32.17
		Tata Technologies Ltd	**10.27**	21.47
(v)	**Sale of fixed assets (including transfer of technology)**	HV Transmissions Ltd	**1.31**	-
		Tata Daewoo Commercial Vehicle Co. Ltd	**-**	138.51
(vi)	**Services received**	HV Axles Ltd	**398.44**	327.60
		HV Transmissions Ltd	**247.44**	190.92
		Tata Technologies Ltd	**235.54**	198.41
		Tata Motors European Technical Centre Plc	**170.56**	147.73
		Tata Motors Finance Ltd	**119.51**	216.50
(vii)	**Services rendered**	TML Distribution Company Ltd	**25.47**	11.38
		HV Axles Ltd	**12.43**	14.78
		HV Transmissions Ltd	**12.37**	14.37
		Telco Construction Equipment Co. Ltd	**10.20**	9.82
		Fiat India Automobiles Ltd	**1.53**	27.97
(viii)	**Finance given (including loans and equity)**			
	Investment in Equity	TML Holdings Pte Ltd, (Singapore)	**10575.61**	2238.40
	Investment in Equity	Fiat India Automobiles Ltd	**130.00**	267.95
	Investment in Equity	Tata Motors (Thailand) Ltd	**89.69**	-
	Investment in Equity	TML Distribution Company Ltd	**-**	224.95
	Investment in Equity	Tata Motors Finance Ltd	**-**	200.00
	Investment in Cumulative Redeemable Preference Shares	TML Holdings Pte Ltd, (Singapore)	**-**	5570.34
	Inter Corporate Deposit	TML Distribution Company Ltd	**1014.96**	110.00
	Inter Corporate Deposit	Tata Motors Finance Ltd	**100.00**	37.00
	Inter Corporate Deposit	Tata Motors (Thailand) Ltd	**46.85**	108.50
	Inter Corporate Deposit	Fiat India Automobiles Ltd	**-**	315.00
	Subordinated loan #	Fiat India Automobiles Ltd	**265.00**	-
(ix)	**Finance taken (including loans and equity)**			
	Rights issue money received	Tata Sons Ltd	**-**	2979.40
	Inter Corporate Deposit	TML Distribution Company Ltd	**1014.96**	194.30
	Inter Corporate Deposit	Tata Technologies Ltd	**229.00**	257.50
	Inter Corporate Deposit	Tata Motors Finance Ltd	**100.00**	162.00
	Inter Corporate Deposit	Tata Motors (Thailand) Ltd	**89.69**	-
	Inter Corporate Deposit	Sheba Properties Ltd	**5.00**	25.75
	Inter Corporate Deposit	Fiat India Automobiles Ltd	**265.00**	101.66
(x)	**Interest / Dividend paid / (received)**			
	Dividend paid	Tata Sons Ltd	**108.50**	126.73
	Dividend received	Tata Sons Ltd	**(9.36)**	(9.24)
	Dividend received	Tata Cummins Ltd	**(6.75)**	(27.00)
	Dividend received	Tata Technologies Ltd	**(6.06)**	(15.15)
	Dividend received	Sheba Properties Ltd	**-**	(140.00)
	Dividend received	Tata Daewoo Commercial Vehicle Co. Ltd	**-**	(77.54)
	Dividend received	Telco Construction Equipment Co. Ltd	**-**	(47.80)
	Dividend received	HV Axles Ltd	**-**	(13.39)
	Dividend received	HV Transmissions Ltd	**-**	(11.90)
	Interest paid	Fiat India Automobiles Ltd	**10.10**	-
	Interest paid	Tata Technologies Ltd	**5.81**	-
	Interest received	Fiat India Automobiles Ltd	**(49.99)**	(33.96)
	Interest received	Tata Hispano Motors Carrocera S.A. *(formerly known as Hispano Carrocera, S.A.)*	**(4.81)**	(6.09)
(xi)	**Securitisation of Debts**			
	Securitisation of Debts	Tata Motors Finance Ltd	**-**	250.88
(xii)	**Bank Guarantee / other assets given as security**			
	Bank Guarantee / other assets given for Securitisation of debts	Tata Motors Finance Ltd	**318.16**	135.74
	Bank Guarantee for supplier bill discounting facility	Fiat India Automobiles Ltd	**-**	179.03
	Bank Guarantee to bankers for credit facilities	Fiat India Automobiles Ltd	**-**	677.50
	Bank Guarantee to bankers for bridge finance facility	JaguarLandRover Ltd	**-**	11246.51

The loan of Rs. 265 crores to Fiat India Automobile Ltd (FIAL), a joint venture of the Company, is subordinated for all principal, interest, costs, fees, charges and expenses and other amounts incurred or to be incurred or at any time due and owing under the said subordinated loan to the repayments to be made by FIAL to certain specified lenders.

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

"14" [Item no. 15] (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 2009-2010

Name of the Company	Outstanding as at March 31, 2010 Rs. crores	Maximum amount outstanding during the year Rs. crores	Investment in shares of the Company No. of Shares	Direct Investment in shares of subsidiaries of the Company No. of Shares
a) **Subsidiaries**				
HV Transmissions Ltd	**-**	**13.50**	-	-
	6.50	34.50	-	-
Sheba Properties Ltd	**-**	**5.00**	-	**-**
	-	-	-	2,50,000
TAL Manufacturing Solutions Ltd	**5.50**	**9.50**	-	-
	6.50	23.00	-	-
Concorde Motors (India) Ltd	**31.00**	**35.00**	-	-
	30.00	30.00	-	-
HV Axles Ltd	**-**	**9.00**	-	-
	-	4.80	-	-
Tata Motors European Technical Centre Plc., UK	**32.59**	**38.06**	-	**9,498**
[Note (i) below]	34.73	36.87	-	9,498
Tata Marcopolo Motors Ltd	**10.00**	**21.00**	-	-
	10.00	25.00	-	-
Tata Motors (Thailand) Ltd	**60.68**	**106.95**	-	-
	106.95	108.50	-	-
Tata Motors Finance Ltd	**-**	**100.00**	-	**-**
	-	17.00	-	-
TML Distribution Company Ltd	-	**200.00**	-	-
	-	80.00	-	-
Telco Construction Equipment Co. Ltd	**-**	**-**	-	**-**
[Note (ii) below] *(Associate from current year)*	-	40.00	-	93,990
Tata Hispano Motors Carrocera S.A.	**147.73**	**147.73**	-	**19,996**
(formerly known as Hispano Carrocera, S.A.)	-	-	-	-
(Subsidiary company from current year)				
b) **Associates**				
Tata Precision Industries Pte. Ltd. (Singapore)	**8.02**	**8.48**	-	-
	8.34	8.44	-	-
Tata Hispano Motors Carrocera S.A.	**-**	**-**	-	-
(formerly known as Hispano Carrocera, S.A.)	101.26	102.70	-	-
(Subsidiary company from current year)				
Tata AutoComp Systems Ltd	**23.83**	**23.83**	-	-
	23.83	50.00	-	-
c) **Joint Ventures :**				
Fiat India Automobiles Ltd	**265.00**	**265.00**	-	-
	265.00	290.00	-	-

Note :

(i) Shares in Miljobil Grenland AS

(ii) 63,990 shares in Serviplem S.A and 30,000 shares in Comoplesa Lebrero S.A

7. The Company has a joint venture with Fiat Group Automobiles S.p.A., Italy, Fiat India Automobiles Limited (FIAL), for manufacturing passenger cars, engines and transmissions at Ranjangaon in India. The Company has an investment of Rs. 999.54 crores as at March 31, 2010, representing 50% shareholding in FIAL .

The proportionate share of assets and liabilities as at March 31, 2010 and income and expenditure for the year 2009-10 of FIAL are given below :

(Rs. in crores)

	As on March 31, 2010 (Unaudited)	As on March 31, 2009 (Audited)
RESERVES AND SURPLUS		
Reserves and Surplus	**(484.31)**	(349.18)
ASSETS		
Net Block (including CWIP)	**1769.34**	1644.35
Investments (Rs. 50.00)	**-**	-
Current Assets	**983.88**	756.31
	2753.22	2400.66
LIABILITIES		
Loan Funds	**1337.90**	755.18
Current Liabilities	**1028.20**	1278.09
Provisions	**9.71**	2.51
	2375.81	2035.78
Claims not acknowledged as debts	**3.14**	-
Capital Commitments	**50.01**	156.93

	2009-2010 (Unaudited)	2008-2009 (Audited)
INCOME		
Sale of products and services	**1614.85**	401.43
Less : Excise duty	**(192.92)**	(53.57)
Other operating income	**146.31**	42.74
	1568.25	390.60
EXPENDITURE		
Manufacturing and other expenses	**1437.93**	597.86
Expenditure transferred to capital and other accounts	**-**	(28.97)
Product Development Cost	**0.48**	0.33
Depreciation	**140.79**	59.49
Interest	**124.18**	65.56
Tax expenses	**-**	1.54
	1703.38	695.81

Tata Motors Limited

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

(Rs. in crores)

"14" [Item no. 15] (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 2009-10 is given below :

		2009-2010	2008-2009
(i) Amounts unpaid as at year end	- Interest	**1.00**	0.50
(ii) Amounts paid after appointed date during the year	- Principal	**350.51**	57.00
(iii) Amount of interest accrued and unpaid as at year end		**1.00**	0.50
(iv) Amount of interest paid during the year as per section 16		**-**	0.04

9. **Foreign Currency Monetary Item Translation Difference Account [Items 3 and 8, Page 56]:**

	As at March 31, 2010	As at March 31, 2009
Opening Balance	**164.12**	-
(a) Exchange (loss) / gain on Foreign Currency Loan given	**(14.72)**	3.71
(b) Exchange (loss) / gain on investment in preference shares	**(647.23)**	414.32
(c) Exchange gain / (loss) on FCCN/CARS	**336.14**	(253.91)
Closing Balance	**(161.69)**	164.12

			As at March 31, 2010	As at March 31, 2009
10.	Claims against the Company not acknowledged as debts -			
(i)	Sales Tax	- Gross	**460.47**	472.94
		- Net of Tax	**307.51**	312.19
(ii)	Excise Duty	- Gross	**178.96**	95.03
		- Net of Tax	**119.51**	62.73
(iii)	Others	- Gross	**145.11**	129.97
		- Net of Tax	**96.92**	85.80
(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		**100.79**	107.18
	(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		**132.86**	150.79
	(c) Pending in appeal / other matters		**162.12**	173.64
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		**35.74**	27.64
12.	Other money for which the Company is contingently liable -			
(i)	In respect of bills discounted and export sales on deferred credit		**1.78**	252.95
(ii)	The Company has given guarantees for liability in respect of receivables assigned by way of securitisation		**1075.69**	1062.78
(iii)	Cash Margins / Collateral [Schedule 9 (d), page 70]		**604.94**	439.78
(iv)	In respect of retained interest in securitisation transactions		**-**	54.44
(v)	In respect of subordinate receivables		**89.76**	242.56
(vi)	Deposits given as collateral security		**20.00**	198.49
(vii)	Others		**26.61**	14.18
13.	Estimated amount of contracts remaining to be executed on capital account and not provided for		**1278.44**	2450.48
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. 15] (contd.)

(Rs. in crores)

	2009-2010	2008-2009
(B) Notes to Profit and Loss Account		
(1) Purchase of products for sale etc. include [Also refer Schedule 14(E) and 15, page 88]:		
(a) Spare parts and accessories for sale	**1054.40**	821.63
(b) Bodies and trailers for mounting on chassis	**719.66**	834.72
(c) Vehicles **52891 nos.** (2008-09 : 12341 nos.)	**2739.17**	523.97
	4513.23	2180.32

	2009-2010	2008-2009
(2) The total expenditure incurred on Research and Development :		
(a) Expenditure charged to profit and loss account	**81.75**	54.32
(b) Expenditure capitalised during the year	**1089.22**	1422.29
	1170.97	1476.61

	2009-2010 Rupees	2008-2009 Rupees
(3) (a) Auditors' Remuneration (excluding service tax) :		
(i) Audit Fees	**3,75,00,000**	3,00,00,000
(ii) Audit Fees for financial statements as per IFRS / US GAAP (including SOX certification) #	**5,00,00,000**	4,00,00,000
(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
Taxation Matters *	**11,26,500**	5,96,062
(iv) Other Services @	**5,27,000**	22,000
(v) Reimbursement of travelling and out-of-pocket expenses	**4,60,889**	-
(b) Cost Auditors' Remuneration (excluding service tax) :		
(i) Cost Audit Fees	**10,00,000**	10,00,000
(ii) Reimbursement of travelling and out-of-pocket expenses	**36,700**	35,800

Notes :

@ Excludes audit fees debited to Securities Premium Account related to :		
(i) GDS and FCCN Issue	**40,00,000**	-
(ii) Rights issue	**-**	65,00,000
# Includes amount paid for earlier years	**5,00,00,000**	4,00,00,000
* Includes remuneration for professional services rendered by firms of auditors in which some of the partners of the statutory auditors firm are partners.	**-**	50,062

(Rs. in crores)

	2009-2010	2008-2009
(4) Interest and Discounting Charges [Item 7, page 57] :		
(A) Interest :		
(a) On Debentures and fixed loans	**880.53**	573.13
(b) Others .	**113.01**	183.51
	993.54	756.64
Less : (i) Transferred to Capital account	**237.28**	262.20
(ii) Interest received on bank and other accounts [tax deducted at source **Rs. 5.00 crores** (2008-09 Rs. 19.74 crores)]	**142.39**	137.22
	613.87	357.22
(B) Discounting charges (net)	**489.97**	316.46
	1103.84	673.68

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

"14" [Item no. 15] (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, 2010**

		Gratuity, Superannuation and BKY				Compensated Absences				Post-retirement Medicare scheme			
		2010	2009	2008	2007	**2010**	2009	2008	2007	**2010**	2009	2008	2007
i	**Components of employer expense**												
	Current Service cost	**24.97**	25.24	21.60	16.40	**14.68**	14.85	12.80	10.42	**2.53**	1.97	1.80	2.15
	Interest cost	**38.09**	37.42	34.65	27.44	**10.30**	10.69	9.60	5.96	**5.86**	4.72	4.19	2.73
	Expected return on plan assets	**(35.46)**	(32.56)	(30.70)	(25.41)	**-**	-	-	-	**-**	-	-	-
	Actuarial (Gains) / Losses	**46.23**	(4.26)	39.41	66.35	**22.92**	(9.80)	12.47	31.48	**(1.74)**	10.00	3.90	14.00
	Total expense recognised in the Statement of Profit & Loss Account	**73.83**	25.84	64.96	84.78	**47.90**	15.74	34.87	47.86	**6.65**	16.69	9.89	18.88
	in Schedule B, page 60 under item :	4(b) & 4(c)				4(a)				4(c)			
ii	**Actual Contribution and Benefit Payments for year ended March 31,**												
	Actual benefit payments	**54.15**	57.20	54.98	58.26	**18.24**	22.49	21.42	17.72	**3.17**	3.43	3.75	3.66
	Actual Contributions	**75.80**	22.18	87.98	100.43	**18.24**	22.49	21.42	17.72	**3.17**	3.43	3.75	3.66
iii	**Net liability recognised in Balance Sheet as at March 31,**												
	Present Value of Defined Benefit Obligation	**534.60**	485.95	474.36	440.14	**159.95**	130.29	137.04	123.59	**73.99**	70.51	57.25	51.14
	Fair value of plan assets	**483.02**	432.39	424.45	367.21	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A
	Net liability recognised in Balance Sheet	**(51.58)**	(53.56)	(49.91)	(72.93)	**(159.95)**	(130.29)	(137.04)	(123.59)	**(73.99)**	(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	**485.95**	474.36	440.14	385.20	**130.29**	137.04	123.59	93.45	**70.51**	57.25	51.11	35.92
	Current Service cost	**24.97**	25.24	21.60	16.40	**14.68**	14.85	12.80	10.42	**2.53**	1.97	1.80	2.15
	Interest cost	**38.09**	37.42	34.65	27.44	**10.30**	10.69	9.60	5.96	**5.86**	4.72	4.19	2.73
	Actuarial losses	**39.74**	6.13	32.95	69.36	**22.92**	(9.80)	12.47	31.48	**(1.74)**	10.00	3.90	14.00
	Benefits paid	**(54.15)**	(57.20)	(54.98)	(58.26)	**(18.24)**	(22.49)	(21.42)	(17.72)	**(3.17)**	(3.43)	(3.75)	(3.66)
	Present Value of DBO at the end of the year	**534.60**	485.95	474.36	440.14	**159.95**	130.29	137.04	123.59	**73.99**	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	**432.39**	424.45	367.21	296.62	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A
	Actual return on plan assets	**28.98**	42.96	24.24	28.42	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A
	Actual Company contributions	**75.80**	22.18	87.98	100.43	**18.24**	22.49	21.42	17.72	**3.17**	3.43	3.75	3.66
	Benefits paid	**(54.15)**	(57.20)	(54.98)	(58.26)	**(18.24)**	(22.49)	(21.42)	(17.72)	**(3.17)**	(3.43)	(3.75)	(3.66)
	Plan assets at the end of the year	**483.02**	432.39	424.45	367.21	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A
vi	**Actuarial Assumptions**												
	Discount Rate (%)	**6.75-8.50**	6.75 - 8.50	7.75 - 8.50	8.00 - 8.50	**8.50**	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	8.00	**N/A**	N/A	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	N/A	N/A	**4.00**	4.00	4.00	4.00
vii	**The major categories of plan assets as percentage of total plan assets**												
	Debt securities	**74%**	76%	68%	63%	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A
	Balances with banks	**26%**	24%	32%	37%	**N/A**	N/A	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**			
						2010	2009	2008	2007	**2010**	2009	2008	2007
	Revised DBO as at March 31,					**81.48**	77.68	58.11	56.39	**67.49**	64.29	52.10	46.55
	Revised service cost for the year					**2.95**	2.30	1.95	2.38	**2.17**	1.69	1.42	1.96
	Revised interest cost for the year					**6.47**	4.79	4.63	3.01	**5.33**	4.28	3.80	2.48

(a) **Defined Contribution Plans-**

The Company's contribution to defined contribution plan aggregated **Rs. 119.24 crores** (2008-09 Rs. 113.59 crores) for the year ended March 31, 2010 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, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(d) The Company expects to contribute Rs 70.65 crores to the funded pension plans in the year 2010-11.

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

(Rs. in crores)
"14" [Item no. 15] (contd.)

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

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

	2009-2010	2008-2009
(a) Product warranty [Note (f), page 74] :		
Opening Balance	**134.19**	155.91
Provision for the year (net) (including additional provision for earlier years)	**316.24**	215.27
Payments / debits (net of recoveries from suppliers)	**(201.80)**	(236.99)
Closing Balance	**248.63**	134.19
(b) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS) [Note (o), page 75 and Note (C)(i), page 86]:		
Opening Balance	**1094.57**	887.84
Provision for premium on redemption of FCCN (including withholding tax)	**257.46**	-
Foreign currency exchange (gain) / loss	**(133.38)**	234.64
Premium paid on redemption of FCCN	**-**	(0.04)
Reversal of provision for premium due to conversion of FCCN	**(225.50)**	-
Reversal of provision for premium due to buyback of CARS	**-**	(27.87)
Closing Balance	**993.15**	1094.57
(c) Provision for inventory relief to dealers	**-**	0.50

(7) Earnings Per Share :

		2009-2010	2008-2009
(a) Profit after tax	Rs. crores	**2240.08**	1001.26
(b) The weighted average number of Ordinary Shares for Basic EPS	Nos.	**46,37,36,463**	41,30,53,469
(c) The weighted average number of 'A' Ordinary Shares for Basic EPS	Nos.	**6,41,76,028**	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	**1964.94**	937.63
(f) Share of Profit for 'A' Ordinary Shares for Basic EPS *	Rs. crores	**275.14**	63.63
(g) Earnings Per Ordinary Share (Basic)	Rupees	**42.37**	22.70
(h) Earnings Per 'A' Ordinary Share (Basic)	Rupees	**42.87**	23.20
(i) Profit after tax for Basic EPS	Rs. crores	**2240.08**	1001.26
(j) Add: Interest payable on outstanding Foreign Currency Convertible Notes	Rs. crores	**41.93**	11.00
(k) Profit after tax for Diluted EPS…	Rs. crores	**2282.01**	1012.26
(l) The weighted average number of Ordinary Shares for Basic EPS	Nos.	**46,37,36,463**	41,30,53,469
(m) Add: Adjustment for Options relating to warrants, Ordinary Shares held in abeyance, Foreign Currency Convertible Notes and Convertible Alternative Reference Securities	Nos.	**5,64,32,819**	4,47,65,690
(n) The weighted average number of Ordinary Shares for Diluted EPS	Nos.	**52,01,69,282**	45,78,19,159
(o) The weighted average number of 'A' Ordinary Shares for Basic EPS	Nos.	**6,41,76,028**	2,74,28,499
(p) Add: Adjustment for 'A' Ordinary Shares held in abeyance	Nos.	**1,00,136**	42,957
(q) The weighted average number of 'A' Ordinary Shares for Diluted EPS	Nos.	**6,42,76,164**	2,74,71,456
(r) Share of Profit for Ordinary Shares for Diluted EPS	Rs. crores	**2028.18**	953.66
(s) Share of Profit for 'A' Ordinary Shares for Diluted EPS *	Rs. crores	**253.83**	58.60
(t) Earnings Per Ordinary Share (Diluted)	Rupees	**38.99**	20.83
(u) Earnings Per 'A' Ordinary Share (Diluted)	Rupees	**39.49**	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. 15] (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, 2010 are given below :

Issue	0% FCCN (due 2009)	1% FCCN (due 2011)	0% FCCN (due 2011)	0% CARS (due 2012)	4% FCCN (due 2014)
Issued on	April 27, 2004	April 27, 2004	March 20, 2006	July 11, 2007	October 15, 2009
Issue Amount (in INR at the time of the issue)	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)	US $ 375 million (Rs. 1794.19 crores)
Face Value	US $ 1000	US $ 1000	JP ¥ 10,000,000	US $ 100,000	US $ 100,000
Conversion Price per share at fixed exchange rate	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	Rs. 623.88 US $ 1 = Rs. 46.28
Reset Conversion Price (Due to Rights Issue and GDS Issue)	NA	Rs. 736.72 US $ 1 = Rs. 43.85	Rs. 945.34 Re. 1 = JP ¥ 2.66	Rs. 907.17 US $ 1 = Rs. 40.59	NA
Exercise Period	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	November 25, 2009 (for conversion into shares or GDSs) and October 15, 2010 (for conversion into ADSs) to October 9, 2014
Early redemption at the option of the Company subject to certain conditions	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	i) any time on or after October 15, 2012 (in whole but not in part) at our option or ii) any time (in whole but not in part) in the event of certain changes affecting taxation in India
Redeemable on	April 27, 2009	April 27, 2011	March 21, 2011	July 12, 2012	October 16, 2014
Redemption percentage of the Principal Amount	95.111%	121.781%	99.253%	131.820%	108.505%
Amount converted	US $ 97.59 million	US $ 229.64 million	JP ¥ 10710 million	Nil	Nil
Aggregate conversion into Shares / ADRs	74,66,867	1,88,16,152	78,27,114		
Aggregate Notes Redeemed	2410	Nil	Nil	Nil	Nil
Aggregate Notes Bought Back	Nil	Nil	30	170	Nil
Notes Outstanding as at March 31, 2010	Nil	70,366	75	4,730	3,750
Aggregate amount of shares that could be issued on conversion of outstanding notes	Nil	41,88,225 @	2,98,258 @	2,11,63,696 @	2,78,17,850

* 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.

@ Increased due to Rights Issue and GDS Issue.

(ii) On March 23, 2010, the Company had offered to Non-U.S. Noteholders of outstanding 0% JPY 11,760 million (due 2011) and 1% USD 300 million (due 2011) Convertible Notes, an option to convert their Notes into Ordinary Shares during a limited offer period. During this period, as per the terms of Invitation Memorandum, Noteholders could opt to receive shares at enhanced conversion terms. Noteholders, who did not participate, would continue with all the terms of their notes as applicable prior to this limited period offer. Noteholders representing 93.62% of the JPY Notes (i.e. JPY10,710 million) and 76.54% of USD Notes (i.e. USD 229.63 million), outstanding prior to the offering, opted to convert their Notes into Ordinary Shares. As a result, the company has allotted 2,66,43,266 equity shares to the Noteholders, who exercised the option.

(iii) 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.

(iv) On March 30, 2010, the Company sold 20% stake in Telco Construction Equipment Company Limited (Telcon) to Hitachi Construction Machinery Co. Ltd for a consideration of Rs. 1159.50 crores. Consequently the Company holds 39.75% stake in Telcon.

(v) On October 16, 2009, the Company has acquired 79% shares in Tata Hispano Motors Carrocera S.A. (formerly known as Hispano Carrocera, S.A.) by way of exercise of the existing call option, through mutual agreement with the other share-holder, Investalia S. A., Spain, for a consideration of Euro 2 million (Rs. 13.71 crores). Consequently, Tata Hispano Motors Carrocera S.A. has become a 100% subsidiary of the Company.

(vi) Previous year's figures have been regrouped where necessary.

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

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

"14" [Item no. 15] (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, 2010

Currency	**Amount (Foreign Currency in millions)**	**Buy / Sell**	**Amount (Rs. in crores)**
(i) Forward exchange contracts (net)			
US $ / INR	**US $ 1.41**	**Sold**	**6.33**
	US $ 118.94	Sold	603.08
GBP / INR	**£ 5.31**	**Buy**	**36.18**
	-	-	-
EUR / INR	**• 4.67**	**Buy**	**28.27**
	-	-	-
EUR / US $	**• 4.00**	**Buy**	**24.23**
	-	-	-
(ii) Options (net)			
US $ / JPY	-	-	-
	US $ 99.69	To Sell	505.49
US $ / INR	**US $ 43.00**	**To Sell**	**193.17**
	US $ 10.00	To Sell	50.71
US $ / CHF	-	-	-
	US $ 10.00	Hybrid	50.71

(b) Foreign exchange forward contracts, designated as cash flow hedges as at March 31, 2010

US $ / INR	-	-	-
	US $ 135.50	Sold	687.05

(c) Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2010

	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 $ 1081.13**	**4856.69**
	US $ 1204.05	6105.16
	• 28.39	**171.95**
	• 20.16	136.11
	£ 6.51	**44.35**
	£ 6.53	47.36
	SGD 2.51	**8.04**
	SGD 2.52	8.39
	THB 449.54	**62.31**
	THB 751.04	107.44
(ii) Creditors payable on account of loan and interest charges and other foreign currency expenditure	**US $ 1445.99**	**6495.75**
	US $ 1176.83	5967.09
	• 13.62	**82.48**
	• 15.86	107.08
	£ 1.18	**8.01**
	£ 3.99	28.96
	¥ 1949.81	**0.94**
	¥ 60.58	3.12
	Others	**12.25**
	Others	10.28

Tata Motors Limited

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

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

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

	2009-2010		2008-2009	
	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 #	**8,188**	**581.85**	15,347	850.15
Vehicles purchased for resale	**715**	**39.47**	-	-
Manufactured and purchased components for sale :				
Spare Parts for Vehicles		**253.77**		209.86
Scrap		**4.78**		7.85
		879.87		1067.86
(b) Closing Stock -				
Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon #	**12,545***	**983.31**	8,188*	581.85
Vehicles purchased for resale	**973**	**83.86**	715	39.47
Manufactured and purchased components for sale :				
Spare Parts for Vehicles		**316.22**		253.77
Scrap		**6.14**		4.78
		1389.53		879.87

Includes chassis mounted with bodies / trailers.

* Excluding :

(i) Capitalised / transferred for internal use **1000 vehicles** (2008-09 : 782 vehicles) including **4 vehicles** (2008-09 : 8 vehicles) for homologation / testing.

(ii) Transferred on settlement of insurance claims for damaged vehicles : **56 vehicles** (2008-09 : 83 vehicles).

(iii) Donated **6 vehicles** (2008-09 : 15 vehicles).

(iv) Sent for display **4 vehicles** (2008-09 : Nil)

"15" [Item no. 15]

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

	2009-2010		2008-2009	
	Quantity Nos.	**Value**	Quantity Nos.	Value
1. Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon [including export and other incentives of **Rs. 561.55 crores** (2008-2009 Rs. 415.56 crores)]	**667,971**	**34677.40**	506,421	25302.71
2. Spare Parts for Vehicles		**2263.54**		1894.92
3. Diesel Engines	**8,970**	**95.43**	7,325	90.44
4. Scrap		**111.68**		122.90
5. Castings and Forgings		**695.39**		362.00
6. Income from transfer of technology		**-**		138.83
7. Income from Services		**81.73**		105.59
		37925.17		28017.39

Schedules forming part of the Profit and Loss Account

"16" [Item no.15]

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, passenger cars and chassis thereof (Jamshedpur Works)	**Nos.**	**126000**	**89215**
			(108000)	(64396)
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.**	**544000**	**299251**
			(513125)	(307279)
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.**	**90000**	**34893**
			(30000)	(21295)
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 (Uttarakhand Works)	**Nos.**	**500000**	**197402**
			(210000)	(95546)
5.	Diesel Engines for Industrial and Marine applications	**Nos.**	***	**8970**
			***	(7325)
6.	S. G. Iron Castings	**Tonnes**	**12000**	**13001**
			(12000)	(10715)
7.	Power Generation		**21.95 MW**	**31958127 kWh**
			(21.95 MW)	(35061305) kWh
8.	Manufactured Components for Sale ****	**Rupees crores**		**322.41**
				(334.76)

* On double shift basis for all plants (except Uttarakhand plant for which capacity is on three 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 licensed capacity for Jamshedpur works is 132,000 nos., Pune works is 612,000 nos., Lucknow works is 192,000 nos. & Uttarakhand works is 500,000 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, Truck and Bus Bodies: 5000 nos. (Dharwad Works)
   (b) Motor Cars & other Motor Vehicles for transport of less than 10 persons, jeep type vehicles & station wagons, special purpose motor cars: 500,000 nos. (Sanand Works)
   (c) Motor Cars & other Motor Vehicles for transport of less than 10 persons, jeep type vehicles & station wagons, special purpose motor cars: 350,000 nos. (Singur Works)
3. In addition to the above, the Company holds# following industrial licences / IEM.
   - 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. (# Application for renewal of Industrial Licence is under process with Government of India).

Tata Motors Limited

Schedules forming part of the Profit and Loss Account

(Rs. in crores)

"17" [Item no. 15]

Information regarding exports and imports and other matters :

				2009-2010	2008-2009
1.		Earnings in foreign exchange :			
	(i)	F.O.B. value of goods exported [including sales through Export House, Exports to Nepal, Bhutan and local sales eligible for export incentives and exchange differences (net) - loss of **Rs. 36.01 crores** (2008-09 gain of Rs. 41.13 crores)]		**1921.48**	2206.43
	(ii)	Income from transfer of technology		**-**	138.83
	(iii)	Profit on sale of investment		**1119.50**	-
	(iv)	Interest and Dividend		**6.58**	91.31
2.		C.I.F. value of imports			
	(i)	Raw Materials and Components		**1189.89**	1259.65
	(ii)	Machinery spares and tools		**33.33**	44.07
	(iii)	Capital goods		**374.16**	861.55
	(iv)	Spare Parts for sale		**20.99**	10.35
	(v)	Jaguar and Land Rover Vehicles and Spare Parts for Sale		**79.48**	-
	(vi)	Other items		**2.61**	34.46
3.	(a)	Value of imported and indigenous raw materials and components consumed :			
		(i) Imported at Rupee cost		**1212.29**	944.37
		(ii) Indigenously obtained		**19180.31**	15274.25
	(b)	Percentage to total consumption :			
		(i) Imported	%	**5.94**	5.82
		(ii) Indigenously obtained	%	**94.06**	94.18

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. 15] (contd.)

		2009-2010	2008-2009
4.	Expenditure in foreign currency (subject to deduction of tax where applicable) :		
	(i) Technical Know-how fees	**217.59**	160.60
	(ii) Interest	**74.22**	88.13
	(iii) Consultancy / Professional charges	**113.44**	110.73
	(iv) Payments on Other Accounts [including Exchange differences (net)]	**216.34**	171.30

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 2008-09 are as under :

			2009-2010	2008-2009
(i)	Number of non-resident shareholders			
	a) For 2008-09	Nos.	**7,647**	-
	b) For 2007-08	Nos.	**-**	6,452
(ii)	Number of shares held by them			
	a) For 2008-09	Nos.	**12,77,51,829**	-
	b) For 2007-08	Nos.	**-**	14,44,56,922
(iii)	Gross amount of dividend			
	a) For 2008-09	Rs. crores	**76.65**	-
	b) For 2007-08	Rs. crores	**-**	216.69

"18" [Item no. 15]

Information in regard to raw materials and components consumed :

	Unit of Measurement	**2009-2010 Quantity**	**2009-2010 Value**	2008-2009 Quantity	2008-2009 Value
Steel	Tonnes	**1,85,205**	**717.08**	1,53,240	603.59
Steel Tubes	Tonnes	**30**	**0.18**	8	0.32
Non-ferrous alloys/metals	Tonnes	**3,339**	**43.99**	2,635	40.71
Ferro Alloys	Tonnes	**1,372**	**15.59**	1,251	13.67
Steel Melting Scrap	Tonnes	**53,418**	**152.93**	43,281	144.26
Paints, Oils and Lubricants	Tonnes	**7,684**	**43.79**	7,896	29.64
	Kilo liters	**10,024**	**140.18**	9,692	150.50
Tyres, Tubes and Flaps	Nos.	**45,55,111**	**1484.40**	40,86,280	1238.14
Engines	Nos.	**1,04,309**	**1549.56**	69,002	980.53
Other components			**16244.90**		12986.32
			20392.60		16187.68

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

Tata Motors Limited

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

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details:

Registration No	4520
State Code	11
Balance Sheet Date	31.03.2010

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

	(Amount in Rs.Thousand)
Public Issue	2,99,043
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds

	(Amount in Rs.Thousand)
Total Liabilities	50,47,26,103
Total Assets	50,47,26,103
Sources of Funds:	
Paid-up Capital	57,05,985
Reserves & Surplus	14,39,48,694
Secured Loans	7,74,26,035
Unsecured Loans	8,88,33,079
Deferred Tax Liability	1,50,86,400
Application of Funds:	
Net Fixed Assets	16,43,60,401
Investments	22,33,69,030
Foreign Currency monetary item translation difference account	16,16,893
Net Current Assets	(5,83,46,131)

IV. Performance of Company

(Amount in Rs.Thousand)

Turnover	37,44,64,872
Total Expenditure	34,61,69,423
Profit Before Tax	2,82,95,449
Profit after Tax	2,24,00,828
Earning Per Share - Basic (Rs.):	
(i) Ordinary Share	42.37
(ii) 'A' Ordinary Share	42.87
Dividend Rate:	
(i) Ordinary Share	150%
(ii) 'A' Ordinary Share	155%

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 56,54,92,300/- during the year consequent to GDS issue and conversion of Foreign Currency Convertible Notes (FCCN) into 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"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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) Attention is invited to Note k (i) under Significant Accounting Policies. As stated in the note, the actuarial losses (net) amounting to Rs. 1,722.61 crores have been accounted in "Reserves and Surplus" in respect of a group of subsidiary companies.

   (b) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of Rs. 11,201.83 crores as at March 31, 2010, total revenues of Rs. 52,732.82 crores and net cash inflows amounting to Rs. 4,376.56 crores; and of certain associates whose financial statements reflect the Group's share of profit of Rs. 40.35 crores for the year then ended and Group's share of loss (net) of Rs. 47.71 crores up to March 31, 2010. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Company's Management, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and associates is based solely on the reports of the other auditors.

   (c) As stated in note C(5), C(1) and B(6) of Schedule 14, the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of Rs. 692.78 crores (negative) as at March 31, 2010, total revenues of Rs. 163.14 crores and net cash outflows amounting to Rs. 83.43 crores; the financial statements of a joint venture, whose financial statements reflect the Group's share of total assets (net) of Rs. 378.30 crores as at March 31, 2010, total revenues of Rs. 1,761.44 crores and net cash inflows amounting to Rs. 37.42 crores and financial statements of certain associates, whose financial statements reflect the Group's share of profit for the year ended March 31, 2010 of Rs. 46.15 crores and Group's share of profit (net) of Rs. 116.09 crores upto March 31, 2010, are incorporated in the consolidated financial statements based on management's estimates and are not audited by their auditors.
4. Subject to the matters referred to in paragraph 3(c) and read with our comments in paragraph 3(a) above:

   (a) 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 Investment 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;

   (b) based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, joint ventures and associates and to the best of our information and according to the explanations given to us, in our opinion, the 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, 2010;

      (ii) in the case of the Consolidated Profit and Loss Account, of the profit 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
(Registration No. 117366W)

N. VENKATRAM
Partner
(Membership No.71387)
Mumbai: May 27, 2010

Tata Motors Limited

Consolidated Balance Sheet as at March 31, 2010

(Rs. in crores)

	Schedule	Page			As at March 31, 2009
SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	99	570.60		514.05
(b) Reserves and Surplus	2	99	7635.88		5426.59
				8206.48	5940.64
2. MINORITY INTEREST				213.51	403.03
3. LOAN FUNDS					
(a) Secured	3	100	21290.03		13705.50
(b) Unsecured	4	100	13902.33		21268.35
				35192.36	34973.85
4. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (NET) [Note A (1), Page 110]				191.15	-
5. DEFERRED TAX LIABILITY [Note A (7) (a) & (b), Page 110]				1579.60	949.65
6. TOTAL FUNDS EMPLOYED				45383.10	42267.17
APPLICATION OF FUNDS					
7. FIXED ASSETS	5	101			
(a) Gross Block			64851.83		58469.38
(b) Less - Depreciation			34413.52		33269.05
(c) Net Block			30438.31		25200.33
(d) Capital Work-in-Progress			8068.02		10533.00
				38506.33	35733.33
8. GOODWILL (On Consolidation) [Note A (8), Page 111]				3422.87	3718.65
9. INVESTMENTS	6	102		2219.12	1257.40
10. DEFERRED TAX ASSETS [Note A (7) (a) & (b), Page 110]				425.97	269.44
11. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (NET) [Note A (1), Page 110]				-	636.48
12. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Interest accrued on investments			2.43		2.62
(b) Inventories	7	103	11312.03		10950.60
(c) Sundry Debtors	8	103	7191.18		4794.86
(d) Cash and Bank Balances	9	103	8743.32		4121.34
(e) Loans and Advances	10	104	15280.68		12816.55
			42529.64		32685.97
13. CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	11	104	34077.33		23980.16
(b) Provisions	12	104	7643.50		8140.02
			41720.83		32120.18
14. NET CURRENT ASSETS [(12) LESS (13)]				808.81	565.79
15. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	13	104		-	86.08
16. TOTAL ASSETS (NET)				45383.10	42267.17
17. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES		105			
18. NOTES TO BALANCE SHEET	14	110			

As per our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

N VENKATRAM
Partner

Mumbai, May 27, 2010

For and on behalf of the Board

RATAN N TATA
Chairman

RAVI KANT
Vice-Chairman

J J IRANI
R GOPALAKRISHNAN
N N WADIA
S M PALIA
R A MASHELKAR
N MUNJEE
S BHARGAVA
V K JAIRATH
Directors

CARL-PETER FORSTER
Managing Director & Group CEO

P M TELANG
Managing Director - India Operations

C RAMAKRISHNAN
Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, May 27, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule	Page			(Rs. in crores) 2008-2009
INCOME					
1. SALE OF PRODUCTS AND OTHER INCOME FROM OPERATIONS	A (1)	97		**95567.42**	74093.31
LESS: EXCISE DUTY				**3048.17**	3212.36
				92519.25	70880.95
2. DIVIDEND AND OTHER INCOME	A (2)	97		**1793.12**	798.96
				94312.37	71679.91
EXPENDITURE					
3. MANUFACTURING AND OTHER EXPENSES	B	98	**88497.59**		73323.28
4. EXPENDITURE TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS			**(4592.50)**		(4638.83)
				83905.09	68684.45
PROFIT BEFORE DEPRECIATION, INTEREST, AMORTISATION, EXCEPTIONAL ITEMS AND TAX				**10407.28**	2995.46
5. PRODUCT DEVELOPMENT EXPENDITURE				**498.20**	347.75
6. DEPRECIATION / AMORTISATION				**3887.13**	2506.77
7. INTEREST AND DISCOUNTING CHARGES [Note B (1), Page 114]				**2239.71**	1930.90
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX				**3782.24**	(1789.96)
8. (a) EXCHANGE LOSS / (GAIN) (NET) ON REVALUATION OF FOREIGN CURRENCY BORROWINGS, DEPOSITS AND LOAN GIVEN				**(84.47)**	339.29
(b) OTHERS [Note C (4), Page 119]				**344.07**	-
PROFIT / (LOSS) BEFORE TAX				**3522.64**	(2129.25)
9. TAX EXPENSE [Note A (7)(d), Page 110]				**(1005.75)**	(335.75)
PROFIT / (LOSS) AFTER TAX				**2516.89**	(2465.00)
10. SHARE OF MINORITY INTEREST				**(30.33)**	11.48
11. SHARE OF PROFIT / (LOSS) IN RESPECT OF INVESTMENTS IN ASSOCIATE COMPANIES				**84.50**	(51.73)
PROFIT / (LOSS) FOR THE YEAR				**2571.06**	(2505.25)
12. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR				**(1553.66)**	1764.12
AMOUNT AVAILABLE FOR APPROPRIATION				**1017.40**	(741.13)
13. APPROPRIATIONS					
(a) Tax on Interim Dividend by subsidiaries (including Group's share of subsidiaries' dividend tax)				**-**	17.59
(b) Proposed Dividend				**859.05**	311.61
(c) Tax on Proposed Dividend (including Group's share of subsidiaries' dividend tax)				**142.80**	35.38
(d) Debenture Redemption Reserve				**500.00**	267.80
(e) General Reserve				**520.32**	138.20
(f) Special Reserve				**9.72**	35.72
(g) Earned Surplus Reserve				**2.97**	6.23
(h) Restricted Reserve				**0.39**	-
(i) Balance carried to Balance Sheet				**(1017.85)**	(1553.66)
				1017.40	(741.13)
14. EARNINGS PER SHARE [Note B (3), Page 118]					
I. Ordinary Shares					
(a) Basic		Rupees		**48.64**	(56.88)
(b) Diluted		Rupees		**44.65**	(56.88)
II. 'A' Ordinary Shares					
(a) Basic		Rupees		**49.14**	(56.88)
(b) Diluted		Rupees		**45.15**	(56.88)
15. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES		105			
16. NOTES TO PROFIT AND LOSS ACCOUNT	14	114			

As per our report attached to the Balance Sheet

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

N VENKATRAM
Partner

Mumbai, May 27, 2010

RATAN N TATA
Chairman

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Vice-Chairman

For and on behalf of the Board

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Chief Financial Officer

H K SETHNA
Company Secretary

Mumbai, May 27, 2010

Tata Motors Limited

Consolidated Cash Flow Statement for the year ended March 31, 2010

(Rs. in crores)

		2009-2010		2008-2009
A.	**Cash flow from Operating Activities**			
	Profit / (Loss) for the year		**2571.06**	(2505.25)
	Adjustments for:			
	Depreciation (including Lease Equalisation adjusted in income)	**3882.62**		2502.27
	Loss on sale of assets (net) (includes assets scrapped / written off)	**74.48**		13.91
	Relocation expenditure etc.	**67.17**		-
	Profit on sale of controlling stake in a subsidiary	**(1057.92)**		-
	Profit on sale of investments (net)	**(693.62)**		(718.16)
	Reversal of provision for diminution in value of investments (net)	**-**		(1.96)
	Impairment of Goodwill	**40.00**		-
	Provision for inter corporate deposits (net)	**(0.16)**		(5.97)
	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	**(84.50)**		51.73
	Share of minority interest	**30.33**		(11.48)
	Tax expenses	**1005.75**		335.75
	Interest / Dividend (net)	**2305.54**		1852.06
	Exchange difference	**(263.05)**		1309.49
	Amortisation of Miscellaneous Expenditure / Employee Separation Cost	**77.59**		4.93
			5384.23	5281.83
	Operating Profit before Working Capital Changes		**7955.29**	2776.58
	Employee Separation Cost of subsidiary companies		**-**	(84.08)
	Adjustments for:			
	Trade and other receivables	**(4342.63)**		655.96
	Inventories	**(1244.53)**		693.27
	Trade and other payables	**8709.11**		(2987.73)
		3121.95		(1638.50)
	Vehicle / loans and hire purchase receivables	**(521.10)**		294.45
			2600.85	(1344.05)
	Cash generated from Operations		**10556.14**	1348.45
	Direct Taxes Paid (net)		**(1229.21)**	(598.62)
	Net Cash from Operating Activities		**9326.93**	749.83
B.	**Cash Flow from Investing Activities**			
	Purchase of fixed assets		**(8475.43)**	(9970.78)
	Sale of fixed assets		**22.19**	74.91
	Investments in associate companies		**(1.44)**	(33.22)
	Investments in Mutual Fund (made) / sold (net)		**(979.55)**	843.56
	Investment in JLR Business (consideration for IPR, Halewood plant and JLR Business)		**-**	(10765.19)
	Investment in Subsidiary Companies		**(56.30)**	(138.54)
	Investments - others		**(10.14)**	(2.23)
	Proceeds from Sale of stake in Telcon		**1159.50**	-
	Decrease in Investments in retained interests in securitisation transactions		**51.38**	8.94
	Sale of Investments in associate company		**-**	162.70
	Sale / redemption of investments - others		**958.56**	852.76
	Deposits of Margin Money / Cash Collateral		**(613.95)**	(1368.64)
	Realisation of Margin Money / Cash Collateral		**557.49**	1233.13
	Fixed deposits with scheduled banks made		**(412.20)**	(0.16)
	Fixed deposits with scheduled banks realised		**2.15**	-
	Increase in restricted deposits with scheduled banks		**(7.08)**	(1.96)
	Interest received		**237.59**	239.71
	Dividend received from associates		**9.47**	29.81
	Dividend / Income on investments received		**31.51**	73.96
	Increase in short term Inter-corporate deposit		**(6.80)**	(55.20)
	Net Cash used in Investing Activities		**(7533.05)**	(18816.44)
C.	**Cash Flow from Financing Activities**			
	Premium on redemption of FCCN (including tax)		**-**	(0.05)
	Expenses on Foreign Currency Convertible Notes (FCCN) conversion / Non-Convertible Debentures		**(150.79)**	(0.91)
	Proceeds from issue of shares held in abeyance		**0.05**	-
	Proceeds from issue of shares by Joint venture		**17.68**	-
	Proceeds from GDS issue (net of issue expenses)		**1667.47**	-
	Proceeds from long term borrowings		**26680.86**	19598.62
	Repayment of long term borrowings		**(21072.65)**	(8241.42)
	(Decrease) /Increase in short term borrowings (net)		**(3443.42)**	4210.56
	Proceeds from Rights issue of shares		**-**	4109.66
	Proceeds from Fixed Deposits		**2039.11**	1232.47
	Repayment of Fixed Deposits		**(75.96)**	-
	Proceeds from issue of shares to minority shareholders		**54.50**	0.34
	Dividend paid (including Dividend Tax)		**(346.24)**	(697.37)
	Dividend paid to minority shareholders		**(3.33)**	(62.11)
	Interest paid [including discounting charges paid, **Rs. 668.27 crores,** (2008-09 Rs. 508.93 crores)]		**(2855.34)**	(2386.65)
	Net Cash from Financing Activities		**2511.94**	17763.14
	Net Increase / (Decrease) in Cash and cash equivalents		**4305.82**	(303.47)
	Cash and cash equivalents as at March 31 (Opening Balance) * #		**2381.60**	2231.06
	Add/(Less) : Cash and Bank balance taken over on acquisition of stake in subsidiaries / joint venture		**3.41**	1280.52
	Add/(Less) : Cash and Bank balances on sale of controlling stake of a subsidiary		**(45.01)**	-
	Add/(Less) : Translation adjustment on opening cash and bank balance of foreign subsidiaries		**(60.67)**	(162.31)
	Add/(Less) : Translation adjustment on reserves of foreign subsidiaries		**(91.13)**	(653.66)
	Add/(Less) : Exchange fluctuation on FCCN / CARS proceeds kept outside India and on foreign currency bank balances		**35.94**	(10.54)
	Cash and cash equivalents as at March 31 (Closing Balance) * #		**6529.96**	2381.60

* Excludes Cash Collateral **Rs. 1786.07 crores** (as at March 31, 2009 Rs. 1729.58 crores, as at March 31, 2008 Rs. 1594.07 crores)
# Excludes Fixed / restricted deposits with scheduled banks **Rs. 427.29 crores** (as at March 31, 2009, Rs. 10.16 crores, as at March 31, 2008 Rs. 8.04 crores)
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

N VENKATRAM
Partner

Mumbai, May 27, 2010

For and on behalf of the Board

RATAN N TATA
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Company Secretary

Mumbai, May 27, 2010

Schedules forming part of the Consolidated Profit and Loss Account

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

			2009-2010	2008-2009
		SALE OF PRODUCTS AND OTHER INCOME		
1.		**Sale of products and other income from operations**		
	(a)	Sale of products / Services (Note 1 below)	**93611.20**	72502.12
	(b)	Income from Hire purchase / Loan contracts (Note 2 below)	**1330.42**	1022.74
		Sales / Income from Operations	**94941.62**	73524.86
	(c)	Miscellaneous income (Note 3 below)	**625.80**	568.45
			95567.42	74093.31
2.		**Dividend and other income (Note 4 below)**	**1793.12**	798.96
			97360.54	74892.27

				2009-2010	2008-2009
Notes:	(1)		Sale of products / Services includes :		
		(i)	exchange gain /(loss) (net)	**106.24**	(610.63)
		(ii)	net of variable marketing expenses of some of subsidiaries	**(5308.88)**	(4883.31)
	(2)		Income from Hire purchase / Loan contracts includes :		
		(i)	Income on securitisation / sale of receivables of Loan contracts (net)	**151.33**	3.09
		(ii)	Interest income on Loan contracts (net)	**1098.32**	955.62
	(3)		Miscellaneous income include :		
		(i)	Gain on buyback of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS)	**-**	50.74
		(ii)	Income from Infrastructural Services provided in vendor park	**-**	56.57
	(4)		Dividend and other income includes :		
		(i)	Profit on sale of current investments	**693.62**	3.26
		(ii)	Profit on sale of controlling stake in a subsidiary (Note (C)(3)(b), Page 119)	**1057.92**	-
		(iii)	Profit on sale of other long term investments (net)	**-**	714.90

Tata Motors Limited

Schedules forming part of the Consolidated Profit and Loss Account

(Rs. in crores)

"B" [Item no. 3]			**2009-2010**	2008-2009
MANUFACTURING AND OTHER EXPENSES				
1.	**Purchase of products for sale, etc.**		**8538.52**	6978.22
2.	**Consumption of raw materials and components**		**54105.54**	40253.38
3.	**Processing charges**		**878.99**	559.64
4.	**Payments to and provision for employees**			
	(a) Salaries, wages and bonus	**6865.82**		6426.19
	(b) Contribution to provident and other funds	**1011.66**		277.33
	(c) Workmen and staff welfare expenses	**874.29**		593.90
			8751.77	7297.42
5.	**Expenses for manufacture, administration and selling:**			
	(a) Stores, spare parts and tools consumed	**1058.99**		765.57
	(b) Freight, transportation, port charges, etc.	**2050.44**		1995.73
	(c) Repairs to buildings	**57.05**		45.55
	(d) Repairs to plant, machinery, etc.	**278.13**		268.33
	(e) Power and fuel	**689.45**		686.30
	(f) Rent	**106.71**		95.38
	(g) Rates and taxes	**181.63**		152.49
	(h) Insurance	**161.92**		145.64
	(i) Publicity	**2974.18**		2633.52
	(j) Incentive / Commission to dealers	**595.57**		388.34
	(k) Other expenses (Note 1 below)	**9130.42**		10323.41
			17284.49	17500.26
6.	**Excise duty on change in Stock-in-trade**		**86.95**	(58.68)
7.	**Change in Stock-in-trade and Work-in-progress:**			
	A. Opening Stock			
	(i) Work-in-progress	**1044.02**		370.08
	(ii) Stock-in-trade	**7572.56**		1332.15
		8616.58		1702.23
	Stock acquired on acquisitions			
	(i) Work-in-progress	**5.89**		799.33
	(ii) Stock-in-trade	**30.56**		7925.96
		36.45		8725.29
	Translation difference	**(331.57)**		(1017.90)
	Sale of controlling stake in a subsidiary			
	(i) Work-in-progress	**32.97**		-
	(ii) Stock-in-trade	**214.80**		-
		247.77		-
	B. Closing Stock			
	(i) Work-in-progress	**998.46**		1044.02
	(ii) Stock-in-trade	**8223.90**		7572.56
		9222.36		8616.58
			(1148.67)	793.04
			88497.59	73323.28

		2009-2010	2008-2009
Notes : (1)	Other expenses include:		
	(i) Warranty Expenses	**2524.70**	2233.27
	(ii) Computer Expenses	**592.91**	704.09
	(iii) Lease rentals in respect of plant and machinery	**118.56**	102.67
	(iv) Provision and write off of sundry debtors, vehicle loans and advances (net)	**786.88**	586.40
	(v) (Reversal) / Provision towards residual risk on vehicles sold	**(439.20)**	587.71
	(vi) Exchange (Gain) / Loss	**(665.89)**	974.88
	(vii) Loss on sale of assets	**29.29**	13.08
	(viii) Loss on assets scrapped / written off	**45.19**	0.87

Schedules forming part of the Consolidated Balance Sheet

(Rs. in crores)

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

SHARE CAPITAL		As at March 31, 2010	As at March 31, 2009
Authorised:			
70,00,00,000	Ordinary shares of Rs. 10 each (As at March 31, 2009: 70,00,00,000 shares)	**700.00**	700.00
20,00,00,000	'A' Ordinary shares of Rs. 10 each (As at March 31, 2009: 20,00,00,000 shares)	**200.00**	200.00
30,00,00,000	Convertible Cumulative Preference shares of Rs. 10 each (As at March 31, 2009: 30,00,00,000 shares)	**3000.00**	3000.00
		3900.00	3900.00
Issued and subscribed:			
50,63,81,170	Ordinary shares of Rs. 10 each fully paid (As at March 31, 2009: 44,98,32,659 shares)	**506.38**	449.83
6,41,76,374	'A' Ordinary shares of Rs. 10 each fully paid (As at March 31, 2009: 6,41,75,655 shares)	**64.18**	64.18
		570.56	514.01
	Less: Calls in arrears - Ordinary Shares	**0.01**	0.01
		570.55	514.00
Share Forfeiture - Ordinary Shares		**0.05**	0.05
		570.60	514.05

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

	RESERVES AND SURPLUS	As at March 31, 2009	Additions	Deductions/ Adjustments	As at March 31, 2010
(a)	Securities Premium Account [Note (i) and (ii) below]	**5366.31**	**3617.80**	**2269.52**	**6714.59**
		1537.22	4037.76	208.67	5366.31
(b)	Capital Redemption Reserve	**2.28**	**-**	**-**	**2.28**
		2.28	-	-	2.28
(c)	Capital Reserve (on consolidation) [Note (iii) below]	**336.01**	**22.88**	**-**	**358.89**
		365.81	-	29.80	336.01
(d)	Debenture Redemption Reserve	**602.15**	**500.00**	**-**	**1102.15**
		334.35	267.80	-	602.15
(e)	Amalgamation Reserve	**0.05**	**-**	**-**	**0.05**
		0.05	-	-	0.05
(f)	Special Reserve	**114.29**	**9.72**	**55.05**	**68.96**
		78.57	35.72	-	114.29
(g)	Revaluation Reserve [Note (iv) below]	**110.75**	**75.42**	**0.44**	**185.73**
		25.51	238.08	152.84	110.75
(h)	Hedging Reserve Account	**(87.51)**	**87.51**	**-**	**-**
		-	(87.51)	-	(87.51)
(i)	Pension Reserve [Note (v), Page 100]	**(1457.21)**	**481.33**	**746.73**	**(1722.61)**
		-	1128.48	2585.69	(1457.21)
(j)	General Reserve [Note (vi), Page 100]	**4075.18**	**575.37**	**67.64**	**4582.91**
		4086.83	138.20	149.85	4075.18
(k)	Earned Surplus Reserve [Note (vii), Page 100]	**7.65**	**2.97**	**-**	**10.62**
		1.42	6.23	-	7.65
(l)	Reserve on Research and Human Resource Development	**99.69**	**-**	**-**	**99.69**
		99.69	-	-	99.69
(m)	Restricted Reserve	**-**	**0.39**	**-**	**0.39**
		-	-	-	-
(n)	Translation Reserve [Note (viii), Page100]	**(2189.39)**	**-**	**560.53**	**(2749.92)**
		16.13	-	2205.52	(2189.39)
		6980.25	**5373.39**	**3699.91**	**8653.73**
		6547.86	5764.76	5332.37	6980.25
(o)	Profit and Loss Account [Note (ix), Page 100]				**(1017.85)**
					(1553.66)
					7635.88
					5426.59

Notes:

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

			2009-2010		2008-2009	
			Additions	**Deductions**	Additions	Deductions
(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	**1529.11**	**-**	8.37	-
	(b)	FCCN Conversion expenses	**-**	**25.57**	-	0.01
	(c)	Premium on issue of Global Depository Shares (GDS)	**1764.28**	**-**	-	-
	(d)	Premium on Rights issue of shares	**-**	**-**	4010.98	-
	(e)	GDS and FCCN issue Expenses	**-**	**126.82**	-	-
	(f)	Rights issue expenses	**-**	**-**	-	29.67
	(g)	Brokerage, stamp duty and other fees on Non-Convertible Debentures [net of tax **Rs. Nil** (2008-09 Rs. 0.31 crore)]	**-**	**140.40**	-	0.59
	(h)	Exchange difference on Provision for premium on redemption of FCCN / CARS [net of tax **Rs. 34.82 crores** (2008-09 Rs. 56.24 crores)]	**93.52**	**-**	-	178.40
	(i)	Reversal of provision for premium on conversion / redemption of FCCN / CARS [net of tax of **Rs. Nil** (2008-09 Rs. 9.47 crores)]	**230.54**	**-**	18.40	-
	(j)	Provision for premium on redemption of Non-Convertible Debentures / CARS / FCCN and withholding tax thereon [net of tax **Rs. 26.51 crores** (2008-09 Rs.Nil)]	**-**	**1976.73**	-	-
	(k)	Others	**0.35**	**-**	0.01	-
			3617.80	**2269.52**	4037.76	208.67

(iii) The addition to Capital Reserve represents exchange gain of **Rs.22.88 crores** (2008-09 includes (net) exchange loss of Rs. 29.80 crores) on opening balances in respect of foreign subsidiaries.

			2009-2010		2008-2009	
			Additions	**Deductions**	Additions	Deductions
(iv)		**Changes in Revaluation Reserve :**				
	(a)	Depreciation on revalued portion of assets taken over on amalgamation of Telco Dadajee Dhackjee Ltd	**-**	**0.44**	-	0.44
	(b)	Revaluation of Jaguar and Land Rover assets	**75.42**	**-**	238.08	-
	(c)	Depreciation on revalued portion of Jaguar and Land Rover assets	-	-	-	152.40
			75.42	**0.44**	238.08	152.84

Tata Motors Limited

Schedules forming part of the Consolidated Balance Sheet

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

(Rs. in crores)

		2009-2010		2008-2009	
		Additions	**Deductions**	Additions	Deductions
(v)	**Change in Pension Reserve :** (Refer note k(i), Page 108)				
	(a) Actuarial Losses	-	**644.60**	-	2585.69
	(b) Movement in restriction of pension assets	**481.33**	-	959.22	-
	(c) Foreign Currency Translation	-	**102.13**	169.26	-
		481.33	**746.73**	1128.48	2585.69
(vi)	**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 Rs. Nil (2008-09 Rs. 3.53 crores)]	-	-	-	6.87
	(b) Impact on account of adoption of Notification amending AS 11 [net of tax Rs. Nil (2008-09 Rs. 15.50 crores)]	-	-	-	142.98
	(c) Amount paid (net) towards indemnity relating to business amalgamated in prior year	-	**4.72**	-	-
	(d) Impact of amount written off by associate against Securities Premium Account	-	**24.96**	-	-
	(e) Impact of amount written off by subsidiary against Securities Premium Account	-	**37.96**	-	-
	(f) Amount transferred from Special Reserve	**55.05**	-	-	-
	(g) Amount transferred from Profit and loss account	**520.32**	-	138.20	-
		575.37	**67.64**	138.20	149.85

(vii) 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 off-set against future deficit, if any, or may be transferred to capital stock of TDCV.

(viii) Translation Reserves represents conversion of balances in functional currency of foreign subsidiaries (net of minority share) and associates. (Note 2 (f) (i) (3), Page 107)

(ix) Profit and Loss Account balance is after considering the proportionate share of post acquisition loss of **Rs. 485.36 crores** (as at March 31, 2009 Rs. 349.18 crores) of the Joint Venture, Fiat India Automobiles Ltd and **Rs. 0.80 crore** (as at March 31, 2009 Rs. 1.05 crores) of the Joint Venture, Tata HAL Technologies Ltd. (Note (c) (1), Page 119).

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

(Rs. in crores)

		As at March 31, 2010	As at March 31, 2009
LOANS - Secured			
(a)	Privately placed Non - Convertible Debentures	**5417.20**	917.20
(b)	Loans from Financial Institutions / Banks	**1895.74**	1576.50
(c)	Sales Tax Deferment Loan	-	8.57
(d)	From Banks:		
	(i) Buyers line of credit (long term)	**619.97**	991.50
	(ii) Loans, Cash Credit, Overdraft Accounts and Buyers line of credit (short term)	**10468.34**	10211.73
	(iii) Other Loans*	**2833.09**	-
(e)	Loan from Others	**55.69**	-
		21290.03	13705.50
	* Includes Loan from European Investment Bank	**2300.79**	-

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

		As at March 31, 2010	As at March 31, 2009
LOANS - Unsecured			
(a)	Loans from Banks	**3007.39**	3526.80
(b)	Commercial Paper	**2925.00**	1548.55
(c)	Inter Corporate Deposit / Call Deposit	**94.00**	209.00
(d)	Bridge Loan from banks	-	10229.14
(e)	Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)	**4161.86**	4522.39
(f)	Fixed Deposits:		
	(i) From Public	**2333.05**	940.53
	(ii) From Shareholders	**840.40**	291.94
(g)	Loans from others	**540.63**	-
		13902.33	21268.35

Schedules forming part of the Consolidated Balance Sheet

(Rs in crores)

"5" [Item No. 7]

	FIXED ASSETS	Cost as at March 31, 2009	Acquisitions	Additions / Adjustments [Note (ii) (a)]	Translation Adjustment	Deductions/ Adjustments [Note (ii) (b)]	Cost as at March 31, 2010	Depreciation for the year 2009- 2010 Note (vi)]	Accumulated Depreciation on acquisitions during 2009-2010 [Note (iii)]	Translation Adjustment- Accumulated Depreciation	Accumulated Depreciation up to March 31 2010 [Note (iii) and (vi)]	Net Book Value as at March 31, 2010
(a)	**Land and Lease Hold Land**	**1577.81**	**-**	**465.26**	**(48.82)**	**107.93**	**1886.32**	**14.48**	**-**	**(9.19)**	**137.38**	**1748.94**
		438.34	1223.74	68.08	(152.20)	0.15	1577.81	22.37	115.44	(11.83)	132.44	1445.37
(b)	**Buildings**	**6625.64**	**-**	**612.88**	**(285.37)**	**458.50**	**6494.65**	**168.27**	**-**	**(154.05)**	**2750.76**	**3743.89**
		1531.77	4830.42	849.08	(582.91)	2.72	6625.64	115.10	2689.69	(326.65)	2802.31	3823.33
(c)	**Plant, Machinery and Equipment**	**42157.09**	**77.67**	**4254.50**	**(1882.96)**	**1349.26**	**43257.04**	**2794.93**	**63.19**	**(1581.46)**	**28645.74**	**14611.30**
	[Note (i)]	9510.17	30082.66	6848.84	(3866.34)	418.24	42157.09	1988.15	24769.05	(3275.13)	28159.43	13997.66
(d)	**Furniture, Fixtures and**	**964.35**	**5.28**	**69.98**	**(47.66)**	**80.66**	**911.29**	**57.23**	**4.88**	**(38.53)**	**624.23**	**287.06**
	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
(e)	**Technical Know how**	**45.34**	**-**	**1.77**	**0.07**	**3.53**	**43.65**	**11.98**	**-**	**-**	**43.65**	**-**
		45.31	-	0.02	0.01	-	45.34	0.58	-	0.01	29.30	16.04
(f)	**Vehicles and Transport**	**154.14**	**-**	**26.58**	**0.30**	**36.78**	**144.24**	**21.91**	**-**	**(0.02)**	**78.72**	**65.52**
	[Note (i)]	137.85	1.05	32.03	0.11	16.90	154.14	21.11	0.01	0.04	81.02	73.12
(g)	**Assets taken on Lease**	**174.15**	**-**	**4.68**	**1.49**	**25.20**	**155.12**	**26.34**	**-**	**0.54**	**77.77**	**77.35**
	[Note (v)]	130.92	25.37	24.19	-	6.33	174.15	24.70	3.76	-	64.73	109.42
(h)	**Assets given on Lease**	**411.50**	**-**	**-**	**1.91**	**14.45**	**398.96**	**4.86**	-	-	**381.90**	**17.06**
		411.50	-	-	-	-	411.50	4.86	-	-	393.72	17.78
(i)	**Product Development Cost**	**1552.75**	**58.93**	**5374.82**	**(346.07)**	**7.25**	**6633.18**	**592.41**	**49.72**	**(46.69)**	**857.06**	**5776.12**
		378.13	0.67	1176.11	(2.16)	-	1552.75	121.67	0.02	(2.08)	262.66	1290.09
(j)	**Trade Marks and Brand**	**2889.47**	**-**	**-**	**(182.94)**	-	**2706.53**	-	-	-	-	**2706.53**
		-	-	2889.47	-	-	2889.47	-	-	-	-	2889.47
(k)	**Developed Technologies**	**940.13**	**0.09**	**-**	**(38.71)**	**48.57**	**852.94**	**73.23**	**-**	**(11.82)**	**132.64**	**720.30**
		-	-	940.13	-	-	940.13	71.63	-	(3.98)	77.70	862.43
(l)	**Software**	**977.01**	**6.48**	**516.07**	**(109.59)**	**22.06**	**1367.91**	**121.49**	**5.73**	**(32.97)**	**683.67**	**684.24**
		252.05	695.24	172.04	(77.20)	65.12	977.01	97.68	514.28	(66.09)	617.22	359.79
	Total	**58469.38**	**148.45**	**11326.54**	**(2938.35)**	**2154.19**	**64851.83**	**3887.13**	**123.52**	**(1874.19)**	**34413.52**	**30438.31**
		12975.65	37742.73	13081.18	(4746.04)	584.14	58469.38	2506.77	28745.82	(3756.02)	33269.05	25200.33
(m)	**Capital Work In progress**											**8068.02**
	[Note (iv)]											10533.00
												38506.33
												35733.33

Notes:

(i) Includes Plant, Machinery and Equipment, Furniture, Fixtures and Office Appliances and Vehicles and Transport having Gross block of **Rs 165.40 crores, Rs 73.00 crores** and **Rs. 0.57 crore** (as at March 31, 2009 Rs. 159.20 crores, Rs 1.13 crore and Rs.0.34 crore) and net block of **Rs. 5.21 crores, Rs. 0.02 crore** and **Rs. 0.13 crore** (as at March 31, 2009 Rs 6.97 crores, Rs Nil and Rs. 0.11 crore) respectively, held for disposal.

(ii) Additions / Adjustments include :
  (a) Decapitalisation of exchange gain (net of loss on derivative contract) of **Rs 308.48 crores** (2008-09 capitalised exchange loss of Rs 459.68 crores).
  (b) Consequent to sale of controlling stake in Telco Construction Equipment Company Ltd. The assets of the said subsidiary have been deleted from the gross block of **Rs. 838.74 crores.** (Note (C)(3)(c), Page 119)

(iii) Accumulated Depreciation includes :
  (a) an adjustment of **Rs. 726.00 crores** (as at March 31, 2009 Rs.446.44 crores) on Assets transferred/sold/discarded during the year.
  (b) lease equalisation of **Rs. 4.51 crores** (as at March 31, 2009 Rs. 4.49 crores) adjusted in lease rental income.
  (c) depreciation of **Rs. 51.63 crores** (2008-09 Rs. 167.00 crores) on revalued portion of gross block transferred / credited to Revaluation Reserve.
  (d) **Rs. 1874.20 crores** (as at March 31, 2009 Rs. 3756.02 crores) being translation adjustment for foreign subsidiaries.
  (e) an adjustment of **Rs. 261.16 crores** due to sale of controlling stake in Telco Construction Equipment Company Ltd. (Note (C)(3)(c), page 119)

(iv) Capital Work in Progress includes :
  (a) Product Development Cost **Rs. 4062.16 crores** (as at March 31, 2009 Rs. 2920.26 crores).
  (b) advances for capital expenditure of **Rs. 294.31 crores** (as at March 31, 2009 Rs 403.16 crores).
  (c) exchange loss of **Rs. 58.55 crores** (as at March 31,2009 Exchange loss Rs.106.54 crores).

(v) The Plant and Equipments taken on lease are under renewable secondary lease.

(vi) Depreciation for the year and accumulated depreciation includes amortization, 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. 131.44 crores** (as at March 31, 2009 Rs.238.08 crores).

Tata Motors Limited

Schedules forming part of the Consolidated Balance Sheet

"6" [Item no. 9] **(Rs. in crores)**

INVESTMENTS (at cost)	**As at March 31, 2010**	As at March 31, 2009
(A) In Associates		
(a) Carrying amount of investments in Associates (Note 7 below) [Including **Rs. 52.98 crores** (as at March 31, 2009 Rs. 56.20 crores) of Goodwill and net of **Rs.0.43 crore** (as at March 31, 2009 Rs.0.43 crore) of Capital Reserve arising on acquisition of associates]	**584.25**	299.30
(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	**275.61**	295.78
(b) Fully paid Cumulative Compulsorily Convertible Preference Shares	**-**	239.50
(c) Bonds	**2.38**	2.23
Unquoted		
(a) Fully paid Ordinary/Equity shares	**231.26**	230.11
(b) Fully paid Cumulative Redeemable Preference Shares	**12.00**	15.00
(c) Fully Paid Non Cumulative Redeemable Preference Shares	**-**	2.00
(d) Non Convertible Debentures	**5.75**	6.33
(e) Optionally Convertible Debentures	**9.61**	10.96
(f) Bonds	**6.15**	6.15
(g) Retained interest in securitisation transactions	**5.33**	56.71
(II) Current Investments		
Quoted		
(a) Fully paid Ordinary/Equity shares	**6.47**	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	**1064.62**	76.57
	2227.45	1265.59
Less: Provision for diminution in value of Investments (Net)	**8.33**	8.19
	2219.12	1257.40

Notes:

	2010	2009
(1) Book value of quoted investments (other than in associates)	**283.55**	537.53
(2) Book value of unquoted investments (other than in associates)	**1330.32**	399.57
(3) Market value of quoted investments (other than in associates)	**360.85**	552.43
(4) Investment in Mutual funds reinvested	**8.08**	-

(5) Tata Motors Ltd 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. 44.48 crores as on March 31, 2010). 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.

(6) As per the shareholders agreement dated March 30, 2010, between Hitachi Construction Machinery Co. Ltd and the Company, Shares of Telcon Construction Equipment Company Limited owned by the Company are under restriction for sale, assign or transfer for a period of 3 years from the date of the agreement.

(7) The particulars of investments in associate companies as of March 31, 2010 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 amount of Investments
1)	Tata Cummins Ltd.	India	**50.00**	**90.00**	**-**	**119.20**	**209.20**
			50.00	90.00	-	79.80	169.80
2)	Tata AutoComp Systems Ltd.	India	**26.00**	**77.47**	**-**	**(50.72)**	**26.75**
			26.00	77.47	-	(63.35)	14.12
3)	NITA Company Ltd.	Bangladesh	**40.00**	**1.27**	**(0.43)**	**3.01**	**4.28**
			40.00	1.27	(0.43)	0.81	2.08
4)	Tata Precision Industries Pte. Ltd.	Singapore	**49.99**	**3.11**	**-**	**(3.11)**	* **-**
			49.99	3.11	-	(3.11)	* -
5)	Tata Hispano Carrocera S. A. (formerly known as Hispano Carrocera S.A.) #	Spain	**-**	**-**	**-**	**-**	**-**
			21.00	2.34	2.34	(2.34)	* -
6)	Telcon Ecoroad Resurfaces Pvt. Ltd. @	India	**-**	**-**	**-**	**-**	**-**
			24.55	7.20	1.08	(5.87)	1.33
7)	Automobile Corporation of Goa Ltd.	India	**42.37**	**99.67**	**52.78**	**7.71**	**107.38**
			42.37	99.67	52.78	11.79	111.46
8)	Jaguar Cars Finance Ltd	UK	**49.90**	**0.51**	**-**	**-**	**0.51**
			49.90	0.51	-	-	0.51
9)	Telco Construction Equipment Company Ltd. **	India	**40.00**	**80.20**	**0.20**	**155.93**	^ **236.13**
			-	-	-	-	-
	Total			**352.23**	**52.55**	**232.02**	**584.25**
				281.57	55.77	17.73	299.30

* 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'.

** Subsidiary upto March 30, 2010 thereafter Associate.

@ Associate upto March 30, 2010 (Refer Note C(3) (b), Page 119)

Associate upto October 15, 2009, thereafter subsidiary.

^ The original cost of Investments of Rs. 80.20 crores represents cost of balance 40% held and share of post acquisition reserve of Rs. 155.93 crores represents Reserves and Surplus from date of initial investment in Telco Construction Equipment Company Ltd.

Schedules forming part of the Consolidated Balance Sheet

(Rs. in crores)

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

		As at March 31, 2010	As at March 31, 2009
INVENTORIES			
(a)	Stores and spare parts (at or below cost)	**221.52**	194.29
(b)	Consumable tools (at cost)	**66.56**	71.73
(c)	Raw materials and components	**1381.67**	1834.66
(d)	Work-in-progress	**998.46**	1044.02
(e)	Stock-in-trade	**8223.90**	7572.56
(f)	Goods-in-transit (at cost)	**419.92**	233.34
		11312.03	10950.60

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

"8" [Item no. 12 (c)]

		As at March 31, 2010	As at March 31, 2009
SUNDRY DEBTORS			
(a)	Over six months : (unsecured)	**242.35**	286.52
(b)	Others : (unsecured)	**7209.46**	4694.08
		7451.81	4980.60
	Less: Provision for doubtful debts	**260.63**	185.74
		7191.18	4794.86

"9" [Item no. 12 (d)]

		As at March 31, 2010	As at March 31, 2009
CASH AND BANK BALANCES			
(a)	Cash on hand	**32.54**	35.12
(b)	Current accounts with Banks #	**6027.41**	2108.00
(c)	Short term deposits with Banks *	**897.30**	248.64
(d)	Margin Money / Cash Collateral with Scheduled Banks	**1786.07**	1729.58
		8743.32	4121.34
#	Includes :		
	Cheques on hand	**264.90**	259.29
	Remittances in transit	**398.06**	434.23
*	Includes :		
	Restricted deposits	**22.20**	5.61

Tata Motors Limited

Schedules forming part of the Consolidated Balance Sheet

"10" [Item no. 12 (e)] **(Rs. in crores)**

		As at March 31, 2010	As at March 31, 2009
LOANS AND ADVANCES			
A)	**SECURED**		
	Vehicle loans (Note 1 and 2 below)	**8466.50**	7742.66
	Less: Provision for doubtful loans (Note 3 below)	**808.14**	605.80
	Total (A)	**7658.36**	7136.86
B)	**UNSECURED - considered good**		
(a)	Claims / incentive recoverable, advances / loans to suppliers, contractors, employees and others, rent deposits and other amount due (Notes 4 to 6 below)	**2708.85**	1921.86
(b)	Loan to Joint Venture and Associates [net of provision of **Rs. 8.03 crores** (as at March 31, 2009 Rs. 8.34 crores)]	**132.50**	101.26
(c)	Deposits with government, public bodies and others (Note 7 below)	**2558.95**	2038.54
(d)	Prepaid expenses (Note 8 below)	**687.52**	643.72
(e)	Income tax refundable (net of provision) (Note 9 below)	**1534.50**	974.31
	Total (B)	**7622.32**	5679.69
	Total (A) and (B)	**15280.68**	12816.55
Notes: (1)	Loans are secured against hypothecation of vehicles		
(2)	Includes on account of overdue Securitised Receivables	**681.32**	629.16
(3)	Includes on account of Securitised Receivables	**322.00**	237.60
(4)	Net of advances considered doubtful which have been provided for	**64.68**	77.11
(5)	Includes amount due from customers in respect of contract works	**45.09**	28.45
(6)	UK and other pension Plan (net)	**2.98**	261.67
(7)	Deposits given as collateral Security	**-**	178.48
(8)	Includes fees towards arrangement / structuring and other incidental costs on borrowing	**-**	30.23
(9)	Includes MAT credit entitlement	**731.80**	220.06

"11" [Item no. 13 (a)]

		As at March 31, 2010	As at March 31, 2009
CURRENT LIABILITIES			
(a)	Acceptances	**7184.29**	4239.55
(b)	Sundry creditors	**22187.54**	18519.02
(c)	Liabilities for buyback arrangement	**915.57**	777.76
(d)	Advance and progress payments	**1776.58**	340.73
(e)	Liability towards premium on redemption of Non-Convertible Debentures	**1745.79**	-
(f)	Interest / commitment charges accrued on loans but not due	**232.72**	89.41
(g)	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due	**34.84**	13.69
		34077.33	23980.16

"12" [Item no. 13 (b)]

		As at March 31, 2010	As at March 31, 2009
PROVISIONS			
(a)	Proposed dividends	**859.05**	311.61
(b)	Provision for tax on dividends	**144.66**	35.74
(c)	Provision for Income tax	**358.06**	387.57
(d)	Provision for retirement and other employee benefit schemes [Note B(2),Page 115, 116 and 117]	**1297.15**	1079.17
(e)	Other provisions [Note B(4),Page 118]	**4984.58**	6325.93
		7643.50	8140.02

"13" [Item no. 15]

		As at March 31, 2010	As at March 31, 2009
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
(a)	Employee Separation Cost	**-**	81.78
(b)	Others	**-**	4.30
		-	86.08

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 ventures used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2010.

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) Basis of preparation:

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

(c) Use of estimates:

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.

(d) 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 (1), Page 119)

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.

(e) 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, 2010	2009
	Direct Subsidiaries			
1	Tata Daewoo Commercial Vehicle Co. Ltd.	South Korea	**100**	100
2	Telco Construction Equipment Company Ltd. *(Subsidiary upto March 30, 2010 thereafter associate)*	India	**-**	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	India	**100**	100
9	Tata Motors European Technical Centre Plc.	UK	**100**	100
10	Tata Technologies Ltd.	India	**81.36**	81.55
11	Tata Motors Finance Ltd.	India	**100**	100
12	Tata Marcopolo Motors Ltd.	India	**51**	51
13	Tata Motors (Thailand) Ltd.	Thailand	**86.78**	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
17	Tata Hispano Motors Carrocera S.A. *(Formerly known as Hispano Carrocera S.A.)* (*w.e.f October 16, 2009)**	Spain	**100**	21
	Indirect Subsidiaries **			
18	Tata Technologies (Thailand) Ltd *(Formerly known as INCAT (Thailand) Ltd)*	Thailand	**81.36**	81.55
19	Tata Technologies Pte. Ltd.	Singapore	**81.36**	81.55
20	INCAT International Plc.	UK	**81.36**	81.55
21	Tata Technologies Europe Ltd	UK	**81.36**	81.55
22	INCAT SAS.	France	**81.36**	81.55

Tata Motors Limited

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, 2010	2009
	Indirect Subsidiaries (contd.)			
23	INCAT GmbH.	Germany	**81.36**	81.55
24	INCAT Holdings B.V. *(Liquidated on April 11, 2009)*	Netherlands	-	81.55
25	INCAT K.K. *(Liquidated on July 31, 2009)*	Japan	-	81.55
26	Tata Technologies Inc. *(Formerly known as INCAT Systems Inc.)*	USA	**81.50**	81.69
27	Tata Technologies de Maxico, S.A. de C.V. *(Formerly known as Integrated Systems Technologies de Mexico, S.A. de C.V.)*	Mexico	**81.50**	81.69
28	Tata Technologies Canada Inc. *(Formerly known as INCAT Solutions of Canada Inc.)*	Canada	**81.50**	81.69
29	Miljobil Greenland AS	Norway	**71.69**	71.69
30	Miljo Innovasjan AS *(merged with Miljobil Greenland AS w.e.f October 12, 2009)*	Norway	-	71.69
31	Serviplem S.A. *(upto March 30, 2010)*	Spain	-	47.40
32	Comoplesa Lebrero S.A. *(upto March 30, 2010)*	Spain	-	36.00
33	Eurl Lebrero France *(liquidated) (upto March 30, 2010)*	France	-	36.00
34	Baryval Assistencia Technica S.L. *(upto March 30, 2010)*	Spain	-	36.00
35	Inner Mongolia North Baryval Engineering Special Vehicle Corporation Ltd *(upto March 30, 2010)*	China	-	26.64
36	JaguarLandRover Ltd	UK	**100**	100
37	Jaguar Cars Overseas Holdings Ltd	UK	**100**	100
38	Jaguar Land Rover Austria GmbH	Austria	**100**	100
39	Jaguar Belux NV	Belgium	**100**	100
40	Jaguar Cars Ltd	UK	**100**	100
41	Jaguar Land Rover Japan Ltd	Japan	**100**	100
42	Jaguar Cars South Africa (pty) Ltd	South Africa	**100**	100
43	Jaguar Italia SpA	Italy	**100**	100
44	Jaguar Cars Exports Ltd	UK	**100**	100
45	The Daimler Motor Company Ltd	UK	**100**	100
46	The Jaguar Collection Ltd	UK	**100**	100
47	Daimler Transport Vehicles Ltd	UK	**100**	100
48	S.S. Cars Ltd	UK	**100**	100
49	The Lanchester Motor Company Ltd	UK	**100**	100
50	Jaguar Hispania Sociedad	Spain	**100**	100
51	Jaguar Deutschland GmbH	Germany	**100**	100
52	Land Rover	UK	**100**	100
53	Land Rover Group Ltd	Jersey	**100**	100
54	Jaguar Land Rover North America LLC	USA	**100**	100
55	Land Rover Belux SA/NV	Belgium	**100**	100
56	Land Rover Ireland Ltd	Ireland	**100**	100
57	Jaguar Land Rover Nederland BV *(formerly known as Land Rover Nederland BV)*	Netherlands	**100**	100
58	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA	Portugal	**100**	100
59	Jaguar Land Rover Australia Pty Ltd	Australia	**100**	100
60	Land Rover Exports Ltd	UK	**100**	100
61	Land Rover Italia SpA	Italy	**100**	100
62	Land Rover Espana SL	Spain	**100**	100
63	Land Rover Deutschland GmbH	Germany	**100**	100
64	Jaguar Land Rover Asia Pacific Company Ltd *(Liquidated w.e.f October 12, 2009)*	Thailand	-	100
65	Jaguar Land Rover Mexico SA de CV	Mexico	**100**	100
66	Jaguar Land Rover Korea Co. Ltd	South Korea	**100**	100
67	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd	China	**100**	100
68	Jaguar Land Rover Canada ULC	Canada	**100**	100
69	Jaguar Land Rover France, SAS	France	**100**	100
70	Jaguar Land Rover South Africa (pty) Ltd	South Africa	**100**	100
71	Jaguar Land Rover Brazil LLC *(w.e.f. April 1, 2009)*	Brazil	**100**	-
72	Limited Liability Company "Jaguar Land Rover" (Russia) *(w.e.f. April 1, 2009)*	Russia	**100**	-
73	Land Rover Parts Ltd *(w.e.f. April 2, 2009)*	UK	**100**	-
74	Land Rover Parts US LLC *(w.e.f. June 19, 2009)*	USA	**100**	-
75	Crrosseries Hispano Maghreb, Morroco *(w.e.f October 16, 2009)*	Spain	**100**	-

* Additional 79% acquired on October 16, 2009.
** Effective holding % of the Company directly and through its subsidiaries.

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

Sr. No.	Name of the Joint Venture Company	Country of incorporation	% of holding as at March 31, 2010	2009
1	Fiat India Automobiles Limited	India	**50.00**	50.00
2	Tata HAL Technologies Ltd	India	**40.68***	40.78

* Effective holding % of the Company as it is a Joint Venture of Tata Technologies Ltd

(2) Significant Accounting Policies:

(a) Revenue Recognition

(i) **Sale of products**
The Company recognises revenue on the sale of products, net of discounts, 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 include income from services, transfer of technology relating to automotive products and exchange fluctuations relating to export receivables. Sales include export and other recurring and non-recurring incentives from the Government at the national and state levels. Sale of products is presented gross of excise duty where applicable, and net of other indirect taxes. Discount and variable marketing expenses pertaining to Jaguar and Land Rover group are netted off against sales. Revenues are recognised when collectibility of the resulting receivables is reasonably assured.

(ii) Revenue from sale of vehicles with guaranteed repurchase option / repurchase arrangement
Some of the subsidiary companies sell vehicles to daily rental car companies and other fleet customers subject to guaranteed repurchase options and to Ford Motor Group management employees, with repurchase arrangements. At the time of sale, the proceeds are recorded as deferred revenue in current liabilities and the cost of the vehicles are recorded as inventories. The difference between the proceeds and the guaranteed repurchase amount is recognised in Sales over the term of the arrangement, 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.

Basis of Consolidation and Significant Accounting Policies (contd.)

(iii) 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. Foreseeable losses on such contracts are recognized 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.

(iv) Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

(v) Interest income is recognised on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

(b) Depreciation and Amortisation

(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
Leasehold Land	amortised over the period of the lease
Factory Building	20 to 40 years
Plant and Equipment	9 to 30 years
Computers	3 to 6 years
Vehicles	3 to 10 years
Furniture and Fixtures	3 to 20 years
Technical know-how	2 to 10 years
Developed Technologies	10 years
Software	1 to 8 years

Special tools are amortised on a straight line basis over the lives of the model concerned, which is 7 to 10 years.

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.

(ii) Product development cost 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.

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

(iv) Depreciation is not recorded on capital work-in-progress until construction and installation are complete and asset is ready for its intended use. Capital work-in-progress includes capital advances.

(c) Fixed Assets

(i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation.

(ii) The product development cost incurred on new vehicle platform, engines, transmission and new products are recognised as fixed assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future benefits.

(iii) Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self constructed assets and other direct costs incurred upto the date the asset is ready for its intended use. Borrowing cost incurred for qualifying assets is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. 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.

(iv) 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) Impairment

At each balance sheet date, the Company assesses whether there is any indication that the fixed assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. As per the assessment conducted by the Company at March 31, 2010, there were no indications that the fixed assets have suffered an impairment loss.

(e) Leases

(i) Finance Lease

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.

(ii) Operating Lease

Leases other than finance lease, are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments under operating leases are recognised in Profit and Loss Account on a straight-line basis over the term of the lease.

(f) 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 and 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:

- 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.

Basis of Consolidation and Significant Accounting Policies (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.

(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 and Loss Account.

(g) Product Warranty Expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto five years.

(h) 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 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.

(i) Sale of Vehicle Loans

The Company and its subsidiary sells 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 subsidiary. 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 the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a moving weighted average / monthly moving weighted average basis, except for Jaguar and Land Rover which is on FIFO basis. Cost, including variable and fixed overheads, are allocated to work-in-progress and stock-in-trade determined on full absorption cost basis. Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

(k) Employee Benefits

(i) **Pension Plans**

One of the major subsidiary group, Jaguar Land Rover, operates several defined benefit pension plan, which are contracted out of the second state pension scheme. The assets of the plan are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service period as set out in rules of each fund.

Contributions to the plans by the subsidiary group take into consideration the results of actuarial valuations. The plans with a surplus position at the year end have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the subsidiary group is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognised.

The actuarial losses (net) of Rs.1722.61 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.

A separate defined contribution plan is available to employees of a major subsidiary group, Jaguar Land Rover. Costs in respect of this plan are charged to the statement of operations as incurred.

(ii) **Gratuity**

The Company and some of its subsidiaries in India 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.

Basis of Consolidation and Significant Accounting Policies (contd.)

(iii) **Superannuation**

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

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

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

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

(iv) **Bhavishya Kalyan Yojana (BKY)**

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan include pension in certain case, payable upto the date of normal superannuation had the employee been in service, 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.

(v) **Severance indeminty**

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.

(vi) **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.

(vii) **Provident fund and family pension**

The eligible employees of the Company and some of its subsidiaries are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the company/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 some of 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.

(viii) **Compensated absences**

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

(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 are stated at lower of cost and fair value. Fair value of investments in mutual funds are determined on a portfolio basis.

(m) Income Tax Expenses

Income tax expenses comprises current and deferred taxes. Current taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions. Current tax is net of credit for entitlement for Minimum Alternative tax. Current tax includes Fringe benefit tax, applicable upto year ended March 31, 2009.

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. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

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

Issue expenses and premium payable on redemption of FCCN / CARS / NCD as per the terms of issue, is provided fully in the year of issue by adjusting against the Securities Premium Account (SPA). Any change in the premium payable, consequent to conversion or exchange fluctuations is adjusted to the 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.

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

(Rs. in crores)
"14"[Item no. 18]

(A) Notes to Balance Sheet

1. **Foreign Currency Monetary Item Translation Difference Account (Item 4 and Item 11, Page 94)**

	As at March 31, 2010	As at March 31, 2009
Opening Balance (net loss)	**636.48**	-
(a) Exchange (gain) / loss on Foreign Currency Loan given	**14.72**	(3.71)
(b) Exchange (gain) / loss on FCCN / CARS / Bridge Loan	**(840.00)**	640.19
(c) Adjustments for sale of Controlling stake in a subsidiary	**(2.35)**	-
Closing Balance (net gain)	**(191.15)**	636.48

	As at March 31, 2010	As at March 31, 2009
2. (a) Claims not acknowledged as debts	**1036.35**	842.54
(b) Provision not made for income tax matters in dispute	**425.10**	443.13
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	**39.54**	28.30
4. Estimated amount of contracts remaining to be executed on capital account and not provided for	**2720.87**	4545.46
5. Other money for which the Company is contingently liable:		
(a) In respect of bills discounted and export sales on deferred credit	**462.10**	293.84
(b) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation	**2970.56**	2398.78
(c) Cash Margin / Collateral	**1779.91**	1702.01
(d) In respect of retained interest in securitisation transactions	**1.32**	56.71
(e) In respect of subordinated receivables	**139.30**	242.56
(f) Inter corporate deposits placed as collateral security	**20.00**	198.49
(g) Others	**55.19**	14.18

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 the property at Hyderabad.

7. (a) Major components of deferred tax arising on account of timing differences are:

	As at March 31, 2010	As at March 31, 2009
Liabilities:		
Depreciation	**(1108.13)**	(1211.35)
Product development cost and Reserves for Research and Development Expenses	**(1332.47)**	(1051.73)
Others	**(20.69)**	(22.23)
	(2461.29)	(2285.31)
Assets:		
Unabsorbed depreciation/ business loss	**315.56**	752.50
Employees separation schemes	**-**	0.01
Employee benefits / Expenses allowable on payment basis	**315.65**	259.39
Provision for doubtful debts	**327.58**	236.13
Premium on redemption of CARS (net of exchange fluctuation on premium)	**251.11**	259.42
Others	**97.76**	97.65
	1307.66	1605.10
Net Deferred Tax Liability	**(1153.63)**	(680.21)

	As at March 31, 2010	As at March 31, 2009
(b) Classified on a company wise basis :		
(a) Deferred Tax Asset	**425.97**	269.44
(b) Deferred Tax Liability	**(1579.60)**	(949.65)
Net Deferred Tax Liability	**(1153.63)**	(680.21)

	2009-2010	2008-2009
(c) **Deferred Tax (charge) / credit for the year**		
Opening net Deferred Tax Liability	**680.21**	974.45
Debited / (Credited) to Securities Premium Account	**8.31**	(47.10)
Debited / (Credited) to General Reserve	**-**	(19.03)
Debited / (Credited) to Hedging Reserve Account	**45.06**	(45.06)
Deferred tax on acquisition	**-**	(79.40)
Translation differences on opening balances in respect of foreign subsidiaries	**4.98**	14.67
Sale of controlling stake in a subsidiary	**(18.88)**	-
Others	**-**	3.79
	719.68	802.32
Less:- Closing net Deferred Tax Liability	**(1153.63)**	(680.21)
Deferred Tax (charge) / credit for the year	**(433.95)**	122.11

As at March 31, 2010, a potential deferred tax asset of **GBP 763.30 million (Rs. 5195.53 crores)** exists in a subsidiary group, in relation to the capital allowance pool **GBP 134.50 million (Rs. 915.50 crores)** and carried forward tax losses **GBP 628.80 million (Rs. 4280.03 crores)**. This has not been recognised due to the economic uncertainty of trading profits in the UK companies.

	2009-2010	2008-2009
(d) **Tax expense**		
i) Current Tax (net of credit for Minimum Alternate Tax)	**571.80**	436.13
ii) Fringe Benefit Tax	**-**	21.73
iii) Deferred Tax	**433.95**	(122.11)
	1005.75	335.75

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

(Rs. in crores)

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

(A) Notes to Balance Sheet (contd.)

8. **Disclosure of Goodwill (On Consolidation)**

		As at March 31, 2010	As at March 31, 2009
Opening Balance		**3718.65**	566.16
Add:	Goodwill on acquisitions	**187.90**	3745.54
Less:	Sale of controlling stake in a subsidiary	**(212.90)**	-
Less:	Impairment	**(40.00)**	-
Less:	impact of Foreign Currency Translation	**(230.78)**	(593.05)
Closing Balance		**3422.87**	3718.65

	As at March 31, 2010	As at March 31, 2009
9. (A) **Disclosure in respect of finance leases:**		
Assets taken on lease:		
(a) (i) Total of minimum lease payments	**35.26**	53.05
The total of minimum lease payments for a period :		
Not later than one year	**20.72**	23.08
Later than one year and not later than five years	**13.64**	29.97
Later than five years	**0.90**	-
(ii) Present value of minimum lease payments	**32.61**	48.41
Present value of minimum lease payments for a period :		
Not later than one year	**19.24**	20.34
Later than one year and not later than five years	**12.57**	28.07
Later than five years	**0.80**	-
(b) A general description of the significant leasing arrangements - The Company has entered into Finance lease arrangements for computers and data processing equipments from a vendor		
(B) **Disclosure in respect of operating leases:**		
(i) **Assets given on lease:**		
(a) Total of minimum lease payments	-	52.93
The total of minimum lease payments for a period :		
Not later than one year	-	5.95
Later than one year and not later than five years	-	14.15
Later than five years	-	32.83
Gross block	-	65.18
Accumulated depreciation	-	6.87
Depreciation for the year **Rs. Nil** (2008-09 Rs. 3.01 crores)	-	3.01
(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	**196.14**	208.98
The total of minimum lease payments for a period :		
Not later than one year	**67.82**	66.30
Later than one year and not later than five years	**128.32**	142.68
Later than five years	-	-
(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		

Tata Motors Limited

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

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

(A) Notes to Balance Sheet (contd.)

10. **Related party disclosures for the year ended March 31, 2010**

(A) Related Party and their relationship

Associates
Tata AutoComp Systems Ltd
Tata Cummins Ltd
Tata Precision Industries Pte. Ltd
Tata Sons Ltd (*Investing Party*)
Nita Company Ltd
Tata Hispano Motors Carrocera S.A. *(Formerly known as Hispano Carrocera S.A.)*
(up to October 15, 2009 thereafter subsidiary)
Telco Construction Equipment Company Ltd
(Subsidiary upto March 30, 2010 thereafter associate)
Telcon Ecoroad Resurfaces Pvt. Ltd
(up to March 30, 2010)
Automobile Corporation of Goa Ltd
Jaguar Cars Finance Ltd

Joint Ventures
Fiat India Automobiles Ltd
Tata HAL Technologies Ltd

Key Management Personnel
Mr. Ravi Kant *(upto June 01, 2009)*
Mr. P M Telang

(Rs. in crores)

(B) Transactions with the related parties

	Joint Venture	Associates	Key Management Personnel	2009-2010 Total
Purchase of goods	**1595.31**	**2463.58**	-	**4058.89**
	374.67	1884.66	-	2259.33
Sale of goods (inclusive of sales tax)	**142.98**	**271.64**	-	**414.62**
	33.68	112.52	-	146.20
Purchase of fixed assets	-	**-**	-	**-**
	-	1.06	-	1.06
Sale of Investments	-	**693.39**	-	**693.39**
	-	484.69	-	484.69
Services received	**0.08**	**62.66**	**8.90**	**71.64**
	0.10	68.07	9.38	77.55
Services rendered	**2.59**	**9.59**	-	**12.18**
	13.99	11.10	-	25.09
Finance given (including loans and equity)	**197.50**	**42.08**	-	**239.58**
	292.92	28.93	-	321.85
Finance taken (including loans and equity)	**132.50**	**67.00**	-	**199.50**
	50.83	3007.25	-	3058.08
Interest / Dividend paid/(received) (net)	**(19.95)**	**86.05**	-	**66.10**
	(16.98)	75.31	-	58.33
Amount Receivable	**0.22**	**49.20**	-	**49.42**
	41.59	24.22	-	65.81
Amount Payable	**106.56**	**113.19**	-	**219.75**
	77.98	126.54	-	204.52
Amount Receivable (in respect of loans, interest & Dividend)	**140.53**	**33.79**	**0.10**	**174.42**
	133.95	144.48	0.11	278.54
Amount Payable (in respect of loans)	-	**13.01**	-	**13.01**
	-	-	-	-

(C) Disclosure in respect of material transactions with related parties

			2009-2010	2008-2009
i)	Purchase of Goods	Tata Cummins Ltd	**1809.42**	1213.81
		Fiat India Automobiles Ltd.	**1595.31**	374.67
		Automobile Corporation of Goa Ltd	**190.37**	293.92
		Tata AutoComp Systems Ltd.	**446.19**	367.44
ii)	Sale of Goods	Tata Cummins Ltd	**156.02**	76.06
		Fiat India Automobiles Ltd.	**142.80**	33.42
		Nita Company Ltd	**110.46**	32.33
iii)	Purchase of Fixed Assets	Tata AutoComp Systems Ltd.	**-**	1.06
iv)	Sale of Investments	Tata Sons Ltd	**693.39**	484.69
v)	Services received	Tata Sons Ltd	**62.66**	62.02
vi)	Services rendered	Tata Cummins Ltd	**4.65**	3.63
		Tata Hispano Motors Carrocera S.A.	**3.61**	4.78
		Tata AutoComp Systems Ltd.	**1.27**	2.35
vii)	Finance given including Loan and Equity	Fiat India Automobiles Ltd.	**197.50**	291.47
		Telcon Ecoroad Resurfaces Private Ltd	**-**	2.76
		Tata Hispano Motors Carrocera S.A.	**38.81**	-
viii)	Finance taken including Loan and Equity	Fiat India Automobiles Ltd.	**132.50**	50.83
		Tata Sons Limited	**-**	2979.40
		Automobile Corporation of Goa Ltd	**67.00**	-
ix)	Interest/Dividend paid/(received)			
	Dividend paid	Tata Sons Limited	**108.50**	126.73
	Dividend received	Tata Cummins Ltd	**(6.75)**	(27.00)
	Dividend received	Tata Sons Limited	**(9.36)**	(9.24)
	Interest received	Tata Hispano Motors Carrocera S.A.	**(2.80)**	(6.09)
	Interest received	Tata AutoComp Systems Ltd.	**(2.72)**	(4.52)

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

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

(A) Notes to Balance Sheet (contd.)

11. Consolidated Segment Information for the year ended March 31, 2010 **(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	**40320.59**	**49344.21**	**(88.43)**	**89576.37**	**2942.88**	**-**	**92519.25**
		28567.88	39270.70	-	67838.58	3042.37	-	70880.95
	Inter segment sales and other income	**38.70**	-	-	**38.70**	**495.08**	**(533.78)**	**-**
		38.49	-	-	38.49	423.22	(461.71)	-
	Total Revenue	**40359.29**	**49344.21**	**(88.43)**	**89615.07**	**3437.96**	**(533.78)**	**92519.25**
		28606.37	39270.70	**-**	67877.07	3465.59	(461.71)	70880.95
b)	**Segment results before other income, interest, tax and exceptional items**	**3758.12**	**53.84**	**(9.77)**	**3802.19**	**288.99**	**(101.38)**	**3989.80**
		958.40	(1777.35)	-	(818.95)	217.54	(56.61)	(658.02)
c)	(i) Dividend and other income							**1793.12**
								798.96
	(ii) Interest and discounting charges							**(2239.71)**
								(1930.90)
	(iii) Exceptional items							
	(a) Exchange (loss) / gain (net) on revaluation of foreign currency borrowings, deposits and loans given							**84.47**
								(339.29)
	(b) Others - debt prepayment cost							**(105.04)**
								-
d)	**Profit /(Loss) before tax**							**3522.64**
								(2129.25)
	Tax expense							**(1005.75)**
								(335.75)
e)	**Profit / (Loss) after tax**							**2516.89**
								(2465.00)
f)	**Segment assets**	**39725.90**	**39649.23**	**(11.90)**	**79363.23**	**1146.43**	**(356.31)**	**80153.35**
		33614.34	32626.96	-	66241.30	3087.15	(243.81)	69084.64
g)	**Segment liabilities**	**16795.99**	**20245.43**	**(2.13)**	**37039.29**	**381.87**	**(68.60)**	**37352.56**
		11594.86	17511.62	-	29106.48	1164.10	(82.99)	30187.59
h)	**Other information**							
	(i) Depreciation	**1324.94**	**2515.86**	-	**3840.80**	**46.33**	**-**	**3887.13**
		1044.01	1419.15	-	2463.16	43.61	-	2506.77
	(ii) Capital expenditure	**3477.94**	**5440.37**	**-**	**8918.31**	**70.25**	**(127.01)**	**8861.55**
		6254.94	10603.68	-	16858.62	449.44	(11.80)	17296.26
i)	**Segment assets exclude:**							
	(i) Deferred Tax Assets							**425.97**
								269.44
	(ii) Investments							**2219.12**
								1257.40
	(iii) Foreign Currency Monetary Item Translation Difference Account							**-**
								636.48
	(iv) Short Term deposits with Banks							**897.30**
								248.64
	(v) Margin Money / Cash Collateral with Scheduled Banks							**1786.07**
								1729.58
	(vi) Loans to Employees							**85.19**
								98.16
	(vii) Income tax refundable							**1534.50**
								974.31
	(viii) Miscellaneous expenditure (to the extent not written off or adjusted)							**-**
								86.08
	(ix) Interest accrued on Investments							**2.43**
								2.62
								6950.58
								5302.71

* Tata vehicles include Tata Daewoo and fiat traded vehicles.

Tata Motors Limited

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

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

(A) Notes to Balance Sheet (contd.)

11. **Consolidated Segment Information for the year ended March 31, 2010** (contd.) **(Rs. in crores)**
Primary segment (contd.)

j) **Segment liabilities exclude:**

(i)	Minority interest	**213.51** 403.03
(ii)	Loans secured	**21290.03** 13705.50
(iii)	Loans unsecured	**13902.33** 21268.35
(iv)	Foreign Currency Monetary Item Translation Difference Account	**191.15** -
(v)	Deferred tax liability	**1579.60** 949.65
(vi)	Liability towards premium on redemption of Non-Convertible Debentures	**1745.79** -
(vii)	Provision for premium on redemption of Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)	**993.15** 1094.57
(viii)	Proposed dividend and tax thereon	**1003.71** 347.35
(ix)	Provision for Income Tax	**358.06** 387.57
(x)	Interest / commitment charges accrued on loans but not due	**232.72** 89.41
(xi)	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due	**34.84** 13.69
		41544.89 38259.12

(B) Secondary segment	**United States**	**UK**	**Rest of Europe**	**India**	**Rest of World**	**Total**
Revenue from external customers	**10106.57** 7509.34	**11569.61** 15257.05	**13146.08** 13355.42	**37760.63** 26101.91	**19936.36** 8657.23	**92519.25** 70880.95
Carrying amount of segment assets	**2660.65** 1742.14	**33929.22** 27025.15	**1871.22** 2235.19	**36528.42** 33661.32	**5163.84** 4420.84	**80153.35** 69084.64
Capital expenditure	**32.99** 1.46	**5382.48** 10603.68	**64.76** 24.13	**3215.01** 6584.10	**166.31** 82.89	**8861.55** 17296.26

Note:

(1) The Company has disclosed business segment as primary segment. Automotive segment consists of business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company, 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. 16]

(B) Notes to the Profit and Loss Account:

	2009-2010	2008-2009
(1) **Interest and Discounting Charges**		
(a) Interest	**2126.34**	1982.82
Less : (i) Transferred to Capital Account	**332.32**	292.31
(ii) Interest received on bank and other accounts	**225.61**	239.70
	557.93	532.01
	1568.41	1450.81
(b) Discounting Charges (net)	**671.30**	480.09
	2239.71	1930.90

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.16] **(Rs. in crores)**

(2) (a) Defined benefit plans / Long term compensated absences

	Particulars	Gratuity, Superannuation and BKY / PSY				Compensated Absences				Post-retirement Medicare scheme			
	As at / for the year ended on March 31,	**2010**	2009	2008	2007	**2010**	2009	2008	2007	**2010**	2009	2008	2007
i	**Components of employer expense**												
	Current Service cost	**31.60**	31.60	26.75	20.06	**18.66**	18.31	15.22	12.83	**3.27**	2.79	2.93	2.69
	Interest cost	**44.96**	43.98	40.55	32.14	**12.16**	12.53	11.22	7.17	**7.05**	5.80	5.03	3.22
	Expected return on plan assets	**(42.18)**	(38.49)	(36.09)	(29.66)	-	-	-	-	-	-	-	-
	Past Service Cost	**0.57**	3.07	-	-	-	-	-	(0.25)	-	-	-	-
	Actuarial Losses/(Gains)	**50.89**	(5.58)	52.77	68.40	**29.16**	(8.89)	18.34	36.77	**(0.14)**	10.57	5.74	16.89
	Total expense recognised in the Statement of Profit & Loss Account in Schedule B, Page 98 under item :	**85.84**	34.58	83.98	90.94	**59.98**	21.95	44.78	56.52	**10.18**	19.16	13.70	22.80
		4 (b)								4 (a)			
ii	**Actual Contribution and Benefit Payments**												
	Actual benefit payments	**63.95**	67.01	68.43	69.02	**23.60**	29.55	28.77	20.47	**4.38**	4.51	4.65	3.34
	Actual Contributions	**86.78**	37.10	104.37	109.51	**23.60**	29.55	28.77	20.47	**4.38**	4.51	4.65	3.34
iii	**Net asset/(liability) recognised in balance sheet**												
	Present value of Defined Benefit Obligation	**607.16**	574.18	558.32	513.74	**191.19**	154.81	162.41	146.40	**87.17**	85.18	70.53	61.48
	Fair value of plan assets	**548.41**	515.83	497.46	433.21	**-**	-	**-**	**-**	-	-	-	-
	Net asset/(liability) recognised in balance sheet	**(58.75)**	(58.35)	(60.86)	(80.53)	**(191.19)**	(154.81)	(162.41)	(146.40)	**(87.17)**	(85.18)	(70.53)	(61.48)
iv	**Change in Defined Benefit Obligations (DBO)**												
	Present Value of DBO at beginning of year	**574.18**	558.32	513.74	451.08	**154.81**	162.41	146.40	110.35	**85.18**	70.53	61.48	42.02
	Liability on Acquisitions	-	-	0.73	-	**-**	-	-	-	-	-	-	-
	Current Service cost	**31.60**	31.60	26.75	20.06	**18.66**	18.31	15.22	12.83	**3.27**	2.79	2.93	2.69
	Interest cost	**44.96**	43.98	40.55	32.14	**12.16**	12.53	11.22	7.17	**7.05**	5.80	5.03	3.22
	Plan amendments	**0.65**	3.07	-	-	**-**	-	-	(0.72)	**-**	-	-	-
	Actuarial (gains)/ losses	**46.15**	4.22	44.98	79.48	**29.16**	(8.89)	18.34	37.24	**(0.14)**	10.57	5.74	16.89
	Benefits paid	**(63.95)**	(67.01)	(68.43)	(69.02)	**(23.60)**	(29.55)	(28.77)	(20.47)	**(4.38)**	(4.51)	(4.65)	(3.34)
	Sale of stake in Subsidiary	**(26.43)**	-	-	-	**-**	-	-	-	**(3.81)**	-	-	-
	Present Value of DBO at the end of year	**607.16**	574.18	558.32	513.74	**191.19**	154.81	162.41	146.40	**87.17**	85.18	70.53	61.48
v	**Change in Fair Value of Assets**												
	Plan assets at beginning of year	**515.83**	497.46	433.21	351.98	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Actual return on plan assets	**37.43**	48.28	28.31	40.74	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Actual Company contributions	**86.78**	37.10	104.37	109.51	**23.60**	29.55	28.77	20.47	**4.38**	4.51	4.65	3.34
	Benefits paid	**(63.95)**	(67.01)	(68.43)	(69.02)	**(23.60)**	(29.55)	(28.77)	(20.47)	**(4.38)**	(4.51)	(4.65)	(3.34)
	Sale of stake in Subsidiary	**(27.68)**	-	-	-	**-**	-	-	-	**-**	-	-	-
	Plan assets at the end of year	**548.41**	515.83	497.46	433.21	**-**	**-**	-	-	**-**	**-**	-	-
vi	**Actuarial Assumptions**												
	Discount Rate (%)	**6.75-8.50**	6.75-8.50	7.75-8.50	8.00-8.50	**8.50**	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	8.00	**N/A**	N/A	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	N/A	N/A	**4.00**	4.00	4.00	4.00
vii	**The major categories of plan assets as percentage to total plan assets**												
	Debt securities	76%	78%	69%	64%	**N/A**	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A
	Balances with banks	24%	22%	31%	36%	**N/A**	N/A	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**			
		2010	2009	2008	2007					**2010**	2009	2008	2007
	Revised DBO	**100.15**	93.69	72.10	67.78					**82.98**	77.74	64.68	56.00
	Revised service cost	**3.78**	3.21	3.12	2.97					**2.80**	2.50	2.35	2.47
	Revised interest cost	**7.78**	5.96	5.54	3.55					**6.42**	5.30	4.54	2.93

(a) Defined Contribution Plans-
The Company's contribution to defined contribution plan aggregated **Rs.215.90 crores** (2008-09 Rs. 176.86 crores) for the year ended March 31, 2010 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) The Company expects to contribute **Rs. 77.28 crores** to the funded pension plans in the year 2010-2011.

Tata Motors Limited

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.16] (contd.)

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

(Rs. in crores)

	Particulars				
	As at / for the year ended on March 31,	**2010**	2009	2008	2007
i	**Components of employer expense**				
	Current Service cost	**17.54**	14.75	18.90	15.88
	Interest cost	**8.85**	7.64	6.87	6.25
	Actuarial losses	**19.75**	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)	**46.14**	42.35	33.46	45.64
ii	**Actual Contribution and Benefit Payments**				
	Actual benefit payments	**16.26**	10.16	7.87	9.43
	Actual Contributions	**16.26**	10.16	7.87	9.43
iii	**Net liability recognised in Balance Sheet**				
	Present value of Defined Benefit Obligation	**217.23**	174.83	156.50	149.63
	Fair value of plan assets	**-**	-	-	-
	Net liability recognised in Balance Sheet	**(217.23)**	(174.83)	(156.50)	(149.63)
iv	**Change in Defined Benefit Obligations**				
	Present Value of DBO at the beginning of the year	**174.83**	156.50	149.63	113.73
	Current Service cost	**17.54**	14.75	18.90	15.88
	Interest cost	**8.85**	7.64	6.87	6.25
	Actuarial losses	**19.75**	19.96	7.22	23.51
	Benefits paid	**(16.26)**	(10.16)	(7.87)	(9.43)
	Exchange fluctuation	**12.52**	(13.86)	(18.25)	(0.31)
	Present Value of DBO at the end of the year	**217.23**	174.83	156.50	149.63
v	**Change in Fair Value of Assets**				
	Plan assets at the beginning of the year	**N/A**	N/A	N/A	N/A
	Acquisition Adjustment	**N/A**	N/A	N/A	N/A
	Actual return on plan assets	**N/A**	N/A	N/A	N/A
	Actual Company Contributions	**16.26**	10.16	7.87	9.43
	Benefits paid	**(16.26)**	(10.16)	(7.87)	(9.43)
	Plan assets at the end of the year	-	-	-	-
vi	**Actuarial Assumptions**				
	Discount Rate	**4.84%**	5.00%	5.38%	5.00%
	Expected return on plan assets	**N/A**	N/A	N/A	N/A
	Medical cost inflation	**N/A**	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

(B) Notes to the Profit and Loss account: (contd.) **"14" [Item no.16]**

(2) (c) Details of Defined benefit plans applicable to Jaguar and Land Rover group.

(Rs. in crores)

	Particulars	**Post-retirement Pension scheme**		**Post-retirement Medicare scheme**	
	As at / for the year ended on March 31,	**2010**	2009	**2010**	2009
i	**Components of employer expense**				
	Current Service cost	**480.03**	483.90	**0.53**	0.47
	Interest cost	**1555.04**	1263.37	**0.61**	0.47
	Expected return on plan assets	**(1314.87)**	(1713.44)	-	-
	Amortisation of past service cost	**13.63**	-	-	-
	Curtailment	**(5.45)**	-	-	-
	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 4 (b):	**728.38**	35.46	**1.14**	0.94
ii	**Actual Contribution and Benefit Payments**				
	Actual benefit payments	**826.05**	563.68	-	-
	Actual Contributions	**398.06**	552.64	-	-
iii	**Amount recognised in Pension Reserve**				
	Actuarial loss	**642.93**	2585.69	**1.67**	-
	Movement in restriction of pension assets	**(481.33)**	(959.22)	-	-
	Exchange Fluctuation	**102.13**	(169.26)	-	-
	Amount recognised in Pension Reserve	**263.73**	1457.21	**1.67**	-
iv	**Net liability recognised in balance sheet**				
	Present value of Defined Benefit Obligation	**26340.24**	22119.55	**10.76**	8.65
	Fair value of plan assets	**25908.86**	22591.74	-	-
	Restriction of pension asset	**(19.60)**	(290.37)	-	-
	Unrecognised actuarial gains and losses	-	(3.42)	-	-
	Onerous Obligation	**(226.66)**	(436.01)	-	-
	Net asset recognised in balance sheet	**3.06**	261.67	-	-
	Net (Liability) recognised in balance sheet	**(680.70)**	(519.28)	**(10.76)**	(8.65)
v	**Change in Defined Benefit Obligations (DBO)**				
	Present Value of DBO at beginning of year	**22119.55**	-	**8.65**	-
	Liability on Acquisition	**-**	26595.11	-	7.59
	Current Service cost	**480.03**	483.89	**0.53**	0.47
	Interest cost	**1555.04**	1263.37	**0.61**	0.47
	Amendments	**12.25**	-	-	-
	Actual Member Contributions	**147.81**	237.87	-	-
	Actuarial losses	**4902.21**	(2462.41)	**1.67**	(1.02)
	Benefits paid	**(826.05)**	(563.69)	-	-
	Expenses paid	**(0.15)**	(0.07)	-	-
	Plan combinations	**2.72**	57.41	-	-
	Plan curtailment	**(5.45)**	-	-	-
	Plan settlement	**(0.68)**	-	-	-
	Exchange rates	**(2047.05)**	(3491.93)	**(0.70)**	1.14
	Present Value of DBO at the end of year	**26340.23**	22119.55	**10.76**	8.65
vi	**Change in Fair Value of Assets**				
	Plan assets at beginning of year	**22591.74**	-	**N/A**	N/A
	Plan assets on Acquisition		29341.88	**N/A**	N/A
	Actual return on plan assets	**5574.15**	(3520.28)	**N/A**	N/A
	Actual Company contributions	**398.06**	552.64	**N/A**	N/A
	Actual Member Contributions	**147.81**	237.87	**N/A**	N/A
	Benefits paid	**(826.04)**	(563.68)	**N/A**	N/A
	Expenses paid	**(0.15)**	(0.07)	**N/A**	N/A
	Plan combinations	**-**	54.50	**N/A**	N/A
	Plan settlement	**(0.68)**	-	**N/A**	N/A
	Exchange rates	**(1976.01)**	(3511.12)	**N/A**	N/A
	Plan assets at the end of year	**25908.88**	22591.74	**N/A**	N/A
vii	**Actuarial Assumptions**				
	Discount Rate (%)	**5.50- 5.60**	6.70-7.16	**6.22**	7.77
	Inflation (%)	**2.00-3.50**	2.52-3.30	**N/A**	N/A
	Expected Return on plan assets (%)	**6.50**	5.80-6.40	**N/A**	N/A
	Medical cost inflation (%)	**N/A**	N/A	**7.80**	4.90-8.10
viii	**The major categories of plan assets as percentage to total plan assets**				
	Equity securities	**39%-53%**	27%-36%	**N/A**	N/A
	Debt securities	**39%-56%**	36%-62%	**N/A**	N/A
	Other	**1%-23%**	3%-29%	**N/A**	N/A

(a) Defined Contribution Plans-
Jaguar and Land Rover group's contribution to defined contribution plan aggregated **Rs. 1.70 crores** for the year ended March 31, 2010 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) The Company expects to contribute **Rs. 803.87crores** to the funded pension plans in the year 2010-2011.

Tata Motors Limited

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

"14"[Item no. 16] **(Rs. in crores)**

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

(3) Earnings Per Share:

			2009-2010	2008-2009
(a)	Profit / (Loss) for the year	Rs. crores	**2571.06**	(2505.25)
(b)	The weighted average number of Ordinary Shares for Basic EPS	Nos.	**46,37,36,463**	41,30,53,469
(c)	The weighted average number of 'A' Ordinary Shares for Basic EPS	Nos.	**6,41,76,028**	2,74,28,499
(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	**2255.69**	(2349.25)
(f)	Share of Profit / (Loss) for 'A' Ordinary Shares for Basic EPS*	Rs. crores	**315.37**	(156.00)
(g)	Earnings Per Ordinary Share (Basic)	Rupees	**48.64**	(56.88)
(h)	Earnings Per 'A' Ordinary Share (Basic)	Rupees	**49.14**	(56.88)
(i)	Profit / (Loss) for the year for Basic EPS	Rs. crores	**2571.06**	(2505.25)
(j)	Add: Interest payable on outstanding Foreign Currency Convertible Notes	Rs. crores	**41.93**	#
(k)	Profit for the year for Diluted EPS	Rs. crores	**2612.99**	#
(l)	The weighted average number of Ordinary Shares for Basic EPS	Nos.	**46,37,36,463**	#
(m)	Add: Adjustment for Options relating to warrants, Foreign Currency Convertible Notes and Convertible Alternative Reference Securities	Nos.	**5,64,32,819**	#
(n)	The weighted average number of Ordinary Share for Diluted EPS	Nos.	**52,01,69,282**	#
(o)	The weighted average number of 'A' Ordinary Share for Basic EPS	Nos.	**6,41,76,028**	#
(p)	Add: Adjustment for 'A' Ordinary Shares held in abeyance	Nos.	**1,00,136**	#
(q)	The weighted average number of 'A' Ordinary Share for Diluted EPS	Nos.	**6,42,76,164**	#
(r)	Share of Profit for Ordinary Shares for Diluted EPS	Rs. crores	**2322.76**	#
(s)	Share of Profit for 'A' Ordinary Shares for Diluted EPS*	Rs. crores	**290.23**	#
(t)	Earnings Per Ordinary Share (Diluted)	Rupees	**44.65**	(56.88)
(u)	Earnings Per 'A' Ordinary Share (Diluted)	Rupees	**45.15**	(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:

		2009-2010	2008-2009
(a)	**Product warranty and Liability**		
	Opening Balance	**4384.91**	264.97
	Add: On acquisition of subsidiaries	**0.95**	4495.30
	Add: Provision for the year (net) (including additional provision for earlier years)	**2524.70**	2266.11
	Less: Payments / debits (net of recoveries from suppliers)	**(2991.61)**	(2220.48)
	Less: Sale of controlling stake in a subsidiary	**(23.52)**	-
	Foreign currency translation	**(152.06)**	(420.99)
	Closing Balance	**3743.37**	4384.91
	The provision is expected to be utilized for settlement of warranty claims within a period of 2 to 4 years.		
(b)	**Provision for Residual Risk:**		
	Opening Balance	**693.25**	-
	Add: On acquisition of subsidiaries	**-**	621.20
	Add: (Reversal) / Provision for the year (net)	**(439.20)**	587.71
	Less: Payments / debits	**(115.39)**	(425.04)
	Foreign currency translation	**(31.75)**	(90.62)
	Closing Balance	**106.91**	693.25
	In certain markets, the Company is responsible for the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically up to three years.		
(c)	**Provision towards Environmental Cost :**		
	Opening Balance	**151.54**	-
	Add: On acquisition of subsidiaries	**-**	165.39
	Add: (Reversal) / Provision for the year (net)	**(13.79)**	15.04
	Less: Payments / debits	**(1.59)**	(8.09)
	Foreign currency translation	**(8.05)**	(20.80)
	Closing Balance	**128.11**	151.54
	This provision relates to various environmental remediation costs such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known.		
(d)	**Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS):**		
	Opening Balance	**1094.57**	887.84
	Foreign currency exchange (gain) / loss	**(133.38)**	234.64
	Premium on Redemption of FCCN (including withholding tax)	**257.46**	(0.04)
	Reversal of provision for premium due to conversion of FCCN	**(225.50)**	-
	Reversal of provision for premium due to buyback of FCCN / CARS	**-**	(27.87)
	Closing Balance	**993.15**	1094.57

(5) The additional disclosure as required by AS 7 (Revised) on Construction Contracts are as follows:
- (a) Advance received is **Rs. 12.01 crores** (as at March 31, 2009 Rs. 16.08 crores)
- (b) Retention money is **Rs. 15.45 crores** (as at March 31, 2009 Rs. 11.00 crores)
- (c) Contract revenue recognised during the year is **Rs 81.03 crores** (2008-09 Rs. 116.31 crores)
- (d) Aggregate amount of costs incurred and recognised profits (less recognised losses) **Rs 242.67 crores** (as at March 31, 2009 Rs. 183.57 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, 2010, as per the details given below:

(Rs. in crores)

Name of the Associate	**Share in Post acquisition Reserves and Profit and Loss account upto March 31, 2010**	**Profit / (Loss) for the year ended March 31, 2010**
Tata Cummins Ltd.	119.20	46.15
Tata Precision Industries Pte. Ltd. (Note 1 below)	(3.11)	-
	116.09	**46.15**

Note: (1) The share of loss restricted to the carrying amount of investment.

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

(C) Other notes:

(1) The proportionate share of assets and liabilities as at March 31, 2010 and income and expenditure for the year ended March 31, 2010 of the joint venture companies based on financial statements are given below:

(Rs. in crores)

	As at March 31, 2010 Unaudited	As at March 31, 2009 Audited
RESERVES AND SURPLUS		
Reserves and Surplus	**(486.17)**	(350.23)
ASSETS		
Net Block (including CWIP)	**1769.90**	1644.61
Investments (Rs. 50)	**-**	-
Current Assets	**984.69**	756.67
	2754.59	2401.28
LIABILITIES		
Loan Funds	**1337.90**	755.18
Current Liabilities	**1028.62**	1278.37
Provisions	**9.76**	2.53
	2376.29	2036.08
Claims not acknowledged as debts	**3.14**	-
Capital Commitments	**50.01**	156.93

	2009-2010 Unaudited	2008-2009 Audited
INCOME		
Sale of products and services	**1615.07**	401.53
Less : Excise duty	**(192.92)**	(53.57)
Other Operating Income	**146.37**	42.75
	1568.52	390.71
EXPENDITURE		
Manufacturing and other expenses	**1439.00**	599.03
Expenditure transferred to capital and other accounts	**-**	(28.97)
Product Development Cost	**0.48**	0.33
Depreciation	**140.80**	59.49
Interest	**124.18**	65.56
Tax expenses	**-**	1.54
	1704.46	696.98

(2) On June 2, 2008, the Company acquired from Ford Motor Company, Jaguar Land Rover business. The financial results for the year ended March 31, 2009, include the results of the operations of Jaguar Land Rover business for the period June 02, 2008 to March 31, 2009. The financial results for the year ended March 31, 2010, are not comparable to this extent, with the previous year.

(3) During the year ended March 31, 2010,

(a) the Company has acquired 79% shares in Tata Hispano Motors Carrocera S.A. (Formerly known as Hispano Carrocera S.A.) by way of exercise of the existing call option, through mutual agreement with the other share-holder, Investalia S.A., Spain, for a consideration of Euro 2 million (Rs. 13.71 crores). Consequently, Tata Hispano Motors Carrocera S.A. has become a 100% subsidiary of the Company.

(b) the Company has sold 20% stake in Telco Construction Equipment Company Ltd (Telcon) to Hitachi Construction Machinery Co. Ltd. Consequently, w.e.f. March 30, 2010, Telcon is accounted for as an associate in the consolidated financial statements

(4) For the year ended March 31, 2010, Exceptional Items - others mainly consist of (a) employee separation cost of Rs. 191.12 crores of Jaguar and Land Rover and (b) unamortised debt issue cost of Rs. 105.04 crores written off on prepayment of bridge loan for acquisition of Jaguar Land Rover business.

(5) The following subsidiaires have been considered on Unaudited basis. Details for the same are as under:

	Tata Motors Thailand Ltd	**TML Holdings Pte. Ltd**
As at March 31, 2010		
Net Worth	(34.08)	(658.69)*
For the year ended March 31, 2010		
Total Revenue	163.14	-
Net Increase/ (Decrease) in Cash & Cash Equivalent	(72.41)	(11.02)

* Net of consolidation adjustments.

(6) On March 23, 2010, the Company had offered to Non-U.S. Noteholders of outstanding 0% JPY 11,760 million (due 2011) and 1% USD 300 million (due 2011) Convertible Notes, an option to convert their Notes into Ordinary Shares during a limited offer period. During this period, as per the terms of Invitation Memorandum, Noteholders could opt to receive shares at enhanced conversion terms. Noteholders, who did not participate, would continue with all the terms of their notes as applicable prior to this limited period offer. Noteholders representing 93.62% of the JPY Notes (i.e. JPY10,710 million) and 76.54% of USD Notes (i.e. USD 229.63 million), outstanding prior to the offering, opted to convert their Notes into Ordinary Shares. As a result, the company has allotted 2,66,43,266 equity shares to the Noteholders, who exercised the option.

(7) Previous year figures have been re-grouped where necessary.

(8) Current year figures are shown in bold prints.

Awards and Recognitions for the year 2009-10

Tata Nano received the Car of the Year Award and the Compact Car of the Year Award at the 'CNBC TV18 Overdrive 2010 Awards'.

Tata Nano has been adjudged the Economic Times ZigWheels Car of the Year for its revolutionary rethinking of design and its relevance to India.

Tata Nano won the Gold Prize in the 2010 Edison Awards under the Best New Product - Transportation category. Recognised as America's innovation award, the Edison Awards symbolise the persistence and excellence personified by Thomas Alva Edison. They are judged on marketplace innovation, marketplace success, technological innovation, market structure innovation, societal impact and design innovation.

The jury at the world's biggest advertising awards festival at Cannes conferred the Bronze Lion for Best Use of Mixed Media (print, TV, radio and internet) to the Tata Nano's advertising in the days ahead of the launch.

Tata Nano has won the Frost & Sullivan 2009 Innovation Award for its outstanding innovation and exceptional contribution to the auto industry as an engineering marvel.

Tata Nano has won the 2010 Indian Car of the Year (ICOTY), an award instituted jointly by 6 auto publications -Auto Bild India, Auto India, BS Motoring, Car India, Overdrive and Top Gear India.

Business Standard has rated Tata Motors as India's Most Innovative Company in 2008, for the Tata Nano.

CNBC-TV18 has conferred the Chairman, Mr. Ratan N. Tata, with the India Business Leader Award for building the renown of Brand India abroad.

UK-based news magazine, The Economist, named the Chairman, Mr. Ratan N. Tata, as the winner of the eighth edition of its annual 'Business Process Innovation Award' for the successful development and launch of the world's cheapest car, the Tata Nano.

Indigo Manza received the Best Value for Money Car of the Year in the Bloomberg UTV Autocar Awards.

Indigo Manza was adjudged the Entry-Level Sedan of the Year 2009 in the ET-ZigWheels awards 2009.

Tata Motors has been declared as the Commercial Vehicle Maker of the Year in the 'CV' Commercial Vehicles Awards 2010, instituted by 'CV' magazine.

Tata Daewoo Commercial Vehicle is selected as the Model Company for 2009 Jeonbuk Enterprise Day Award.

Tata Prima truck range, introduced by Tata Daewoo in South Korea, has been conferred with the Grand Prize of 2009 Good Design Selection of Korea.

Jaguar Land Rover achieves silver in business in the Community's 7th Corporate Responsibility Index.

Jaguar Land Rover was awarded Vehicle Manufacturer of the Year at the 13th Annual Industry Awards, hosted by Bodyshop Magazine in Birmingham.

Land Rover Discovery 4, the new generation of the celebrated model, has been crowned "Best 4x4" at the prestigious *What Car?* Awards 2010.

Tata Motors won the Gold Award at the Reader's Digest Asia Trusted Brand Awards for the 4th consecutive year.

Tata Motors received the prestigious NDTV Profit Business Leadership Award for the year 2009.

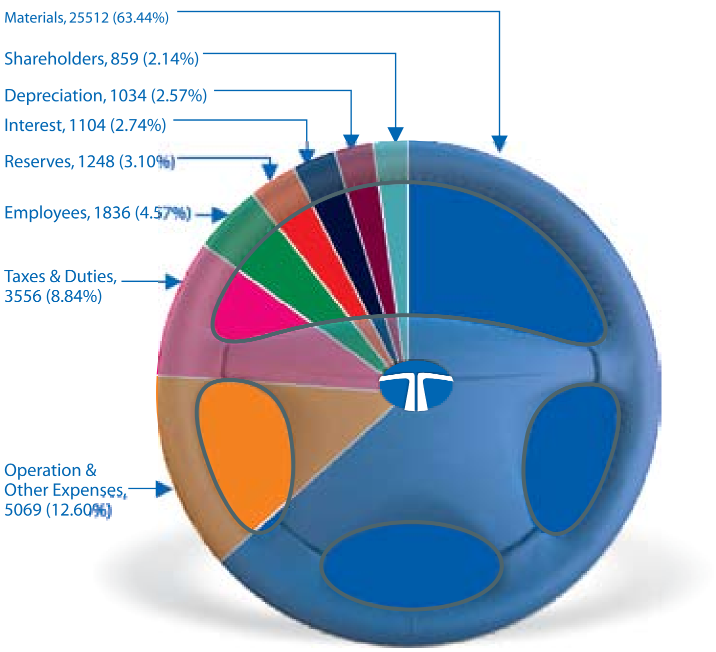
Tata Motors has emerged as India's most respected company in the annual Nielsen Corporate Image Monitor Survey.

Tata Motors is among the country's most admired companies for their corporate social responsibility (CSR) initiatives, according to a survey conducted by global consultancy firm, Nielsen.

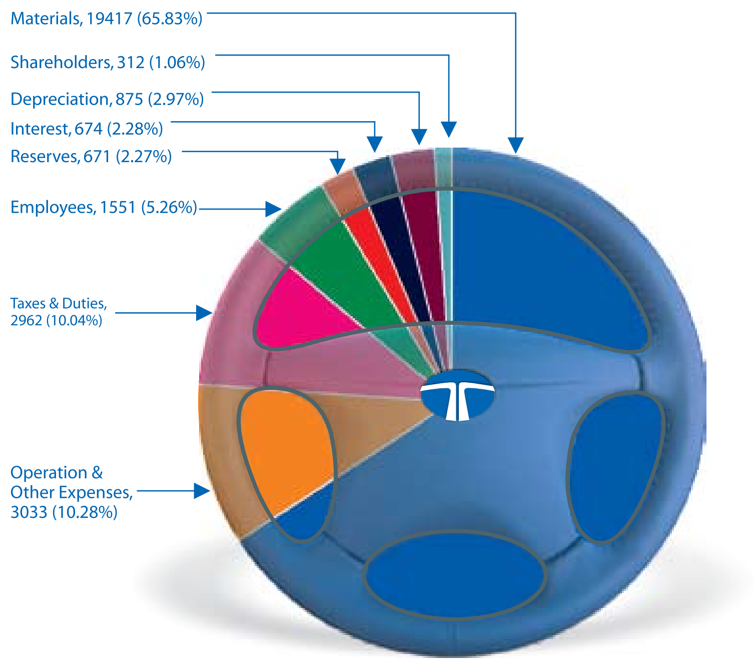
Distribution of Revenue

(Rupees in crores)

2009-10



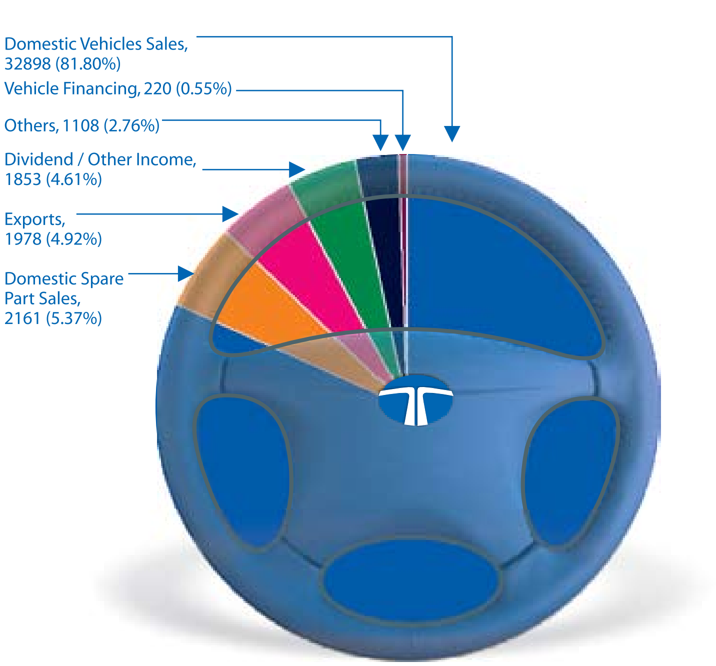
2008-09



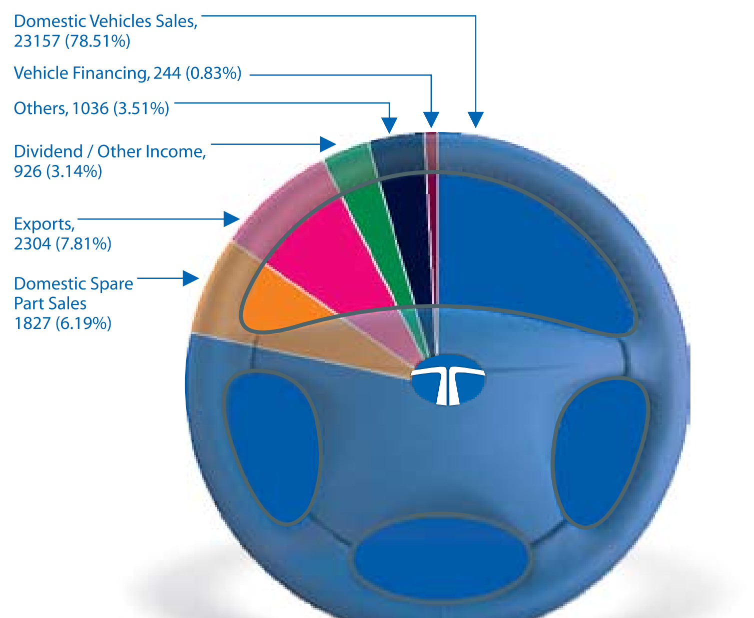
Sources of Revenue

(Rupees in crores)

2009-10



2008-09



Corporate Social Responsibility at Tata Motors

Tata Motors continues to deliver its corporate social responsibility (CSR) through initiatives in the four thrust areas of Employability, Education, Health and Environment.

The impact of initiatives under these thrust areas for the year 2009-10 are summarised below:

Employability

Number of students benefited from technical & vocational training	2494
Number of women benefited from training through SHGs	1637
Number of women SHGs formed/sustained	166

Education

Number of students benefited from facility & infrastructure upgradation of schools	17113
Scholarships distributed	278
Number of students benefited from extra curricular activities	8435
Number of teachers trained	110

Health

Number of beneficiaries from curative health services	85,871
Number of beneficiaries from preventive health services	13694
Number of low-cost toilets built	1571
Number of villagers provided with safe drinking water	5400

Environment

Number of plantations	263517
Number of families benefiting from improved irrigational facilities	1809
Number of community members sensitized on environmental issues	488000

Tata Motors' commitment towards inclusive growth has led to the implementation of several CSR activities in its small car manufacturing plant at Sanand, Gujarat.

Mobile Health Clinic at Chharodi village, Gujarat

- 134 camps held & 3450 patients treated through Mobile Health Clinics
- 90 camps for awareness building on health and sanitation covering 2201 women and 282 men
- More than 250 toilets at individual household level constructed

ITI students being trained

- 60 youth trained in wireman plumbing, scaffolding & bar-bending & 39 girls trained in computers
- 32 villagers started own business post training
- Company is in the process of signing a Memorandum of Understanding with the government for partnering with ITI in Sarkhej and Sanand to raise the quality of training for Mechanic Motor Vehicle (MMV) Trade course. The company would then carry the revamped module to other ITI in Sanand Taluka to improve their MMV trade

Desks and benches made from scrap wood for primary school of Chharal village, Gujarat

- 3000 small desks & 730 benches & desks made from packing wood distributed in 20 schools
- CSR team at Sanand, Gujarat, in partnership with the State Education Board, developed a comprehensive teacher's training programme for soft skills training of primary school teachers
- So far 140 primary school teachers from the CSR project area in Gujarat have been trained and this training is to be upscaled at the state level

- 200 smokeless chullahs installed in 2 villages
- 5000 saplings planted
- 70 farmers through 4 groups in 4 villages trained in farm development

Employability and Skill Building

Tata Motors' CSR thrust is on enhancing employability through skill building. The company achieved a milestone last year, with the inauguration of the Punjab State Institute of Automotive and Driving Skills (SIADS), at Mahuana in the Muktsar district of Punjab. The driving institute was inaugurated by the Chief Minister of Punjab, Mr. Parkash Singh Badal. Mr. P. M. Telang, Managing Director (India Operations), Tata Motors, other senior officials from Tata Motors and the company's subsidiary, TELCON, were present at the inauguration.

The objective of the institute is to provide training to the youth of Punjab and, in turn, enhance their employability. The institute has already started training drivers for heavy and light commercial vehicles, buses, passenger cars, off-the-road (OTR) vehicles, earth moving equipment, and also technical training related to trades such as auto mechanics, welding, painting, electrical, electronics and air-conditioning since the last four months.

Tata Motors intends to set up similar driving training institutes in other states in association with the respective state governments. The company will partner with more Industrial Training Institutes (ITI), in addition to the current 10 ITI.

National Drinking Water Project – Amrutdhara

Sumant Moolgaokar Development Foundation (SMDF) has been formed by the contributions from employees of Tata Motors, with matching funds from the company. SMDF, after successfully completing the integrated rural development of Diwad village in Pune, will now be supporting the implementation of the National Drinking Water Project, *Amrutdhara*. This project will aim at ensuring safe drinking water in 100 villages around the 6 manufacturing units of the company, over the next three years. This project will benefit over a million citizens. The most impact will be on the children and the elderly, who are more susceptible to water borne diseases.

Cleft Lip Repair

The Chairman, Mr. Ratan N. Tata, presenting a Tata Nano to a Smile Train partner hospital

Smile Train, the world's largest cleft charity, received six Tata Nano cars at the hands of Mr. Ratan N. Tata, Chairman, Tata Sons, for the hospitals it supports in India on March 30, 2010.

The Nanos will be used by the recipient hospitals to raise awareness for the devastating problem of clefts and the simple procedure, which can correct it, which Smile Train provides for free to any child in need. Already recognisable on the roads because of their innovative design and style, the new Smile Train Nanos display dramatic before and after pictures of children who have been helped, providing a simple message that clefts are easily correctable. The company plans to support the cause through further support.

Tata Motors car plant,Pune

Tata Motors commercial vehicles plant, Pune

Tata Motor Group's world-wide manufacturing base

In India, till 2004-05, Tata Motors had three plants at Jamshedpur, Pune and Lucknow with aggregate manufacturing capacity of 514,500 vehicles, established over a period of 60 years.

Over the last five years, the Company has expanded capacities at all the three plants and has also established three new plants at Pantnagar, Dharwad and Sanand. As a result, Tata Motors' manufacturing capacity has more than doubled to about 12,75,000 vehicles. The Company also shares capacity at the Ranjangaon plant, set up under the joint venture with Fiat.

Outside India, the Tata Motors Group now has seven plants with a capacity of 399,000 vehicles – Tata Daewoo Commercial Vehicle Company Ltd. and Tata Motors Thailand Ltd. have one each in South Korea and Thailand, Tata Hispano Motors Carrocera S. A. has two in Spain and Morocco, and Jaguar Land Rover has three in the UK.

With an appropriate manufacturing base, the Tata Motors Group is well-poised to meet a diverse range of customer needs in India and across the world, both in goods transportation and for people movement.

Tata Motors (Thailand) plant, Bangkok

Tata Motors plant, Sanand

Tata Motors plant, Lucknow

Tata Hispano Motors Carrocera S.A. plant, Zaragoza

Tata Motors plant, Pantnagar

Land Rover plant , Solihull

Tata Marcopolo Motors plant, Dharwad

Tata Motors plant, Jamshedpur

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