

TATA MOTORS LTD/FI
Form 20-F
July 31, 2012
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As filed with the Securities and Exchange Commission on July 31, 2012

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

FORM 20-F

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

OR

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal year ended March 31, 2012

OR

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

For the transition period from to

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

Date of event requiring this shell company report

Commission file number: 001-32294

TATA MOTORS LIMITED

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English)

Bombay House

24, Homi Mody Street

Mumbai 400 001, India

(Address of principal executive offices)

Republic of India

(Jurisdiction of incorporation or organization)

H.K. Sethna

Tel.: +91 22 6665 7219

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Address:

Bombay House

24, Homi Mody Street

Mumbai 400 001, India

(Name, telephone, facsimile number and address of company contact person)

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

Title of each class	Name of each exchange on which registered
Ordinary Shares, par value Rs. 2 per share *	The New York Stock Exchange, Inc

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

None

(Title of Class)

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

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report. 2,691,613,455 Ordinary Shares and 481,933,115 A Ordinary Shares, including 435,357,250 Ordinary Shares represented by 87,071,450 American Depositary Shares (ADS) outstanding as of March 31, 2012. (Each ADS now represents five ordinary shares).

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer

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

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

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

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

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In this annual report

References to we , our and us are to Tata Motors Limited and its consolidated subsidiaries, except as the context otherwise requires;

References to dollar , US dollar and US\$ are to the lawful currency of the United States of America; references to rupees and Rs. are to the lawful currency of India; references to JPY are to the lawful currency of Japan; references to GBP are to the lawful currency of the United Kingdom; references to Euro are to the lawful currency of States of European union; references to Russian Ruble are to the lawful currency of Russia; and references to RMB and Chinese Renminbi are to the lawful currency of China;

References to US GAAP are to accounting principles generally accepted in the United States; references to Indian GAAP are to accounting principles generally accepted in India; and references to IFRS are to International Financial Reporting Standards and its interpretations as issued by International Accounting Standards Board;

References to an ADS are to an American Depository Share, each of which represents five of our Ordinary Shares of Rs. 2/- each, and references to an ADR are to an American Depository Receipt evidencing one or more ADSs;

References to light commercial vehicles, or LCVs, refer to vehicles that have gross vehicle weight, or GVW, of up to 7.5 metric tons while references to medium and heavy commercial vehicles, or M&HCVs refer to vehicles that have gross vehicle weight, or GVW, of over 7.5 metric tons;

References to passenger cars are to vehicles that have a seating capacity of up to five persons, including the driver that are further classified into the following market segments: Micro length of up to 3,200 mm; Mini length of between 3,200 mm and 3,600 mm; Compact length of between 3,600 mm and 4,000 mm; Super Compact length of between 4,000 mm and 4,250 mm; Mid-size length of between 4,250 mm and 4,500mm; Executive length of between 4,500mm and 4,700 mm; Premium length of between 4,700 mm and 5,000mm; Luxury length of above 5,000 mm; Coupe Roadster- 2 Doors; 2/4 Seater, retractable/firm roof; and Exotics price greater than Rs. 10 million;

References to utility vehicles, or UVs, and multi-purpose vehicles, or MPVs and Vans, are to vehicles that have a seating capacity of five to ten persons, including the driver;

References to premium cars and SUVs are to a defined list of premium competitor cars and SUVs for our Jaguar Land Rover business;

Unless otherwise stated, comparative and empirical Indian industry data in this annual report have been derived from published reports of the Society of Indian Automobile Manufacturers, or SIAM; while international industry data have been derived from published reports of IHS Global Insight;

References to a particular Fiscal year, such as Fiscal 2012 , are to our Fiscal year ended on March 31 of that year;

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Figures in tables may not add up to totals due to rounding;

Millimeters or mm are equal to 1/1000 of a meter. A meter is equal to approximately 39.37 inches and a millimeter is equal to approximately 0.039 inch;

Kilograms or kg are each equal to approximately 2.2 pounds, and metric tonnes are equal to 1,000 kilograms or approximately 2,200 pounds;

Liters are equivalent to 61.02 cubic inches of volume, or approximately 1.057 U.S. quarts of liquid measure; and

Revenues refers to Total Revenue net of excise duty unless stated otherwise.

Special Note Regarding Forward-looking Statements

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

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

general political, social and economic conditions, and the competitive environment in India, United States, United Kingdom and Rest of Europe and other markets in which we operate and sell our products;

fluctuations in the currency exchange rate against the functional currency of the respective consolidated entities;

accidents and natural disasters;

terms on which we finance our working capital and capital and product development expenditures and investment requirements;

implementation of new projects, including mergers and acquisitions, planned by management;

contractual arrangements with suppliers;

government policies including those specifically regarding the automotive industry, including industrial licensing, environmental regulations, safety regulations, import restrictions and duties, excise duties, sales taxes, value added taxes, product range restrictions, diesel and gasoline prices and road network enhancement projects;

significant movements in the prices of key inputs such as steel, aluminum, rubber and plastics; and

other factors beyond our control.

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Not applicable.

Item 2. Offer Statistics and Expected Timetable.

Not applicable.

Item 3. Key Information.**A. Selected Financial Data.**

The following table sets forth selected financial data including selected historical financial information as of and for each of the Fiscal years ended March 31, 2012, 2011, 2010, 2009 and 2008 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, or IFRS.

The selected IFRS consolidated financial data as of March 31, 2012, 2011 and 2010 and for each of the Fiscal years ended March 31, 2012, 2011, and 2010 are derived from our audited IFRS consolidated financial statements included in this annual report. The selected IFRS consolidated financial data as of March 31, 2009 and 2008 and for each of the Fiscal years ended March 31, 2009 and 2008 are derived from our audited IFRS consolidated financial statements not included in this annual report.

We changed our basis of accounting to IFRS during the year ended March 31, 2009 and, in connection therewith, our consolidated financial statements for the year ended March 31, 2008 were restated to conform to IFRS. Prior to adoption of IFRS, we prepared financial statements in accordance with accounting principles generally accepted in the United States of America for purposes of our SEC reporting.

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

Selected Financial Data Prepared in Accordance with IFRS

	2012	2012	For each of the years ended March 31,		2009	2008
(In US\$ millions,			2011	2010		
except share						
and per share						
amounts)			(in Rs. millions, except share and per share amounts)			
Revenues	32,245.9	1,640,512.5	1,209,902.6	904,465.9	702,636.0	352,688.2
Finance revenues	478.4	24,340.4	22,231.5	21,796.9	20,170.3	17,566.6
Total revenues	32,724.3	1,664,852.9	1,232,134.1	926,262.8	722,806.3	370,254.8
Change in inventories of finished goods and work-in-progress	(506.5)	(25,770.1)	(18,874.7)	(9,343.9)	15,793.3	(202.2)
Purchase of products for sale	2,443.2	124,295.9	121,000.6	96,839.1	71,260.2	24,056.8
Raw materials and consumables	19,694.4	1,001,950.8	694,097.9	531,209.4	401,679.9	223,388.8
Employee cost	2,400.6	122,130.2	92,249.6	87,944.9	75,199.7	28,763.6

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Depreciation and amortization	1,070.0	54,435.1	43,445.7	36,636.6	28,039.8	8,275.5
Other expenses	6,081.2	309,380.5	232,341.7	180,807.7	175,613.6	57,920.9
Expenditure capitalized	(1,624.8)	(82,659.8)	(57,433.1)	(46,046.7)	(45,310.9)	(9,799.6)
Gain on sale of controlling equity interest in subsidiary				(27,565.5)	(1,404.7)	(148.0)
Other (income) / loss (net)	(184.9)	(9,407.1)	8,218.0	418.6	(14,294.8)	(7,530.0)
Excess of fair value of net assets acquired over cost of acquisition					(6,569.6)	
Foreign exchange (gain)/loss (net)	219.2	11,154.2	(3,090.0)	(16,045.3)	48,142.8	(1,902.4)
Interest income	(106.7)	(5,426.8)	(3,669.5)	(2,570.1)	(3,097.2)	(1,653.1)
Interest expense (net)	752.6	38,290.4	36,853.5	40,396.0	34,222.3	16,463.5
Impairment in equity accounted investees	97.9	4,981.0				
Share of (profit)/loss of equity accounted investees	6.9	351.1	458.4	1,229.3	3,464.0	(52.1)
Net income /(loss) before tax	2,381.2	121,147.5	86,536.0	52,352.7	(59,932.1)	32,673.1
Income tax expense	(92.5)	(4,707.1)	(12,787.3)	(14,771.6)	(841.8)	(9,470.1)
Net income /(loss) after tax	2,288.7	116,440.4	73,748.7	37,581.1	(60,773.9)	23,203.0
Net income/(loss) attributable to equity holders	2,273.3	115,659.1	73,401.8	38,028.7	(60,142.3)	21,976.6
Net income/(loss) attributable to non-controlling interest	15.4	781.3	346.9	(447.6)	(631.6)	1,226.4
Dividends per share	US\$ 0.4	Rs. 20.0	Rs. 15.0	Rs. 6.0	Rs. 15.0	Rs. 15.0
Dividends per share A Ordinary Shares	US\$ 0.4	Rs. 20.5	Rs. 15.5	Rs. 6.5	Rs.	Rs.
Weighted average equity shares outstanding:						
Basic	2,691,542,867	2,691,542,867	2,588,800,690	2,318,682,314	2,065,267,345	1,927,193,315
Diluted	2,797,890,724	2,797,890,724	2,590,872,227	2,319,432,171	2,065,267,345	2,110,764,115
Weighted average A equity shares outstanding:						
Basic	481,900,898	481,900,898	396,669,199	320,880,139	137,142,495	
Diluted	482,206,416	482,206,416	397,166,848	321,380,820	137,142,495	
Earnings per share:						
Basic	US\$ 0.7	Rs. 36.4	Rs. 24.6	Rs. 14.4	Rs. (27.3)	Rs. 11.4
Diluted	US\$ 0.7	Rs. 36.0	Rs. 24.5	Rs. 14.4	Rs. (27.3)	Rs. 10.1
Earnings per share of A Ordinary Shares:						
Basic	US\$ 0.7	Rs. 36.5	Rs. 24.7	Rs. 14.5	Rs. (27.3)	
Diluted	US\$ 0.7	Rs. 36.1	Rs. 24.6	Rs. 14.5	Rs. (27.3)	

The face value of shares was sub-divided with effect from September 14, 2011. Post sub-division, Ordinary shares and A Ordinary shares have each been subdivided from having face value of Rs.10 each into five shares having face value of Rs.2 each.

Dividend per share and Dividend per A Ordinary share, as given above are before the subdivision of Ordinary shares and A Ordinary shares.

Weighted average equity shares and A equity shares outstanding and earnings per share of previous years have been adjusted retrospectively, to make them comparable, pursuant to sub-division of shares.

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	2012 (in US\$ millions, except number of shares)	2012	As of March 31, 2011	2010	2009	2008
			(in Rs. millions, except number of shares)			
Balance Sheet Data						
Total Assets	28,092.5	1,429,212.6	1,031,526.9	908,410.2	782,629.4	474,135.7
Long term debt, net of current portion	5,644.2	287,148.1	201,471.3	198,897.4	116,185.9	108,028.1
Total shareholders equity	6,512.9	331,343.6	211,259.3	102,222.8	38,725.8	124,316.5
Number of Equity shares outstanding						
-Ordinary Shares	2,691,613,455	2,691,613,455	53,82,72,284	506,381,170	449,832,659	385,503,954
- A Ordinary Shares	481,933,115	481,933,115	9,63,41,706	64,176,374	64,175,655	
During Fiscal 2012, Ordinary shares and A Ordinary shares have each been subdivided from having face value of Rs.10 each into five shares having face value of Rs.2 each. Consequently, the number of shares as at March 31, 2011, 2010, 2009 and 2008 are not comparable to the number of shares as at March 31, 2012.						

Exchange Rate Information

For convenience, some of the financial amounts presented in this annual report have been translated from rupee amounts into dollar amounts at the rate of Rs.50.875 = US \$1.00, based on the fixing rate in the City of Mumbai on March 30, 2012 as published by the Foreign Exchange Dealers Association of India or FEDAI, the date of our most recent balance sheet included in this annual report. However, such translations do not imply that the rupee amounts have been, could have been or could be converted into US dollars at that or any other rate.

The following table sets forth, for the Fiscal years ended March 31, 2012, 2011, 2010, 2009 and 2008 information with respect to the exchange rate between the rupee and the dollar (in rupees per US dollar) as published by Bloomberg L.P.

Fiscal year ended March 31,	Period			
	Period End	Average	High	Low
2012	50.88	47.95	53.72	44.08
2011	44.59	44.98	45.25	44.59
2010	44.92	47.42	50.64	44.92
2009	50.73	45.82	51.97	39.77
2008	40.12	40.26	43.15	39.27

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The following table sets forth information with respect to the exchange rate between the rupee and the dollar (in rupees per US dollar) for the previous six months as published by Bloomberg L.P.

Month	Period End	Period Average	High	Low
January 2012	49.46	51.26	53.31	49.32
February 2012	49.02	49.19	49.51	48.70
March 2012	50.88	50.35	51.40	49.22
April 2012	52.74	51.86	52.74	50.72
May 2012	56.11	54.48	56.23	52.92
June 2012	55.64	56.02	57.16	54.95

Source: Bloomberg L.P

As of July 27, 2012, the value of the rupee against the US dollar was Rs.55.3413 per US\$1.00, as published by Bloomberg L.P.

B. Capitalization and Indebtedness.

Not applicable.

C. Reasons for the Offer and Use of Proceeds.

Not applicable.

D. Risk Factors.

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

Risk associated with Our Business and the Automotive Industry.***Deterioration in global economic conditions could have a significant adverse impact on our sales and results of operations.***

The impact of the global financial crisis and European sovereign debt crisis continues to be a cause of concern despite concerted efforts to contain the adverse effect of these events on global recovery.

In addition to India, we have automotive operations in the UK, South Africa, South Korea, Spain and Thailand, and have established a presence in Indonesia. The Indian automotive industry is affected substantially by the general economic conditions in India and around the world. The demand for automobiles in the Indian market is influenced by factors including the growth rate of the Indian economy, easy availability of credit, and increase in disposable income among Indian consumers, interest rates, freight rates and fuel prices. During the global financial crisis, the Reserve Bank of India (RBI) had eased its monetary policy stance to stimulate economic activity. Subsequently, as the Indian economy started recovering from the downturn, inflation pressures increased substantially followed by several interest rate hikes by RBI in 2011. With inflation moderating in 2012, RBI reduced the repo rate and reverse repo rate by 50 basis points in April 2012, however, muted industrial growth along with higher inflation and higher interest rates still continue to pose downside risks to overall growth. The automotive industry in general is cyclical and economic slowdowns in the past have affected the manufacturing sector including the automotive and related industries. Deterioration in key economic factors such as growth rate, interest rates and inflation as well as reduced availability of financing for vehicles at competitive rates may adversely affect our automotive sales in India and results of operations.

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Our Jaguar Land Rover operations have significant presence in the UK, North America, Continental Europe and China, as well as sales operations in many major countries across the globe. The global economic downturn significantly impacted the global automotive markets, particularly in the United States and Europe, including the UK, where our Jaguar Land Rover operations have significant sales exposure. Our strategy with respect to our Jaguar Land Rover operations, which includes new product launches and expansion into growing markets such as China, Russia and Brazil, may not be sufficient to mitigate the decrease in demand for our products in established markets and this could have a significant adverse impact on our financial performance. In response to the recent economic slowdown, we further intensified efforts to review and realign our cost structure such as reducing manpower costs and other fixed costs. Further, our Jaguar Land Rover business is exploring opportunities to reduce cost base through increased sourcing of materials from low cost countries, reduction in number of suppliers, reduction in number of platforms, reduction in engineering change costs, increased use of off-shoring and several other initiatives. While markets in the United States in 2012 have begun to show signs of recovery and stability, UK and Europe continue to struggle. If industry demand softens because of the impact of the debt crisis, or lower or negative economic growth in key markets, including China or other factors, our results of operations and financial condition could be substantially and adversely affected.

Restrictive covenants in our financing agreements may limit our operations and financial flexibility and adversely impact our future results and financial condition.

Some of our financing agreements and debt arrangements set limits on and/or require us to obtain lender consents before, among other things, pledging assets as security. In addition, certain financial covenants may limit our ability to borrow additional funds or to incur additional liens. In the past, we have been able to obtain required lender consents for such activities. However, there can be no assurance that we will be able to obtain such consents in the future. If our financial or growth plans require such consents and such consents are not obtained, we may be forced to forego or alter our plans, which could adversely affect our results of operations and financial condition.

In the event that we breach these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such other financing agreements becoming due and payable immediately. Defaults under one or more of our financing agreements could have a material adverse effect on our results of operations and financial condition.

Because of the acquisition of Jaguar Land Rover, our historical financial statements may not be comparable.

On June 2, 2008, we completed the acquisition of Jaguar Land Rover from the Ford Motor Company, or Ford. Therefore, our financial statements for the Fiscal years ended March 31, 2009, 2010, 2011 and 2012 include the results of Jaguar Land Rover for the period commencing from June 2, 2008 to March 31, 2009, for the Fiscal year ended March 31, 2010, for the Fiscal year ended March 31, 2011 and for the Fiscal year ended March 31, 2012, respectively. Our historical consolidated financial statements for the Fiscal years ended on and before March 31, 2008 do not include the results of Jaguar Land Rover, and neither pro forma nor historical consolidated financial statements showing our combined results of operations and financial condition, including Jaguar Land Rover, have been prepared or are being provided in this annual report.

This may make it difficult to compare our past performance and financial condition or to estimate our consolidated performance in the future. Moreover, the global disruption of the automotive industry during the financial crisis in 2009, including in Jaguar Land Rover's markets, makes past performance of the business not necessarily indicative of future demand, trends or results.

Exchange rate and interest rate fluctuations could adversely affect our results of operations.

Our operations are subject to risk arising from fluctuations in exchange rates with reference to countries in which we operate. These risks primarily stem from the relative movements of the GBP, the US dollar, the Euro, the Chinese Renminbi, the Japanese Yen and the Indian Rupee.

We import capital equipment, raw materials and components from, and also sell our vehicles in various countries. These transactions are denominated primarily in US dollars and Euros. Moreover, we have outstanding foreign currency denominated debt and 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. Our Jaguar Land Rover operations have significant exposure considering our vehicle sales in the US, Europe and China. In addition, Jaguar Land Rover sources a significant portion of input material from European suppliers. As compared to the previous year, the GBP has, on average, strengthened against the US dollar resulting in a negative impact on our revenues, while the Euro and GBP exchange rate has, on average, remained stable. The depreciation of the Indian Rupee against the US dollar adversely impacted our borrowing cost and consequently, our results of operations. Our Jaguar Land Rover operations have outstanding foreign currency denominated debt in US dollar and are sensitive to fluctuations in foreign currency exchange rates.

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Our Jaguar Land Rover business is exposed to exchange rate risk considering its substantial exports out of the UK, though the risk may be mitigated to a certain extent by resorting to currency hedging.

Although we engage in currency hedging in order to decrease our foreign exchange exposure, a weakening of the Indian Rupee against the US 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.

We also have interest-bearing assets (including cash balances) and interest-bearing liabilities, which earn interest at variable rates. We are therefore exposed to changes in interest rates in the various markets in which we borrow.

Financial instability in other countries could disrupt our business and cause the trading price of our Shares and ADSs to decrease.

The Indian automotive market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to economic developments in one country can have adverse effects on the securities of companies and the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. In the event the recovery of global economy is slower than expected, or if there is any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations, financial condition and the trading price of our shares and ADSs.

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

The global automotive industry is highly competitive and competition is likely to further intensify in view of the continuing globalization and consolidation in the worldwide automotive industry. Competition is especially likely to increase in the premium automotive categories as each market participant intensifies its efforts to retain its position in established markets while also developing a presence in emerging markets, such as China. The factors affecting competition include product quality and features, innovation and product development time, ability to control costs, pricing, reliability, safety, fuel economy, customer service and financing terms. There can be no assurance that we will be able to compete successfully in the global automotive industry in the future.

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

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

Our competitors can gain significant advantages if they are able to offer products satisfying customer needs earlier than we are able to and this could adversely impact our sales and results of operations. Unanticipated delays or cost overruns in implementing new product launches, expansion plans or capacity enhancements could adversely impact our results of operations.

Customer preferences especially in many of the developed markets seem to be moving in favor of more fuel efficient vehicles. Further, in many countries there has been significant pressure on the automotive industry to reduce carbon dioxide emissions. In many markets these preferences are driven by increased government regulation and rising fuel prices. Our operations may be significantly impacted if there is a delay in developing fuel efficient products that reflect changing customer preferences, especially in the premium automotive category. There can be no assurance that the market acceptance of our future products will meet our expectations, in which case we may be unable to realize the intended economic benefits of our investments and our results of operations may be adversely affected.

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

We are subject to risks and costs associated with product liability, warranties and recalls, should we supply defective products, parts, or related after-sales services, including by generating negative publicity, which may adversely affect our business, results of operations and financial condition. Such events could also require us to expend considerable resources in correcting these problems and could adversely affect demand for our products. We may also be subject to class actions or other large scale product liability or other lawsuits in various jurisdictions where we have a significant presence.

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

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

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

Our products are sold and serviced through a network of authorized dealers and service centers across our domestic market, and a network of distributors and local dealers in international markets. We monitor the performance of our dealers and distributors and provide them with support to enable them to perform to our expectations. There can be no assurance, however, that our expectations will be met. Any under-performance by our dealers or distributors could adversely affect our sales and results of operations. We rely on third parties to supply us with the raw materials, parts and components used in the manufacture of our products. Furthermore, for some of these parts and components, we are dependent on a single source. Our ability to procure supplies in a cost effective and timely manner is subject to various factors, some of which are not within our control. While we manage our supply chain as part of our vendor management process, any significant problems with our supply chain in the future could affect our results of operations in an adverse manner.

Natural disasters and man-made accidents, adverse economic conditions, decline in automobile demand, lack of access to sufficient financing arrangements, could have a negative financial impact on our suppliers and distributors in turn impairing timely availability of components to us or increasing the costs of such components. Similarly, impairments to the financial condition of our distributors may impact our performance in some markets. In addition, if one or more of the other global automotive manufacturers were to become insolvent, this would have an adverse effect on the supply chains and may further affect our results of operations in an adverse manner.

In respect of our Jaguar Land Rover operations, as part of a separation agreement from Ford, we have entered into supply agreements with Ford and certain other third parties for critical components. Any disruption of such services could have a material adverse effect on our operations and financial condition.

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

In Fiscal 2012 and 2011, consumption of raw materials, components and aggregates and purchase of products for sale constituted approximately 66.1% and 64.6% respectively, of total revenues. Prices of commodity items used in manufacturing automobiles, including steel, aluminium, copper, zinc, rubber, platinum, palladium and rhodium have become increasingly volatile over the past two years. Further price movements would closely depend on the evolving economic scenarios across the globe. While we continue to pursue cost reduction initiatives, an increase in price of input materials could severely impact our profitability to the extent such increase cannot be absorbed by the market through price increases and/or could have a negative impact on the demand. In addition, because of intense price competition and our high level of fixed costs, we may not be able to adequately address changes in commodity prices even if they are foreseeable. Increases in fuel costs also pose a significant challenge to automobile manufacturers worldwide, including us, especially in the commercial and premium vehicle segments where increased fuel prices have an impact on demand.

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

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

The significant reliance of Jaguar Land Rover on key mature markets increases the risk of negative impact of adverse change in customer demand in those countries

Jaguar Land Rover, which contributes approximately 63% of our revenues, has a significant presence in the United Kingdom, North American and continental European markets. The global economic downturn significantly impacted the automotive industry in these markets in Fiscal 2009. Even though sales of passenger cars were aided by government-sponsored car-scrap incentives, these incentives primarily benefited the compact and micro-compact car segments and had virtually no slowing effect on the sales declines in the premium car or all-terrain vehicle segments in which we operate. Although demand in these markets has recovered, any decline in demand for our vehicles in these major markets may in the future significantly impair our business, financial position and results of operations. In addition, our strategy, which includes new product launches and expansion into growing markets, such as China, India, Russia and Brazil, may not be sufficient to mitigate a decrease in demand for our products in mature markets in the future, which could have a significant adverse effect on our financial performance.

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

We believe that our acquisitions provide us opportunities to grow significantly in the global automobile markets by offering premium brands and products. Our acquisitions have provided us with access to technology and additional capabilities while also offering potential synergies. However, the scale, scope and nature of the integration required in connection with our acquisitions present significant challenges, and we may be unable to integrate the relevant subsidiaries, divisions and facilities effectively within our expected schedule. An acquisition may not meet our expectations and the realization of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside our control.

We will continue to evaluate growth opportunities through suitable mergers and acquisitions in the future. Growth through mergers and acquisitions involves business risks, including unforeseen contingent risks or latent business liabilities that may only become apparent after the merger or acquisition is completed. The key success factors will be seamless integration and effective management of the merged/acquired entity, retention of key personnel, and generating cash flow from synergies in engineering and sourcing, joint sales and marketing efforts, and management of a larger business. If any of these factors fails to materialize or if we are unable to manage any of the associated risks successfully, our results of operations could be adversely affected.

Our business is seasonal in nature and a substantial decrease in our sales during certain quarters could have a material adverse impact on our financial performance.

The sales volumes and prices for our vehicles are influenced by the cyclicity and seasonality of demand for these products. In the Indian market, demand for our vehicles generally peaks between January and March, although there is a decrease in demand in February just before release of the Indian fiscal budget. Demand is usually lean from April to July and picks up again in the festival season from September onwards, with a decline in December due to year-end. The automotive industry has been cyclical in the past and we expect this cyclicity to continue.

Our Jaguar Land Rover business is impacted by the bi-annual registration of vehicles in the United Kingdom where the vehicle registration number changes every six months, which in turn has an impact on the resale value of vehicles. This leads to an increase in sales during the period when the aforementioned change occurs. Most other markets such as the United States are driven by introduction of new model year

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products which typically occurs in the autumn of each year. Furthermore, western European markets tend to be impacted by the summer and winter holidays. Markets in China tend to show higher demand for vehicles around the Chinese New Year. The resulting sales profile influences operating results on a quarter-to-quarter basis.

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We rely on licensing arrangements with Tata Sons Limited to use the Tata brand. Any improper use of the associated trademarks by our licensor or any other third parties could materially and adversely affect our business, financial condition and results of operations.

Our rights to our trade names and trademarks are a crucial factor in marketing our products. Establishment of the Tata word mark and logo mark in and outside India is material to our operations. We have licensed the use of the Tata brand from Tata Sons Limited. If Tata Sons, or any of their subsidiaries or affiliated entities, or any third party uses the trade name Tata in ways that adversely affect such trade name or trademark, our reputation could suffer damage, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Inability to protect or preserve our intellectual property could materially and adversely affect our business, financial condition and results of operations.

With respect to our Jaguar Land Rover business, we own or otherwise have rights in respect of a number of patents relating to the products we manufacture, which have been obtained over a period of years. In connection with the design and engineering of new vehicles and the enhancement of existing models, we seek to regularly develop new technical designs for use in our vehicles. We also use technical designs which are the intellectual property of third parties with such third parties' consent. These patents and trademarks have been of value in the growth of our business and may continue to be of value in the future. Although we do not regard any of our businesses as being dependent upon any single patent or related group of patents, an inability to protect this intellectual property generally, or the illegal breach of some or a large group of our intellectual property rights, would have a materially adverse effect on our operations, business and / or financial condition. We may also be affected by restrictions on the use of intellectual property rights held by third parties and we may be held legally liable for the infringement of the intellectual property rights of others in our products.

We may be adversely affected by labor unrest.

All of our permanent employees, other than officers and managers, in India and most of our permanent employees in South Korea, Spain and the United Kingdom, including certain officers and managers, in relation to our automotive business, are members of labor unions and are covered by our wage agreements, where applicable with those labor unions.

In general, we consider our labor relations with all of our employees to be good. However, in the future we may be subject to labor unrest, which may delay or disrupt our operations in the affected regions, including the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lock-outs at our facilities or at the facilities of our major vendors occur or continue for a long period of time, our business, financial condition and results of operations may be adversely affected.

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

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

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

Future pension obligations may prove more costly than currently anticipated and the market value of assets in our pension plans could decline.

We provide post retirement and pension benefits to our employees some of which are defined benefit plans.

Our pension liabilities are generally funded and the pension plan assets are particularly significant in respect of the Jaguar and Land Rover pension plans. All new employees in our Jaguar Land Rover operations from April 19, 2010, have joined in a new defined contribution pension plan.

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Lower return on pension fund assets, changes in market conditions, changes in interest rates, changes in inflation rates, and adverse changes in other critical actuarial assumptions, may impact the pension liabilities and consequently increase funding requirements, which will adversely affect our financial condition and results of operations.

Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business.

While we believe that the insurance coverage that we maintain is reasonably adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under our insurance policies will be honored fully or timely. Also, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our financial condition may be affected.

Political and Regulatory Risks.

India's obligations under the World Trade Organization Agreement.

India's obligations under its World Trade Organization agreement could reduce the present level of tariffs on imports of components and vehicles. Reductions of import tariffs could result in increased competition, which in turn could adversely affect our sales and results of operations.

New or changing laws, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other emissions, vehicle safety and taxes may have significant impact on our business.

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

Imposition of any additional taxes and levies designed to limit the use of automobiles could adversely affect the demand for our products and our results of operations. Changes in corporate and other taxation policies as well as changes in export and other incentives given by the various governments could also adversely affect our results of operations. For example, we are availing excise duty exemptions for manufacturing facilities in the State of Uttarakhand and other incentives in certain states of India either through subsidies or loans from such states where we have manufacturing operations. The Government of India had proposed a comprehensive national goods and services tax, or GST, regime that will combine taxes and levies by the central and state governments into one unified rate structure. The same was to be effective from April 1, 2012, but its implementation has been deferred. While both the Government of India and other state governments of India have publicly announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure might be affected by any disagreement between certain state governments, which could create uncertainty.

The Direct Tax Code Bill 2010, or DTC, proposes to replace the existing Income Tax Act, 1961 and other direct tax laws, with a view to simplify and rationalize the tax provisions into one unified code. The DTC bill is currently proposed to come into effect from April 1, 2013. The various proposals included in DTC bill are subject to review by Indian parliament and as such impact if any, is not quantifiable at this stage.

Regulations in the areas of investments, taxes and levies may also have an impact on Indian securities, including our Shares and ADSs. In this regard it is important to note that DTC bill would likely have a significant impact on the current tax regime, including in respect of our Shares and ADSs. For more information, see Item 4.B Business Overview Government Regulations Indian Taxes Goods and Services Tax of this annual report.

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

Our products are exported to a number of geographical markets and we plan to expand our international operations further in the future. Consequently, we are subject to various risks associated with conducting our business outside our domestic markets and our operations may be subject to political instability in those markets, wars, terrorism, regional and/or multinational conflicts, natural disasters, fuel shortages,

epidemics and labor strikes. Any significant or prolonged disruptions or delays in our operations related to these risks could adversely impact our results of operations.

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

We are subject to a complex and changing regime of laws, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and Securities and Exchange Commission, or SEC, regulations, SEBI regulations, New York Stock Exchange, or NYSE, listing rules and Indian stock market listing regulations. New or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards. We are committed to maintaining high standards of corporate governance and public disclosure. However, our efforts to comply with evolving laws, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management resources and time.

In addition, new laws, regulations and standards regarding corporate governance may make it more difficult for us to obtain director and officer liability insurance. Further, our board members, executive directors and our chief financial officer could face an increased risk of personal liability in connection with the performance of their duties. As a result, we may face difficulties attracting and retaining qualified board members and senior management, which could harm our business. If we fail to comply with new or changed laws, regulations or differing standards, our business and reputation may be harmed.

Risks associated with Investments in an Indian Company.

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

Our business could be significantly influenced by economic policies adopted by the Indian Government. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms.

The Indian Government has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, protests against privatizations, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. While we expect any new government to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no assurance that such policies will be continued.

The Indian Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our ADSs and Shares may be affected by interest rates, changes in policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

A change in the Indian Government's policies in the future could adversely affect business and economic conditions in India and could also adversely affect our financial condition and results of operations. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally, and specifically those of our Company, as a substantial portion of our assets are located in India.

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

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

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

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

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

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

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

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

We are a limited liability company incorporated under the laws of India. 11 out of 13 Directors and executive officers named in this annual report are residents of India and a substantial portion of our assets and the assets of these directors and executive officers are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and executive officers, (iii) enforce, in an Indian court, court judgments obtained outside of India, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and executive officers, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and executive officers.

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

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

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

The United States has not been declared by the Government of India to be a reciprocating territory for the purpose of Section 44A of the Civil Procedure Code. Accordingly, a judgment of a court in the United States may be enforced only by a suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI, the central bank of India, to execute such a judgment or to repatriate outside India any amount recovered.

Risks associated with our Shares and ADSs.

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

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

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The exchange rate between the rupee and the US dollar has changed substantially in the last two decades and during last year in particular, and may substantially fluctuate in the future. The value of the rupee against the US dollar was Rs.55.3413= US\$1.00 as of July 27, 2012.

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

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

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

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

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

Item 4. Information on the Company.**A. History and Development of the Company.**

We were incorporated on September 1, 1945 as a public limited liability company under the Indian Companies Act VII of 1913 as Tata Locomotive and Engineering Company Limited. Our name was changed to Tata Engineering and Locomotive Company Limited on September 24, 1960, and to Tata Motors Limited on July 29, 2003. We commenced operations as a steam locomotive manufacturer. This business was discontinued in 1971. Since 1954, we have been manufacturing automotive vehicles. The automotive vehicle business commenced with the manufacture of commercial vehicles under financial and technical collaboration with Daimler-Benz AG (now Daimler AG) of Germany. This agreement ended in 1969. We produced only commercial vehicles until 1991, when we started producing passenger vehicles as well. Together with our consolidated subsidiaries we form the Tata Motors Group. Please see Item 4.C for details of our subsidiaries and affiliates.

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

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We offer a broad portfolio of automotive products, ranging from sub 1 ton to 49 ton gross vehicle weight, or GVW, trucks (including pickup trucks) to small, medium, and large buses and coaches to passenger cars, including the world's most affordable car – the Tata Nano, premium luxury cars and SUVs. We are India's leading automobile company and rank as the fourth largest medium & heavy truck and bus manufacturer in the world, in each case, as measured by volume of vehicles produced in 2010.

We have a substantial presence in India and also have global operations in connection with production and sale of Jaguar and Land Rover premium brand passenger vehicles. We are the largest automobile manufacturer by revenue in India, the largest commercial vehicle manufacturer in terms of revenue in India and among the top three passenger vehicle manufacturers in terms of units sold in India during Fiscal 2012. We estimate that around 6.5 million vehicles produced by us are currently being operated in India.

We operate six principal automotive manufacturing facilities in India: at Jamshedpur in the State of Jharkhand, at Pune in the state of Maharashtra, at Lucknow in the state of Uttar Pradesh, at Pantnagar in the state of Uttarakhand, Sanand in the state of Gujarat and at Dharwad in the state of Karnataka. We also operate three principal automotive manufacturing facilities in the United Kingdom through our Jaguar Land Rover business: at Solihull in the West Midlands, Castle Bromwich in the West Midlands and at Halewood in Liverpool.

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

In 2004, we acquired the Daewoo Commercial Vehicles Company (renamed as Tata Daewoo Commercial Vehicle Company Limited, or TDCV), which is South Korea's second largest truck maker in terms of revenue. Together with TDCV we have developed our next generation trucks called the Prima range of trucks (earlier referred to as the World Truck).

In Fiscal 2005, we acquired a 21% stake in Hispano Carrocera S.A. (renamed as Tata Hispano Motors Carrocera S.A.), or Hispano, a well-known Spanish bus and coach manufacturer. During Fiscal 2010 we acquired the remaining 79% shares in Hispano.

We have also been distributing and marketing Fiat branded cars in India since March 2006. We have a joint venture agreement with Fiat Group Automobili S.p.A., Italy, located at Ranjangaon in Maharashtra to manufacture passenger cars, engines and transmissions for the Indian and overseas markets. Established in April 2008, the plant currently manufactures the Fiat Linea, the Fiat Punto, the Tata Manza as well as components like engines and transmissions. During May 2012, both the joint-venture partners decided to re-align their Indian joint-venture and the management control of distributing and marketing Fiat branded cars, and related commercial activities will be transferred to a separate Fiat group owned company.

In May 2006, we entered into a joint venture agreement with Brazil-based Marcopolo S.A., or Marcopolo, a global leader in building bodies for buses and coaches, to manufacture and assemble fully-built buses and coaches in India, wherein we have a 51% ownership, the balance being held by Marcopolo. The joint venture commenced production during Fiscal 2009.

In December 2006, we entered into a joint venture agreement with Thonburi Automotive Assembly Plant Co. Ltd Thailand, or Thonburi, to manufacture pickup trucks in Thailand. As of March 31, 2012, we own 90.82% of the joint venture, while Thonburi owns the remaining 9.18%. The joint venture, which began vehicle production in March 2008, enabled us to access the Thailand market, which is a major market for pickup trucks, as well as other potential markets in that region.

For some of our products, we are also expanding our international export operations, which have been continuing since 1961. Our vehicles are being marketed in several countries in Europe, Africa, the Middle East, South East Asia and South Asia. During Fiscal 2008, Tata Motors (SA) Proprietary Limited, or TMSA, a joint venture company in which we hold 60% with the remaining 40% being held by Tata Africa Holdings (SA) (Pty.) Limited, was formed for the manufacture and assembly operations of our LCVs and M&HCVs in South Africa. We have set up an assembly plant in South Africa at Rosslyn and commenced operations in July 2011.

In June 2008, we acquired the Jaguar Land Rover business from Ford Motor Company. Jaguar Land Rover is a global automotive business, which designs, manufactures and sells Jaguar luxury performance cars and Land Rover premium all-terrain vehicles. The Jaguar Land Rover business has internationally recognized brands, a strong product portfolio of award winning luxury performance cars and premium all-terrain vehicles, brand specific global distribution networks and strong research and development capabilities. We acquired three major manufacturing facilities located in Halewood, Solihull and Castle Bromwich and two advanced design and engineering facilities located at Whitley and Gaydon, all in the United Kingdom together with national sales companies in several countries.

In October 2010, we acquired an 80% equity interest in Trilix Srl., Turin (Italy), a design and engineering company, in line with our objective to enhance our styling/design capabilities to global standards. Trilix offers design and engineering services in the automotive sector, including styling, architecture, packaging, surfacing, macro and micro feasibility and detailed engineering development.

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In December 2011, PT Tata Motors Indonesia was established as our subsidiary, with the objective and purpose of conducting business activities of import, assembly and wholesale distribution of vehicles in Indonesia and to neighboring countries.

We produce a wide range of automotive products, including:

Passenger Cars. Our passenger cars include micro cars - the Tata Nano, compact cars-Indica, the Indica Vista and Indigo eCS and mid-sized cars - the Indigo Manza. We have expanded our car lines with several variants and fuel options to suit various customer preferences. In November 2011, we launched the new Tata Nano with better fuel efficiency and more advanced features. Jaguar has an established presence in the premium car segment. Jaguar currently produces three car lines, XK Sports car (coupe & convertible), XF Saloon and XJ Saloon. The 2012 Model Year line-up for XF included a new 4 cylinder 2.2 liter diesel version with intelligent stop start technology. At the Geneva Motor Show in March 2012, we displayed the XF Sportbrake, an estate derivative and the new XKR-S which is the sporting flagship for our revitalized XK line-up. The Jaguar CX-16 concept car showcased in 2011 will be the basis of the new F-type, a two-seater sports car due for launch in the spring of 2013.

Utility Vehicles. We manufacture a number of utility vehicles, or UVs, including the Sumo, and the sports utility vehicle, or SUV, Tata Safari the lifestyle pickup, the Xenon XT and the newly launched premium crossover vehicle, the Aria and the multipurpose utility vehicle, or MPV, the Venture. The Safari, the Sumo and the Xenon XT have variants to meet different consumer preferences such as the Safari DICOR 2.2 VTT range, powered by a new 2.2 L Direct Injection Common Rail (DICOR) engine, the Sumo Grande, an SUV with the comforts of a family car, and the new Sumo Gold, which features a BS4 3.0L diesel CR4 engine, delivering 85 PS power and was launched in November 2011. Tata Aria is India's first four-wheel drive crossover, a luxurious creation with the finesse of a sedan and the horsepower of an SUV blended in one car. In August 2011, we expanded the existing range by launching the new Tata Aria 4x2 variant in addition to the existing four-wheel drive variant (4x4) of the Tata Aria. The Tata Venture is a MPV with the footprint and maneuverability of a hatchback car, with the interior space of a utility vehicle. We showcased the next generation safari SUV, the Tata Safari Storme, at the New Delhi Auto Expo 2012. Land Rover produces five car lines under the brands of Range Rover and Land Rover, and provides us with market share in the premium all-terrain vehicles segment. Range Rover is the premium range consisting of Range Rover, Range Rover Sport and Range Rover Evoque, and the Land Rover brand comprises the Defender, Discovery 4 and Freelander 2 vehicles. On July 4, 2011, we launched the Range Rover Evoque. The Range Rover Evoque is the smallest, lightest and most fuel efficient Range Rover ever produced. The car went on sale in the UK in September 2011 and across the world by December 2011. The Range Rover Evoque Concept Convertible, a pioneering premium SUV convertible, was shown at the Geneva Motor Show in early March 2012, featuring a fully retractable premium roof with a Roll Over Protection System (ROPS).

Light Commercial Vehicles. We manufacture a variety of light commercial vehicles, or LCVs, including pickup trucks, trucks and buses with a GVW (including payload) of between 1.2 ton and 7.5 tons. This also includes the Ace, India's first indigenously developed mini-truck with a 0.75 ton payload in different fuel options, Super Ace with a 1 ton payload, Ace Zip with a 0.6 ton payload, the Magic and Magic Iris, both passenger variants for commercial transportation developed on the Ace platform, and the Winger. We showcased at the New Delhi Auto Expo 2012, the Tata Ultra, our new LCV & ICV range that comprise a series of variants from 5 to 14 tons.

Medium and Heavy Commercial Vehicles We manufacture a variety of medium and heavy commercial vehicles, or M&HCVs, which include trucks, tractors, buses, tippers, and multi-axled vehicles with GVW (including payload) of between 8 tons and 49 tons. In addition, through TDCV we manufacture a range of high horsepower trucks ranging from 215 horsepower to 560 horsepower, including dump trucks, tractor-trailers, mixers and cargo vehicles. During Fiscal 2010, we unveiled a new range of trucks, referred to as the Tata Prima line, to our customers in India, South Korea, and have partially extended the offering by providing various products off the Prima line. We also expect to gradually export these Prima products to other countries such as South Africa, Russia, the other SAARC countries, Middle East and various countries in Africa. We showcased at the New Delhi Auto Expo 2012, the Tata LPT 3723, India's first 5-axle rigid truck, the Tata Paradiso G7 Multi-axle Coach, jointly developed by Tata Motors and Tata Marcopolo Motors Limited, and the Tata Starbus Fuel Cell Concept (Hydrogen).

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We believe that the foundation of our growth over the last five decades has been a deep understanding of economic conditions and customer needs, and the ability to translate them into customer desired products through research and development. Our Engineering Research Centre, or ERC, established in 1966, has enabled us to successfully design, develop and produce our own range of vehicles. As a consequence of the acquisition of Jaguar Land Rover, we now have state-of-the-art engineering and design facilities. We believe the ERC along with the capabilities of our Jaguar Land Rover business will enhance our product engineering capability and facilitate speedy introduction of new products. Furthermore, we have a wholly-owned subsidiary, Tata Motors European Technical Centre PLC, or TMETC, in the United Kingdom, which is engaged in automobile research and engineering.

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

Tata Technologies Limited, or TTL, our 72.41% owned subsidiary, is engaged in providing specialized engineering & design services, product lifecycle management and product-centric IT services to leading global manufacturers. TTL's customers are among the world's premier automotive, aerospace and consumer durables manufacturers. TTL had eight functional subsidiary companies and one joint venture as at March 31, 2012. The consolidated revenue for TTL was Rs.16,291 million in Fiscal 2012 (including revenue from Tata Motors Group), growth of 30.4% from Rs.12,493 million in Fiscal 2011, as worldwide automotive and aerospace markets showed volume traction. TTL recorded profit after tax of Rs.2,107 million in Fiscal 2012, representing an increase of 56.9% over Rs. 1,343 million in Fiscal 2011 contributed by higher offshore revenues and cost reduction measures that were implemented. In May 2011, TTL received private equity investment of Rs. 1,411 million by selling 13.04% stake via issuance of primary shares.

TML Distribution Company Limited, or TDCL, our wholly-owned subsidiary, was incorporated on March 28, 2008. TDCL provides distribution and logistics support for distribution of our products throughout India. TDCL commenced its operations in Fiscal 2009.

Our wholly-owned subsidiary, Tata Motors Finance Limited, or TMFL, was incorporated on June 1, 2006, with the objective of becoming a preferred financing provider for our dealer's customers by capturing customer spending over the vehicle life-cycle relating to vehicles sold by us. TMFL commenced operations on September 1, 2006. In India, TMFL is registered with the RBI as a Systemically Important Non-Deposit Taking Non-Banking Financial Company and is classified as an Asset Finance Company under the RBI's regulations on Non-Banking Financial Companies.

Our wholly-owned subsidiary, Tata Motors Insurance Broking and Advisory Services Limited, undertakes the business of insurance and reinsurance broking, which commenced business in Fiscal 2008.

As of March 31, 2012, our operations included 65 consolidated subsidiaries and 26 equity method affiliates, in respect of which we exercise significant influence.

As of March 31, 2012, we had approximately 58,618 permanent employees, including approximately 29,401 permanent employees at our consolidated subsidiaries.

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

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

B. Business Overview.

We primarily operate in the Automotive segment. Our Automotive segment operations include all activities relating to the development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories. The acquisition of the Jaguar Land Rover business has enabled us to enter the premium car market in the developed markets such as UK, USA and Europe as well as in the growing markets like China, Russia and Brazil, where we were not present earlier. Going forward, we expect to focus on profitable growth opportunities in our global automotive business, through new products and market expansion. Within our automotive operations we continue to focus on integration and synergy through sharing of resources, platforms, facilities for product development and manufacturing, sourcing strategy and mutual sharing of best practices.

Our business segments are (i) automotive operations and (ii) all other operations. Our automotive operations include all activities relating to development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories. We provide financing for vehicles sold by dealers in India. The vehicle financing is intended to drive sale of vehicles by providing financing to the dealers' customers and as such is an integral part of automotive business. Our automotive operations segment is further divided into Tata and other brand vehicles (including spares and financing thereof) and Jaguar Land Rover.

Our other operations business segment includes information technology, or IT services and machine tools and factory automation solutions.

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Our Strategy

We believe that we have established a strong position in the Indian automobile industry by launching new products, investing in research and development, strengthening our financial position and expanding our manufacturing and distribution network. We have pursued the strategy of increasing our presence in the global automotive markets and enhancing our product range and capability through strategic acquisitions/alliances. Our goal is to position ourselves as a major international automotive company by offering products across various markets by combining our engineering and other strengths as well as through strategic acquisitions. Our strategy to achieve these goals consists of the following elements:

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

We believe that our in-house research and development capabilities, including that of our subsidiaries Jaguar Land Rover, TDCV and Tata Hispano, and our joint-ventures with Marcopolo of Brazil in India, with Thonburi in Thailand and Tata Africa Holdings (SA) (Pty.) Limited in South Africa and our relationship with Fiat, will enable us to expand our product range and extend our geographical reach. An example of this is the unveiling, during Fiscal 2010, of our next generation of heavy trucks – Prima, which we co-developed along with our subsidiary TDCV. During Fiscal 2012, we continued to expand our product range in the Prima lines. Our launch of the Ace in May 2005, as the first sub one-ton payload mini-truck in India created a new category of vehicle in the Indian commercial vehicle industry. We rolled out the 100,000th Ace in a record time of 22 months after its launch. Similarly, the launch of the Magic, a passenger variant from the same platform, has enabled us to tap into the potential increase in mass passenger transport in both rural and urban regions in certain markets. During Fiscal 2011, we also launched the Winger to cater to the intra-city and long-distance transportation needs of our customers. In Fiscal 2012, we further expanded our product range with passenger and freight variants based on the Ace platform with the launch of Tata Magic Iris and Tata Ace Zip. Our Tata 407 has sold over 500,000 units since its launch and in Fiscal 2012 celebrated its 25th anniversary. This platform has been deployed to meet diverse needs addressing a wide range of goods transportation and people movement solutions, industrial and defense applications in India and several other countries in South Asia and Africa. The launches of Tata Divo Luxury Coach and Tata Starbus Ultra in Fiscal 2012 using body designs from Tata Hispano and Tata Marcopolo demonstrate continued leveraging of our capabilities. In Fiscal 2012, we showcased at the New Delhi Auto Expo 2012: (i) the Tata Ultra, a new LCV & ICV range platform, allowing flexibility of multiple wheel bases and multiple payload points, (ii) the Tata LPT 3723, India's first 5-axle rigid truck and the Tata Paradiso G7 Multi-axle Coach, jointly developed by Tata Motors and Tata Marcopolo Motors Limited and (iii) our alternate fuel technology capability through the following concepts- the Tata Starbus Fuel Cell (hydrogen) and the Tata Magic Iris CNG. Our portfolio already includes CNG-electric hybrid buses.

In the passenger vehicles market, we entered the compact car segment with the Indica in 1998. We sold approximately 100,000 units of the Indica within 25 months of its launch in the market. On the same platform, we developed a sedan version, the Indigo, which was launched in 2002. We also launched several versions to expand our offerings over the years including an estate version and the country's first stretched sedan concept. In August 2008, we launched a new generation of the Indica, the Indica Vista, with options of diesel and gasoline engines, from our joint venture with Fiat as well as our own engines and subsequently launched, the next generation sedan, the Indigo Manza in October 2009. We have also conceptualized, developed and commercially launched the Nano, an affordable car for safe family transportation, breaking several conventional ideas of automobile development. The Nano sold approximately 100,000 units within 21 months of its launch, and we achieved sales of 80,847 units in Fiscal 2012.

During Fiscal 2012, we extended our range of fuel efficient vehicles by launching a new variant of the Tata Indigo e-CS with a mileage of 25 km per liter as certified by the Automotive Research Association of India (ARAI). Our product portfolio ranging from the Nano, Indica, Indica Vista, Indigo, Indigo Manza, Sumo, Sumo Grande, Safari, Aria and Venture, enables us to compete in various market segments. As discussed above, the Company also showcased its alternate fuel technology capability at the New Delhi Auto Expo 2012 by displaying the concepts - the Tata Nano CNG and the Tata Indigo Manza diesel-electric hybrid car. In 2012, we developed the Tata Indica Vista Electric Vehicle, a fully electric car, in conjunction with the technology from TMETC and Miljobil Grenland AS (Miljobil).

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Continuing focus on high quality and enhancing customer satisfaction: One of our principal goals is to achieve international quality standards for our products and services. We have established a procedure for ensuring quality control of outsourced components. Products purchased from approved sources undergo a supplier quality improvement process. We also have a program for assisting vendors from whom we purchase raw materials or components to maintain quality. Each vendor is reviewed on a quarterly basis on parameters of quality, cost and delivery and preference is given to vendors with TS 16949 certification. We are pursuing various quality improvement programmes, both internally and at our suppliers' operations, in an effort to enhance customer satisfaction and reduce our future warranty costs. We have also established a procedure for ensuring quality control of outsourced components, and products purchased from approved sources undergo a supplier quality improvement process. Reliability and other quality targets are built into our new product introduction process. Assurance of quality is further driven by the design team, which interacts with downstream functions like process-planning, manufacturing and supplier management to ensure quality in design processes and manufacturing. We believe our extensive sales and service network has also enabled us to provide quality and timely customer service. Through close coordination supported by our IT systems, we monitor quality performance in the field and implement corrections on an ongoing basis to improve the performance of our products thereby improving customer satisfaction. In India, we maintained a Customer Service Index (CSI) score of 779 in 2011. We were ranked 7th in the 2011 J.D. Power India Customer Service Index survey. We continue to focus on high quality customer satisfaction.

Jaguar and Land Rover collectively received over 80 awards from leading international motoring writers, magazines and opinion formers in 2010. The Jaguar XF is Jaguar's best-selling model across the world by volume and it has garnered more than 80 international awards since its launch, including being named 'Best Executive Car' for four years running by What Car? magazine. In May 2010, customer deliveries of the new XJ commenced and it received more than 20 international awards in 2010, including 'Best Luxury Car' from China's Auto News, 'Annual Limousine King' from Quattroroute (Italy), 'Luxury Car of the Year' from Top Gear (UK), Automobile Magazine's '2011 Design of the Year' and 'Best Executive Sedan' at the Bloomberg Awards in the United States. The Discovery 4 (LR4) is a mid-size SUV that features all-terrain capability. A range of new features, including the new 3.0-liter LR-TDV6 diesel engine, helped to propel the Discovery to the What Car? magazine award for the Best 4x4 for the seventh successive year in Fiscal 2011. The Range Rover Evoque was launched in September 2011 and has since garnered over 100 international awards. The class leading urban 4x4 comes in a range of trim levels and is one of the most customizable Range Rovers ever produced.

Products and environmental performance: Our strategy is to invest in products and technologies that position our products ahead of expected stricter environmental regulations and ensure that we benefit from a shift in consumer awareness of the environmental impact of the vehicles they drive. The company is committed to continued investment in new technologies, including developing sustainable technologies to improve fuel economy and reduce CO₂ emissions. We are the largest investor in automotive R&D in the United Kingdom. We believe that we are the leader in automotive green-technology in the United Kingdom. Our environmental vehicle strategy focuses on new propulsion technology, weight reduction and reducing parasitic losses through the driveline. Projects like REEVolution, REHEV and Range-e are some examples of our research into the electrification of premium sedan and all-terrain vehicles.

Jaguar Land Rover is working on introducing a new Premium Lightweight Architecture for its products. This has seen a host of environmentally-friendly technologies including new aluminium alloys, down-sized power trains, Eco HMI, sustainable materials, best-CO₂ navigation routes, electronic power steering, aerodynamic features and many more technologies. These technologies enable the delivery of class leading Luxury and Performance combined with low CO₂. JLR laid the foundations for efficient hybridization of the platform. JLR's initial Full-Hybrid programme is also in advanced stages.

Our Jaguar Land Rover business already offers two aluminium vehicles, the Jaguar XJ and Jaguar XK and plans to deploy its core competency in aluminium construction across more models in its range. The new, all-aluminium Jaguar XJ 3.0 V6 twin-turbo diesel has CO₂ emissions rated at 184g/km. We are also developing more-efficient vehicle technologies. Range Rover's 2011 Model Year has been updated with an all-new 4.4-liter TDV8 with 8-speed transmission, resulting in a 14% reduction in CO₂ and an improvement in fuel consumption of nearly 19% to 7.81L/100km. The 2011 Model Year Freelander 2, which went on sale in December 2010, features a new eD4 diesel engine capable of 4.98L/100km and CO₂ emissions of 158g/km in 2WD. Jaguar's C-X75 concept car incorporates electric plus twin gas turbines and demonstrates some of the technologies the company are developing for the future. The Jaguar XF and Range Rover Evoque to be launched in the second quarter of Fiscal 2012, will continue this trend. The XF 2.2 Diesel 8 speed Automatic transmission variant with Stop/Start technology reduces the entry model CO₂ output while the Evoque features a number of lightweight, vehicle efficiency and Power-Train technologies that make this the most fuel efficient Range Rover produced.

In Fiscal 2011, some of the Plug-In Hybrid projects of JLR were completed and have provided the technical foundation for a production development programme for Parallel Plug-In Hybrids. In addition, JLR has made significant progress on a number of ongoing collaborative Research and Development programmes investigating a wide range of CO₂ reduction technologies. These include radical combustion engine downsizing/pressure charging, alternative power sources for Series Hybrids, Flywheel KERS and waste energy recovery systems.

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Mitigating cyclical*ity*: The automobile industry is impacted by cyclicality. To mitigate the impact of cyclicality, we plan to continually strengthen our operations through gaining market share across different segments, and a wide range of products and geographies. We also plan to continue to strengthen our business operations other than vehicle sales, such as financing of our vehicles, spare part sales, service and maintenance contracts, sales of aggregates for non-vehicle businesses, reconditioning of aggregates and sale of castings, production aids and tooling / fixtures, to reduce the impact of cyclicality of the automotive industry.

Expanding our international business: Our international expansion strategy involves strategic acquisitions and introducing our product range into select geographies, where we have an opportunity to grow in markets with similar characteristics to the Indian market. Our international business strategy has already resulted in the growth of our international operations in select markets and chosen segments over the last 4 to 5 years. For example, we were the largest competitor in the LCV bus market for the seven meter category and the second largest competitor in the LCV Truck market in the 7.5 ton GVW category, in terms of unit sales in Ukraine in Fiscal 2012. We have also further consolidated our market share in most segments of commercial vehicles in other SAARC countries – Bangladesh, Nepal, Sri Lanka and Bhutan.

Our acquisition of Jaguar Land Rover has expanded our geographical presence significantly. Through Jaguar Land Rover we now offer products in the luxury performance car and premium all-terrain vehicle segments with globally recognized brands and we have diversified our business across markets and product segments. We will continue to build upon the internationally recognized brands of Jaguar Land Rover. TDCV continues to be the largest exporter of heavy commercial vehicles from South Korea. We have established a joint venture along with Thonburi in Thailand to manufacture pickup trucks. During Fiscal 2008, we established a joint venture company to undertake manufacture and assembly operations in South Africa, which has been one of our largest export markets from India, in terms of unit volume, which commenced operations in July 2011.

Reducing operating costs: We believe that our scale of operations provides us with a significant advantage in reducing costs and we plan to continue to sustain and enhance our cost advantage.

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

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

We have intensified efforts to review and realign our cost structure through a number of measures such as reduction of manpower costs and rationalization of other fixed costs. Our Jaguar Land Rover business has undertaken several cost control and cost reduction initiatives such as increased sourcing of materials from low cost countries, reduction in number of suppliers, rationalization of marketing setup, reduction of manpower costs through increased employee flexibility between sites and several other initiatives. Further, our Jaguar Land Rover business is exploring opportunities through reduction in number of platforms, reduction in engineering change costs, increased use of off-shoring and several other initiatives.

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

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

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Customer financing: With financing increasingly being a critical factor in vehicle purchases and the rising aspirations of consumers in India, we intend to expand our vehicle financing activities to enhance our vehicle sales. Further, in a scenario where there is lack of sufficient finance availability for vehicle sales in the Indian market, as was witnessed during the financial crisis, our finance business is expected to play a significant role in filling the gap created when financing from other banks and non banking financial companies dries up. In addition to improving our competitiveness in customer attraction and retention, we believe that expansion of our financing business would also contribute towards moderating the impact on our financial results from the cyclical nature of vehicle sales.

Continuing to invest in technology and technical skills: We believe we are one of the most technologically advanced indigenous vehicle manufacturers in India. Over the years, we have enhanced our technological strengths through extensive in-house research and development activities. Further, our research and development facilities at our subsidiaries, like TMETC, TDCV, TTL, Hispano and Trilix, together with the two advanced engineering and design centers of Jaguar Land Rover, have increased our capabilities in product design and engineering. In our Jaguar Land Rover business, we are committed to continue to invest in new technologies to develop products that meet the opportunities of the premium segment, including developing sustainable technologies to improve fuel economy and reduce CO₂ emissions. We consider technological leadership to be a significant factor in continued success, and therefore intend to continue to devote significant resources to upgrade our technological base.

Maintaining financial strength: Our cash flow from operating activities in Fiscal 2012 and 2011 was Rs. 218,227 million and Rs. 141,976 million, respectively. The improved position in our operating cash flows is primarily a result of volume growth, implementation of cost reduction programs, and prudent working capital management. We have established processes for project evaluation and capital investment decisions with an objective to enhance our long term profitability.

Leveraging brand equity: We believe customers associate the Tata name with reliability, trust and ethical value, and our brand name is gaining significant international recognition due to the international growth strategies of various Tata Companies. The Tata brand is used and its benefits are leveraged by Tata companies to their mutual advantage. We recognize the need for enhancing our brand recognition in highly competitive markets in which we compete with internationally recognized brands. We, along with Tata Sons and other Tata companies, will continue to promote the Tata brand and leverage its use in India, as well as in various international markets where we plan to increase our presence. Supported by the corporate level Tata brand, our product brands like Indica, Indigo, Sumo, Safari, Aria, Venture Nano, Prima, Ace, Magic along with Daewoo, Hispano, Jaguar, Range Rover and Land Rover are highly regarded, and will be nurtured and promoted. At the same time, we will continue to build new brands such as the newly launched Ultra range of Light Commercial Vehicles to further enhance our brand equity.

Automotive Operations

We sold 1,269,483, 1,078,814, and 869,602 vehicles in Fiscal 2012, 2011 and 2010 respectively, consisting of 955,233 units of Tata and other brand vehicles and 314,250 units of Jaguar Land Rover vehicles in Fiscal 2012. In terms of units sold our largest market is India where we sold 880,825 and 763,095 units during Fiscal 2012 and 2011, (constituting 69.4% and 70.7% of total sales in Fiscal 2012 and Fiscal 2011, respectively) followed by United Kingdom where we sold 61,796 units and 58,238 units in Fiscal 2012 and Fiscal 2011 respectively (constituting 4.9% and 5.4% of total sales). A geographical breakdown of our revenues is set forth in Item 5.A Operating Results Geographical breakdown .

Our total sales (including international business sales and Jaguar Land Rover sales) for Fiscal 2012, 2011 and 2010 are set forth in the table below:

Category	Fiscal 2012		Fiscal 2011		Fiscal 2010	
	Units	%	Units	%	Units	%
Passenger Cars	352,981	27.8%	322,149	29.9%	279,465	32.1%
Utility Vehicles	316,589	24.9%	243,934	22.6%	181,489	20.9%
Light Commercial Vehicles	365,677	28.8%	311,167	28.8%	228,987	26.3%
Medium and Heavy Commercial Vehicles	234,236	18.5%	201,564	18.7%	179,661	20.7%
Total	1,269,483	100.0%	1,078,814	100.0%	869,602	100.0%

Revenues from our automotive operations were Rs. 1,654,903 million, Rs. 1,223,547 million and Rs. 897,970 million in Fiscal 2012, 2011 and 2010, respectively. Tata and other brand vehicles (including spares and financing thereof) constituted 36.9% of our total automotive revenues before inter-segment elimination in Fiscal 2012 while Jaguar Land Rover constituted 63.1%.

Tata and other brand vehicles (including spares and financing thereof)

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We sold 955,233, 835,469, and 675,761 units of Tata and other brand vehicles in Fiscal 2012, 2011 and 2010 respectively. Of the 955,233 units sold in Fiscal 2012, 878,551 units were sold in India while 76,682 units were sold outside of India, compared to 762,206 units and 73,263 units respectively for Fiscal 2011. Our share of the Indian four-wheeler automotive vehicle market (i.e. automobile vehicles other than two and three wheeler categories) increased from 24.3% in Fiscal 2011 to 25.2% in Fiscal 2012. We maintained our leadership position in the commercial vehicle segment in an industry which saw increased competition during the year. The passenger vehicle market also continued to be subject to intense competition.

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The following table sets forth our total sales of Tata and other brand vehicles:

Category	Fiscal 2012		Fiscal 2011		Fiscal 2010	
	Units	%	Units	%	Units	%
Passenger Cars	298,991	31.3%	269,194	32.2%	232,006	34.3%
Utility Vehicles	56,329	5.9%	53,544	6.4%	35,107	5.2%
Light Commercial Vehicles	365,677	38.3%	311,167	37.2%	228,987	33.9%
Medium and Heavy Commercial Vehicles	234,236	24.5%	201,564	24.2%	179,661	26.6%
Total	955,233	100.0%	835,469	100.0%	675,761	100.0%

The following table sets forth our market share in various categories in the Indian market-based on wholesale volumes:

Category@	Fiscal 2012	Fiscal 2011	Fiscal 2010
Passenger Cars*	13.7%	14.4%	15.3%
Utility Vehicles**	11.0%	13.2%	12.4%
Light Commercial Vehicles***	59.4%	63.2%	64.7%
Medium and Heavy Commercial Vehicles	59.4%	60.1%	63.3%
Total Four-Wheel Vehicles	25.2%	24.3%	25.5%

@ *Passenger cars, Utility Vehicles and LCV s market shares for the Fiscal 2012 are not comparable with the market shares for Fiscal 2011 and Fiscal 2010 due to changes in the Industry classification by SIAM.*

* *Passenger cars market shares include sales of Fiat vehicles distributed by us and Jaguar Land Rover Vehicles sold in India. Furthermore, passenger cars market share for Fiscal 2012 is based on the total cars sold in the industry, while passenger cars market shares for Fiscal 2011 and Fiscal 2010 are based on the segments where we were present (i.e., small cars and midsize segments) and does not include super compact segments where we are not present.*

** *UV market share for Fiscal 2012 includes the market share for Vans V1 segment (i.e. Venture) and excludes Vans V2 segment (i.e. Ace Magic), while UV market shares for Fiscal 2011 and Fiscal 2010 are based on the segments where we are present.*

*** *LCV market shares include the market shares for Vans V2 segment (i.e., Ace Magic) in accordance with SIAM s classification of passenger vehicles.*

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

Passenger cars: The domestic passenger cars industry grew by 3.6% in Fiscal 2012 compared with an increase of 29.8% in Fiscal 2011. Domestic passenger vehicle sales were impacted by rising interest rates, fuel price hikes and inflationary pressures.

Customer preference for diesel vehicles over petrol vehicles along with targeted marketing initiatives and network actions, positively influenced our sales, partially offset by general industry trends. In Fiscal 2012, we sold 77,394 Nano cars, a growth of 21.7% over Fiscal 2011. We are focused on expanding the reach for the Nano through Special Nano Access Points, and ensuring availability of finance for all segments of customers through tailored finance schemes. During Fiscal 2012, we launched the Nano 2012, with several new features, including improved fuel efficiency which aided volume traction. We continue to offer products at a lower price point in the entry level mid-size sedan market through a portfolio including the old Indigo and Indigo eCS, the most fuel-efficient sedan in India. Indica Vista volumes continued to grow during Fiscal 2012.

The distribution business of Fiat cars through Tata-Fiat dealer network, which started in March 2006, entered into its sixth year of operation in Fiscal 2012. During Fiscal 2012, we sold 17,213 Fiat cars through, our joint venture with Fiat in India, cars including the Grande Punto, Fiat 500, Punto, Linea and Palio. Fiat stood in the 10th position by sales volume among the major car players in India. The Tata-Fiat dealer network has been upgraded to 170 dealer facilities across 129 cities as of March 31, 2012. Fiat was ranked 9th in the J.D. Power 2011 India Customer Service Index Survey. In Fiscal 2012, we launched the Fiat Linea 2012 and the Fiat Grande Punto. During May 2012, both the joint-venture partners decided to re-align their Indian joint-venture and the management control of distributing and marketing Fiat branded cars, and related commercial activities will be transferred to a separate Fiat group owned company.

Since the commencement of distribution of Jaguar Land Rover vehicles through our exclusive dealership in India in June 2009, the brands have witnessed positive market response and the sales volumes in Fiscal 2012 at 2,274 vehicles have multiplied over 889 vehicles in Fiscal 2011. We

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commenced the local assembly of the Land Rover Freelander 2, in our facility at Pune in May 2011, which has been received extremely well in India. We expect that the efforts towards dealership network expansion, local assembly of JLR products starting with Freelander 2 and introduction of new products like Evoque will enable us to further penetrate the premium/luxury automotive passenger car market in India.

Utility Vehicles: The utility vehicles industry saw growth in Fiscal 2012. In November 2011, the company launched the new Sumo Gold, which has been showing growth in terms of sales. The Tata Venture, which was launched in January 2011, has continued to receive good market response.

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Commercial Vehicles: The commercial vehicles market in India in Fiscal 2012, recorded a robust growth of 19.2% which resulted in our highest ever sales of 531,228 units in Fiscal 2012. Growth was driven by LCVs supported by healthy agricultural output, increasing penetration into tier 2 and 3 cities and increasing rural and last mile connectivity. However, high interest rates, fuel price hikes and slowdown in economic activity moderated growth in M&HCV segment. As a result, our market share stood at 59.4% for Fiscal 2012.

Light Commercial Vehicles (including pickups): Our range of LCVs includes small commercial vehicles, pickup trucks, trucks and commercial passenger carriers with a GVW (including payload) of between 1.2 tons and 7.5 tons. The LCV market segment grew by 29.1% in Fiscal 2012, mainly aided by the continuing expansion of the small commercial vehicle segment. Our sales increased by 19.0% to 324,069 units from 272,455 units in Fiscal 2011. We also improved performance in the pickup segment.

Ramp up of production in our Pantnagar plant has aided volume growth in our LCV truck segment. Commercial production has also commenced at Dharwad in February 2012. During Fiscal 2012, our major launches were Ace Zip and Magic Iris.

Sales of the Tata Ace continued to increase year-on-year. However, entry of new competition in the small commercial vehicle category, where we enjoy strong market share, as well as expanding market size, resulted in our share of the Light commercial vehicles (including pickups) market share falling to 59.4% in Fiscal 2012 from 63.2% in Fiscal 2011.

Medium and Heavy Commercial Vehicles: Our M&HCVs have a wide range of applications and are generally configured as trucks, tippers, buses, tankers, tractors or concrete mixers. We sold 207,159 units during Fiscal 2012, resulting in a market share of 59.4%. Launches during Fiscal 2012 include the Tata Divo, a super-luxury inter-city bus and new variants in the Tata Starbus Ultra range.

Tata and other brand vehicles Sales and Distribution:

Our sales and distribution network in India as of March 2012, comprises approximately 2,150 sales contact points for our passenger and commercial vehicle business. In line with our growth strategy, we formed a 100% subsidiary, TML Distribution Company Limited, or TDCL, in March 2008, to act as a dedicated distribution and logistics management company to support the sales and distribution operations of our vehicles in India. We believe this has improved the efficiency of our selling and distribution operations and processes.

TDCL provides distribution and logistics support for vehicles manufactured at our facilities and has set up stocking points at some of our plants and also at different places throughout India. TDCL helps us improve planning, inventory management, transport management and timely delivery. We believe it has made our delivery and inventory management more efficient. We have completed the initial rollout of a new customer relations management system (CRM) at all our dealerships and offices across the country and have been certified by Oracle as the largest Siebel deployment in the automotive market. The combined CRM initiative supports users both within our Company and among our distributors in India and abroad.

Through our vehicle financing division and wholly owned subsidiary, Tata Motors Finance Limited, or TMFL we also provide financing services to purchasers of our vehicles through our independent dealers, who act as our agents for financing transactions, and through our branch network. During Fiscal 2012 and 2011, approximately 27% and 21% respectively, of our vehicle unit sales in India were made by the dealers through financing arrangements where our captive vehicle financing divisions provided the support. Total vehicle finance receivables outstanding as at March 31, 2012 and 2011 amounted to Rs.171,241 million and Rs.146,328 million respectively.

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

We also market our commercial and passenger vehicles in several countries in Europe, Africa, the Middle East, South East Asia, South Asia and other African countries. We have a network of distributors in almost all of the countries where we export our vehicles, who work with us in appointing a local dealer for sales and servicing our product in various regions. We have also stationed overseas resident sales and service representatives in various countries to oversee our operations in their respective territories.

Table of Contents***Tata and other brand vehicles Competition:***

We face competition from various domestic and foreign automotive manufacturers in the Indian automotive market. Improving infrastructure and robust growth prospects compared to other mature markets are now attracting a number of international companies to India who have either formed joint-ventures with local partners or have established independently owned operations in India. Global competitors bring with them decades of international experience, global scale, advanced technology and significant financial resources. Hence competition is likely to further intensify in the future. We have designed our products to suit the requirements of the Indian market based on specific customer needs such as safety, driving comfort, fuel efficiency and durability. We believe that our vehicles are suited to the general conditions of Indian roads, and the local climate and they comply with applicable environmental regulations currently in effect. We also offer a wide range of optional configurations to meet the specific needs of our customers. We intend to and are developing products to strengthen our product portfolio in order to meet the increasing customer expectation of owning world class products.

Tata and other brand vehicles Seasonality:

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

Tata and other brand vehicles Exports:

We are expanding our export operations, which have been ongoing since 1961. We market our commercial and passenger vehicles in several countries in Europe, Africa, the Middle East, South East Asia and South Asia. Our exports of vehicles manufactured in India increased by 6.6% in Fiscal 2012 to 61,835 units from 57,982 units in Fiscal 2011, supported by economic improvement in our major international markets such as the Indian sub-continent and Africa.

In Fiscal 2012, our top five export destinations from India accounted for approximately 76% and 85% of our exports of commercial vehicles and passenger vehicle units, respectively. We are strengthening our position in the geographic areas we are currently operating in and exploring possibilities of entering new markets with similar market characteristics to the Indian market.

Tata Daewoo Commercial Vehicle Co. Ltd., Korea: TDCV recorded an 8.6% increase in its overall vehicle sales to 9,500 units in Fiscal 2012 from 8,745 units in Fiscal 2011. In the South Korean market, TDCV's unit sales in the M&HCV category increased by 14.1% to 6,552 units in Fiscal 12 as against 5,743 units in Fiscal 2011. The stabilization of the wholly owned Sales and Distribution Company Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd or TDSC launched in Fiscal 2011, led to this improved performance in the domestic market. TDCV's export performance in Fiscal 2012 was marginally lower at 2,948 units as compared to 3,002 units in Fiscal 2011. TDCV's sales have increased significantly mainly in Russia, South Africa and Philippines. However, in TDCV's traditional market like Algeria, the heavy trucks segment continues to experience a slump, which resulted in a marginal decline in export volumes.

Tata Hispano Motors Carrocera, S.A. Spain: We believe that our subsidiary Tata Hispano, with its design and development capabilities in manufacturing bodies for high-end buses, complements our current range of light and medium commercial passenger carriers and aids us in increasing our presence in the international bus market. We continue to own the brand rights of Hispano and Tata Hispano. Tata Hispano reported consolidated sales of 329 units for Fiscal 2012, a decrease of 34.9% from 505 units sold in Fiscal 2011. Challenging market conditions resulted in such underperformance.

Jaguar Land Rover

We acquired Jaguar Land Rover from the Ford Motor Company, or Ford, on June 2, 2008. As a part of the acquisition, we acquired the global business relating to Jaguar Land Rover including three major manufacturing facilities and two advanced design and engineering centers in United Kingdom, a worldwide sales and dealership network, intellectual property rights, patents and trademarks.

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The strengths of Jaguar Land Rover include its internationally recognized brands, strong product portfolio of award winning luxury performance cars and premium all-terrain vehicles, global distribution network, strong research and development capabilities, and a strong management team. Our total sales of Jaguar Land Rover for Fiscal 2012, 2011 and 2010 are set forth in the table below:

	Fiscal 2012		Fiscal 2011		Fiscal 2010*	
	Units	%	Units	%	Units	%
Jaguar	53,990	17.2%	52,955	21.8%	47,459	24.5%
Land Rover	260,260	82.8%	190,390	78.2%	146,382	75.5%
Total	314,250	100.0%	243,345	100.0%	193,841	100.0%

* Included sales of Model X-type (discontinued in December 2009)

Jaguar:

Jaguar's principal products are the XK sports car (coupe and convertible), XF saloon and the XJ saloon.

The Jaguar XK is an all-aluminium sports coupe and convertible available with naturally aspirated and supercharged V8 petrol engines. The XK range was revised with a new look for 2011. In March 2011, the new Jaguar XKR-S was revealed at the Geneva motor show and launched to the press shortly afterwards creating a sporting flagship for our revitalized, modern XK line-up. The XKR-S is the fastest and most powerful production sports car that Jaguar has ever built. Aimed at driving enthusiasts, it adopts a more powerful version of the 5.0-liter V8.

The XF, launched in 2008, is a premium executive car that merges sports car styling with the sophistication of a luxury saloon. The Jaguar XF, is Jaguar's best-selling model across the world and it has garnered more than 80 international awards since its launch, including being named Best Executive Car for four years running by What Car? magazine. For 2011, fundamental design changes to the front and rear of the XF, aim to bring a more assertive, purposeful stance to the XFR, which we believe is now a bolder and more appealing automobile closer to the original C-XF concept car. In addition, the Jaguar 2012 model year line-up was introduced at the New York Auto Show April 2011, including a new four-cylinder 2.2-liter diesel version of the XF with Intelligent Stop-Start Technology, making it the most fuel-efficient Jaguar yet and allowing Jaguar to compete with smaller capacity diesel engines offered by our competitors. In Fiscal 2012, we announced a further expansion of the XF range with the introduction of the Sportbrake, due later in 2012, with increased rear load space to appeal to a wider range of buyers.

The XJ is Jaguar's largest luxury saloon vehicle, powered by a choice of supercharged and naturally aspirated 5.0-liter V8 petrol engine and a 3.0-liter diesel engine. A 3.0-liter V6 petrol engine XJ was introduced to the Chinese market during Fiscal 2012. Utilizing Jaguar's aerospace inspired aluminium body architecture, the XJ's lightweight aluminium body provides improved agility and economy. The new XJ commenced sales in May 2010 and has already received more than 20 international honors in 2010, including Best Luxury Car from China's Auto News, Annual Limousine King from Quattroroute (Italy), Luxury Car of the Year from Top Gear (UK), Automobile magazine's 2011 Design of the Year and Best Executive Sedan at the Bloomberg Awards in the United States. In Fiscal 2012, the XJ has been upgraded to include a new Executive Package and a Rear Seat Comfort package.

The Jaguar C-X16 concept car was showcased during Fiscal 2011 and it was announced at the New York Auto Show that this will be the basis of the new F-type, a two seater sports car due for launch in the summer of 2013. The car will make extensive use of aluminium in its build, based on the expertise the Company has developed in previous models and will be manufactured at the Company's existing Castle Bromwich plant.

Land Rover:

Land Rover's principal products are the Defender, Freelander 2 (LR2), Discovery 4 (LR4), Range Rover Evoque, Range Rover Sport and Range Rover.

The Defender is Land Rover's most capable off-roader and is recognized as a leading vehicle in the segment targeting extreme all-terrain abilities.

The Freelander 2 (LR2) is a versatile vehicle for both urban sophistication and off-road capability. For the 2011 Model Year, we offered customers a choice of 4 Wheel Drive (WD) and 2 Wheel Drive (WD) Freelanders, with an eD4 engine capable of 4.98L/100km which was well received in major European markets.

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The Discovery is a mid-size SUV that features genuine all-terrain capability. A range of new features, including the new 3.0-liter LR-TDV6 diesel engine, helped to propel the Discovery to the What Car? magazine award for the Best 4x4 for the seventh successive year.

The Range Rover Evoque, launched in September 2011, has garnered over 100 international awards. The class leading urban 4x4 comes in a range of trim levels and is the most customizable Range Rover ever produced.

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The Range Rover Sport combines the performance of a sports tourer with the versatility of a Land Rover.

The Range Rover is the flagship of the brand with a unique blend of British luxury, classic design with distinctive, high-quality interiors and all-terrain ability. The 2011 Model Year Range Rover, with an all-new 4.4-liter TDV8 engine providing a 14% reduction in CO₂ emissions and a 19% improvement in fuel consumption to 7.81L/100km, has been particularly well received both at home and abroad.

Land Rover products offer a range of power trains, including turbocharged V6 diesel, V6 petrol engines and V8 naturally aspirated and supercharged petrol engines, with manual and automatic transmission.

Jaguar and Land Rover achieved relatively strong sales during Fiscal 2012, as total unit sales (wholesales) increased to 314,250 units from sales of 243,345 units in Fiscal 2011, reflecting an increase of 29.1%. Jaguar volumes increased to 53,990 units during Fiscal 2012 from 52,955 units in Fiscal 2011 reflecting an increase of 2.0%. Land Rover volumes increased to 260,260 units from 190,390 units in Fiscal 2011, reflecting an increase of 36.7%, as a result of the launch of the Range Rover Evoque and increased Range Rover, Range Rover Sport and Discovery 4 (LR4) sales. The Company exported 250,180 units in Fiscal 2012 compared to 183,898 units in Fiscal 2011, an increase of 36.0%.

Jaguar Land Rover's performance in key geographical markets on retail basis

United States

The US economy has recovered more favorably than other mature economies since the recent global economic downturn, with GDP growth and falling unemployment, although the position remains fragile.

The retail volumes in the premium car segment in the United States fell by 1% in Fiscal 2012 compared to Fiscal 2011, while the retail volumes in the premium SUV segment were up 5%. United States retail volumes for Fiscal 2012 for the combined brands were 58,003 units. Jaguar retail volumes for Fiscal 2012 fell by 3% compared to Fiscal 2011, leading to a 0.3% decrease in market share. Land Rover retail volumes for Fiscal 2012 increased by 21% compared to Fiscal 2011, increasing market share.

United Kingdom

Initial figures suggest that the UK economy re-entered recession in the last quarter of Fiscal 2012. Trading conditions in the UK remain difficult, despite an upswing in the first part of the year.

In the UK, the retail volumes in both the premium car segment and premium SUV segment increased by 10% in Fiscal 2012 compared to Fiscal 2011.

UK retail volumes for Fiscal 2012 for the combined brands were 60,022 units. Jaguar retail volumes for Fiscal 2012 decreased by 14% compared to Fiscal 2011, leading to a 6% decrease in market share. Land Rover retail volumes for Fiscal 2012 increased by 10% compared to Fiscal 2011, broadly maintaining market share.

Europe (excluding Russia)

The European economy continues to struggle, with austerity measures in place in a number of countries. The economic situation and recent national election results continue to create uncertainty around European zone stability, the Euro and borrowing costs. Credit continues to be difficult to obtain for customers and the outlook remains volatile.

The retail volumes in the premium car segment in Germany increased by 14%, and the retail volumes in the premium SUV segment increased by 17% compared to Fiscal 2011.

European retail volumes for Fiscal 2012 for the combined Jaguar Land Rover brands were 68,420 units, representing a 27% increase compared to Fiscal 2011. Jaguar retail volumes for Fiscal 2012 decreased by 7% and Land Rover retail volumes for Fiscal 2012 increased by 36% compared to Fiscal 2011.

Russia

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The Russian market was showing signs of recovery which was hard hit during Fiscal 2010 by the global economic crisis, particularly by the sharp fall in oil prices and the drying up of foreign credits on which Russian banks and companies tend to rely heavily.

The retail volumes in the premium car segment in Russia increased by 18.2% in Fiscal 2012 as compared to Fiscal 2011 and the retail volumes in the premium SUV segment increased 55.4% in Fiscal 2012 as compared to Fiscal 2011.

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The Russia retail volumes for Fiscal 2012 for the combined brands were 16,142 units. Jaguar retail volumes for Fiscal 2012 increased by 43.4% as compared to Fiscal 2011, leading to a 1% increase in market share. Land Rover retail volumes for Fiscal 2012 increased by 37.6% compared to Fiscal 2011, leading to a 1.3% decrease in market share.

China

The Chinese economy continued to grow strongly throughout Fiscal 2012. GDP growth is likely to slow down in the future, although remain above 8%. The Company has signed a joint venture agreement to manufacture cars in China with Chery Automobile Co., Ltd, a Chinese auto manufacturer. The joint venture contemplates manufacturing of Jaguar and Land Rover and joint venture - branded vehicles, establishment of a research and development facility, engine manufacture and sale of vehicles produced by the joint venture. The joint venture plans have not yet been approved by the Chinese authorities.

The retail volumes in the premium car segment in China (for imports) increased by 31% in Fiscal 2012 compared to Fiscal 2011. The retail volumes in the premium SUV segment (for imports) increased by 54% in Fiscal 2012 as compared to Fiscal 2011.

Jaguar Land Rover Sales & Distribution:

We market Jaguar products in 101 markets and Land Rover products in 177 markets, through a global network of 17 national sales companies (NSCs), 82 importers, 63 export partners and 2,351 franchise sales dealers, of which 585 are joint Jaguar and Land Rover dealers.

Sales locations for Jaguar Land Rover vehicles are operated as independent franchises. Jaguar Land Rover is represented in its key markets through national sales companies as well as third party importers. Jaguar Land Rover has regional offices in certain select countries that manage customer relationships, vehicle supplies and provide marketing and sales support to their regional importer markets. The remaining importer markets are managed from the UK.

Jaguar Land Rover products are sold through our dealerships to retail customers. Jaguar Land Rover products are also sold to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies, and governments. As a consequence, Jaguar Land Rover has a diversified customer base, which reduces its independence on any single customer or group of customers.

Jaguar Land Rover Competition:

We operate in a globally competitive environment and face competition from established premium and other vehicle manufacturers who aspire to move into the premium performance car and premium SUV markets, some of which are much larger than we are. Jaguar vehicles compete primarily against other European brands such as Audi, BMW and Mercedes Benz. Land Rover and Range Rover vehicles compete largely against SUVs manufactured by Audi, BMW, Infiniti, Lexus, Mercedes Benz, Porsche and Volkswagen. The Land Rover Defender competes with vehicles manufactured by Isuzu, Nissan and Toyota.

Jaguar Land Rover Seasonality:

The business of Jaguar Land Rover is impacted by the bi-annual registration of vehicles in the United Kingdom where the vehicle registration number changes every six months, which in turn has an impact on the resale value of the vehicles. This leads to a bunching up of sales during the periods when the change occurs. Seasonality in most other markets is driven by introduction of new model year derivatives, for example US market. Additionally in the US market there is some seasonality around purchase of vehicles within the snow belt states where the purchase of Jaguar vehicles is biased towards the spring /summer months, with a preference for 4x4 vehicles in the autumn/winter months. In China there is an increase in vehicle purchases during the fourth fiscal quarter, which includes the Chinese new year holiday. Furthermore, western European markets tend to be impacted by summer and winter holidays. The resulting sales profile influences operating results on a quarter to quarter basis.

Research and Development:

Over the years, we have devoted significant resources towards our research and development activities. Our research and development activities focus on product development, environmental technologies and vehicle safety. Our Engineering Research Centre, or ERC, established in 1966, is one of the few in-house automotive research and development centers in India recognized by the government. ERC is integrated with all of the Tata Motors Global Automotive Product Design and Development Centers in South Korea, Spain and United Kingdom. In addition to this, we leverage key competencies through various engineering service suppliers and design teams of our suppliers.

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We have a modern crash test facility for testing our new products for passenger safety. We have a pedestrian safety testing facility, a pendulum impact test facility and a bus rollover test facility, to develop products that comply with various safety norms. We also have a hemi-anechoic chamber testing facility for developing vehicles with lower noise and vibration levels and an engine emissions testing facility, to develop products meeting international standards. Other key facilities include a full vehicle climate test facility, heavy duty dynamometers and aggregate endurance test rigs.

Our Jaguar Land Rover research and development operations currently consist of a single engineering team, operating within co-managed engineering facilities, sharing premium technologies, power train designs and vehicle architecture.

In addition, our research and development activities also focus on developing vehicles running on alternative fuels, including CNG, liquefied petroleum gas, bio-diesel and compressed air and electric cars. We are continuing to develop green vehicles and are presently developing an electric vehicle on the Indica Vista platform. We are pursuing alternative fuel options such as ethanol blending for development of vehicles fuelled by hydrogen. In our Jaguar Land Rover products, we are pursuing several initiatives including alternative energy technologies to meet the targeted reduction in CO₂ emissions in the next 5 years.

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

We established a wholly owned subsidiary, TMETC, in 2006, to augment the abilities of our Engineering Research Centre with an objective to obtain access to leading-edge technologies to support the product development activities. In October 2010, we also acquired a design house in Italy, Trilix Srl, that has been working with us on many of our projects and are now a part of Tata Motors Design organization.

We endeavor to absorb the best of technologies for our product range to meet the requirements of a globally competitive market. All of our vehicles and engines are compliant with the prevalent regulatory norms in the respective countries in which they are sold. Our strategy to invest and develop our development capabilities have helped us in attaining significant achievements such as the design and development of India's first indigenously developed compact car, the segment creating mini-truck the Tata Ace and the world's most affordable family car the Tata Nano. In collaboration with our subsidiary TDCV, we developed the World Truck, now referred to as Prima, a sophisticated and contemporary M&HCV range with performance standards similar to those in developed markets, which we launched in India and in South Korea during Fiscal 2010. In Fiscal 2011, we launched the Tata Aria, India's first premium crossover and the Tata Venture, a multi purpose van in India. Last year, we launched the Ace Zip, a small commercial vehicle with 1.2 ton gross vehicle weight and the Magic Iris, a small passenger carrier for urban and rural transport.

We are pursuing various initiatives, such as the introduction of Premium Lightweight Architecture (PLA), to enable our business to comply with the existing and evolving emissions legislations in the developed world, which we believe will be a key enabler of both reduction in CO₂ and further efficiencies in manufacturing and engineering. Over recent years, Jaguar Land Rover has made significant progress in reducing the development cycle times. The ERC in India and Jaguar Land Rover engineering and development operations in the UK, have identified areas to leverage the facilities and resources to enhance the product development process and achieve economies of scale.

Initiatives in the area of vehicle electronics such as engine management systems, in-vehicle network architecture, telematics for communication and tracking and other emerging technological areas are also being pursued, which could possibly be deployed on our future range of vehicles. Likewise various new technologies and systems that would improve safety, performance and emissions of our product range are under implementation on our passenger cars and commercial vehicles.

For providing prompt service to the customer, development of enterprise level vehicle diagnostics system for achieving speedy diagnostics of complex electronics of modern vehicles has been underway. Also the initiative in telematics has further spanned into a fleet management and vehicle tracking system using GNSS (Global Navigation Satellite Systems).

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Intellectual Property

We create, own, and maintain a wide array of intellectual property assets that are among our valuable assets throughout the world. Our intellectual property assets include patents, trademarks, copyrights designs, trade secrets and other intellectual property rights. Patents relate to our innovations and products; trademarks secured relate to our brands and products; copyrights are secured for creative content; and designs are secured for aesthetic features of products/components. We proactively and aggressively seek to protect our intellectual property in India and other countries.

We own a number of patents and have applied for new patents which are pending for grant in India as well as in other countries. We have also filed a number of patent applications outside India under the Patent Cooperation Treaty, which will be effective in different countries going forward. We obtain new patents as part of our ongoing research and development activities.

We own registrations for number of trade-marks and have pending applications for registration of these in India as well as other countries. The registrations mainly include trademarks for our vehicle models and other promotional initiatives. We use the Tata brand, which has been licensed to us by Tata Sons Limited. We believe that establishment of the Tata word mark and logo mark in India and world over is material to our operations. As part of our acquisition of TDCV, we have the perpetual and exclusive use of the Daewoo brand and trademarks in Korea and overseas markets for the product range of TDCV.

As part of the acquisition of Jaguar Land Rover business, ownership /co-ownership of core intellectual property were transferred to us. Additionally, perpetual royalty free licenses to use other essential intellectual properties have been licensed to us for use in Jaguar and Land Rover vehicles. Jaguar and Land Rover own registered designs, to protect the design of their vehicles in several countries.

In varying degrees, all our intellectual property is important to us. In particular, the Tata brand is integral to the conduct of our business, a loss of which could lead to dilution of our brand image and have a material adverse effect on our business.

Components and Raw Materials

The principal materials and components required by us for use in Tata and other brand vehicles are steel sheets (for in-house stampings) and plates, iron/steel castings and forgings, items such as alloy wheels, tires, fuel injection systems, batteries, electrical wiring systems, electronic information systems and displays, interior systems such as seats, cockpits, doors, plastic finishers and plastic functional parts, glass and consumables (paints, oils, thinner, welding consumables, chemicals, adhesives and sealants) and fuels. We also require aggregates like axles, engines, gear boxes and cabs for our vehicles, which are manufactured in-house or by our subsidiaries, affiliates and strategic suppliers. We have long term purchase agreements for some critical components such as transmissions and engines. We have established contracts with some of the commodity suppliers to cover our own as also our suppliers requirements to moderate the effect of volatility in commodity prices. Special initiatives were also undertaken to reduce material consumption through value engineering and value analysis techniques.

As part of our strategy to become a low-cost vehicle manufacturer, we have undertaken various initiatives to reduce our fixed and variable costs. In India we started an e-sourcing initiative in 2002, pursuant to which we procure some supplies through reverse auctions. We also use external agencies as third party logistic providers. This has resulted in space and cost savings. Our initiatives to leverage Information Technology in Supply Chain activities have resulted in improved efficiency through real time information exchange and processing with our suppliers.

We have an established Supplier Quality Improvement Process - for ensuring quality of outsourced components. We also have a program for assisting vendors from whom we purchase raw materials or components to maintain quality. Each vendor is reviewed on a quarterly basis on parameters of quality, cost and delivery. Preference is given to vendors with TS 16949 certification. We also maintain a stringent quality assurance program that includes random testing of production samples, frequent re-calibration of production equipment and analysis of post-production vehicle performance and ongoing dialogue with workers to reduce production defects. Further, we have established a Strategic Sourcing Group to consolidate, strategize and monitor our supply chain activities with respect to major items of purchase as well as major inputs on new technology and services. The Strategic Sourcing Group is responsible for recommending, for the approval by the Management Committee, the long-term strategy, purchase decision, negotiations and relationship with vendors with regard to these items. In addition, the Strategic Sourcing Group is also responsible for formulating and overseeing our purchasing policies and norms, evolving guidelines for vendor quality improvement, vendor rating and performance monitoring and undertaking company-wide initiatives such as e-sourcing and supply chain management/policies with respect to vehicle spare parts.

We are also exploring opportunities for increasing the global sourcing of parts and components from low cost countries, and have in place a vendor management program that includes vendor base rationalization, vendor quality improvement and vendor satisfaction surveys. We initiated steps to include our supply chain in our initiatives on social accountability, environment management activities including supply chain

carbon footprint measurement, knowledge sharing on various environmental aspects etc.

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The principal materials and components required by us for use in our Jaguar and Land Rover vehicles are steel and aluminium sheet (for in-house stamping) or externally pre-stamped form, aluminium castings and extrusions, iron/steel castings and forgings, and items such as alloy wheels, tires, fuel injection systems, batteries, electrical wiring systems, electronic information systems and displays, leather trimmed interior systems such as seats, cockpits, doors, plastic finishers and plastic functional parts, glass and consumables (paints, oils, thinner, welding consumables, chemicals, adhesives and sealants) and fuels. We also require certain highly functional components such as axles, engines and gear boxes for our vehicles, which are mainly manufactured by renowned suppliers. We have long term purchase agreements for critical components with some key suppliers. The components and raw materials in our cars include steel, aluminium, copper, platinum and other commodities. We have established contracts with certain commodity suppliers to cover our own and our suppliers' requirements to mitigate the effect of volatility in commodity prices. Special initiatives were also undertaken to reduce material consumption through value engineering and value analysis techniques.

The Jaguar Land Rover business works with a range of strategic suppliers to meet its requirements for parts and components. The Jaguar Land Rover business has established quality control programmes to ensure that externally purchased raw materials and components are monitored and meet its quality standards. Such programmes include site engineers from Jaguar Land Rover who regularly interface with suppliers and carry out visits to supplier sites to ensure that relevant quality standards are being adhered to. Site engineers are also supported by persons in other functions, such as program engineers who interface with new model teams as well as resident engineers co-located at Jaguar Land Rover plants, who provide the link between the site engineers and the Jaguar Land Rover plants.

Suppliers

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

Our associate company Tata AutoComp Systems Ltd., or TACO, manufactures auto components and encourages the entry of internationally acclaimed auto component manufacturers into India by setting up joint ventures with them. Some of these joint ventures include: Tata Johnson Controls Limited for seats, Tata Yazaki AutoComp Ltd for wiring harnesses and Tata Toyo Radiators Ltd for radiator assemblies. These joint ventures supply components for our products in India.

Our other suppliers include some of the large Indian automotive supplier groups having multiple product offerings, such as Anand Group, Sona Group, TVS Group etc, as also some large multinational suppliers, such as Bosch, Continental, Delphi, Denso etc. Also for our Jaguar Land Rover business, we continue to work with our suppliers to optimize procurements and enhance our supplier base, including sourcing certain of our raw material and component requirements from low cost countries. Additionally co- development of few aggregates is also being evaluated which will lead to development of low cost supplier base for JLR.

In India, we have established vendor parks in the vicinity of our manufacturing operations and vendor clusters have been formed at our facilities at Pantnagar (Uttarakhand) and Sanand (Gujarat). This initiative is aimed at ensuring flow of component supplies on a real-time basis, thereby reducing logistics and inventory costs as well as lowering uncertainties in the long-distance supply-chain. Efforts are being taken to replicate the model at new upcoming locations as well as a few existing plant locations.

As part of driving continuous improvement in procurement, we have integrated our system for electronic interchange of data with our suppliers with the ERP. This has facilitated real time information exchange and processing to manage our supply chain more effectively.

We have established processes to encourage improvements via knowledge sharing among our vendor base through an initiative called Vendor Council consisting of our senior executives and representatives of major suppliers. The Vendor Council also helps in addressing common concerns through joint deliberations. Vendor council works on four critical aspects of engagement between us and the suppliers (i.e., quality, efficiency, relationship and new technology development).

We import some components that are either not available in the domestic market or when equivalent domestically-available components do not meet our quality standards. We also import products to take advantage of lower prices in foreign markets, such as special steels, wheel rims and power steering assemblies.

Ford has been and continues to be a major supplier of parts and services to Jaguar Land Rover. In connection with our acquisition of Jaguar Land Rover in June 2008, supply agreements have been entered into with Ford, ranging in duration from seven to nine years, as further set out below:

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Long term agreements have been entered with Ford for technology sharing and joint development providing technical support across a range of technologies focused mainly around power train engineering such that we may continue to operate according to our existing business plan.

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Supply agreements, ranging for duration of seven to nine years, were entered into with Ford for (i) the long term supply of engines developed by Ford, (ii) engines developed by us but manufactured by Ford and (iii) engines from Ford-PSA co-operation.

Based on learning from the latest global financial crisis and the cascading effect on the financial health of the suppliers, we have commenced efforts to assess supplier financial risk.

Suppliers are appraised based on or long term requirement through number of platforms such as vendor council meetings, council regional chapter meetings, national vendor meet, location specific vendor meet etc.

Capital and Product Development Expenditures

Our capital expenditure totaled Rs. 147,164 million, Rs. 90,719 million and Rs. 96,980 million during Fiscal 2012, 2011 and 2010 respectively. Our capital expenditure during the past Fiscal years related mostly to new product development and capacity expansion for new and existing products to meet the market demand and investments towards improving quality, reliability and productivity that are aimed at operational efficiency.

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

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

Other Operations

In addition to our automotive operations, we are also involved in other business activities, including information technology services. Net revenues, before inter-segment elimination, from these activities totaled to Rs.18,905 million, Rs. 14,916 million and Rs. 33,483 million in Fiscal 2012, 2011 and 2010, respectively, representing nearly 1.1%, 1.2% and 3.6% of our total revenues before inter-segment elimination in Fiscal 2012, Fiscal 2011 and Fiscal 2010, respectively. On March 30, 2010, we sold controlling equity interest in our construction equipment subsidiary, Telco Construction Equipment Co. Ltd (Telcon), which resulted in a 55.5% decrease in revenues from our other operations in Fiscal 2011.

Information Technology Services:

As of March 31, 2012, we owned a 72.41% equity interest in our subsidiary, Tata Technologies Limited, or TTL, TTL, founded in 1994 and a part of Tata group, is a global leader in Engineering Services Outsourcing, or ESO, and Product Development IT services solutions for Product Lifecycle Management, or PLM, and Enterprise Resource Management, or ERM, to the world's leading automotive, aerospace and consumer durables manufacturers and their suppliers. The company's services include product design, analysis and production engineering, Knowledge based engineering, PLM, Enterprise Resource Planning and Customer Relationship Management systems (CRM). The company also distributes, implements and supports PLM products from leading solution providers in the world such as Dassault Systems and Autodesk.

TTL has its international headquarters in Singapore, with regional headquarters in the United States (Novi, Michigan), India (Pune) and the UK (Coventry). TTL has a combined global workforce of around 5,000 professionals serving clients worldwide from facilities in North America, Europe and the Asia-Pacific region. TTL responds to customers' needs through its subsidiary companies and through its three offshore development centers. TTL had eight functional subsidiary companies and one joint venture as of March 31, 2012.

The consolidated revenues of TTL for Fiscal 2012 were Rs.16,291 million (including sales to Tata Motors group) reflecting a growth of 30.4% against Rs.12,493 million in the previous with traction in the automotive and aerospace markets. TTL recorded profit after tax of Rs.2,107 million in Fiscal 2012, reflecting growth of 56.9% over Rs. 1,343 million in Fiscal 2011 resulting from higher offshore revenues and cost reduction measures implemented by TTL.

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Government Regulation

Indian Automotive Sector

Automotive Mission Plan, 2006-2016

The automotive mission plan (Plan 2006) laid down by the Ministry of Heavy Industries and Public Enterprises of the Government of India in December 2006, consists of recommendations to the task force of the Development Council on Automobile and Allied Industries constituted by the Government of India, in relation to the preparation of the mission plan for the Indian automotive industry. Plan 2006 recommends that a negative list of items, such as no duty concession for import of used or re-manufactured vehicles, or treatment of remanufactured automotive products as old products, should be negotiated for free trade agreements or regional trade agreements, on a case-by-case basis with other countries. It recommends the adoption of appropriate tariff policy to attract more investment into the automobile industry, the improvement of power infrastructure to facilitate faster growth of automotive sector both domestically and internationally, policy initiatives such as encouragement of collaboration of the automotive industry with research and academic institutions, tax concessions and incentives to enhance competitiveness in manufacturing and promotion of research and technology development. For the promotion of exports in the automotive components sector, among other things, it recommends creation of special automotive component parks in special economic zones and creation of virtual special economic zones, which would enjoy certain exemptions on sales tax, excise and customs duty. Strengthening the inspection and certification system by encouraging public-private partnership and rationalization of the motor vehicles regulations, are also among the major recommendations of the plan.

A committee set up under the chairmanship of the Secretary, Heavy Industries and Public Enterprises consisting of all stake holders including representatives of the Ministry of Finance, representatives of interested parties relating to road transport, environment, commerce, industrial policy and promotion, labor, shipping, railways, human resource development, science and technology, new and renewable energy, petroleum and natural gas and representatives of automotive industry, will monitor the implementation and progress of the Plan 2006.

The Auto Policy, 2002

The Auto Policy was introduced by the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises of the Government of India in March 2002, with the aim, among others, to promote a globally competitive automotive industry and emerge as a global source for automotive components, establish an international hub for manufacturing small, affordable passenger cars, ensure a balanced transition to open trade at a minimal risk to the Indian economy and local industry, to encourage modernization of the industry and facilitate indigenous design, research and development and to develop domestic safety and environment standards at par with international standards.

Auto Fuel Policy, 2003

In 1992, the government of India issued emission and safety standards, which were further tightened in April 1996, under the Indian Motor Vehicle Act. Currently Bharat Stage IV norms (equivalent to Euro IV norms) are in force for four wheelers in 13 cities and Bharat Stage III norms (equivalent to Euro III norms) in the rest of India. Our vehicles comply with these norms. The next change in emission regulations is yet to be discussed by Government of India.

Central Motors Vehicles Rules, 1989

Chapter V of the Central Motor Vehicle Rules, 1989, or the CMV rules, lays down provisions relating to construction and maintenance of motor vehicles. Among specifications pertaining to dimensions, gears, indicators, reflectors, lights, horns, safety belts and others. The CMV rules govern emission standards for vehicles operating on compressed natural gas or CNG, petrol, liquefied petroleum gas and diesel.

Additionally, pursuant to the CMV rules, every manufacturer must also submit the prototype of every vehicle to be manufactured by it for testing by the Vehicle Research and Development Establishment of the Ministry of Defence of the Government of India, or Automotive Research Association of India, Pune, or the Central Machinery Testing and Training Institute, Budni (MP), or the Indian Institute of Petroleum, Dehradun, or the Central Institute of Road Transport, Pune, or the International Centre for Automotive Technology, Manesar or such other agencies as may be specified by the central government for granting a certificate by that agency as to the compliance of provisions of the Motor Vehicles Act, 1988 and these rules.

In case of CNG fitments by vehicle manufacturers on new petrol vehicles, each model manufactured must be a type approved pursuant to the prevailing mass emission norms as applicable for the category of new vehicle in respect of the place of its use.

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The CMV Rules also require the manufacturers to comply with notifications in the Official Gazette, issued by central government to use such parts, components or assemblies in manufacture of such vehicle, of such standards as may be specified or the relevant standards as specified by the Bureau of Indian Standards.

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Emission and Safety in India

In 1992, the Government of India issued emission and safety standards, which were further tightened in April 1996 under the Indian Motor Vehicle Act.

We are also working on meeting all the regulations which we believe are likely to come into force in various markets in future. Our vehicle exports to Europe comply with Euro IV norms, and we believe our vehicles also comply with the various safety regulations in effect in the other international markets we operate in.

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

India has been a signatory to the 1998 UNECE Agreement on Global Technical Regulations (GTR) since April 22, 2006 and has voted in favor of all the eleven Global Technical Regulations. Tata Motors works closely with the Government of India to participate in WP 29 World Forum Harmonization activities.

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

The Essential Commodities Act, 1955

The Essential Commodities Act, 1955, as amended by the Essential Commodities (Amendment and Validation) Act, 2009, or the Essential Commodities Act, authorizes the central government, if it finds it necessary or expedient to do so, to provide for regulating or prohibiting the production, supply, distribution, trade and commerce in the specified commodities under the Essential Commodities Act, in order to maintain or increase supplies of any essential commodity or to secure their equitable distribution and availability at fair prices, or to secure any essential commodity for the defense of India or the efficient conduct of military operations. The definition of essential commodity under the Essential Commodities Act includes component parts and accessories of automobiles .

Environmental Regulations

Manufacturing units or plants must ensure compliance with environmental legislation, such as the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous Wastes (Management and Handling) Rules, 1989. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (PCBs), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that units or plants are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation.

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

In addition, the Ministry of Environment and Forests conducts environment impact assessments. The Ministry receives proposals for expansion, modernization and establishment of projects and the impact of such projects on the environment are assessed by the Ministry, before it grants clearances for the proposed projects.

Regulation of Imports and Exports

Quantitative restrictions on imports into India were removed with effect from April 1, 2001, pursuant to India's World Trade Organization obligations and imports of capital goods and automotive components were placed under the open general license category.

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Automobiles and automotive components can, generally, be imported into India without a license from the Government of India subject to their meeting Indian standards and regulations, as specified by designated testing agencies. Cars, UVs and SUVs in completely built up or CBU condition can be imported at 60% basic customs duty. Commercial vehicles can be imported at basic customs duty of 10% and components can be imported at basic customs duty ranging from at 10% to 7.5% (for engine component).

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Automatic approval for foreign equity investments up to 100% is allowed in the automobile manufacturing sector under the FDI Policy.

Indian Taxes

See Item 10.E Additional Information Taxation for additional information relating to our taxation.

Excise Duty:

The Government of India imposes excise duty on cars and other motor vehicles and their chassis, which rates vary from time to time and across vehicle categories reflecting the policies of the Government of India. The chart below sets forth a summary of historical changes and the current rates of excise duty

Change of Tax Rate	Excise Duty (per vehicle or chassis)						
	Small cars*	Cars other than small cars**	Motor vehicles for more than 13 persons	Chassis fitted with engines for vehicles of more than 13 persons	Trucks	Chassis with engines fitted for trucks	Safari, SUVs and UVs
March 2008	12%	22% or 22% + Rs. 15,000*	12%	12% + Rs. 10,000	14%	14% + Rs. 10,000	20% + Rs. 20,000
December 2008	8%	-	8%	8% + Rs. 10,000	10%	10% + Rs. 10,000	-
March 2009	-	-	-	-	8%	8% + Rs. 10,000	-
July 2009	-	-	-	-	-	-	20% + Rs. 15,000
February 2010	10%	-	10%	10% + Rs. 10,000	10%	10% + Rs. 10,000	22% + Rs. 15,000
March 2012	12%	24% or 27%*	12%	15%	12%	15%	27%
May 2012	-	-	-	-	-	14%	-

* Small cars - cars with length not exceeding 4,000mm and an engine capacity not exceeding 1,500cc for cars with diesel engines and not exceeding 1,200cc for cars with gasoline engines. The higher rate is applicable if engine capacity exceeds 1,500cc.

** Cars other than small cars - motor vehicles for transport of more than 13 persons, trucks, safari, SUVs and UVs and chassis fitted with such engines.

(-) indicates no change during the relevant year.

All vehicles / chassis are subjected to Automobile Cess assessed at 0.125%, Education Cess assessed at 2% and Secondary and Higher Education Cess assessed at 1% in addition to the excise duty indicated above. Certain vehicles are also subjected to National Calamity Contingent Duty (NCCD) assessed at 1%.

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Valued Added Tax:

The Value Added Tax, or VAT, has been implemented throughout India. VAT enables set-off from sales tax paid on inputs by traders and manufacturers against the sales tax collected by them on behalf of the government, thereby eliminating the cascading effect of taxation. Two main brackets of 5% and 12.5%, along with special brackets of 0%, 1% 3%, 4%, 20% and 23% have been announced for various categories of goods and commodities sold in the country and certain states have also introduced additional VAT of 1% to 3% on specified commodities, including automobiles. In some of the states, surcharge of 10% on VAT has been introduced on automobiles. Central Sales Tax, however, continues to exist, although it is proposed to be abolished in a phased manner. Since its implementation, VAT had a positive impact on us. Prior to the implementation of VAT, major portion of sales tax paid on purchases formed part of our total cost of material. However, the implementation of VAT has resulted in savings on sales tax component, as VAT paid on inputs can generally be set off against tax paid on outputs.

In the Indian Union Budget 2008-09, the Central Sales Tax rate was reduced to 2% which remained unchanged for Fiscal 2012.

Goods and Services Tax:

The Government of India is proposing to reform the indirect tax system in India with a comprehensive national goods and services tax, or GST, covering the manufacture, sale and consumptions of goods and services. The date of introduction of GST is not yet known. The proposed GST regime will combine taxes and levies by the central and state governments into one unified rate structure. The Government of India has publicly expressed the view that following the implementation of the GST, indirect tax incidence on domestically manufactured goods is expected to decrease along with prices on such goods.

We have and are availing ourselves of excise duty exemptions for manufacturing facilities in the state of Uttarakhand and other incentives in certain states of India either through subsidy or loan from such states where we have manufacturing operations. While both the Government of India and other state governments of India have publicly announced that all committed incentives will be protected following the implementation of the GST. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the effect of this or any other aspect of the tax regime following implementation of the GST.

Direct Tax Code:

The Direct Tax Code Bill 2010, or DTC, proposes to replace the existing Income Tax Act, 1961 and other direct tax laws, with a view to simplify and rationalize the tax provisions into one unified code. The DTC bill is currently proposed to come into effect from April 1, 2013. The various proposals included in DTC bill are subject to review by Indian parliament and as such impact if any, is not quantifiable at this stage.

Insurance Coverage:

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

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Jaguar Land Rover has global insurance coverage which Jaguar Land Rover considers to be reasonably sufficient to cover normal risks associated with our operations and insurance risks (including property, business interruption, marine and product/general liability) and which we believe is in accordance with commercial industry standards.

Economic Stimulus Package and Incentives:

In January 2009, the Government of India announced an Economic Stimulus Package targeting the automotive industry. The Public Sector banks were encouraged to fund the auto sector along with providing a line of credit to NBFCs, specifically for the CVs. The States were to be provided a onetime assistance to purchase 15,000 buses for their urban transport system. There was a 4% cut in the central value added tax rate, or cenvat, on cars and trucks and a 2% cut in cenvat rate on motor vehicles for transport of more than 13 persons, including the driver. Further, in February 2009, the cenvat rate was reduced from 10% to 8% for Trucks and buses and service tax was also reduced from 12% to 10%. The Government of India has also provided for an accelerated tax depreciation of 50% for commercial vehicles purchased between January 1 and September 30, 2009. The cenvat rate was restored to 10% since April 1, 2010. It was further revised to 12% with effect from March 16, 2012.

In the UK, interest rates have been maintained at an historic low of 0.5% since March 2009, interest rates have been kept at this level in order to provide stimulus to the economy. The European Central Bank increased its base rate to 1.25% in April 2011, following no changes for just under two years, in response to the risk of accelerating inflation. Within Europe there is still concern regarding the sovereign debt issues within Greece, Ireland, Portugal, Spain and Italy. Continued high employment in the US has led to the use of fiscal stimuli, quantitative easing and lower interest rates despite positive GDP outlook, which could lead to higher inflation.

In June 2010, the Chinese government announced subsidy program of RMB3,000 for each energy-conservation passenger vehicle with an engine capacity of 1.6 liters or smaller. The Central Government also provided for a subsidy for private purchase of new energy vehicles (Hybrid Electric Vehicle up to RMB 50,000 and Battery Electric Vehicle up to RMB 60,000) along with additional subsidy from local government. Furthermore, the Development Plan in Energy-saving and New Energy Vehicle Industry, which was approved and will be the blueprint for China automotive industry development over the next ten years (2011-2020).

For emission reduction and environmental protection, China plans to adopt Fuel Consumption Stage III with stringent fuel economy requirements soon. It requires automakers to invest and speed up development of smaller and more fuel efficient vehicles for China auto market.

Environmental, Fiscal and Other Governmental regulations around the world:

Our Jaguar Land Rover business has significant operations in the US and Europe, which have stringent regulations relating to vehicular emissions. The proposed tightening of vehicle emissions regulations by the European Union will require significant costs of compliance for Jaguar Land Rover. While we are pursuing various technologies in order to meet the required standards in the various countries in which we operate, the costs of compliance with these required standards can be significant to our operations and may adversely impact our results of operations.

Greenhouse gas /CO₂ / fuel economy legislation: Legislation is now in place limiting the manufacturer fleet average greenhouse gas emissions in Europe for passenger cars starting January 2012 and the US with their Federal GHG Standard running 2012-2016 model year. In addition, many other markets either have or will shortly define similar GHG emissions standards (some of these include Canada, China, Japan, Korea, Switzerland, Australia, and South Africa). In Europe implementation of Light Commercial Vehicle CO₂ standards would affect the Defender and a small number of Freelander and Discovery vehicles.

In Europe, non compliance penalties are in the form of monetary fines. In the US, non compliance results in monetary fines and can result in market exclusion.

California is currently developing a new Zero Emission Vehicle regulation mandating increased penetration of electric and plug in hybrid electric vehicles from 2018 model year above and beyond the requirements of the Federal GHG Standard.

Jaguar Land Rover undertakes technology deployment plans directed to achieving these standards. These plans include the use of lightweight materials, including aluminium, which will contribute to the manufacture of lighter vehicles with improved fuel-efficiency, reducing parasitic losses through the driveline and improvements in aerodynamics. They also include the development and installation of smaller engines in our existing vehicles and other drive train efficiency improvements, including the introduction of eight-speed transmissions in some of our vehicles. We also plan to introduce smaller vehicles, commencing with the introduction of the Range Rover Evoque, the most fuel-efficient vehicle in the Land Rover line-up. The technology deployment plans include the research, development and deployment of hybrid electric vehicles initially in Europe and the United States, which require significant investment. Additionally, local excise tax initiatives are also a key consideration in

ensuring our products meet customer needs for environmental footprint and cost of ownership concerns.

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Non-greenhouse gas emissions legislation:

Existing EU5 regulations planned EU6 and EU7 regulations in Europe, existing US California LEV2 regulations and planned LEV3 regulations, place ever stricter limits on particulate emissions, oxides of nitrogen and hydrocarbons for passenger and light duty trucks. These regulations require ever increasing levels of technology in engine control systems on-board diagnostics and after treatment systems affecting base costs of our power trains. Additional stringency of evaporative emissions also require more advanced materials and joints solutions to eliminate fuel evaporative losses, all for much longer warranted periods (up to 150,000 miles in the US). While Europe and California lead the implementation of these emissions programmes, other nations and states follow on with adoption of these regulations 2-4 years after (e.g. EU5 Europe September 2009, China January 2012).

To comply with the current and future environmental norms, we may have to incur substantial capital expenditure and research and development expenditure, to upgrade products and manufacturing facilities, which would have an impact on our cost of production and results of operation.

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

Vehicle safety: Vehicles sold in Europe are subject to vehicle safety regulations established by the European Union or by individual Member States. In 2009, the European Union enacted a new regulation to establish a simplified framework for vehicle safety, repealing more than 50 existing directives and replacing them with a single regulation aimed at incorporating relevant United Nations standards. The incorporation of the United Nations standards will commence in 2012. Further new regulations on advanced safety systems, the European Commission plans to require (i) new model cars from 2011 to have electronic stability control systems; (ii) to introduce regulations relating to low-rolling resistance tires in 2013; (iii) to require tire pressure monitoring systems starting in 2012; and (iv) to require heavy vehicles to have advanced emergency braking systems and lane departure warning systems from 2013. From April 2009, the criteria for whole vehicle type approval were extended to cover all new road vehicles, to be phased in over five years depending on vehicle category. The extension clarifies the criteria applicable to small commercial vehicles.

The National Highway Traffic Safety Administration (NHTSA) issues federal motor vehicle safety standards covering a wide range of vehicle components and systems such as airbags, seatbelts, brakes, windshields, tires, steering columns, displays, lights, door locks, side impact protection and fuel systems. We are required to test new vehicles and equipment and assure their compliance with these standards before selling them in the United States. We are also required to recall vehicles found to have defects that present an unreasonable risk to safety or which do not conform to the required Federal Motor Vehicle Safety Standards, and to repair them without charge to the owner. The financial cost and impact on consumer confidence of such recalls can be significant depending on the repair required and the number of vehicles affected. We have no pending investigations relating to alleged safety defects or potential compliance issues before the NHTSA.

These standards add to the cost and complexity of designing and producing vehicles and equipment. In recent years the NHTSA has mandated, among other things:

a system for collecting information relating to vehicle performance and customer complaints, and foreign recalls to assist in the early identification of potential vehicle defects as required by the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act; and

enhanced requirements for frontal and side impact, including a lateral pole impact.

Furthermore, the Cameron Gulbransen Kids Transportation Safety Act of 2007 (Kids and Cars Safety Act), passed into law in 2008, requires the NHTSA to enact regulations related to rearward visibility and brake-to-shift interlock and requires the NHTSA to consider regulating the automatic reversal functions on power windows. The costs to meet these proposed regulatory requirements may be significant.

Vehicle safety regulations in Canada are similar to those in the United States. However, many other countries have vehicle regulatory requirements which differ from those in the United States. The differing requirements among various countries create complexity and increase costs such that the development of a common product that meets the country regulatory requirements of all countries is not possible. Global Technical Regulations (GTRs), developed under the auspices of the United Nations, continue to have an increasing impact on automotive safety activities, as indicated by EU legislation. In 2008, GTRs on electronic stability control, head restraints and pedestrian protection, were adopted by the UN World Forum for the Harmonization of Vehicle Regulations, and are now in different stages of national implementation. While global harmonization is fundamentally supported by the automobile industry in order to reduce complexity, national implementation, may still

introduce subtle differences into the system.

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In the normal course of business, we face claims and assertions by various parties. We assess such claims and assertions and monitor the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. We record a liability for any claims where a potential loss is probable and capable of being estimated and disclose such matters in our financial statements, if material. For potential losses which are considered reasonably possible, but not probable, we provide disclosure in the financial statements, but do not record a liability in our financial statements unless the loss becomes probable. Should any new developments arise, such as a change in law or rulings against us, we may need to make provisions in our financial statements, which could adversely impact our reported financial condition and results of operations. Furthermore, if significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, there could be a material adverse effect on our business and profitability. Certain claims that are above Rs. 200 million in value are described in Note 34 to our consolidated financial statements included in this annual report. Certain claims that are below Rs. 200 million in value pertain to indirect taxes, labour and other civil cases. There are other claims against us which pertain to motor accident claims in India (involving vehicles that were damaged in accidents while being transferred from our manufacturing plants to regional sales offices), product liability claims and consumer complaints. Some of these cases relate to replacement of parts of vehicles and/or compensation for deficiency in services provided by us or our dealers.

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

C. Organizational Structure.**I. Tata Sons- Promoter and its Promoted Entities**

Tata Sons holds equity interests in a range of businesses. The various companies promoted by Tata Sons, including us, are based substantially in India and had combined revenues of approximately US\$100 billion for Fiscal 2012. The operations of Tata Sons promoted entities are highly diversified and can be categorized under seven business sectors, namely, engineering, materials, energy, chemicals, consumer products, services, communications and information systems. These companies do not constitute a group under Indian Law.

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

By 1970, the operations of Tata Sons promoted entities had expanded to encompass a number of major industrial and commercial enterprises including Indian Hotels Company Limited (1902), Tata Steel Limited (Tata Steel) (1907), which became the sixth largest steel maker in the world after it acquired Corus, Tata Power Company Limited (1910), Tata Chemicals Limited (1939), which is the world's second largest manufacturer of soda ash, and Tata Motors Limited (1945), which is among the top five medium and heavy commercial vehicle manufacturers in the world and which acquired Jaguar Land Rover in 2008. Tata Motors made India's first indigenously developed car, the Indica, in 1998, and introduced the world's lowest-cost car, the Tata Nano in Fiscal 2010. Other Tata entities include Voltas Limited (1954), and Tata Global Beverages Ltd. (1962), which is the second largest branded tea company in the world, through its UK-based subsidiary Tetley.

Tata Sons also promoted India's first airline, Tata Airlines, which later became Air India (India's national carrier), as well as India's largest general insurance company, New India Assurance Company Limited, both of which were subsequently taken over by the Government as part of the Government's nationalization program. Tata Consultancy Services Limited (TCS) is Asia's leading software services provider and the first Indian software firm to exceed sales of US\$4 billion. TCS has delivery centres in the US, UK, Hungary, Brazil, Uruguay and China, as well as India. In 1999, Tata Sons also invested in several telephone and telecommunication ventures, including acquiring a portion of the Indian Government's equity stake in the state owned Tata Communications Limited which is one of the world's largest wholesale voice carriers. Tata companies are building multinational businesses that will achieve growth through excellence and innovation, while balancing the interests of shareholders, employees and society.

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

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Each of the Tata Sons promoted consenting entities pays a subscription fee to participate in and gain from the Tata brand identity. We believe that we benefit from the association with the Tata brand identity and accordingly, Tata Motors Limited and certain of our subsidiaries have agreed to pay an annual subscription fee to Tata Sons Limited which is equal to 0.15%-0.25% of annual net income (defined as net revenues exclusive of excise duties and other governmental taxes and non-operating income), subject to a ceiling of 5% of annual profit before tax (defined as profit after interest and depreciation but before income tax). In the past, Tata Sons also has lowered the subscription fee, considering its requirement of outlay for activities related to brand promotion and protection. For the Fiscal years ended March 31, 2011 and 2012, Tata Motors on a standalone basis paid an amount less than 0.25% of its annual net income as per Indian GAAP. Pursuant to our licensing agreement with Tata Sons Limited, we have also undertaken certain obligations for the promotion and protection of the new Tata brand identity licensed to us under the agreement. The agreement can be terminated by written agreement between the parties, by Tata Sons Limited upon our breach of the agreement and our failure to remedy the same, or by Tata Sons Limited upon providing six months notice for reasons to be recorded in writing. The agreement can also be terminated by Tata Sons Limited upon the occurrence of certain specified events, including liquidation.

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

A large number of the Tata Sons promoted entities hold shares in one another and some of our directors hold directorships on the boards of Tata Sons and/or Tata Sons promoted entities. However, there are no voting agreements, material supply or purchase agreements or any other relationships or agreements that have the effect of tying us together with other Tata Sons promoted entities at management, financial or operational levels. With the exception of Tata Steel Limited, which under our Articles of Association has the right to appoint one director to the Board, Tata Sons Limited and its subsidiaries do not have any special contractual or other power to appoint our directors or management beyond the voting power of their shareholdings in us. Except as set forth in the tables below under the heading *Subsidiaries and Affiliates* and except for approximately a 15.38% equity interest in Tata Services Ltd, a 9.55% equity interest in Tata Industries Limited and a 6.67% equity interest in Tata Projects Ltd, our shareholdings in other the Tata Sons promoted entities are generally insignificant as a percentage of their respective outstanding shares or in terms of the amount of our investment or the market value of our shares of those companies.

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II Tata Motors Group:

Subsidiaries and Affiliates

The subsidiaries and equity method affiliates of Tata Motors Limited that together with Tata Motors Limited form the Tata Motors Group under Indian Law as of March 31, 2012 are set forth in the chart below:-

1. *The holdings in these subsidiaries range from 72.41% to 72.61%.*
2. *The subsidiaries are based in many countries abroad.*
3. *The subsidiary is based in Morocco.*
4. *The holding in its subsidiary is 71.69%.*
5. *The subsidiary is based in Norway.*
6. *The holding in its subsidiary is 78.39%.*
7. *The holdings in these affiliates range from 7.90% to 31.61%.*
8. *Is an affiliate of Tata Technologies Ltd.*
9. *The holdings in these affiliates range from 17.76% to 40%.*
10. *HV Transmission Ltd merged with HV Axles Ltd with effect from August 29, 2011. The name, HV Axles Ltd. was changed to TML Drivelines Ltd. with effect from October 20, 2011 and it became a wholly owned subsidiary of the Company with effect from December 29, 2011.*

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D. Property, Plants and Equipment.

Facilities:

We operate six principal automotive manufacturing facilities in India. The first facility was established in 1945 at Jamshedpur in the State of Jharkhand in eastern India. We commenced construction of the second facility in 1966 (with production commencing in 1976) at Pune, in the State of Maharashtra in western India, the third facility in 1985 (with production commencing in 1992) at Lucknow, in the State of Uttar Pradesh in northern India, the fourth at Pantnagar in the State of Uttarakhand, India, which commenced operations in Fiscal 2008, the fifth at Sanand in Gujarat in western India for manufacturing of the Nano, which commenced operations in June, 2010, and the sixth plant for manufacturing Tata Marcopolo buses under our joint venture with Marcopolo and LCVs at Dharwad in Karnataka (which buses are also produced at Lucknow). The Jamshedpur, Pune and Lucknow manufacturing facilities have been accredited with ISO/TS 16949:2000(E) certification.

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

Fiat India Automobiles Limited, our joint venture with Fiat Group Automobiles S.p.A Italy, has its manufacturing facility located in Ranjangaon, Maharashtra. The plant is used for manufacturing Tata and Fiat branded cars as well as engines and transmissions for use by both partners.

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

Our 100% stake in Tata Hispano Motors Carrocera S.A. provides us with an access to two manufacturing units, one in Spain and another one in Morocco.

Following our acquisition of Jaguar Land Rover, we currently operate three principal automotive manufacturing facilities in the United Kingdom at Solihull, Castle Bromwich, and Halewood and have two product development facilities in the United Kingdom at Gaydon and Whitley. Most of these facilities are owned freehold or held through long-term leaseholds, generally with nominal rents.

Tata Motors European Technical Centre Plc, UK, along with its Norwegian subsidiary, is specialized in the development and manufacture of electric cars and lithium-ion batteries.

Tata Motors (SA) Proprietary Limited, or TMSA, our joint venture with Tata Africa Holdings (SA) (Pty.) Limited, for the manufacture and assembly operations of our LCVs and M&HCVs in South Africa, has its manufacturing facility located in Rosslyn South Africa.

Description of environmental issues that may affect the Company's utilization of facilities:

Tata Motors Limited:

Automobile industry around the world is concerned about climate change as they are exposed to various regulations for controlling the emissions contributing to climate change. We are also exposed to such regulatory risks related to climate change.

The design and development of fuel efficient vehicles and vehicle running on alternative renewable energy have become a priority as a result of fossil fuel scarcity escalating price and growing awareness about energy efficiency among customers.

We have adopted the Tata Group Climate Change Policy which addresses key climate change issues related to products, processes and services. We are committed to reduction of greenhouse gases emissions throughout the lifecycle of our products and development of fuel efficient and low Green House Gas (GHG) emitting vehicles, as an integral part of our product development and manufacturing strategy.

Considering the climate change risk, we are actively involved in partnerships with technology providers to embrace the best energy efficient technologies not only for products but also for processes and are also participating actively in the various National Committees in India, which are working on formulating policies and regulations for improvement of environment, including GHG reduction.

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India, as a party to the United Nations Framework Convention on Climate Change, 1992 and its Kyoto Protocol, 1997, has been committed to addressing the global problem on the basis of the principle of common but differentiated responsibilities and respective capabilities of the member parties. At present, there are no legally binding targets for GHG reductions for India as it is a developing country. There are however opportunities for minimizing energy consumption through elimination of energy losses during manufacturing, thereby reducing manufacturing costs and increasing productivity.

In order to manage regulatory and general risks of climate change, we are increasingly investing in design and development of fuel efficient and alternative energy vehicles, besides implementing new advanced technologies to increase efficiency of internal combustion engines. We have manufactured a CNG version of buses, light commercial vehicles, an LPG version of passenger car, the Indica, and a CNG version of the ACE goods carrier and pickup, Xenon.

In September 2010, Tata Motors presented CNG-Electric Hybrid Low-floor Starbuses to the Delhi Transport Corporation (DTC). This is the first time in India that hybrid buses will be used for public transportation. The Tata Hybrid Starbus offers substantial improvements in fuel economy compared to a conventional bus. The usage of this technology leads to lower emissions thereby contributing to cleaner air and a greener, more environment-friendly commercial passenger transportation application.

Further, we are using latest available low GWP refrigerants like R134A, in products for minimizing contribution of GHG emissions. We also ensure that no refrigerant is released to atmosphere during any service, repair and maintenance. The refrigerant charge on the vehicle is first recovered before the system is serviced and recharged. In addition, we are voluntarily disclosing passenger vehicles fuel efficiency information in India in accordance with the decision by the Society of Indian Automobile Manufacturers (SIAM). We are also continually in the process of developing products that meet the current and future emission norms in India and other countries. For example we have products which meet the BS III and BS IV norms in India and are also working on products that will meet the impending Euro V norms in international markets.

We also strive to increase the proportion of energy sourced from renewables. We have incorporated environmentally sound practices as one of our prime objectives in our processes, products and services, and all manufacturing facilities at Pune, Jamshedpur, Lucknow and Pantnagar in India, have an Environmental Management System (EMS), in place and have achieved ISO-14001 certification. We have been implementing various Environment Management Programmes (EMPs) on energy conservation such as reduction in electricity and fuel consumption and thereby reducing greenhouse gases emissions. We are actively working towards a shift to gas fuels to meet process heat requirements.

Jaguar Land Rover:

Our production facilities are subject to a wide range of environmental, health and safety requirements. These requirements address, among other things, air emissions, wastewater discharges, accidental releases into the environment, human exposure to hazardous materials, the storage, treatment, transportation and disposal of wastes and hazardous materials, the investigation and clean up of contamination, process safety and the maintenance of safe conditions in the workplace. Many of our operations require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future environmental, health and safety laws and regulations or their more stringent enforcement. Other environmental, health and safety laws and regulations could impose restrictions or onerous conditions on the availability or the use of raw materials the company need for our manufacturing process.

Our manufacturing process results in the emission of greenhouse gases such as carbon dioxide. The EU Emissions Trading Scheme, an EU-wide system in which allowances to emit greenhouse gases are issued and traded, is anticipated to cover more industrial facilities and become progressively more stringent over time, including by reducing the number of allowances that will be allocated free of cost to manufacturing facilities. In addition, a number of further legislative and regulatory measures to address greenhouse gas emissions, including national laws and the Kyoto Protocol, are in various phases of discussion or implementation. These measures could result in increased costs to: (i) operate and maintain our production facilities; (ii) install new emissions controls; (iii) purchase or otherwise obtain allowances to emit greenhouse gases; and (iv) administer and manage the Company's greenhouse gas emissions programme.

Many of our sites have an extended history of industrial activity. We may be required to investigate and remediate contamination at those sites, as well as properties at which we formerly conducted operations, regardless of whether the company caused the contamination or whether the activity causing the contamination was legal at the time it occurred. In connection with contaminated properties, as well as our operations generally, the company also could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property damage resulting from hazardous substance contamination or exposure caused by our operations, facilities or products. We could be required to establish or substantially increase financial reserves for such obligations or liabilities and, if we fail to accurately predict the amount or timing of such costs, the related impact on our business, financial condition or results of operations could be material.

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We have a good health and safety record. We maintain our plants and facilities with a view to meeting these regulatory requirements and have also put in place a compliance reporting and monitoring process which is intended to help us to mitigate risk.

Table of Contents**Production Capacity:**

The following table shows our production capacity as of March 31, 2012 and production levels by plant and product type in Fiscal 2012 and 2011:

	Fiscal Year ended March 31,	
	Production Capacity	Production (Units) 2012 2011
Tata Motors Plants in India*		
Medium and Heavy Commercial Vehicles, Light Commercial Vehicles, Utility Vehicles, Passenger Cars,	1,623,000	877,809 758,435
Jaguar Land Rover**		
Utility Vehicles, Passenger Cars	514,000	320,882 246,958
Other Subsidiary companies plants (excluding JLR)***		
Medium & Heavy Commercial Vehicles, Buses & bus body and Pick-up trucks	56,712	27,843 25,060

* These are estimated production capacity on a double shift basis for all plants (except Uttarakhand plant for which capacity is on three shift basis) for manufacture of vehicles and replacement parts.

** Production capacity is on three shift basis.

*** The plants are located in Korea, Spain, Morocco, South Africa and Thailand. Production capacity of plants at Spain and Morocco are on single shift basis

Properties:

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

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The following table sets forth information, with respect to our principal facilities, a substantial portion of which are owned by us as of March 31, 2012. The remaining facilities are on leased premises.

Location	Facility or Subsidiary Name	Principal Products or Functions
India		
In the State of Maharashtra		
Pune (Pimpri, Chinchwad, Chikhali ⁽¹⁾ , Maval)	Tata Motors Ltd.	Automotive vehicles, components & Research & Development
Pune (Chinchwad)	TAL Manufacturing Solutions Ltd.	Factory automation equipment and services
Pune (Hinjewadi) ⁽¹⁾	Tata Technologies Ltd.	Software consultancy and services
Mumbai	Tata Motors Ltd./Concorde Motors (India) Ltd./Tata Motors Finance Ltd.	Automobile sales & service and vehicle financing
Nagpur ⁽¹⁾	TAL Manufacturing Solutions Ltd.	Under construction for Hybrid Floor Beam Project for supplies to Boeing
In the State of Jharkhand		
Jamshedpur	Tata Motors Ltd.	Automotive vehicles, components & R&D
Jamshedpur	TML Drivelines Ltd.	Axles and transmissions for M&HCVs
In the State of Uttar Pradesh		
Lucknow ⁽¹⁾	Tata Motors Ltd. Tata Marcopolo Motors Ltd.	Automotive vehicles/ parts & R&D Bus Bodies
In the State of Karnataka		
Dharwad	Tata Motors Ltd.	Automotive vehicles & Components, Spare parts and warehousing
Bangalore ⁽²⁾	Tata Marcopolo Motors Ltd. Concorde Motors (India) Ltd.	Bus body manufacturing Automobile sales and service
In the State of Uttarakhand		
Pantnagar ⁽¹⁾	Tata Motors Ltd.	Automotive vehicles & components
In the State of Gujarat		
Sanand	Tata Motors Ltd.	Automotive vehicles & components
Rest of India		
Hyderabad ⁽²⁾ & Chennai ⁽¹⁾	Concorde Motors (India) Ltd.	Automobile sales and service
Cochin	Concorde Motors (India) Ltd	Automobile sales and service
Various other properties in India	Tata Motors Ltd./Tata Motors Finance Ltd.	Vehicle financing business (office/residential)
Outside India		
Singapore	Tata Technologies Pte Ltd	Software consultancy and services
Republic of Korea	Tata Daewoo Commercial Vehicle Co. Ltd.	Automotive vehicles, Components and Research & Development
Thailand	Tata Motors (Thailand) Ltd. Tata Technologies (Thailand) Ltd.	Pick-up trucks Software consultancy and services
United Kingdom	Tata Motors European Technical Centre INCAT International PLC & Tata Technologies Europe Ltd.	Engineering consultancy and services Software consultancy and services
United Kingdom	Jaguar Land Rover	Automotive vehicles & components
- Solihull	Jaguar Land Rover	Automotive vehicles & components
- Castle Bromwich	Jaguar Land Rover	Automotive vehicles & components
- Halewood	Jaguar Land Rover	Research & Product Development
- Gaydon	Jaguar Land Rover	Headquarters and Research & Product Development
- Whitley	Jaguar Land Rover	Headquarters and Research & Product Development
Spain	Tata Hispano Motors Carrocera S.A.	Bus Body Manufacturing and service
Morocco	Tata Hispano Motors Carroceries Maghreb.	Bus Body Manufacturing and service
Norway	Miljobil Grenland AS	Engineering consultancy and services
South Africa	Tata Motors (SA) (Proprietary)	Manufacture and assembly operations of vehicles
Rest of the world	Tata Technologies Group of Companies	Software consultancy and services

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Jaguar Land Rover

National sales companies
Regional sales offices

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Notes:

- (1) Land at these locations has been taken under operating lease.
- (2) Some of the facilities are under operating lease and some are owned.

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

We have additional property interests in various locations around the world for limited manufacturing, sales offices, and dealer training and testing. The majority of these are housed within leased premises.

Capital work-in-progress as of March 31, 2012, includes buildings of Rs. 3,098.8 million on leased land located in the State of West Bengal in India for the purposes of manufacturing automobiles. As a result of the decision to relocate and construct a similar manufacturing facility at another location, the management was in the process of evaluating several options, under all of which no adjustment to the carrying amount of the buildings was considered necessary. In June 2011, the newly elected Government of West Bengal (referred to as the State Government) enacted legislation to cancel the land lease agreement.

The Company challenged the legal validity of the legislation. In June 2012, the High Court of Calcutta (referred to as the High Court) ruled against the validity of the legislation and restored the Company's rights under the land lease agreement. The High Court allowed the State Government to appeal in the Supreme Court of India (referred to as the Supreme Court), within two months from the date of the High Court's judgment. As of the date of these financial statements, the State Government has yet to file an appeal.

The Company reasonably expects that the High Court's judgment, based on established position of law, will be upheld by the Supreme Court in the event the State Government files an appeal.

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

Item 4A. Unresolved Staff Comments.

None.

Item 5. Operating and Financial Review and Prospects.

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

A. Operating Results.

All financial information discussed in this section is derived from our financial statements included in this Annual Report on Form 20-F, which has been prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board.

Overview

In Fiscal 2012, our total revenue (net of excise duties) including finance revenues increased by 35.1% to Rs.1,664,853 million from Rs.1,232,134 million in Fiscal 2011. We recorded a net income (attributable to shareholders of the Company) of Rs.115,659 million in Fiscal 2012, representing a 57.6% or Rs. 42,257 million increase, over net income in Fiscal 2011 of Rs. 73,402 million.

Automotive operations.

Automotive operations are our most significant segment, accounting for 99.4%, 99.3 % and 97.0% of our total revenues for Fiscal 2012, 2011, and 2010, respectively. For Fiscal 2012, revenue from automotive operations before inter segment eliminations was Rs.1,654,903 million as compared to Rs.1,223,547 million for Fiscal 2011 and Rs.897,970 million for Fiscal 2010.

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Our automotive operations include:

All activities relating to development, design, manufacture, assembly and sale of vehicles as well as related spare parts and accessories;

Distribution and service of vehicles; and

Financing of our vehicles in certain markets.

Our automotive operations are further divided into Tata and other brand vehicles including spares and financing thereof, and the Jaguar Land Rover business. For Fiscal 2012, Jaguar Land Rover contributed 63.1% of our total automotive revenue (before intra segment elimination) and the remaining 36.9% was contributed by Tata and other brand vehicles.

Tata and other brands vehicles (including spares and financing thereof)

As compared to 8.6% growth in Fiscal 2011, in Fiscal 2012 the Indian economy recorded a slower growth at an estimated 6.9%. During Fiscal 2012, inflation continued to remain at higher levels which progressively impacted the business sentiments in India. The rate of Index of Industrial Production (IIP) decelerated from 8.2% in Fiscal 2011 to 2.8% in Fiscal 2012. Our vehicle sales increased by 14.3% to 955,233 units in Fiscal 2012 from 835,469 units in Fiscal 2011, resulting in a revenue (before inter-segment elimination) increase of 16.0% to Rs.611,048 million in Fiscal 2012, compared to Rs.526,847 million in Fiscal 2011.

Our passenger vehicle sales in India increased by 10.3% to 347,323 units in Fiscal 2012 from 314,907 units in Fiscal 2011. Domestic passenger vehicle sales were impacted by rising interest rates, fuel price hikes, inflationary pressures and intense competition. However, customer preference for diesel vehicles over petrol vehicles and our focused marketing initiatives and network actions have positively influenced our sales. We sold 77,394 Nano cars in Fiscal 2012, an increase of 21.7% over 63,590 units in Fiscal 2011. We are focused on expanding the reach for the Nano through Special Nano Access Points, and ensuring availability of finance for all segments of customers through tailored finance schemes. During Fiscal 2012, we launched the Nano 2012, with several new features, including improved fuel efficiency, which aided volume traction. We continue to offer products in the entry level, mid-size sedan market through a portfolio including the old Indigo and Indigo eCS, the most fuel-efficient sedan in the country. The Vista volumes continue to grow during the year. Our sales in the mid size category suffered as competition severely intensified with multiple new launches from other industry players in this segment.

In the UV category, we sold 55,592 units in Fiscal 2012, representing an increase of 5.3% from 52,774 units in Fiscal 2011. In November 2011, the Company launched the new Sumo Gold which has been since showing healthy growth. The Tata Venture which was launched in January 2011, has continued to receive good market response.

Sale of our commercial vehicles in India increased by 18.8% to 531,228 units in Fiscal 2012 from 447,299 units in Fiscal 2011, our highest ever sales in the domestic commercial vehicle market. Launches during Fiscal 2012 included the Ace Zip, Magic Iris, Tata Divo, a super-luxury inter-city bus, and new variants in the Tata Starbus Ultra range.

In the domestic market, the M&HCV category grew by 6.5%. The light commercial vehicles category grew by 29.1% in Fiscal 2012, largely supported by the demand for small commercial vehicles. We also improved Light commercial vehicles volume performance in the pickup segment realizing sales of 324,069 units, an increase of 18.9% over 272,455 units sold in Fiscal 2011. The sales of the Tata Ace continued to increase year-on-year.

Our overall sales in international markets increased by 4.7% to 76,682 units in Fiscal 2012, as compared to 73,263 units in Fiscal 2011. Our exports of vehicles manufactured in India increased by 6.6% in Fiscal 2012 to 61,835 units from 57,982 units in Fiscal 2011, resulting from an improved macroeconomic environment in our major international markets such as the Indian sub-continent and Africa.

TDCV recorded an 8.6 % increase in its overall vehicle sales to 9,500 units in Fiscal 2012 from 8,745 units in Fiscal 2011. The company exported 2,948 units in Fiscal 2012, compared to 3,002 units in Fiscal 2011, a decline of 1.8%. TDCV's sales have increased significantly mainly in Russia, South Africa and Philippines. However, in TDCV's traditional market like Algeria, the heavy trucks segment continues to experience a slump, and resulted in a marginal decline in export volumes. In the South Korean market, TDCV's performance in the M&HCV category

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improved by 14.1%. The stabilization of the wholly owned Sales and Distribution Company Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd or TDSC launched in Fiscal 2011, led to this improved performance in the domestic market.

Revenue from our vehicle financing operations increased by 9.5% to Rs.24,340 million in Fiscal 2012 as compared to Fiscal 2011.

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Earnings before other income, interest and tax before inter-segment eliminations from Tata and other brand vehicles/spares and financing thereof decreased by 16.4% to Rs.40,884 million in Fiscal 2012, compared to Rs.48,916 million in Fiscal 2011. The profitability was mainly impacted by lower operating margins on account of input costs and increases in fixed marketing costs. Further, there was increase in the depreciation as a result of additions to plant / facility in recent years, and in amortization towards new products launched.

Automotive operations - Jaguar Land Rover

In Fiscal 2012, the external environment for JLR continued to improve compared to Fiscal 2011, with favourable GDP growth in key markets, particularly China and Russia, driving increased demand for premium products. JLR continued to benefit from a favourable exchange rate environment, although slightly tougher than Fiscal 2011 as the U.S. dollar weakened over the year. Jaguar Land Rover results reflect strong sales growth together with margin improvement actions and favorable foreign exchange. Wholesale volumes for Fiscal 2012 were 314,250 units compared to 243,345 units in Fiscal 2011, representing an increase of 29.1%. The financial results of the Jaguar Land Rover business show significant improvement over Fiscal 2011.

Wholesale volumes for Jaguar in Fiscal 2012 were 53,990 units, representing an increase of 1.9% as compared to 52,955 units sold in Fiscal 2011. Wholesale volumes for Land Rover in Fiscal 2012 were 260,260 units, representing an increase of 36.7% over sales of 190,390 units in Fiscal 2011.

On a retail basis, volumes for Fiscal 2012 totaled 60,022 units in the UK, while retail volumes in North America totaled 58,003 units in Fiscal 2012. Retail in China continued to be strong across all products, with retail volumes of 50,994 units in Fiscal 2012 as compared to 28,893 units. Retail in Russia totaled to 16,142 units; showed an increase of 38.1% in Fiscal 2012.

Revenues (before inter-segment eliminations) for the Jaguar Land Rover were Rs.1,044,533 million for Fiscal 2012, compared to Rs. 699,754 million for Fiscal 2011, representing a 49.3% increase over Fiscal 2011. For Fiscal 2012, the Jaguar Land Rover business reported earnings before other income, interest and tax before inter-segment eliminations of Rs.118,895 million, as compared to Rs.75,673 million for Fiscal 2011, representing an increase of 57.1% over Fiscal 2011. The increase in reported earnings is attributable to an increase in sales volumes particularly in Russia and China, improved model and market mix and improvement in operations through profitable margin growth.

Other Operations

Other operations business segment includes information technology, or IT services and machine tools and factory automation solutions. Our revenue from other operations before inter segment eliminations was Rs.18,905 million in Fiscal 2012, an increase of 26.7% from Rs. 14,916 million in Fiscal 2011. Revenues from other operations represented 1.1%, 1.2% and 3.6% of our total revenues, before inter-segment eliminations, in Fiscal 2012, 2011 and 2010, respectively. Earnings before other income, interest and tax before inter-segment eliminations, were Rs.2,443 million, Rs.1,487 million and Rs.1,265 million in Fiscal 2012, 2011 and 2010, respectively. Income from other operations for Fiscal 2010 included income from our construction equipment operations, Telco Construction Equipment Co. Ltd (Telcon).

Geographical breakdown

We have pursued a strategy to increase exports of Tata and other brand vehicles to new and existing markets. Jaguar Land Rover has significantly contributed to the increase of presence in major international markets. Improved sentiments and strong product positioning of JLR products, have enabled us to increase our presence in international markets. The performance of our subsidiary in South Korea, TDCV and successful operations of INCAT and its subsidiaries following acquisitions by TTL, facilitated a significant increase in our revenue from international markets. TDCV's major export markets are Algeria, Russia, Vietnam, South Africa and countries in the Middle East. Following the acquisition of the Jaguar Land Rover business in Fiscal 2009, the proportion of our net sales earned from markets outside of India has increased significantly to 66.8% and 62.3% for Fiscal 2012 and Fiscal 2011, respectively.

The following table sets forth our revenue from our key geographical markets:

Revenue	Fiscal 2012		Fiscal 2011		Fiscal 2010	
	Rs. in million	Percentage	Rs. in million	Percentage	Rs. in million	Percentage
India	552,513	33.2%	464,676	37.7%	380,846	41.1%
China	296,923	17.8%	116,459	9.4%	47,808	5.2%
United Kingdom	179,866	10.8%	136,906	11.1%	116,646	12.6%

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United States of America	157,855	9.5%	147,428	12.0%	100,018	10.8%
Rest of Europe	190,057	11.4%	150,148	12.2%	131,358	14.2%
Rest of the World	287,640	17.3%	216,517	17.6%	149,587	16.1%
Total	1,664,853		1,232,134		926,263	

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Significant Factors Influencing Our Results of Operations.

Our results of operations are dependent on a number of factors, which include mainly the following:

General economic conditions. We, similar to the rest of the automotive industry, are substantially affected by general economic conditions. See Item 3.D Risk Factors Risks associated with Our Business and the Automotive Industry .

Interest rates and availability of credit for vehicle purchases. Our volumes are significantly dependent on availability of vehicle financing arrangements and the cost thereof. For further discussion of our credit support programs, see Item 4.B Business Overview Automotive Operations Sales and Distribution of Vehicles .

Excise duty and sales tax rates. In India the excise / sales tax rate structure affects the cost of vehicles to the end user and hence impacts demand significantly. For a detailed discussion regarding tax rates applicable to us, please see Item 4.B Business Overview Government Regulations Excise Duty .

Our competitive position in the market. For a detailed discussion regarding our competitive position, see Item 4.B Business Overview Automotive Operations Competition .

Cyclicalities. Our results of operations are also dependent on the cyclicalities in demand in the automotive market, new government and environmental regulations.

Environmental Regulations. There has been a greater emphasis on raising emission and safety standards for the automobile industry by governments in the various countries in which we operate. Compliance with these norms will have a significant bearing on the costs and product life cycles in the automotive industry. For further details with respect to these regulations, please see Item 4.B Business Overview Government Regulations Emission and Safety .

Foreign Currency Rates. Our operations and financial position is quite sensitive to fluctuations in foreign currency rates in the countries in which we operate. Jaguar Land Rover earns significant revenue in the United States, Europe and China and also sources a significant portion of its input material from Europe. Thus any exchange rate fluctuations of GBP to Euro, GBP to US dollars and GBP to other currencies would affect our financial results. We have significant borrowings in foreign currencies denominated mainly in US dollars. Our consolidated financial results are affected by foreign currency exchange fluctuations through both translation risk and transaction risk. Changes in foreign currency exchange rates may positively or negatively affect our revenues, results of operations and net income.

To the extent that our financial results for a particular period will be affected by changes in the prevailing exchange rates at the end of the period, such fluctuations may have a substantial impact on comparisons with prior periods. However, the translation effect is a reporting consideration and does not impact our underlying results of operations.

Transaction risk is the risk that the currency structure of our costs and liabilities will deviate from the currency structure of sales proceeds and assets. However, we enter into hedging instruments to mitigate some of these transaction risks. These instruments enable us to reduce, but not eliminate, the impact of fluctuations in foreign currency exchange rates. Please see Item 11 Quantitative and Qualitative Disclosures About Market Risk for further detail.

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Political and Regional Factors. Similar to the rest of the automotive industry, we are affected by political and regional factors. For a detailed discussion regarding these risks, please see Item 3.D Risk Factors Political and Regulatory Risks.

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

	Percentage of Total Revenue			Percentage Change	
	Fiscal 2012	Fiscal 2011	Fiscal 2010	2011 to 2012	2010 to 2011
Total Revenues	100%	100%	100%	35.1	33.0
Raw materials and Purchase of product for sale (including change in stock)	66.1	64.6	66.8	38.2	28.7
Employee Cost	7.3	7.5	9.5	32.4	4.9
Other expenses	18.6	18.9	19.5	33.2	28.6
Depreciation and Amortization	3.3	3.5	4.0	25.3	18.6
Expenditure capitalised	-5.0	-4.7	-5.0	43.9	24.7
Gain on sale of controlling equity interest in subsidiary			-3.0		-100.0
Other (income)/ loss (net)	-0.6	0.7	*	214.5	1863.2
Interest Income	-0.3	-0.3	-0.3	47.9	42.8
Interest expense (net)	2.3	3.0	4.4	3.9	-8.8
Foreign exchange (gain) / loss (net)	0.7	-0.3	-1.7	-461.0	-80.7
Impairment in equity accounted investees	0.3			100.0	
Share of (profit) / loss of equity accounted investees	*	*	0.1	-23.4	-62.7
Net income before tax	7.3	7.1	5.7	40.0	65.3
Income tax expense	0.3	1.0	1.6	-63.2	-13.4
Net income	7.0	6.1	4.1	57.9	96.2
Net income attributable to shareholders of Tata Motors Limited	7.0	6.1	4.1	57.6	93.0
Net income attributable to non-controlling interests	*	*	*	125.2	-177.5

* Less than 0.1

The following table sets forth selected data regarding our automotive operations (Tata and other brand vehicles including financing thereof and Jaguar Land Rover) for the periods indicated and the percentage change from period to period (before inter-segment eliminations).

	Fiscal 2012	Fiscal 2011	Fiscal 2010	Percentage Change	
				2011 to 2012	2010 to 2011
Total Revenues (Rs.million)	1,654,903	1,223,547	897,970	35.3	36.3
Earnings before other income, interest and tax (Rs.million)	159,779	124,419	47,537	28.4	161.7
Earnings before other income, interest and tax (% to total revenue)	9.7%	10.2%	5.3%		

The following table sets forth selected data regarding our other operations for the periods indicated and the percentage change from period to period. (before inter-segment eliminations).

	Fiscal 2012	Fiscal 2011	Fiscal 2010	Percentage Change	
				2011 to 2012	2010 to 2011
Total Revenues (Rs.million)	18,905	14,916	33,483	26.7	-55.5
Earnings before other income, interest and tax (Rs.million)	2,443	1,487	1,265	64.3	17.5
Earnings before other income, interest and tax (% to total revenue)	12.9%	10.0%	3.8%		

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Fiscal 2012 Compared to Fiscal 2011

Revenues

Our total consolidated revenues (net of excise duty, where applicable) including finance revenues were Rs.1,664,853 million in Fiscal 2012, an increase of Rs.432,719 million or 35.1%, from Rs.1,232,134 million in Fiscal 2011. The growth was driven by increase in volumes across all markets and more particularly growth in volumes by 29.1% in premium car segment, supported by new products and significant performance improvement in the Chinese market.

The revenue from Tata and other brand vehicles increased by 16.0%, whereas from Jaguar Land Rover by 49.3% (the figures are before inter-segment eliminations).

Revenues from the domestic market (India) increased by 18.9% to Rs.552,513 million in Fiscal 2012 from Rs. 464,676 million in Fiscal 2011. Revenues from markets outside India increased by 44.9% to Rs. 1,112,340 million in Fiscal 2012 from Rs. 767,458 million in Fiscal 2011. The revenues from markets outside India are mainly attributable to our Jaguar Land Rover business.

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

Revenues from Automotive Operations

Automotive operations constitute the largest proportion of our total revenues. Revenues from automotive operations (before inter-segment elimination) increased by Rs.431,356 million to Rs. 1,654,903 million, or 35.3% from Rs.1,223,547 million in Fiscal 2011.

This increase was primarily due to:

15.3% increase in vehicle unit sales in India;

36.7% increase in sales of vehicles of Land Rover;

increase in spares and after sales activity; and

9.5% increase in automotive financing revenues.

Revenues for the Jaguar Land Rover business increased by 49.3% to Rs.1,044,533 million. The increase is attributable to the launch of the Range Rover Evoque and an increase in sales volumes particularly in China, Russia, South Africa and Brazil.

Revenues from Other Operations

Revenues (net of excise duty, where applicable) before inter-segment eliminations, from other operations were Rs.18,905 million in Fiscal 2012, an increase of 26.7% from Rs. 14,916 million in Fiscal 2011. Revenues from other operations represent 1.1% and 1.2% of our total revenues, before inter-segment eliminations, in Fiscal 2012 and 2011, respectively.

Cost and Expenses

Raw Materials and Purchase of Products for Sale (including change in stock): Raw material costs for Fiscal 2012 were Rs.1,100,477 million compared to Rs.796,224 million in Fiscal 2011, reflecting an increase of Rs.304,253 million or 38.2% from Fiscal 2011, mainly attributable to increase in volumes. Raw material costs as a percentage of revenues (excluding finance revenues) increased to 67.1% in Fiscal 2012 as compared to 65.8% in Fiscal 2011. The increase is attributable to product mix and input cost.

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Employee Cost: Our employee cost was Rs.122,130 million in Fiscal 2012, an increase of 32.4% as compared to Rs. 92,250 million in Fiscal 2011. The increase in our employee cost mainly relates to increases on account of normal yearly increments, performance based payments, impact of wage revisions and partly on increased volumes. Jaguar Land Rover increased the permanent and agency headcount to support the volume increases. However, our employee cost as a percentage of total revenues reduced to 7.3% in Fiscal 2012 from 7.5% in Fiscal 2011.

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Other Expenses: Other expenses increased by 33.2% to Rs.309,381 million in Fiscal 2012 from Rs.232,342 million in Fiscal 2011. The increase mainly relates to increase in volume, size of operations and inflation. We continue to contain costs at all levels. As a percentage of total revenues these expenses represented 18.6% in Fiscal 2012, as compared to 18.9% in Fiscal 2011. The major components of expenses are as follows:

	Year ended March 31,		Increase/ (Decrease)
	2012	2011 (Rs. in millions)	
Freight and Transportation expenses	45,891	30,886	15,005
Works Operation and Other Expenses	106,821	76,801	30,020
Publicity	53,931	40,453	13,478
Allowance for trade and other receivables, and finance receivables	6,745	5,972	773
Warranty and product liability expenses	35,815	29,334	6,481

- i) The increase in freight and transportation expenses mainly relate to volumes and increases in freight rates.
- ii) Our Works Operation and Other Expenses represented 6.4% and 6.2% of total revenue for Fiscal 2012 and 2011, respectively. The increase was mainly due to external cost (mainly contract jobs) incurred to support the volumes.
- iii) The increase in publicity related expenses mainly relate to new product introduction campaigns.
- iv) The warranty expenses are accrued based on historical information on the nature, frequency and average cost of claims and management estimates.

Expenditure capitalised: These represent employee costs, stores and other manufacturing supplies and other works expenses incurred towards product development projects and also includes costs attributable to internally constructed capital items. The increase reflects expenditure on new products and other major product development plans.

Depreciation and Amortization: Our depreciation and amortization cost increased by 25.3% to Rs.54,435 million in Fiscal 2012, compared to Rs.43,446 million in Fiscal 2011. The increase in depreciation expenses is on account of assets addition in Fiscal 2012 and plant and equipment (mainly towards capacity and new products) installed in Fiscal 2011, the full effect of which is reflected in the current year. The increase in amortization of product development cost is consequent to commencement of commercial production of new products mainly Range Rover Evoque and new products in Indian market.

Other income (net): There was a net gain of Rs.9,407 million in Fiscal 2012, representing a swing of Rs.17,625 million, as compared to net loss of Rs. 8,218 million in Fiscal 2011.

- i. There was a gain on fair value of conversion option of Rs.2,432 million in Fiscal 2012, as compared to loss of Rs.13,850 million for Fiscal 2011. The gain have arisen due to certain options nearing maturity (July 2012) and marginal change in equity price movement as compared to significant increase in Fiscal 2011.
- ii. Miscellaneous income increased by Rs.1,728 million.

For further details refer note 31 to our consolidated financial statements.

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Interest expense (net): Our interest expense (net of interest capitalized) increased by 3.9% to Rs.38,290 million in Fiscal 2012, compared to Rs.36,854 million in Fiscal 2011. As a percentage of total revenues, interest expenses represented 2.3% in Fiscal 2012 compared to 3.0% in Fiscal 2011. The increase represents increase in borrowing cost at JLR consequent to issue of GBP 1,500 million Senior Notes.

Foreign exchange (gain)/loss (net): We had a net foreign exchange loss of Rs.11,154 million in Fiscal 2012, compared to gain of Rs.3,090 million in Fiscal 2011. Due to steep depreciation of Rupee against all major currencies, we incurred exchange loss on foreign currency payments and borrowings. A portion of the exchange loss in the Fiscal 2012, reflects notional exchange loss on year end valuation of foreign currency borrowings.

Impairment of equity accounted investees: In Fiscal 2012, the Company recognized an impairment loss Rs.4,981 million in respect of its investment in an associate on account of current economic slowdown and increased competition from new entrants. The associate is engaged in the business of manufacture and sale of construction equipment. The recoverable amount of the investment is determined based on value in use.

Income Taxes: The income tax expense was Rs.4,707 million in Fiscal 2012, compared to Rs.12,787 million in Fiscal 2011.

- i. In Fiscal 2012, we recognized all previously unrecognized unused tax losses and other temporary differences pertaining to the subsidiary company in the UK in the light of the planned consolidation of the UK manufacturing business in Fiscal 2013 and business forecasts showing continued profitability. Accordingly, Rs. 11,553 million of previously unrecognized deductible temporary differences have been utilized to reduce current tax expense and previously unrecognized deferred tax benefit of Rs.17,975 million has been recognized in the income statement during the year ended March 31, 2012.
- ii. There has been a reduction in overall marginal tax rates applicable to entities in Fiscal 2012 to 26.9% from 27.8% in Fiscal 2011.
- iii. We availed higher tax benefit on research and product development cost tax effect of Rs.7,501 million for Fiscal 2012 as compared to Rs.5,584 million for Fiscal 2011.

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- iv. There was reduction in amounts for items considered as inadmissible on account of interest, loss on conversion option and other expenses; net decrease in tax of Rs.5,847 million, as compared to Fiscal 2011. This is because during the year there has been a gain on conversion option compared to loss in Fiscal 2011.
- v. The above reductions were partly offset by an increase of Rs.2,366 million in tax on undistributed earnings of subsidiaries and associates.

For further details refer note 16 to our consolidated financial statements.

Non-controlling Interests in Consolidated Subsidiaries and Share of profit of equity accounted investees, net of tax: In Fiscal 2012, our share of profit of equity accounted investees reflected a loss of Rs.351 million, as compared to loss of Rs.458 million in Fiscal 2011. The increase in profit of some associates was offset due to loss incurred by an associate, engaged in construction equipment business on account of deterioration in the market and competition in India. In Fiscal 2012, share of non-controlling interest reflected a gain of Rs.781 million, as compared to gain of Rs. 347 million in Fiscal 2011, primarily due to increased profitability of our subsidiaries.

Net Income

Our consolidated net income for Fiscal 2012 excluding share of non-controlling interests was Rs.115,659 million, compared to Rs. 73,402 million in Fiscal 2011. Net income as a percentage of total revenues increased to 7.0% in Fiscal 2012 from 6.1% to total revenues in Fiscal 2011. This increase was the result of the following factors:

17.7% increase in vehicle unit sales in Fiscal 2012 compared to Fiscal 2011, resulting in a 35.1% increase in revenues driven by new products and improved product mix;

increase in other income, mainly due to gain on the fair value of conversion option; and

lower income tax expense

Fiscal 2011 Compared to Fiscal 2010

Revenues

Our total consolidated revenues (net of excise duty, where applicable) including finance revenues were Rs.1,232,134 million in Fiscal 2011, an increase of Rs.305,871 million or 33.0%, from Rs.926,263 million in Fiscal 2010. The growth was driven by an increase in total vehicle volumes of 24.1%, improved realization per vehicle, and continued growth in our vehicle financing activity, which resulted in a 36.3% increase in revenues from automotive operations.

Revenues from the domestic market (India) for Fiscal 2011 increased by 22.0 % to Rs.464,676 million in Fiscal 2011 from Rs.380,846 million in Fiscal 2010. Revenues from markets outside India increased by 40.7% to Rs.767,458 million in Fiscal 2011 from Rs.545,417 million in Fiscal 2010. The revenues from markets outside India were mainly attributable to our Jaguar Land Rover business.

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

Revenues from Automotive Operations

Automotive operations constitute the largest proportion of our total revenues. Revenues from automotive operations (before inter-segment elimination) increased by Rs.325,577 million to Rs.1,223,547 million, or 36.3% from Rs.897,970 million in Fiscal 2010.

This increase was primarily due to:

a 21.0% increase in vehicle unit sales in India;

a 31.7% increase in sales of vehicles outside of India;

an increase in spares and after sales activity; and

a 2.0% increase in automotive financing revenues.

Revenue for the Jaguar Land Rover business increased by 42.4% to Rs.699,754 million. The increase is attributable to an increase in sales volumes particularly in Russia and China.

Revenues from Other Operations

Revenues (net of excise duty, where applicable) from other operations before inter-segment eliminations, were Rs.14,916 million in Fiscal 2011, a decline of 55.5% from Rs.33,483 million in Fiscal 2010. On March 30, 2010, we sold controlling interest in our construction equipment subsidiary, Telco Construction Equipment Co. Ltd (Telcon), and revenues from other operations for Fiscal 2011 do not include revenues from Telcon. Revenues from other operations represent 1.2% and 3.6% of our total revenues, before inter-segment eliminations, in Fiscal 2011 and 2010, respectively.

Table of Contents**Cost and Expenses**

Raw Materials and Purchase of Products for Sale (including change in stock): Raw material costs as a percentage of revenues (excluding finance revenues) declined to 65.8% in Fiscal 2011 as compared to 68.4% in Fiscal 2010, driven by our cost reduction initiatives, improved product mix, better price realization. Raw material costs for Fiscal 2011 were Rs.796,224 million compared to Rs.618,705 million in Fiscal 2010, reflecting an increase of Rs.177,519 million or 28.7% from Fiscal 2010. The increase is mainly attributable to an increase in vehicle volumes.

Employee Cost: Our employee cost was Rs.92,250 million in Fiscal 2011 as compared to Rs.87,945 million in Fiscal 2010. The increase in our employee cost mainly relates to increases on account of normal yearly increases in compensation, performance payments and wage revisions and partly on account of increased volumes. However, our employee cost as a percentage of total revenues reduced to 7.5% in Fiscal 2011 from 9.5% in Fiscal 2010.

Other Expenses: Other expenses increased by 28.5% to Rs.232,342 million in Fiscal 2011 from Rs.180,808 million in Fiscal 2010. The increase mainly relates to increase in volumes. Despite inflation, we were able to contain costs through continued focus on cost reduction. As a percentage of total revenues these expenses represented 18.9% in Fiscal 2011 compared to 19.5% in Fiscal 2010. The major components of expenses are as follows:

Year ended March 31,			
	2011	2010 (Rs. in millions)	Increase/ (Decrease)
Freight and Transportation expenses	30,886	25,065	5,821
Works Operation and Other Expenses	76,801	58,606	18,195
Publicity	40,453	29,354	11,099
Allowance for trade and other receivables, and finance receivables	5,972	6,510	(538)
Warranty and product liability expenses	29,334	22,524	6,810

- i) The increase in freight and transportation expenses mainly relate to volumes and increases in freight rates.
- ii) Our Works Operation and Other Expenses represented 6.2% and 6.3% of total revenue for Fiscal 2011 and 2010, respectively.
- iii) The increase in publicity related expenses mainly relates to new product introduction campaigns for the Nano, Prima and New Jaguar XJ brands.
- iv) The increase in warranty expenses is consistent with the increase in volumes.

Expenditure capitalised: These represent employee costs, store and other manufacturing supplies and other works expenses incurred mainly towards product development projects and also includes costs attributable to internally constructed capital items. The increase reflects expenditure on new products and other major product development plans.

Depreciation and Amortization: Our depreciation and amortization cost increased by 18.6% to Rs.43,446 million in Fiscal 2011, compared to Rs. 36,637 million in Fiscal 2010. The increase in depreciation was on account of additions to fixed assets towards plant and facilities for expansion and new products, mainly production facility at Sanand. The increase in amortization was attributable to commencement of commercial production of new products - mainly Aria, Prima, Nano, New XJ and impact of products introduced in earlier years.

Other income (net): The net loss was Rs.8,218 million in Fiscal 2011 as compared to net loss of Rs.419 million in Fiscal 2010. During Fiscal 2011, there was a loss on fair value of conversion option of Rs.13,850 million (Rs.11,174 million for Fiscal 2010). Furthermore, the profit from sale of investment was lower at Rs.167 million in Fiscal 2011 as compared to Rs.7,023 million in Fiscal 2010.

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Interest expense (net): Our interest expense (net of interest capitalized) decreased by 8.8% to Rs.36,854 million in Fiscal 2011, compared to Rs.40,396 million in Fiscal 2010. As a percentage of total revenues, interest expenses represented 3.0% in Fiscal 2011, compared to 4.4% in Fiscal 2010. The decrease represents:

- i. Lower borrowing cost at JLR consequent to strong improvement in operations
- ii. Substitution of borrowed fund through issue of equity. In Fiscal 2011 we raised Rs. 32,498 million (net of issue expenses) by way of issue of shares through Qualified Institutional Placement (QIP).
- iii. Reduction in borrowing rates.

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- iv. Borrowings pertaining to FCCN have come down due to conversion into equity shares of Rs. 28,212 million.

Foreign exchange (gain)/loss (net): We had a foreign exchange gain of Rs.3,090 million in Fiscal 2011, compared to Rs. 16,045 million in Fiscal 2010. A significant portion of the exchange gain in the Fiscal 2010 reflect (a) exchange gain on foreign currency borrowing and (b) notional exchange gain on year end valuation of foreign currency borrowings.

Income Taxes: We had an income tax expense of Rs. 12,787 million in Fiscal 2011, compared to Rs.14,772 million in Fiscal 2010.

- i. There has been a reduction in overall marginal tax rates applicable to entities in Fiscal 2011 to 27.8% from 32.6% in Fiscal 2010.
- ii. There was higher tax benefit on research and product development cost tax effect of Rs.5,584 million for Fiscal 2011 as compared to Rs.3,869 million for Fiscal 2010.
- iii. In Fiscal 2011, unrecognized tax losses and unabsorbed depreciation of previous years utilized/credit were Rs.17,070 million.
- iv. In respect of losses for which deferred tax assets was not recognized due to uncertainty of realization is Rs.580 million in Fiscal 2011 as against Rs 2,045 million in Fiscal 2010.
- v. The above reductions were partly off-set by;
- a. gain (net) on sale of investments (including equity interest in subsidiaries), which is subject to lower tax rate or not liable to tax, was Rs.2 million in Fiscal 2011 as compared to Rs.5,285 million in Fiscal 2010.
- b. tax treatment of certain foreign currency gains/losses; increase in tax Rs.1,344 million.
- c. items considered as inadmissible on account of interest, loss on conversion option and other expenses; net increase in tax Rs.1,716 million.
- d. increase in tax on undistributed earnings of subsidiaries and associates, increase of Rs.1,489 million.
- e. effect of lower tax rate on fair valuation of retained equity interest, was Rs. nil in Fiscal 2011 against Rs.2,030 million in Fiscal 2010.

For further details refer note 16 to our consolidated financial statements.

Net Income/Loss

Our consolidated net income for Fiscal 2011 excluding our non-controlling share was Rs.73,402 million, compared to Rs. 38,029 million in Fiscal 2010. Net income as a percentage of total revenues increased to 6.1% in Fiscal 2011 from 4.1% to total revenues in Fiscal 2010. This increase was the result of the following factors:

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a 24.1% increase in vehicle unit sales in Fiscal 2011 compared to Fiscal 2010, resulting in a 33.0% increase in revenues and better product mix;

a decrease in raw material cost as a proportion to our total revenues (excluding finance revenues) from 68.4% in Fiscal 2010 to 65.8% in Fiscal 2011;

Overall reduction in other cost through volume leverage and cost management;

a decrease in interest expenses; and

Lower income tax expense.

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Recent Accounting Pronouncements

Please refer to Note 2 (w) to our Consolidated Financial Statements for adopted and yet to be adopted accounting pronouncements as of March 31, 2012.

Critical Accounting Policies

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

Estimates and underlying assumptions are reviewed on an ongoing basis and at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Impairment of Goodwill

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period. Please refer to Note 13 to our Consolidated Financial Statements for assumptions used for goodwill impairment.

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

Impairment of equity accounted investees

In Fiscal 2012, the Company has recognized an impairment loss of Rs. 4,981.0 million in respect of its investment in an associate on account of current economic slowdown and increased competition from new entrants. The associate is engaged in the business of manufacture and sale of construction equipment. The recoverable amount of the investment is determined based on value in use.

Product Warranty

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

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The estimated liability for vehicle 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 our estimates regarding possible future incidence based on actions on product failures.

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

Employee Benefits

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

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

Recoverability/recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

In Fiscal 2012, we recognized all previously unrecognized unused tax losses and other temporary differences pertaining to the subsidiary company in the UK Rs.38,934 million in the light of the planned consolidation of the UK manufacturing business in Fiscal 2013 and business forecasts showing continuing profitability. Accordingly, Rs.11,553 million of previously unrecognized deductible temporary differences has been utilized to reduce current tax expense and previously unrecognized deferred tax benefit of Rs.17,975 million and Rs.9,406 million has been recognized in the income statement and other comprehensive income respectively, in Fiscal 2012.

Conversion options valuation

Fair value of conversion option in foreign currency convertible notes/convertible alternative reference securities is determined using various option valuation models such as Black Scholes Merton model, Cox Ross Rubinstein model and Monte Carlo simulation. Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any valuation technique. Changes in fair valuation of conversion option could have material impact on the results of the Company. However, there are no direct cash flow consequences.

Property, plant and equipment

Capital work-in-progress as of March 31, 2012, includes buildings of Rs. 3,098.8 million on leased land located in the State of West Bengal in India for the purposes of manufacturing automobiles. As a result of the decision to relocate and construct a similar manufacturing facility at, another location, the management was in the process of evaluating several options, under all of which no adjustment to the carrying amount of the buildings was considered necessary. In June 2011, the newly elected Government of West Bengal (referred to as the State Government) enacted legislation to cancel the land lease agreement.

The Company challenged the legal validity of the legislation. In June 2012, the High Court of Calcutta (referred to as the High Court) ruled against the validity of the legislation and restored the Company's rights under the land lease agreement. The High Court allowed the State Government to appeal in the Supreme Court of India (referred to as the Supreme Court), within two months from the date of the High Court's judgment. As of the date of these financial statements, the State Government has yet to file an appeal.

The Company reasonably expects that the High Court's judgment, based on established position of law, will be upheld by the Supreme Court, in the event the State Government files an appeal.

B. Liquidity and Capital Resources.

We finance our capital requirements through cash generated from operations, debt, and equity. We also raise funds through sale of investments including divestment in stakes of subsidiaries on a selective basis. As of March 31, 2012, our borrowings (including short term debt) were Rs.505,490 million compared with Rs.387,462 million as of March 31, 2011. For our loan maturity profile, see Liabilities and Sources of Financing .

We believe that we have sufficient resources available to us to meet our planned capital requirements. However, our sources of funding could be adversely affected by an economic slowdown as was witnessed in Fiscal 2009 or other macroeconomic factors in India and abroad such as Europe and markets where we are present such as China, which are beyond our control. A decrease in the demand for our products and services could lead to an inability to obtain funds from external sources on acceptable terms or in a timely manner. In order to refinance our acquisition related borrowings and for supporting long term fund needs, we continued to raise funds in Fiscal 2011 and Fiscal 2012, through issue of various equity, equity linked and debt securities described below.

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In October 2010, we raised funds aggregating Rs.33,510 million by an issue of 3,21,65,000 A Ordinary Shares at a price of Rs. 764/- per share (face value of Rs.10 each) and 83,20,300 Ordinary Shares at a price of Rs.1,074/- per share (face value of Rs.10 each) to Qualified Institutional Buyers (QIBs), under a qualified institutional placement. This financing strategy enabled us to reduce risks by further de-leveraging.

During Fiscal 2011, noteholders exercised the conversion option on our convertible notes and Rs. 13,403 million aggregate principal amount of convertible notes were converted into equity. There were no conversions in Fiscal 2012.

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During Fiscal 2010, we concluded the arrangement of facilities from third parties for working capital requirements at Jaguar Land Rover which was acquired in Fiscal 2009 on a cash free debt free basis.

In February 2010, Jaguar Land Rover Plc. (JLR), subsidiary of the Company obtained a loan of GBP 338 million from European Investment Bank (EIB). Proceeds from loan were used to finance development of micro and full hybrid drive trains and research into more energy efficient car bodies by JLR. The loan had been structured with guarantee support from banks. The loan was fully repaid in January 2012, prior to its due date.

In May 2011, JLR issued GBP 1,000 million equivalent Senior Notes (Notes). The Notes issued includes GBP 500 million Senior Notes due 2018 at a coupon of 8.125% per annum, US\$ 410 million Senior Notes due 2018 at a coupon of 7.75% per annum and US\$ 410 million Senior Notes due 2021 at a coupon of 8.125% per annum. The proceeds are / will be used to refinance existing debt and for general corporate purposes. The notes are callable at a premium for the present value of future interest rates, if called before a specified date for each series of notes and thereafter are callable at fixed premiums.

In September 2011, we raised Syndicated Foreign currency term loans of US\$ 500 million in two tranches with tenors between four to seven years towards financing its general capital expenditure and investments in its overseas subsidiaries in accordance with guidelines on External Commercial Borrowings (ECB) issued by the Reserve Bank of India.

In March 2012, JLR issued GBP 500 million Senior Notes due 2020 at a coupon of 8.25% per annum. The proceeds will be used for general corporate purposes. The notes are callable at a premium for the present value of future interest rates, if called before a specified date and thereafter are callable at fixed premiums.

During Fiscal 2012, our subsidiary, Tata Motors Finance Ltd raised Rs.1,545 million by an issue of unsecured, non-convertible, debentures towards Tier 2 Capital to meet its growth strategy and improve its capital adequacy ratio.

We fund our short-term working capital requirements with cash generated from operations, overdraft facilities with banks, short and medium term borrowings from lending institutions, banks and commercial paper. The maturities of these short and medium term borrowings and debentures are generally matched to particular cash flow requirements. During April 2012, we received approvals from the Board to increase the working capital limits to Rs.140,000 million from the existing Rs.120,000 million from banks in India.

In December 2011, JLR established 3-5 year committed Revolving Credit Facility amounting to GBP 710 million from a syndicate of 13 banks. During July 2012, JLR received approvals for additional GBP 30 million limits taking the facility to GBP 740 million.

Our cash and cash equivalents and short term deposits with the banks, were Rs.157,648 million as at March 31, 2012, as compared to Rs.98,406 million as at March 31, 2011. These enable us to cater to business needs in the event of changes in market condition.

Some of our financing agreements and debt arrangements set limits on and / or require prior lender consents for, among other things, undertaking new projects, issuing new securities, changes in management, mergers, sale of undertakings and investment in subsidiaries. In addition, certain financial covenants may limit our ability to borrow additional funds or to incur additional liens. Certain of our financing arrangements also include covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios.

Our cash and liquidity is located at various locations in our subsidiaries along with balances in India. Jaguar Land Rover's subsidiary in China is subject to foreign exchange controls and thereby has some restrictions on transferring cash to other companies of the group outside of China. Brazil, Russia, South Africa and other locations also have regulatory restrictions or disincentives and costs on pooling or transferring of cash, which affects the use of funds.

There may also be legal or economic restrictions on the ability of subsidiaries to transfer funds to the Company in the form of cash dividends, loans, or advances, however such restrictions have not had and are not estimated to have significant impact on the ability of the Company to meet its cash obligations.

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

	Rs. in millions			Percentage change	
	2012	2011	2010	2011 to 2012	2010 to 2011
Net Cash provided by Operating Activities:	218,227	141,976	128,365	53.7%	10.6%
Net income after tax	116,440	73,749	37,581		
Adjustments to net income/ (loss) after tax	116,906	109,630	64,743		
Changes in Operating Assets and Liabilities	2,860	(27,510)	38,365		
Income tax paid	(17,979)	(13,893)	(12,324)		
Net Cash used in Investing Activities	(203,344)	(74,988)	(75,981)	171.2%	-1.3%
Purchase of Property, Plant and Equipment and Intangible Assets (Net)	(137,818)	(81,714)	(81,404)		
Net Investment, short term deposit , margin money and loans given	(70,952)	2,339	(8,327)		
Proceeds from sale of controlling equity interest in subsidiary, net of cash			11,145		
Acquisitions		(119)	(426)		
Dividend and Interest received	5,426	4,506	3,031		
Net Cash provided by/ (used in) Financing Activities	28,983	(42,999)	(5,966)	167.4%	-620.7%
Equity issuance (net of issue expenses)		32,479	17,231		
Proceeds from issue of shares by a subsidiary to non-controlling shareholders (net of share issue expenses)	1,384	58	542		
Dividends paid (including to non-controlling shareholders of subsidiaries)	(14,894)	(10,230)	(3,652)		
Purchase of additional equity interest in a subsidiary	(3,043)		(137)		
Interest paid	(35,922)	(33,967)	(34,842)		
Net borrowings (net of debt issuance cost)	81,458	(31,339)	14,892		
Net change in cash and cash equivalents	43,866	23,989	46,418	82.9%	-48.3%
Effect of foreign exchange on cash flows	11,415	3,219	(5,782)		
Cash and cash equivalents, beginning of the year	90,671	63,463	22,827		
Cash and cash equivalents, end of the year	145,952	90,671	63,463		

See consolidated statement of cash flows on Pages F-7 to F-8 for details.

2012 compared to 2011

Net cash provided by operating activities was Rs.218,227 million in Fiscal 2012, as compared to Rs.141,976 million in Fiscal 2011. Our net income as adjusted for non-cash and other items increased to Rs.233,346 million in Fiscal 2012 from Rs. 183,379 million in Fiscal 2011. This reflects a strong growth in revenue and profitability in Fiscal 2012.

There was net reduction in operating assets and liabilities of Rs.2,860 million in Fiscal 2012 resulting cash inflow, mainly due to decrease in working capital. In Fiscal 2011 there was a cash outflow on this account of Rs.27,510 million.

During Fiscal 2012, net trade receivables/ finance receivables had increased by Rs. 44,607 million and inventory by Rs.29,084 million, which represented the increased levels of business. This was offset by net increase in accounts payables, acceptances, other current liabilities of Rs. 80,251 million and net outflow of Rs.3,700 million on other items.

Net cash used in investing activities was Rs.203,344 million in Fiscal 2012 as compared to Rs.74,988 million in Fiscal 2011.

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Net cash used for purchase of Property, Plant and Equipment and of Intangible Assets was Rs.137,818 million for Fiscal 2012, against Rs.81,714 million for Fiscal 2011. Our capital expenditure relates mainly to capacity expansion, introduction of new products, product development costs for proposed / new product launches as well as on quality and reliability improvement projects.

In Fiscal 2012, we invested in available for sale and other investments of Rs.58,820 million, (mainly liquid mutual funds to park surplus cash) as against Rs.1,471 million in Fiscal 2011.

Net cash inflow from financing activities was Rs.28,983 million for Fiscal 2012 as compared to net cash outflow of Rs. 42,999 million for Fiscal 2011. The following are the major changes in financing during Fiscal 2012.

During Fiscal 2012, we raised Rs. 113,227 million by way of issue of Senior Notes of GBP1,500 million and Rs.23,615 million by way of external commercial borrowings resulted in cash inflow. We repaid part of long and short-term debt with the proceeds. We repaid long-term debt of Rs.88,879 million in Fiscal 2012.

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During Fiscal 2011, we raised Rs. 32,479 million by way of issue of shares through QIP issue (net of issue expenses) resulted in cash inflow.

Net repayment of short term borrowings was Rs.16,780 million in Fiscal 2012 as compared to Rs. 25,925 million in Fiscal 2011.

We paid interest of Rs.35,922 million. (Rs.33,967 million in Fiscal 2011).

We paid dividend of Rs.14,649 million. (Rs.10,042 million in Fiscal 2011).

2011 compared to 2010

Net cash provided by operating activities was Rs. 141,976 million and Rs. 128,365 million in Fiscal 2011 and 2010, respectively. Our net income as adjusted for non-cash and other items increased to Rs. 183,379 million in Fiscal 2011 from Rs. 102,324 million in Fiscal 2010. This reflects a strong growth in revenue and profitability in Fiscal 2011.

There was net change in operating assets and liabilities of Rs.27,510 million in Fiscal 2011 resulting cash outflow, mainly due to increase in working capital consequent to improved volumes. In Fiscal 2010 there was a cash inflow on this account of Rs.38,365 million.

There was increase in inventory of Rs.27,570 million, which relates to volume growth in Fiscal 2011 (Rs.15,855 million increase in Fiscal 2010).

During Fiscal 2010, net trade receivables/ finance receivables had increased by Rs.18,699 million which was offset by net increase in accounts payables, acceptances and other current assets of Rs.60,561 million.

Net cash used in investing activities was Rs.74,988 million in Fiscal 2011 as compared to Rs.75,981 million in Fiscal 2010.

Net cash used for purchase of Property, Plant and Equipment and Intangible Assets was Rs.81,714 million for Fiscal 2011 against Rs.81,404 million for Fiscal 2010. Our capital expenditure relates mostly to capacity expansion, introduction of new products, product development costs for proposed / new product launches as well as on quality and reliability improvement projects.

In Fiscal 2010, Rs.11,145 million were realized from the sale of 20% of the shares in our subsidiary (Telcon) and we sold available for sale investments, which released Rs.10,057 million (this mainly represent sale of our shares in Tata Steel).

In Fiscal 2011, we made purchase of available for sale and other investments of Rs.1,471 million as against Rs.9,896 million in Fiscal 2010.

Net cash outflow from financing activities was Rs. 42,999 million and Rs. 5,966 million for Fiscal 2011 and Fiscal 2010 respectively. The following are the major changes in financing during Fiscal 2011.

We raised Rs.32,479 million by way of issue of shares through QIP issue (net of issue expenses) resulted in cash inflow. During Fiscal 2010 we had raised equity of Rs.17,231 million through GDS issue.

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Net repayment of short term borrowings was Rs.25,925 million in Fiscal 2011 as compared to net Rs.45,527 million in Fiscal 2010. Net repayment of long term borrowing was Rs. 5,414 million in Fiscal 2011 as compared to Rs.60,418 million in Fiscal 2010. We have lowered our debt through substitution by equity and deployment of cash generated in operations.

We paid interest of Rs.33,967 million. (Rs.34,842 million in Fiscal 2010).

We paid dividend of Rs.10,042 million. (Rs.3,638 million in Fiscal 2010).

Balance Sheet Data

Total assets were Rs.1,429,213 million and Rs.1,031,527 million as of March 31, 2012 and 2011, respectively. The increase in assets and liabilities as at March 31, 2012, was partly attributable to foreign currency translation into Indian rupees. The 38.6% increase of Rs.397,686 million represents the following:

Our total current assets have increased by Rs.215,409 million, representing a 49.2% increase as of March 31, 2012, as compared to March 31, 2011.

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Cash and cash equivalents were Rs.145,952 million as of March 31, 2012, compared to Rs.90,671 million as of March 31, 2011. We hold cash and cash equivalent principally in Indian Rupees, GBP, and Chinese Renminbi. It includes Rs.36,974 million as of March 31, 2012 (as compared to Rs.15,766 million as of March 31, 2011) held by a subsidiary that operates in a country where exchange control restrictions prevent the balances being available for general use by Tata Motors Limited and other subsidiaries. These are allowed to be utilized for manufacturing and sales activity in that country and for making dividend payment. As of March 31, 2012, we had short term deposits of Rs.11,695 million. As of March 31, 2011, we had a short term deposits of Rs.7,735 million, being amount deposits pending utilization out of proceeds of equity funding through our qualified institutional placement equity issuance.

As of March 31, 2012, we had Finance receivables including non-current portion (net of allowances for credit losses) of Rs.171,241 million as compared to Rs.146,328 million as of March 31, 2011. For further detail see Finance Receivables .

Trade Receivables (net of allowance for doubtful receivables) were Rs.87,655 million as of March 31, 2012, representing an increase of Rs.19,966 million over March 31, 2011. The allowances for trade receivables were Rs.3,225 million as of March 31, 2012 against Rs. 2,322 million as of March 31, 2011. The increase in allowances mainly related to supplies to government owned transport companies. On an overall basis, the collection period has marginally increased. We have a robust process for monitoring the collection and credit management.

As of March 31, 2012, inventories stood at Rs.180,834 million compared to Rs.139,548 million as of March 31, 2011. The increase in finished goods inventory was Rs.30,752 million. In terms of number of days to sales, finished goods represented 30 inventory days in Fiscal 2012 sales as compared to 31 inventory days in Fiscal 2011. The increase in finished goods relates to the increase in volumes.

Our investments (short and long term investments) have increased to Rs.82,569 million as of March 31, 2012 from Rs.18,885 million as of March 31, 2011, representing an increase of Rs.63,684 million. As at March 31, 2012, Jaguar Land Rover parked surplus cash of Rs.71,334 million in mutual funds (liquid funds) and Rs.4,022 million represent investment in mutual funds by other subsidiaries. The fair value of non current investment in quoted shares reduced from Rs.3,645 million as at March 31, 2011 to Rs. 2,885 million as at March 31, 2012, mainly due to negative movement in share prices. The investment in unquoted shares was Rs.3,866 million as at March 31, 2012, as compared to Rs.3,514 million as at March 31, 2011.

Our other current assets increased to Rs.57,550 million as March 31, 2012 from Rs.40,379 million as of March 31, 2011. The increase is attributable to an increase in VAT / other taxes recoverable, statutory deposits and other dues from government and advances to suppliers / contractors.

Our other financial assets including non-current financial assets increased to Rs. 38,391 million as of March 31, 2012 from Rs. 26,231 million as of March 31, 2011. These mainly include restricted bank deposits derivative financial instruments and margin money in respect of securitized finance receivables. Margin money with banks is restricted cash deposits and consists of collateral provided for transfer of finance receivables. The margin money held as security for securitization of finance receivables has come down from Rs.7,591 million as at March 31, 2011 to Rs.2,589 million as at March 31, 2012, consequent to reduction in securitization and collection of receivables. The derivative financial instruments have increased by Rs.2,199 million. The restricted deposits of Rs.10,709 million as at March 31, 2012, (Rs. Nil as at March 31, 2011), were held as security in relation to bank loans. Further, there are restricted cash deposits held as security in relation to vehicles ultimately sold on lease, held till maturity of lease of Rs.6,577 million as at March 31, 2012 (Rs.4,677 million as at March 31, 2011).

The current income tax assets (both current and non-current) were Rs.9,437 million as of March 31, 2012 as compared to Rs. 9,139 million as of March 31, 2011.

The property, plant and equipment (net of depreciation) of Rs.282,716 million as at March 31, 2012, increased by Rs.50,237 million during Fiscal 2012. The increase mainly relates to establishment of product facility at Halewood for Evoque, facility for LCV at Dharwad in India, tooling s / dies and other additions towards capacity and modernization projects.

The intangible assets of Rs.282,347 million as at March 31, 2012, which mainly include product development projects and brands and other intangible assets, increased by Rs.82,695 million during Fiscal 2012. The increase mainly represented by capitalized cost of new products. As at March 31, 2012, there were product development project in process amounting to Rs.126,546 million.

The deferred tax asset was Rs.41,170 million as at March 31, 2012, an increase of Rs.30,530 million, mainly on account of recognition of deferred tax credit by Jaguar Land Rover (Refer Note 16 to Consolidated Financial Statements).

Accounts payable and Acceptances were Rs.375,346 million as of March 31, 2012, as compared to Rs.278,513 million as of March 31, 2011. The increase reflects the volume growth in Fiscal 2012.

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Other financial liabilities (current and non current) mainly include liability towards vehicles sold under repurchase arrangement, derivative instruments, deferred payment liabilities, interest accrued but not due on loans, lease liabilities etc. These were Rs.37,404 million as at March 31, 2012, increase of Rs.19,272 million. The liabilities include (i) derivative instruments of Rs.11,775 million and (ii) Rs.5,070 million in respect of interest accrued and not due (mainly senior notes).

The provisions (current and non-current) as of March 2012 and 2011 were Rs.66,354 million and Rs.50,690 million, respectively, representing an increase of Rs.15,664 million. The provision for warranty increased by Rs.12,818 million mainly on account of volume growth.

Other liabilities (non-current) have increased to Rs.27,962 million as of March 31, 2012, as compared to Rs.21,685 million as of March 31, 2011. It includes Rs.27,445 million towards employee benefit obligation, after considering the funding made by us. These mainly pertain to Jaguar Land Rover pension plan.

Total shareholders equity was Rs.331,344 million and Rs. 211,259 million as of March 31, 2012 and 2011, respectively.

Our reserves increased from Rs.45,136 million as of March 31, 2011 to Rs.146,808 million as of March 31, 2012, mainly due to net income of Rs.115,659 million for Fiscal 2012. We paid dividend of Rs.14,671 million in Fiscal 2012.

Our other components of equity represented a gain of Rs.1,311 million as of March 31, 2012 against a loss of Rs. 18,098 million as of March 31, 2011. We have accounted for actuarial gains/loss (net) credit of Rs.667 million (after considering the tax credit of Rs.12,193 million in respect of pension obligations of certain subsidiary companies). During the year, the currency translation differences represented a credit of Rs.23,500 million and there was a loss of Rs.3,224 million on cash flow hedges, recorded in comprehensive income.

Our total debt stood at Rs.505,490 million as of March 31, 2012 as compared to Rs.387,462 million as of March 31, 2011. Short term debt including the current portion of long-term debt was Rs.218,342 million as of March 31, 2012 as compared to Rs.185,991 million as of March 31, 2011.

Our long-term debt, excluding the current portion, increased by Rs.85,677 million to Rs.287,148 million as of March 31, 2012 (Rs.201,471 million as of March 31, 2011). Long term debt including the current portion increased by Rs.138,992 million to Rs. 394,310 million. During Fiscal 2012, Jaguar land Rover issued GBP 1,500 million (Rs.121,018 million) equivalent Senior Notes. We raised US\$ 500 million (Rs.25,441 million) by way of external commercial borrowings at floating rate of interest payable from Fiscal 2016 till Fiscal 2019. There was a net reduction in collateralized debt obligation by Rs.32,708 million as of March 31, 2012, mainly due to collection of securitized finance receivables. Foreign currency convertible notes (including fair value of conversion option) increased by Rs. 4,902 million. Further, non convertible debentures increased by Rs.7,285 million as of March 31, 2012 from Rs.66,700 million as of March 31, 2011. Fixed deposits from public and shareholders (unsecured) decreased by Rs.12,401 million, whereas loan from banks/financial institution increased by Rs.48,835 million. Certain loans from banks availed by some of the subsidiary companies carry covenants restricting repayment of intra group loans and payment of dividend.

Liabilities and Sources of Financing

We fund our short-term working capital requirements with cash generated from operations, overdraft facilities with banks, short and medium term borrowings from lending institutions, banks and commercial paper. The maturities of these short and medium term borrowings and debentures are generally matched to particular cash flow requirements. We had short-term borrowings (including the current portion of long-term debt) of Rs.218,342 million and Rs.185,991 million as of March 31, 2012 and 2011, respectively. We had unused short-term credit facilities of Rs.184,702 million and Rs.149,946 million as of March 31, 2012 and 2011, respectively.

During April 2012, we received approvals from the Board of Directors to increase the working capital limits to Rs.140,000 million from the existing 120,000 million. The working capital limits are secured by hypothecation of existing current assets of the company viz. stock of raw material, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivables and book debts including vehicle finance receivable and all other moveable current assets except cash and bank balances, loans and advances of the company both present and future. The working capital limits are renewed annually.

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On April 27, 2004, we had raised US\$300 million (Rs.13,155.0 million at issue) by way of 1% convertible notes due in 2011, the US\$ 2011 Notes. The noteholders had an option to convert these notes into Ordinary Shares or ADSs determined at an initial conversion price of Rs.780.40 per share (face value of Rs.10 per share) at a fixed rate of conversion of Rs.43.85 per US\$1.00, from and including June 7, 2004 to and including March 28, 2011. The conversion price of the notes was reset to a price of Rs.736.72 per share (face value of Rs.10 per share) at a fixed rate of conversion of Rs.43.85 per US\$1.00, on account of our rights issue in Fiscal 2009 and GDS issue in Fiscal 2010. Unless previously converted, redeemed or purchased and cancelled, these notes were due for redemption on April 27, 2011 at 121.781% of the principal amount. During Fiscal 2010, we offered to non-U.S. noteholders an option to convert their US\$ 2011 Notes into Ordinary Shares during a limited offer period from March 23, 2010 to March 29, 2010. Noteholders, who did not participate, could continue with all the terms of their Notes as applicable prior to this limited period offer. During Fiscal 2010, as per the terms of invitation memorandum, noteholders could opt to receive shares at enhanced conversion terms. Noteholders representing 76.54% of the outstanding notes, or US\$229.63 million principal amount, opted to convert their US\$ 2011 Notes into Ordinary Shares. During Fiscal 2011, 69,468 US\$ 2011 Notes were converted into 4,134,763 ordinary shares/ADS (face value of Rs.10 per share). The remaining 898 outstanding US\$ 2011 Notes were redeemed at maturity on April 27, 2011.

On July 12, 2007, we raised funds aggregating US\$ 490 million (Rs.19,927.1 million at issue) by issue of Zero Coupon Convertible Alternative Reference Securities, or CARS due on July 12, 2012, which allows us to give the note holders an option to convert the CARS into qualifying securities as per the terms of issue after appropriate adjustment to the conversion price. If we do not exercise this option, the conversion may be made by the note holders from and including October 11, 2011 to and including June 12, 2012, into ordinary shares or ADSs at an initial conversion price of Rs. 960.96 per share (equivalent to US\$ 23.67 at a fixed rate of exchange on conversion of Rs. 40.59 per US\$) (face value of Rs.10 per share) which is subject to adjustment in certain circumstances. The conversion price of the notes was reset to a price of Rs 907.87 per share (face value of Rs.10 per share) on account of our rights issue in Fiscal 2009 and further to a price of Rs 907.17 per share (face value of Rs.10 per share) on account of our GDS issue in Fiscal 2010, at a fixed rate of conversion of Rs. 40.59 per US\$. As a result of the sub-division of each share having par value of Rs 10 each to 5 Shares having par value of Rs 2 each, effective from September 14, 2011, the Conversion price of Rs 907.17 has been adjusted to the new conversion price of Rs. 181.434 per share having par value of Rs.2 each. However, the ADSs would continue to represent 5 underlying shares of Rs.2 each. Hence the number of ADSs that would be issued upon conversion for ADSs will not be affected as each ADS will now represent 5 shares. We had vide notice dated October 5, 2011 intimated the CARS holders that CARS would not be convertible into any Qualifying Securities; it may be converted into either Ordinary Shares or ADSs in accordance with the terms of the Indenture but it will not be converted into A Ordinary Shares. We have a right to redeem in whole, but not in part, these Notes at any time on or after October 11, 2011, subject to certain conditions. Unless previously converted, redeemed or purchased and cancelled as per the terms of issue, these will be redeemed on July 12, 2012 at 131.82% of the outstanding principal amount. During Fiscal 2009, we bought and cancelled 170 Notes (Principal value of US\$ 17 million). There was no conversion during Fiscal 2011 and Fiscal 2012. As of March 31, 2012, 4,730 outstanding CARS may at the option of the noteholders be converted into 21,163,696 ADSs or 105,818,480 Ordinary shares at any time from and including October 11, 2011 to and including June 12, 2012. Subsequent to March 31, 2012, 1 CARS was converted into 22,370 Ordinary shares and remaining outstanding CARS were paid in full in accordance with their terms on July 12, 2012.

In May 2009, we raised funds through further divestments of investments and issued secured non-convertible credit enhanced rupee debentures in four tranches, having tenors up to seven years, aggregating Rs.42,000 million on a private placement basis. Proceeds were used to prepay part of the short-term bridge loan taken for the acquisition of the Jaguar Land Rover business. As on March 31, 2012 an amount of Rs. 34,000 million is outstanding.

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On October 15, 2009, we issued 29,904,306 new equity shares in the form of Global Depositary Shares, or GDSs, at a price of US\$12.54 per GDS, aggregating US\$375 million and 4% convertible notes due 2014, aggregating US\$375 million (Rs.17,941.9 million at time of issue), the 4% 2014 Notes. The noteholders of the 4% notes due 2014 had an option, subject to the terms and conditions of the issue, to convert these notes into Ordinary Shares or GDSs or ADSs. The conversion may be made by the noteholders, in the case of Shares or GDSs, at any time during the period from and including November 25, 2009 to and including October 9, 2014 and, in the case of ADSs, at any time from and including October 15, 2010 to and including October 9, 2014, at an initial conversion price of Rs. 623.88 per Share (face value of Rs.10 per share) (equivalent to US\$13.48 per share at a fixed rate of exchange on conversion of Rs.46.28 = US\$1.00) that is subject to adjustment in certain circumstances. The conversion price of the notes were subsequently reset to a price of Rs.613.77 per Ordinary share (face value of Rs.10 per share) at a fixed rate of exchange of Rs. 46.28 = US\$ 1.00 with effect from September 4, 2010, as a result of the enhanced conversion offer and payment of dividend for Fiscal 2010. The conversion price of the notes were subsequently reset to a price of Rs.606.699 per Ordinary share (face value of Rs.10 per share) at a fixed rate of exchange of Rs. 46.28 = US\$ 1.00 with effect from August 16, 2011, as a result of the payment of dividend for Fiscal 2011. As a result of the sub-division of each share having par value of Rs.10 each to 5 Shares having par value of Rs 2 each, effective from September 14, 2011, the Conversion price of Rs 606.699 has been adjusted to the new conversion price of Rs.121.34 per share having par value of Rs.2 each. However, the ADSs would continue to represent 5 underlying shares of Rs 2 each. Hence the number of ADSs that would be issued upon conversion for ADSs will not be affected as each ADS will now represent 5 shares. We have the right to redeem in whole, but not in part, these notes at any time on or after October 15, 2012, subject to certain conditions. In the event of certain changes affecting taxation, we have an option to redeem these 4% 2014 notes, in whole but not in part, at any time. Unless previously converted, redeemed or purchased and cancelled as per the terms of issue, these notes will be redeemed on October 16, 2014 at 108.505% of the outstanding principal amount. We utilized the above proceeds to repay the outstanding bridge loan. There was no conversion during Fiscal 2010. During the Fiscal 2011, 2,576 Notes were converted into 19,423,734 ordinary shares/ADSs. There was no conversion during Fiscal 2012. As of March 31, 2012, 1,174 outstanding Notes may at the option of the noteholders be converted into 44,777,255 Shares or GDSs at any time up to October 9, 2014 and into 44,777,255 ADSs at any time from and including October 15, 2010 to and including October 9, 2014. Subsequent to March 31, 2012, 422 FCCN got converted into 16,095,391 Ordinary shares.

We raised additional financing during Fiscal 2011 and 2012 as described above in the introduction to this Item 5.B. - Liquidity and Capital Resources.

Principal Sources of Funding Liquidity

We access funds from debt markets through commercial paper programs, non convertible debentures, and fixed deposits from public and other debt instruments. We also constantly monitor funding options available in the debt and capital markets with a view to maintaining financial flexibility. The funding requirements are met through a mixture of equity, convertible or non-convertible debt securities and other long-term/short-term borrowings. Our policy is aimed at a combination of short-term and long-term borrowings.

We are also pursuing alternatives for meeting our long term funding requirements.

See Note 36 to our audited consolidated financial statements for additional disclosures on financial instruments related to liquidity, foreign exchange and interest rate exposures and use of derivatives for risk management purposes.

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

	Fiscal 2012	Fiscal 2011
	(Rs. in millions)	
Total short-term debt (excluding current portion of long-term debt)	111,180	132,144
Total current portion of long-term debt	107,162	53,847
Long-term debt net of current portion	287,148	201,471
Total Debt	505,490	387,462

During Fiscal 2012 and 2011, the effective weighted average interest rate on our long-term debt was 9.65% and 9.27% per annum, respectively.

The following table sets forth a summary of the maturity profile for our outstanding long-term debt obligations as of March 31, 2012.

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Payments Due by Period*	Rs. in millions
Within one year	107,162
After one year and up to two years	110,823
After two year and up to five years	84,234
After five year and up to ten years	193,495
Total	495,714

* Including interest

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Some of our financing agreements and debt arrangements set limits on and / or require prior lender consents for, among other things, undertaking new projects, issuing new securities, changes in management, mergers, sale of undertakings and investment in subsidiaries. In addition, certain financial covenants may limit our ability to borrow additional funds or to incur additional liens.

Certain of our financing arrangements also include covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. Our ability to raise additional debt in the future is subject to a variety of uncertainties including, among other things, economic and other conditions in India that may affect investor demand for our securities and those of other Indian entities, our financial condition and results of operations.

As a result of revenue growth and profitability, there was an increase in shareholders fund, which was offset by increase in our total debt in Fiscal 2012. The ratio of net debt to shareholders' equity (total debt less cash and cash equivalents and liquid marketable securities divided by total shareholders' equity) under IFRS decreased from 1.4 as of March 31, 2011 to 0.9 as of March 31, 2012. Details of the calculation of this ratio are set forth in Exhibit 7.1 to this annual report.

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

	Fiscal 2012	Fiscal 2011
	(Rs. in millions)	
Income Tax	1,832	1,745
Excise Duties	9,024	6,709
Sales Tax	5,506	6,155
Other Taxes and Claims*	2,383	2,238
Other Contingencies	836	1,399
Total	19,581	18,246

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

(2) Rs. 61,964 million and Rs.51,642 million in Fiscal 2012 and 2011, respectively, represent executory contracts on capital accounts otherwise provided for.

On an ongoing basis, our legal department reviews pending cases, claims by third parties against us and other contingencies. For the purposes of financial reporting, we periodically classify these matters into gain contingencies and loss contingencies. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable. For loss contingencies that are considered probable, an estimated loss is recorded as an accrual in financial statements and, if the matter is material, the estimated loss is disclosed. We do not consider any of these matters to be individually sufficiently material to warrant disclosure in our financial statements. Loss contingencies that are considered possible are not provided for in our financial statements, but if we consider such contingencies to be material, individually or in the aggregate, they are disclosed in our financial statements. Most loss contingencies are classified as possible unless clearly frivolous, in which case they are classified as remote and are monitored by our legal department on an ongoing basis for possible deterioration. We do not disclose remote matters in our financial statements. See note 34 of our audited consolidated financial statements for additional information regarding our material claims and contingencies.

Since Fiscal 1997, we have been benefited from participation in the Export Promotion Capital Goods Scheme, or the EPCG Scheme, which permits us to import capital equipment under a special license at a substantially reduced customs duty. Our participation in this scheme is subject to us fulfilling an obligation to export goods manufactured or produced by the use of capital equipment imported under the EPCG Scheme to the value of a multiple of the cost of insurance and freight value of these imports or customs duty saved over a period of 6, 8 and 12 years from the date of obtaining the special license. We currently hold 83 licenses which require us to export our products of a value of approximately Rs.67.05 billion between the years 2002 and 2018, and we carefully monitor our progress in meeting our incremental milestones. After fulfilling some of the export obligations as per provisions of Foreign Trade Policy, as on March 31, 2012 we have remaining obligations to export products of a value of approximately Rs.4.67 billion by March 2018. In the event that the export obligation under the EPCG Scheme is not fulfilled, we would have to pay the differential between the reduced and normal duty on the goods imported along with interest. In view of our past record of

exceeding our export milestones, and our current plans with respect to our export markets, we do not currently foresee any impediments to meeting our export obligation in the required time frame.

Tata and other brand vehicles vehicle financing:

Through our vehicle financing division and wholly owned subsidiary, Tata Motors Finance Limited, or TMFL we also provide financing services to purchasers of our vehicles through our independent dealers, who act as our agents, and through our branch network. The vehicle financing is intended to drive sale of vehicles by providing financing to the dealers customers and as such is an integral part of automotive business.

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In Fiscal 2012 and 2011, 27% and 21% respectively, of our sales volumes in India were financed under loan contracts to our dealer's customers. As of March 31, 2012 and 2011 our customer finance receivable portfolio comprised 665,169 and 616,645 contracts, respectively, with gross finance receivable of approximately, Rs.220,012 million and Rs.185,199 million for Fiscal 2012 and 2011, respectively. We follow specified internal procedures including quantitative guidelines for selection of our finance customers to assist in managing default and repayment risk in our portfolio. We originate all the contracts through our authorized dealers and direct marketing agents with whom we have agreements. All our marketing, sales and collection activities are undertaken through dealers or by our subsidiary company Tata Motors Finance Limited.

We securitize or sell our finance receivables on the basis of evaluation of market conditions and we also sell finance receivable due from pools of purchasers. The constitution of these pools is based on criteria that are decided by credit rating agencies and/or based on the advice that we receive as to the marketability of a pool. We undertake these securitizations of our receivables in either or both of the following forms:

assignment of the receivables due from purchasers under loan agreements; and

securitization of receivables due from purchasers by means of private placement.

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

by furnishing to the investors collateral, in respect of the obligations of the purchasers and the undertakings to be provided by us;

by furnishing, in favor of the investors, 16% to 25% of the gross receivables as cash collateral either by way of a fixed deposit or bank guarantee to secure the obligations of the purchasers and our obligations as the collection agent, based on the quality of receivables and rating assigned to the individual pool of receivables by the rating agency(ies); and

by way of over-collateralization or by investing in subordinate pass-through certificates to secure the obligations of the purchasers.

For further details refer Note 36(b) to our consolidated financial statements.

Capital Expenditure

Capital expenditure totaled Rs.147,164 million, Rs. 90,719 million and Rs.96,980 million during Fiscal 2012, 2011 and 2010, respectively. Our automotive operations accounted for a majority of this capital expenditure.

Our capital expenditures, during the past three years in India related mostly to (i) capacity expansion and new production facilities, (ii) the introduction of new products such as the Nano, World Truck, Tata 407 Pickup, Tata Super ACE, Tata ACE EX, Magic, Winger and Sumo Grande, (iii) the development of planned future products and technologies, (iv) quality and reliability improvements aimed at operating cost reductions and (v) modernization.

Capital expenditure in the Jaguar Land Rover business mainly included expenditure on plant at Halewood for Range Rover Evoque manufacturing and product development for proposed new product introductions.

Product Development projects for details refer note 14 to the Consolidated Financial Statements.

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Tata Motors continues to focus on development of new products for the Indian market and other international market it serves. The Jaguar Land Rover business continues to make investments in new technologies through its research and development activities to develop products that meet the requirements of the premium segment including developing sustainable technologies to improve fuel economy and reduce CO2 emissions. (Please see Item 4-B of this annual report).

We intend to continue to invest in our business units and research and development over the next several years, including capital expenditures for our ongoing projects, new projects, product development programs, mergers, acquisitions and strategic alliances to build and expand our presence in the passenger vehicle and commercial vehicle categories.

Some of our recently launched and anticipated new products are as follows:

Tata Magic Iris and Tata Ace Zip: In May 2011, we launched the Tata Ace Zip, a small commercial vehicle with 1.2 ton gross vehicle weight for deep-penetration goods movement and the Tata Magic Iris, a small passenger carrier for public transportation, both vehicles based on our Ace Platform.

Tata Aria 4x2: In August 2011, the new Tata Aria 4x2 variant was launched, a luxurious creation with the finesse of a sedan and the muscle of an SUV all combined in one car. The launch of this variant is in addition to the already existing four-wheel drive variant (4x4) of the Tata Aria.

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Range Rover Evoque: In September 2011, we released Land Rover's first completely new model since the Freelander. The world-wide rollover of the Evoque was completed by December 2011. The Range Rover Evoque will be the smallest, lightest and most fuel efficient Range Rover ever produced.

Tata Sumo Gold: The new Sumo Gold, featuring a BS4 3.0L diesel CR4 engine, delivering 85 PS power was launched in November 2011.

Nano2012: In November 2011, we launched the Nano 2012, with several new features, including improved fuel efficiency which aided volume traction.

Tata Divo Luxury Coach and Tata Starbus Ultra: In December 2011, we launched the Tata Divo Luxury Coach a luxurious long distance inter-city travel bus and the Tata Starbus Ultra, a modern and practical offering for commuting within the city. These two launches, using body designs from Tata Hispano and Tata Marcopolo respectively, demonstrate the continued leveraging of our capabilities.

We engaged in additional financing activities during Fiscal 2011 and 2012 as described above in the introduction to this Item 5.B. - Liquidity and Capital Resources.

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

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

D. Trend Information.

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

E. Off-balance Sheet Arrangements

None

F. Tabular Disclosure of Contractual Obligations

Type	Total	Payment due by period (Rs in millions)			
		Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Long Term Debts*	495,714	107,162	136,543	58,513	193,495
Capital Lease	2,350	586	790	971	4
Operating Lease	12,591	926	1,210	1,166	9,288
Capital Commitments	61,964	61,757	207		
Purchase Commitments	195,858	92,058	41,520	41,520	20,760
Other Liabilities	125,643	117,764	5,444	1,590	845
Provisions	66,354	28,703	31,150	1,626	4,878
Total	960,474	408,956	216,864	105,386	229,270

* Includes interest

Item 6. Directors, Senior Management and Employees.**A. Directors and Senior Management.**

Board of Directors.

Under our Articles of Association, the number of our Directors cannot be less than three or more than fifteen. At present, there are thirteen Directors.

Article 127 of our Articles of Association provide that the Board of Directors of Tata Steel, which, with its subsidiary, owns, as of March 31, 2012, 5.64% of our Ordinary Shares and none of A Ordinary Shares, has the right to nominate one Director (the Steel Director) to the Board. Mr. Ratan Tata was appointed as a nominee Director of Tata Steel Limited with effect from June 29, 2011.

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In addition, our Articles of Association provide that (a) our debenture holders have the right to nominate one Director (the Debenture Director) if the trust deeds relating to outstanding debentures require the holders to nominate a director; and (b) financial institutions in India, have the right to nominate two Directors, (the Financial Institutions Directors) to the Board pursuant to the terms of the loan agreements. Currently, there is no Debenture Director or Financial Institutions Director on the Board. Our Directors are not required to hold any of our shares by way of qualification.

As of June 30, 2012, our Directors and Senior Management, in their sole and joint names, beneficially held an aggregate of 1,385,185 Ordinary Shares (approximately 0.05% of our issued share capital) and 137,110 A Ordinary Shares (approximately 0.03% of our issued share capital). In addition, some of our Directors hold as trustees for various non-affiliated trusts, an aggregate of 1,774,880 shares (representing approximately 0.07% of our issued share capital).

The following table provides information about our Directors, Executive Officers and Chief Financial Officer as at June 30, 2012:

Name ⁽²⁾	Position	Date of Birth/ Business Address ⁽¹⁾	Year appointed as Director or Executive Officer or Chief Financial Officer	Expiration of Term	Number of Ordinary shares of Rs. 2 each beneficially owned as of June 30, 2012	Number of A Ordinary shares of Rs.2 each beneficially owned as of June 30, 2012
Ratan N. Tata	Chairman	Dec 28, 1937	1981	Non-rotational	1,361,730	109,180
Ravi Kant	Vice-Chairman	Jun 01, 1944	2000	2014	NIL	NIL
N.N. Wadia	Director	Feb 15, 1944	1998	2014	NIL	NIL
S. M. Palia	Director	Apr 25, 1938	2006	2014	1,500	12,500
R.A. Mashelkar	Director	Jan 01, 1943	2007	2013	NIL	NIL
Nasser Munjee	Director	Nov 18, 1952	2008	2012	NIL	NIL
Subodh Bhargava	Director	Mar 30, 1942	2008	2012	NIL	NIL
V K Jairath	Director	Dec 12, 1958	2009	2012	250	NIL
Ranendra Sen	Director	Apr 09, 1944	2010	2013	NIL	NIL
Ralf Speth	Director	Sep 09, 1955	2010	2013	NIL	NIL
P. M. Telang ⁽³⁾	Managing Director- India Operations	Jun 21, 1947	2007	Non-rotational-2012	15,900	12,500
Cyrus P Mistry	Additional Director	July 4, 1968	2012	2012	NIL	NIL
Ravindra Pisharody ⁽⁴⁾	Executive Director(Commercial Vehicles)	November 24, 1955	2012	Non-rotational-2017	NIL	50
S B Borwankar ⁽⁵⁾	Executive Director(Quality, Vendor Dev & Strategic Sourcing)	July 15, 1952	2012	Non-rotational-2017	805	NIL
C. Ramakrishnan ⁽⁶⁾	Chief Financial Officer	Jun 27, 1955	2007	2015	5,000	2,880

- (1) The business address of each of our Directors, Executive Officers and Chief Financial Officer, other than as described immediately below, is Bombay House, 24 Homi Mody Street, Mumbai 400 001. The business address of N.N. Wadia is Bombay Dyeing & Manufacturing Co. Ltd., Administrative Office, Pandurang Budhkar Marg, Prabhadevi, Mumbai 400 025, India; the business address of S. M. Palia is Disha, 16, Ruchir Bungalows, Off Judges Bungalows Road, Bodakdev, Vastrapur, Ahmedabad-380054, India, the business address of R. A. Mashelkar is Raghunath, D-4, Varsha Park, Baner, Pune 411045, India; the business address of Nasser Munjee is Development Credit Bank Ltd, Trade Point, First Floor, Kamala Mills, Lower Parel, Mumbai 400 013, India; the business address of Subhodh Bhargava is Tata Communications Limited, 4th Floor, VSB Bangla Sahib Road, New Delhi - 110001, India; the business address of V K Jairath is 194-B, Kalpataru Horizon, S.K. Ahire Marg, Off Annie Besant Road, Worli, Mumbai 400018, Maharashtra, India; the business address of Ranendra Sen is A-42, IFS Apartments, Mayur Vihar, Phase-1, Delhi - 110 091, India, and the business address of Ralf Speth is Jaguar Land Rover, Banbury Road, Gaydon, Warwickshire CV35 0RG; the business address of Cyrus Mistry is Sterling Bay, 103, Walkeshwar Road, Walkeshwar, Mumbai- 400 006; the business address of Mr. Satish Borwankar is Tata Motors Limited, Pune Works, Pimpri, Pune - 411 018.

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- (2) Each of our Directors, Executive Officers and Chief Financial Officer beneficially owns less than 1% of our shares as of June 30, 2012.
- (3) Ceased to be the Managing Director-India Operations with effect from June 21, 2012.
- (4) Appointed as Executive Director (Commercial Vehicles) with effect from June 21, 2012.
- (5) Appointed as Executive Director (Quality, Vendor Development & Strategic Sourcing) with effect from June 21, 2012.
- (6) As per the Company policy employees retire at the age of 60.

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Biographies

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

Mr. Ratan N Tata: Mr. Tata holds a B.Sc. (Architecture) degree in structural engineering from Cornell University, USA, and completed the Advanced Management Program at Harvard Business School, USA. He joined the Tata Group in 1962. In 1991, Mr. Tata was appointed Chairman of Tata Sons Limited. He currently holds the Chairmanships of major Tata companies. Mr. Tata is associated with various organizations in India and overseas significant being Alcoa, Mitsubishi Corporation, the American International Group, JP Morgan Chase and Rolls Royce. Mr. Tata is also affiliated with the Indian Institute of Science, the Tata Institute of Fundamental Research and is the Chairman of the two of the largest private sector promoted philanthropic trusts in India. During his tenure, the combined revenues of Tata entities have grown over ten-fold to annualized revenues of over US\$100 billion.

The Government of India honoured Mr. Tata with its second highest civilian award, the Padma Vibhushan, in 2008. Earlier, in 2000, he had been awarded the Padma Bhushan. Mr. Tata has also been conferred honorary doctorates in business administration by the Ohio State University, in technology by the Asian Institute of Technology, Bangkok, in science by the University of Warwick and a fellowship of the London School of Economics.

Mr. Tata joined the Company's board in 1981, became Executive Chairman in 1988 and was appointed as the Non Executive Chairman in 2001. Mr. Tata is actively involved with product development and other business strategies pursued by the Company. Under his leadership, the Company has transformed from being a leader in the domestic commercial vehicle market to being India's largest automobile company, with strong businesses in both the commercial vehicles and passenger car segments and a growing international footprint. Some of his achievements include the design and development of India's first indigenously produced car, the Indica, and the Nano, among the world's cheapest cars and the acquisition of Jaguar Land Rover.

Mr. Ravi Kant (Vice-Chairman): Mr. Kant had his education at the Mayo College, Ajmer, the Indian Institute of Technology, Kharagpur and did his Masters in Management (Industry) from the Aston University, UK. He was conferred with an Honorary D.Sc. by the Aston University, U.K. and is an Honorary Industrial Professor at the University of Warwick, UK. Mr. Kant has extensive experience in the manufacturing and marketing fields, particularly in the automobile industry. Prior to joining the Company, he was with Philips India Limited as the Director of the Consumer Electronics business.

He was awarded the BMA (Bombay Management Association) Management Man of the Year Award 2008-09. The Indian Institute of Metals conferred him with the Honorary Membership of the Institute in the year 2010. He is also on the governing Board of Vale Columbia Center on Sustainable International Investment, SIFE Worldwide, the National Institute of Design, Ahmedabad, Chairman of IIM, Rohtak. He is the recipient of the Golden Peacock Corporate Award for Business Leadership for the year 2010 for his outstanding contribution in transforming Tata Motors.

Mr. Kant joined the Company as Senior Vice President in February 1999 and was appointed as an Executive Director (Commercial Vehicle Business Unit) in July 2000 and as Managing Director in July 2005. Upon retiring from his Executive position on June 1, 2009, Mr. Kant continued on the Company's Board of Directors as Vice-Chairman.

Mr. Nusli N Wadia: Educated in the UK, Mr. Wadia is the Chairman of Bombay Dyeing & Manufacturing Company Limited and heads the Wadia Group.

He was appointed on the Prime Minister's Council on Trade & Industry in 1998, 1999 and 2000-04. Mr. Wadia has a distinct presence in public affairs and has been actively associated with leading charitable institutions. He is also on the Managing Committee of the Nehru Centre, Mumbai. He is also the Chairman/Trustee of various charitable institutions and non-profit organizations.

He was appointed as a Director of the Company with effect from December 22, 1998.

Mr. S M Palia: Mr. Palia, a B.Com. LL.B. CAIIB and AIB (London), is a Development Banker by profession. He was with Industrial Development Bank of India (IDBI) from 1964-1989. During this period, he held various positions including that of an Executive Director. He was also the Managing Director of Kerala Industrial and Technical Consultancy Organisation Limited, set up to provide consultancy services to micro enterprises and small and medium enterprises. Mr. Palia is on the Boards of various companies in the Industrial and financial service sectors and is also actively involved as a trustee in various NGOs and trusts.

He was appointed as a Director of the Company with effect from May 19, 2006.

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Dr. R A Mashelkar: Dr. Mashelkar is an eminent chemical engineering scientist. He retired from the post of Director General from the Council of Scientific and Industrial Research (CSIR) in 2006, after tenure of over 11 years. His leadership transformed CSIR into a user-focused, performance-driven and accountable organization.

Dr. Mashelkar is the President of Indian National Science Academy (INSA), National Innovation Foundation, Institution of Chemical Engineers, UK and Global Research Alliance, a network of 60,000 scientists from five continents and has been honored with honorary doctorates from 26 universities, including Universities of London, Salford, Pretoria, Wisconsin and Delhi. Dr. Mashelkar has also been elected as Fellow/ Associate of Royal Society (FRS), London National Academy of Science (USA), US National Academy of Engineering, Royal Academy of Engineering, UK, World Academy of Art and Science, USA and the Academy of the Developing World, Trieste, Italy.

Dr. Mashelkar has won over 50 awards and medals at national and international levels, including the JRD Tata Corporate Leadership Award and the Stars of Asia Award (2005). In the post liberalised India, Dr. Mashelkar through leadership of various organizations/ Government Committees has played a critical role in shaping India's Science & Technology policies. The Government of India honoured Dr. Mashelkar with the Padmashri (1991) and the Padma Bhushan (2000). Dr. Mashelkar is also a director of several well known companies.

He was appointed as a Director of the Company with effect from August 28, 2007.

Mr. Nasser Munjee: Mr. Munjee was educated at the Leys School, Cambridge, UK and holds Bachelor's and Master's degrees from the London School of Economics, UK. He joined Mr. H. T. Parekh, Chairman, ICICI, to establish, HDFC, the first housing finance company in India.

Mr. Munjee served HDFC for over 20 years at various positions including as its Executive Director. He was the Managing Director of IDFC up to March 2004. Since June 2005, he is the Chairman of the Development Credit Bank (DCB). He is on the Board of various multinational companies and trusts. Mr. Munjee is a Technical Advisor on the World Bank's Public Private Partnership Infrastructure and Advisory Fund.

He was appointed as a Director of the Company with effect from June 27, 2008.

Mr. Subodh Bhargava: Mr. Bhargava holds a degree in Mechanical Engineering from the University of Roorkee. He served the Eicher Group of companies since 1975. He retired as the Group Chairman and Chief Executive in March 2000 but continues as Chairman Emeritus, Eicher Group. He was the past President of the Confederation of Indian Industry (CII) and the Association of Indian Automobile Manufacturers; and the Vice President of the Tractor Manufacturers Association. He was also a member of the Insurance Tariff Advisory Committee, the Economic Development Board of the Government of Rajasthan. He is currently associated as a Director of several Indian corporations and multinationals.

He was appointed as a Director of the Company with effect from June 27, 2008.

Mr. V K Jairath: Mr. V K Jairath holds a B.A. degree in Public Administration and an LLB degree from the Punjab University. He also holds a Masters in Economics from the University of Manchester, UK, and joined the Indian Administrative Service in 1982.

Mr. Jairath has over 25 years of experience in public administration, rural development, poverty alleviation, infrastructure, finance, industry, urban development, Environmental Management. He has held various positions as the Managing Director of SICOM, Secretary to the Governor of Maharashtra, Municipal Commissioner of Kolhapur, Collector of Wardha, Principal Secretary (Industries), Government of Maharashtra, besides being an Independent Director on the Boards of Public Sector Companies and Banks. He was appointed as a Director of the Company with effect from March 31, 2009.

Mr. Ranendra Sen: Mr. Sen, graduated from St. Xavier's College and joined the Indian Foreign Service in 1966. He served in various capacities at Embassies and Consulates in Moscow, San Francisco and Dhaka; as Deputy Secretary and Joint Secretary in the Ministry of External Affairs and as Secretary to the Atomic Energy Commission. He was also the Joint Secretary to successive Prime Ministers responsible for foreign and defence policies, atomic energy, space and other tasks.

Mr. Sen was assigned as the Ambassador to Mexico (1991-1992), Russia (1992-1998) and reunified Germany (1998-2002), as the High Commissioner to the United Kingdom (2002-2004) and as the Ambassador to the United States (2004-2009). He is the first Indian to serve as envoy to three P-5 and four G-8 capitals and has participated in about 180 multilateral and bilateral summits.

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He was appointed as a Director of the Company with effect from June 1, 2010.

Dr. Ralf Speth: Dr. Speth is a Doctorate of Engineering in Mechanical Engineering and Business Administration from Warwick University, UK and holds a degree in engineering from Rosenheim University, Germany. Dr. Speth worked as a business consultant for a number of years before joining BMW in 1980. After serving BMW for 20 years, Dr. Speth joined Ford Motor Company's Premier Automotive Group as Director of Production, Quality and Product Planning.

Dr. Speth was appointed to the post of Chief Executive Officer at Jaguar Land Rover on February 18, 2010. He is on the Board of Jaguar Land Rover PLC, UK and is also the Chairman and Chief Executive Officer of the two wholly-owned subsidiary companies, Jaguar Cars Limited and Land Rover in UK.

Prior to this appointment, Dr. Speth was Head of Global Operations at the International Industrial Gases and Engineering Company, The Linde Group.

He was appointed as a Director of the Company with effect from November 10, 2010.

Mr. Cyrus P Mistry: Mr. Mistry is a graduate of Civil Engineering from Imperial College, UK and has a M.Sc. in Management from London Business School. He joined the Board of Shapoorji Pallonji & Co. Ltd. as a Director in 1991. He was appointed as the Managing Director of Shapoorji Pallonji Group in 1994. He joined the Board of Tata Sons Limited in 2006 and was appointed Deputy Chairman in November 2011. He is also on the Board of Tata Industries Limited, Tata Power Company Limited, Tata Consultancy Limited, Tata Chemicals Limited, Tata Steel Limited, Tata Teleservices Limited, Afcons Infrastructure Ltd., Construction Federation of India, Imperial College Advisory Board, on the Board of Governors of NICMAR, and is a Fellow of the Institute of Civil Engineers.

He was appointed as a Director of the Company with effect from May 29, 2012.

Mr. R Pisharody: Mr. Pisharody is an alumni of IIT Kharagpur and IIM Calcutta. He joined the Company in 2007 as Vice-President (Sales and Marketing, CVBU) and was later elevated to President (CVBU) in 2009. Mr. Pisharody played a significant role in doubling commercial vehicle volumes and also oversaw the launch of commercial vehicles, including the Company's entry into world class product platforms such as the Prima and Ultra. Prior to joining the Company, he worked in various roles with M/s Castrol India Ltd., BP Singapore Pte. Limited and Philips India Limited. He has over 30 years' experience in sales, marketing and business development.

Mr. Pisharody was appointed as Executive Director (Commercial Vehicles) of the Company with effect from June 21, 2012.

Mr. S B Borwankar: Mr. Borwankar is a Mechanical Engineer with honours from IIT, Kanpur. He joined the Company in August 1974 and has been responsible in various executive positions for overseeing and implementing product development, manufacturing operations and quality control initiatives. He played a significant role in setting up greenfield projects for M&HCVs, axle components, designing and production of trims and chassis. He has over 37 years of experience in manufacturing and quality control with the Company.

Prior to his induction on the Board, Mr. Borwankar was Senior Vice President (Manufacturing Operations, CVBU).

Mr. Borwankar was appointed as Executive Director (Quality, Vendor Development & Strategic Sourcing) of the Company with effect from June 21, 2012.

Mr. Carl-Peter Forster: Mr. Carl-Peter 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 has over two decades 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 and was responsible for worldwide manufacturing, including operations of the Rover Group and product engineering projects.

Mr. Forster was appointed as the Group Chief Executive Officer of the Company with effect from February 15, 2010 and was entrusted with the overall responsibility of Tata Motors operations globally, including Jaguar Land Rover. With effect from April 1, 2010, he was appointed as the Managing Director of the Company. He stepped down as Managing Director and Group CEO with effect from September 09, 2011 and as a Director with effect from March 31, 2012.

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Mr. P M Telang: Mr. Telang holds a Bachelor's degree in Mechanical Engineering from VNIT, Nagpur and an MBA from IIM Ahmedabad. After working for three years with Larsen and Toubro, he joined the Tata Group through the prestigious Tata Administrative Service (TAS) in 1972 and since then he has been with the Company.

He has over four decades of functional expertise in the automotive industry and machinery manufacturing. In May 2007, Mr. Telang was appointed on the Board as Executive Director responsible for the Company's Commercial Vehicle Business Unit. He has also been acclaimed as the architect of the Company's cost reduction drive and has overseen the development of successful products such as the Tata Ace & the Prima. Mr. Telang was appointed as the Managing Director - India Operations on June 2, 2009 and has since been responsible for managing the entire operations for the Tata brand of commercial vehicles and passenger cars in India and international markets. He also oversees the operations of the Tata Motors Group companies in international markets such as South Korea, Thailand, Spain and South Africa.

Mr. Telang was the Chairman/Director of various Tata Motors Group companies and joint ventures and also serves as an Independent Director on the Board of Persistent Systems Ltd. Mr. P M Telang was appointed as Managing Director - India operations on June 2, 2009 and he retired on June 21, 2012.

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

He was conferred with the Business Today - Yes Bank India's Best CFO of the Year 2011-12 and was also presented with the Best Transformation Agent award in the large companies category.

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

B. Compensation.

The following table provides the annual compensation paid/accrued to our Directors and Executive Officers for Fiscal 2012.

Name	Position	Remuneration ⁽¹⁾ (in Rupees)
Ratan N. Tata ⁽²⁾⁽⁹⁾	Chairman	25,418,000
Ravi Kant ⁽³⁾⁽⁹⁾	Vice Chairman	20,882,000
J.J. Irani ⁽⁴⁾	Director	320,000
N.N. Wadia	Director	4,260,000
S.M. Palia	Director	6,390,000
R A Mashelkar	Director	3,240,000
N Munjee	Director	7,625,000
S.Bhargava	Director	4,240,000
V K Jairath	Director	3,530,000
Ranendra Sen	Director	2,480,000
Ralf Speth ⁽⁵⁾⁽⁹⁾	Director	219,176,000
Carl-Peter Forster ⁽⁶⁾⁽⁹⁾	Managing Director & Group CEO	549,869,000
P.M.Telang ⁽⁸⁾⁽⁹⁾	Managing Director-India Operations	40,136,000
C. Ramakrishnan ⁽⁷⁾⁽⁹⁾	Chief Financial Officer	23,182,000

- Includes salary, allowance, taxable value of perquisites, commission and our contribution to provident fund and superannuation fund for Managing Directors / Chief Financial Officer and sitting fees and commission for Non-Executive Directors.
- Apart from the above, Mr. Ratan Tata who was formerly the Executive Chairman of the Company is paid Rs. 2,733,000 as special retirement benefits as per Company's Policy. Includes fees as advisor to the Company for overseeing JLR operations.
- The remuneration of Mr Ravi Kant, also includes fees as advisor to the Company for overseeing JLR operations and remuneration from JLR and sitting fees paid by TAL Manufacturing Solutions Limited. Apart from the above, Mr. Kant who was formerly the Managing

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- Director of the Company is also paid special retirement benefits of Rs.7,297,000 as per the Company's Policy.
4. Ceased to be director with effect from June 2, 2011.
 5. Dr Ralf Speth's remuneration mentioned above is paid by JLR which include the value of car perks, relocation costs, NIC payments and pension accrual.
 6. Stepped down as Managing Director & Group CEO with effect from September 9, 2011 and ceased to be Non-Executive Director with effect from March 31, 2012. The remuneration mentioned above includes Rs.276,522,000 as termination payment.

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7. The Remuneration paid includes sitting fees paid by Sheba Properties Limited and Tata Technologies Limited.
8. Retired as Managing Director India operations with effect from June 21, 2012.
9. Rounded to nearest thousands of rupees and the retirement benefits exclude provision for encashable leave and gratuity as a separate actuarial valuation is not available.

Apart from the above, the Managing and Executive Directors are also eligible to receive special retirement benefits at the discretion of the Board, which include monthly pension, ex-gratia, medical and other benefits. Besides these, the Managing Director also gets housing or compensation in lieu thereof.

C. Board Practices.

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

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

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

The Board has delegated powers to the Committees of the Board through written/stated specific terms of reference/scope and oversees the functioning operations of the Committees through various circulars/minutes circulated to it. The Committees operate as empowered agents of the Board as per their charter/terms of reference.

The Board also undertakes our subsidiaries' oversight functions through review of their performance against their set targets, advises them on growth plans and where necessary, gives strategic guidelines. Whilst all our subsidiaries have their respective Board of Directors and their management is responsible for their performance, our Board oversees the performance of our subsidiaries on a quarterly basis to have an oversight over the performance and functioning of our subsidiary companies. Our Audit Committee also has a meeting wherein the CEO and the CFO of our subsidiary companies meet annually and make presentations on significant issues in audit, internal control and risk management. The minutes of the meetings of our subsidiary companies are also placed before our Board of Directors and attention is drawn to significant transactions and arrangements entered into by our subsidiary companies.

Committees.

The Audit Committee comprises four independent directors: N Munjee, Chairman, S. M. Palia, R. A. Mashelkar and Mr. V.K.Jairath. The scope of the Audit Committee includes:

Reviewing the quarterly/annual financial statements before submission to the Board, focusing primarily on:

any changes in accounting policies and practices and reasons for any such change;

major accounting entries involving estimates based on an exercise of judgment by management;

qualifications in draft audit reports;

significant adjustments arising out of audits;

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compliance with accounting standards;

analysis of the effects of alternative GAAP requirements on the financial statements;

compliance with listing and other legal requirements concerning financial statements;

disclosure of related party transactions;

review Reports on the Management Discussion and Analysis of financial condition, Results of Operations and the Directors Responsibility Statement;

overseeing our financial reporting process and the disclosure of its financial information, including any earnings press release, to ensure that the financial statements are correct, sufficient and credible; and

disclosures made under the CEO and CFO certification to the Board and investors.

Reviewing with the management, external auditors and internal auditors, the adequacy of our internal control systems and recommending improvements to the management.

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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 utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

Recommending the appointment / removal of the statutory auditors, fixing audit fees and approving non-audit, consulting services provided by the firms of statutory auditors to us and our subsidiaries; and evaluating auditors performance, qualifications and independence.

Recommending the appointment/re-appointment/ removal of the cost auditors, fixation of audit fee, nature and scope of cost audit and approving other services provided by the firms of cost auditors to us and fees pertaining thereto; and ensure that the cost auditors are independent and have an arm's length relationship and are also not otherwise disqualified at the time of their appointment or during their tenure.

Review and recommend the Cost Audit Report to the Board.

Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, coverage and frequency of internal audits, appointment, removal, performance and terms of remuneration of the chief internal auditor.

Reviewing the adequacy of the internal audit structure and function of the subsidiaries, their status of audit plan and its execution, key internal audit observations along with management response thereto and the status on compliance with the Tata Code of Conduct (concern resolution), risk management and the control environment.

Oversight of our external financial reporting and monitoring components of internal control over financial reporting.

Discussing with the internal auditors and senior management, significant internal audit findings and following thereon.

Reviewing the findings of any internal investigation by the internal auditors into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting any such matters to the Board.

Discussing with the external auditors before the audit commences the nature and scope of such audit, as well as conducting post-audit discussions to ascertain any areas of concern.

Reviewing our financial and risk management policies.

Reviewing the functioning of the Whistle-Blower mechanism (which is an extension of the Tata Code of Conduct).

Reviewing the financial statements and investments made by our subsidiary companies.

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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.

Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.

Approving the appointment of the Chief Financial Officer.

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

The Remuneration Committee comprises two independent directors, namely N.N. Wadia & S. Bhargava and two non-executive directors, namely Ratan N. Tata & Ravi Kant. The committee is empowered to review the remuneration of whole-time directors, retirement benefits to be paid to them and dealing with matters pertaining to Employees' Stock Option Scheme.

We have not issued any stock options to our directors/employees.

The Investor Grievance Committee comprises S. M. Palia, Ravi Kant and V. K. Jairath and oversees the redressing of investors' complaints pertaining to securities transfers, interest/dividend payments, non-receipt of annual reports, issue of duplicate certificates, transmission of shares & debentures, matters pertaining to our Fixed Deposit Programme and other miscellaneous complaints. Its scope also includes delegation of powers to our executives or the share transfer agents to process share transfers and other investor-related matters.

The Executive Committee of the Board comprises Ratan N. Tata, Ravi Kant, J J Irani (stepped down as Director with effect from June 2, 2011) S. Bhargava, (appointed with effect from January 23, 2012), N. N. Wadia, N. Munjee, Carl-Peter Forster (ceased to be a member with effect from September 9, 2011), P M Telang (ceased to be a member with effect from June 21, 2012), Cyrus P Mistry (appointed with effect from May 29, 2012), Ravindra Pisharody (appointed with effect from July 13, 2012) and Satish Borwankar (appointed with effect from July 13, 2012). This Committee came into effect on July 25, 2006, upon the dissolution of the Finance Committee and the Committee of the Board. The Committee reviews revenue and capital expenditure budgets, long-term business strategy, the organizational structure, raising of finance, property related issues, review and sale of investments and the allotment of securities within established limits.

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The Ethics and Compliance Committee sets forth policies relating to the implementation of the Tata Code of Conduct for Prevention of Insider Trading and takes on record the monthly reports and dealings in securities by the Specified Persons . It also implements appropriate actions in respect of violations of the Tata Code of Conduct. The Ethics and Compliance Committee comprises S.M. Palia, Chairman, Ravi Kant, V.K. Jairath, C. Ramakrishnan, our Chief Financial Officer, is the Compliance Officer under the said Code.

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

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

D. Employees.

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

Code of conduct and fair business practices.

A fair and objective performance management system linked to the performance of the businesses which identifies and differentiates high performers while offering separation avenues for non-performers.

Creation of a common pool of talented managers across Tata Sons and the Tata Sons promoted entities with a view to increasing their mobility through inter-company job rotation.

Evolution of performance based compensation packages to attract and retain talent within Tata Sons and the Tata Sons promoted entities.

Development of comprehensive training programs to impart and continuously upgrade the industry/function specific skills. In line with the Human Resource strategy, we, in turn, have implemented various initiatives in order to build better organizational capability that we believe will enable us to sustain competitiveness in the global market place. Our human resources focus is to attract talent, retain the better and advance the best.

Some of the initiatives to meet this objective include:

Recruitment across the country to meet the requirements of the expansion plans.

Extensive process mapping exercise to benchmark and align the human resource processes with global best practices.

Introduction of a globally benchmarked employee engagement survey.

Succession planning through identification of second level of managers for all units, locations, functions.

Implementation of a Fast Track Selection Scheme , which is a system for identifying potential talent in the areas of general, commercial and operations management and offering them opportunities for growth within the organization. Our human resources team has been invited to replicate this system in other Tata Companies.

Our Talent Management Scheme which includes the identification of high performers and high potentials through various routes such as our Performance Management System and Development Centers. Subsequent to the identification process, we provide them with challenging assignments for faster development.

Introduction of performance rating based salary review and quality linked variable payment for supervisory category of employees.

Other initiatives include:

Extensive brand building initiatives at university campuses to increase recruiting from premium universities

Introduction of an employee self service portal and employee help desk for the benefit of employees.

We employed approximately 58,618 and 52,244 (includes Jaguar Land Rover) permanent employees as of March 31, 2012 and 2011 respectively. The average number of temporary employees for the Fiscal March 31, 2012, was approximately 41,118.

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The following table set forth a breakdown of persons employed by our business segments and by geographic location as of March 31, 2012.

Segment	No. of Employees
Automotive	53,011
Other	5,607
Total	58,618

Location	No. of Employees
India	39,571
Abroad	19,047
Total	58,618

Training and Development

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

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

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

Union Wage Settlements

All employees in India belonging to the operative grades are members of labor unions except at our Sanand & Dharwad plants. We have generally enjoyed cordial relations with our employees at our factories and offices.

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

Location/subsidiaries	Wage Agreement valid until
Pune CVBU	August 31, 2012
Pune PCBU	March 31, 2013
Jamshedpur	March 31, 2013
Mumbai	December 31, 2012
Lucknow	March 31, 2014
Pantnagar	March 31, 2015*
Jaguar Land Rover	October 31, 2012
Tata Hispano	December 31, 2012

* 1st Wage Agreement, signed in May 2012.

A cordial industrial relations environment has been maintained in all our manufacturing units.

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The performance rating system is for the bargainable category and followed across all plants. The feedback of the process received from all the quarters has been encouraging. The variability in wage settlements was built in by introducing vehicles & profit linked payment scheme based on the index of various parameters such as quality, productivity, operating profit and individual s performance and attendance. As a result, the payment was high if company did well and low if it didn t.

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Operatives & Union support in implementation of reforms that impact quality, cost erosion and productivity improvements across all locations is commendable.

E. Share Ownership.

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

Item 7. Major Shareholders and Related Party Transactions.**A. Major Shareholders.**

We are a widely held, listed company with approximately 455,502 shareholders for Ordinary Shares and 57,770 shareholders for A Ordinary Shares of record. To our knowledge, as of June 30, 2012, the following persons beneficially owned 1% or more of 2,707,731,241 Ordinary Shares and 481,959,190 A Ordinary Shares outstanding at that time:

Name of Shareholder	Holding	Percentage
Ordinary Shares		
Tata Sons Limited and Subsidiaries	715,681,955	26.43
Citibank N.A. ⁽¹⁾	446,246,135	16.48
Life Insurance Corporation of India Limited	168,356,052	6.22
Tata Steel Limited and Subsidiary	151,687,515	5.60
Tata Industries Limited	68,436,485	2.53
A Ordinary Shares*		

Name of Shareholder	Holding	Percentage
Tata Sons Limited and Subsidiaries	8,552,148	1.77
HDFC Trustee Company Limited - HDFC Top 200 Fund	32,137,761	6.67
HDFC Trustee Company Limited - HDFC Equity Fund	29,246,932	6.07
Eastspring Investments India Equity Open Limited	16,815,052	3.49
Swiss Finance Corporation (Mauritius) Limited	13,027,183	2.70
HDFC Trustee Company Limited - HDFC Prudence Fund	10,804,266	2.24
Dragon Peacock Investments Limited	8,294,025	1.72
Birla Sun Life Insurance Company Limited	8,210,879	1.70
ICICI Prudential Dynamic Plan	8,202,482	1.70
SBI Magnum Tax gain Scheme - 1993	8,000,678	1.66
DSP Blackrock Top 100 Equity Fund	7,729,310	1.60
HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	7,507,191	1.56
Copthall Mauritius Investment Limited	7,147,668	1.48
Government Pension Fund Global	6,744,422	1.40
HDFC Trustee Company Limited - HDFC Tax Saver fund	6,685,418	1.39
Government Of Singapore	6,118,655	1.27
Robeco Capital Growth Funds	5,720,000	1.19
Bajaj Allianz Life Insurance Company Ltd.	5,242,184	1.09
Indus Capital Advisors (Uk) LLP A/C Indus India Fund (Mauritius) Limited	4,945,933	1.03

⁽¹⁾ Citibank, N.A. as depository for our ADRs and GDRs, was the holder on record on June 30, 2012 of 446,196,275 shares and 49,860 shares respectively on behalf of the beneficial owners of deposited shares.

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- * The A Ordinary Shareholders are entitled to receive dividend for any financial year at five percentage points more than the aggregate rate of dividend declared on Ordinary Shares for that financial year but are entitled to one vote for every ten A Ordinary Shares held as per the terms of its issue and the Articles of Association of the Company.

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From March 31, 2009 to June 30, 2012, the holdings of our largest shareholder, Tata Sons Limited (together with its subsidiaries), have decreased from 30.78% to 26.43%. The holdings of Tata Steel Ltd. (together with its subsidiaries) have decreased from 8.62% as of March 31, 2009 to 5.60% as of June 30, 2012. The shareholding of Citibank N.A. as depository for our ADRs and GDRs has increased from 13.10 % to 16.48 %. The shareholding of Life Insurance Corporation of India Ltd. has decreased from 10.27% to 6.22%.

According to our register of shareholders and register of beneficial shareholders, as of July 16, 2012, there were 74 registered holders of our shares with addresses in the United States, whose shareholdings represented approximately 0.03% of our outstanding Ordinary Shares on that date, excluding any of our shares held by United States residents in the form of depository shares. Because some of these shares were held by brokers or other nominees, the number of record holders with addresses in the United States may be fewer than the number of beneficial owners in the United States.

The total permitted holding of Foreign Institutional Investors, or FIIs, in our paid up share capital has been increased to 35% by a resolution passed by our shareholders on January 22, 2004. The holding of FIIs in us as of June 30, 2012 was approximately 29.71%. See Item 10.D Exchange Controls for further details.

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

Under the new Takeover Regulations of India, in the event of any acquisition of shares or voting rights, which, taken together with shares or voting rights held by the acquirer and by person acting in concert with such acquirer, aggregate to 5% or more of the shares, or any acquisition or disposal of 2% or more shares or voting rights, such person must file a report concerning the shareholding or the voting rights with us and the stock exchanges on which our shares are traded. Please see Item 9.A The Offer and Listing Markets for information with respect to these stock exchanges. Disclosures would be applicable under the Insider Trading Regulations of India with respect to (i) any person who holds more than 5% shares or voting rights and any change in his holdings by 2% or more (ii) any person, who is a director or officer of the company on becoming a director or an officer of the company and any person who is a promoter or part of a promoter group on becoming a promoter or belonging to a promoter group, shall disclose any change in the holdings exceeding Rs.5 lacs in value or 25,000 shares or 1% of the total shareholdings or voting rights whichever is lower. The above disclosure under Insider Trading Regulations would be made to us and we would in turn disclose to relevant stock exchanges. Furthermore, under our listing agreement with the stock exchanges where our shares are listed, we are required to periodically disclose to such stock exchanges the name and percentage of shares held by persons or entities that hold more than 1% of our shares. For the purposes of the above, reporting and takeover requirements under our listing agreements, shares withdrawn from our ADS/GDS facility will be included as part of a person's shareholding in us.

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

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

B. Related Party Transactions.

Our related parties principally consist of Tata Sons Limited, subsidiaries and joint ventures of Tata Sons Limited, our joint ventures and our associates and their subsidiaries. We routinely enter into transactions with these related parties in the ordinary course of business. We enter into transactions for sale and purchase of products with our associates and joint ventures.

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The following table summarizes related party transactions and balances included in the consolidated financial statements for the year ended / as of March 31, 2012:

	With associates and their subsidiaries	With joint ventures	With Tata Sons Ltd and its subsidiaries and joint ventures	Notes
	(Rs. in millions)			
Purchase of products	66,545	37,284	1,819	(Note a)
Sale of products	5,574	4,791	8,388	
Services received	22	6	4,428	(Note b)
Services rendered	232	87	505	
Issue of shares by a subsidiary to non controlling interests shareholders			1,411	(Note c (i))
Interest Income	47	329		(Note d)
Interest expenses	37		654	
Dividend Income	466		106	
Dividend paid			3,029	
Amount receivable in respect of Loans and interest thereon	276	3,038	263	(Note d)
Amount payable in respect of Loans and interest thereon	302		3,963	(Note e)
Purchase of shares in a subsidiary			3,043	(Note c (ii))
Loans given	350		80	
Loans repaid by related parties	350		50	
Loans taken	590		3,970	
Loans repaid by us	360		10,026	(Note e)

Notes:

The details of major items are as follows:

- a. During Fiscal 2012, we purchased from our associates various vehicle components, assemblies, aggregates, etc., for Rs.66,545 million. For the period from April 1, 2012 through June 30, 2012, we purchased products of Rs.12,425 million from these associates. These purchases have been made at fair market price determined in accordance with normal commercial terms.
- b. The services received from Tata Sons Limited include those for which brand subscription fees were paid pursuant to an agreement with them (Refer to Exhibit 4.1), under which the Company and certain of its subsidiaries have agreed to pay an annual subscription fee for participation and gain from promotion and protection of the Tata brand identity. The annual subscription fee is equal to 0.15%-0.25% of annual net income (defined as net revenues exclusive of excise duties and other governmental taxes and non-operating income), subject to a ceiling of 5% of annual profit before tax (defined as profit after interest and depreciation but before income tax) (unconsolidated as per Indian GAAP).
We received IT related services from one of the subsidiaries of Tata Sons Limited (a leading IT service provider). We also received other business support services from subsidiaries of Tata Sons Limited, in the areas of call center and transaction processing work for the Company and some of its subsidiaries. These services are in the normal course of business and the transaction prices represent fair market price of the consideration, and other terms have been based on the normal commercial terms.
- c.
 - (i) In Fiscal 2012, one of our subsidiaries issued shares to a subsidiary of Tata Sons Limited, which is engaged in financial services.
 - (ii) During Fiscal 2012, we purchased a 15% equity interest in our subsidiary, TML Drivelines Limited, from one of the subsidiaries of Tata Sons Limited.

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We believe that the above transactions have been undertaken at a price that we would have realized / paid and on such terms, had these transactions been with any unrelated party.

- d. As at March 31, 2012, the subordinated loan to a joint venture (including interest) was Rs.3,038 million and represents the largest amount outstanding during Fiscal 2012. The loan is subordinated to other borrowings of the joint venture. The interest in respect of loans was Rs.172 million for Fiscal 2012, and is based on the reference rate of the Reserve Bank of India. As of June 30, 2012, we had a total of Rs. 3,092 million of outstanding loans (including interest).

- e. In the earlier years, the Company sold finance receivables to one of the subsidiaries of Tata Sons Limited that is engaged in financial services. Due to credit enhancement provided to the transferee, the transfers did not qualify for derecognition and therefore the amounts received were recorded as collateralized debt obligation. An amount of Rs.2,914 million represented the collateralized debt obligation outstanding as at March 31, 2012, with interest rate of 8% to 11.48%. The largest amount outstanding during Fiscal 2012 was Rs.10,013 million. As of June 30, 2012, we had a total of Rs.2,149 million of outstanding collateralized debt obligations. These finance receivables have been securitized in the normal course of business. These were on substantially the same terms, including interest rates and collateral, had these transactions been undertaken with an unrelated party.

- f. Following the end of Fiscal 2012, the Company has finalized an arrangement, to engage, one of the subsidiaries of Tata Sons Limited (a leading IT service provider), for integrated IT services on a global basis for the Company, Jaguar Land Rover and other subsidiary companies. The scope of services is being finalized by each company.
Please refer to Note 39 to our Consolidated Financial Statements.

Table of Contents**C. Interests of Experts and Counsel.**

Not applicable.

Item 8. Financial Information.**A. Consolidated Statements and Other Financial Information.**

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

Legal or Arbitration Proceedings.

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

Dividend Policy.

Any dividend declared by Tata Motors is based on the profits available for distribution as reported in the unconsolidated statutory financial statements of Tata Motors prepared in accordance with Indian GAAP. Further, Indian law mandates that dividend be declared out of distributable profits only after the transfer of a specified percentage of net income computed in accordance with current regulations to a general reserve. Based on the net income available for appropriation, dividends are recommended by the Board of Directors for approval by the shareholders at our Annual General Meeting. Further, the Board of Directors may also pay an interim dividend at its discretion. Since Fiscal year 1956, we have had an uninterrupted dividend distribution except for the Fiscal years 2001 and 2002. We returned to dividend distribution in Fiscal 2003. In view of our profitable performance, we declared dividends (excluding dividend tax) totaling Rs.12,742 million, 8,590 million and 3,116 million for Fiscal 2012, 2011 and 2010 to the shareholders.

B. Significant Changes.

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

Item 9. The Offer and Listing.**A. Offer and Listing Details.**

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

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

B. Plan of Distribution.

Not applicable.

C. Markets.

NSE	
Closing Price per Ordinary Share	
Period	Period
High	Low
(Rs. Per Share)	

BSE	
Closing Price per Ordinary Share	
Period	Period
High	Low
(Rs. Per Share)	

NYSE	
Closing Price per ADS	
Period	Period
High	Low
(US\$ Per ADS)	

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			Avg. Daily Trading Volume (in 000)		Avg. Daily Trading Volume (in 000)				Avg. Daily Trading Volume (in 000)	
Fiscal										
2012	1,298.70	139.60	9,367.10	1,295.05	139.65	1,459.06	28.87	14.89	833.79	
2011	1,365.15	673.45	3,667.12	1,365.60	673.70	693.39	36.00	15.65	849.69	
2010	826.45	180.00	4,987.09	827.40	179.85	1,388.76	18.77	5.36	580.72	
2009	691.55	126.20	1,734.36	690.45	126.45	502.91	17.15	3.14	466.25	
2008	830.55	609.40	1,311.00	830.40	606.35	305.71	20.85	14.98	518.73	
Fiscal										
2013										
1 st Quarter	319.25	221.65	11,691.75	319.35	221.55	1733.27	30.28	20.07	735.90	

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	NSE			BSE			NYSE		
	Closing Price per Ordinary Share			Closing Price per Ordinary Share			Closing Price per ADS		
	Period High	Period Low	Avg. Daily Trading Volume (in 000)	Period High	Period Low	Avg. Daily Trading Volume (in 000)	Period High	Period Low	Avg. Daily Trading Volume (in 000)
	(Rs. Per Share)		(in 000)	(Rs. Per Share)		(in 000)	(US\$ Per ADS)		(in 000)
Fiscal									
2012									
1st Quarter	1,298.70	931.00	2,111.76	1,295.05	930.25	349.93	28.58	21.10	927.20
2 nd Quarter	1,068.10	139.60	5,594.62	1,063.95	139.65	874.00	24.05	14.89	978.63
3 rd Quarter	206.80	147.70	15,312.45	206.20	147.25	2,549.26	21.34	15.00	719.66
4 th Quarter	290.45	183.95	14,535.50	289.40	183.80	2,087.37	28.87	18.11	705.00
Fiscal									
2011									
1st Quarter	872.60	673.45	4,858.74	872.85	673.70	924.54	20.60	15.65	508.24
2nd Quarter	1,106.45	750.95	3,569.12	1,106.65	750.90	798.15	25.52	17.16	654.94
3rd Quarter	1,365.15	1,102.95	3,263.50	1,365.60	1,104.90	511.13	36.00	25.59	1,062.97
4th Quarter	1,308.45	1,054.40	2,982.49	1,306.45	1,058.25	536.80	30.06	23.93	1,177.51
2010									
1st Quarter	389.20	180.00	5,552.20	389.05	179.85	1,412.28	10.58	5.36	673.98
2nd Quarter	614.85	262.65	6,184.43	614.50	262.05	1,600.82	13.33	7.64	485.31
3rd Quarter	791.55	529.30	4,344.56	792.60	529.4	1,004.88	17.19	11.38	593.37
4th Quarter	826.45	667.40	3,798.06	827.40	668.70	1,529.71	18.77	14.28	571.24
Month									
June 2012	248.20	221.65	13,774.30	248.10	221.55	2225.67	22.25	20.07	571.70
May 2012	308.40	233.00	12,891.74	308.30	233.20	1700.60	29.88	20.79	906.59
April 2012	319.25	275.60	8,185.10	319.35	275.75	1252.18	30.28	27.00	720.56
March 2012	290.45	267.00	11,261.60	289.40	266.00	1517.36	28.87	26.22	582.59
February 2012	287.85	246.45	16,624.52	286.40	246.10	2568.69	28.14	24.98	769.89
January 2012	243.75	183.95	15,910.29	243.60	183.80	2219.83	24.08	18.11	775.77
December 2011	191.90	172.40	13,366.53	191.60	172.25	2165.71	18.59	15.94	553.18
November 2011	193.45	161.55	17,111.74	193.50	161.45	2951.16	19.52	15.41	794.74
October 2011	206.80	146.70	15,569.22	206.20	147.25	2550.13	21.34	15.00	811.05
September 2011	790.65	139.60	11,580.86	788.95	139.65	1885.45	17.10	14.89	970.23
August 2011	961.50	698.50	3,283.56	960.30	699.20	495.39	21.50	15.46	1,132.33
July 2011	1,068.10	948.10	1,919.63	1,063.95	947.40	241.16	24.05	21.26	810.68
June 2011	1,079.90	931.00	2,466.39	1,079.45	930.25	412.63	23.50	21.10	1,100.19
May 2011	1,225.35	1,077.35	2,247.23	1,228.55	1,078.15	369.54	27.26	24.23	966.56
April 2011	1,298.70	1,201.30	1,512.76	1,295.05	1,203.30	249.34	28.58	26.89	695.58
March 2011	1,249.00	1,117.45	2,212.23	1,247.50	1,117.95	408.68	28.16	25.02	981.71
February 2011	1,248.60	1,054.40	3,773.63	1,250.80	1,058.25	739.16	27.07	23.93	1,322.09
January 2011	1,308.45	1,147.05	3,038.65	1,306.45	1,145.70	475.37	30.06	24.26	1,265.33

Notes:

On July 27, 2012 the reported closing price of our shares on BSE and NSE was Rs.212.80 per share and Rs.212.85 per share, respectively. On July 27, 2012 the ADS closing price on the NYSE was \$19.94 per ADS.

At the Annual General Meeting of the Company held on August 12, 2011, the shareholders of the Company approved sub-division of Ordinary and A Ordinary Shares from face value of Rs 10/- each to face value of Rs.2/- each. The face value of shares was sub-divided with effect from September 14, 2011 as per the circulars issued by the Stock Exchanges. Post sub-division, both the ADSs and GDSs represent five underlying Ordinary Shares of Rs 2/- each.

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NSE		BSE	
Closing Price per	A Ordinary	Closing Price	A Ordinary
Share		Share	