

Contents

Board of Directors	ii	Consolidated Accounts	
Summarised Balance Sheet and Profit and Loss Account	iii	— Auditors' Report	41
Chairman's Statement	iv	— Balance Sheet	42
Distribution and Sources of Revenue	viii	— Profit and Loss Account	43
Notice	ix	— Consolidated Cash Flow Statement	44
Directors' Report	xv	— Schedules to Accounts	45
Management Discussion and Analysis	xxviii	— Significant Accounting Policies	53
Corporate Governance Report	xxxiv	— Notes on Accounts	56
Financial Statistics	xlvi	— Details of Subsidiaries	62
Auditors' Report	1	Attendance Slip/Proxy	63
Balance Sheet	6		
Profit and Loss Account	7		
Cash Flow Statement	8		
Schedules to Accounts	9		
Significant Accounting Policies	24		
Notes on Accounts	26		
Balance Sheet Abstract and Company's General Business Profile	40		

ODD LOT SCHEME FOR SHAREHOLDERS FOR ORDINARY SHARES AND FRACTIONAL COUPONS TO THE WARRANTS

Having regard to the difficulties experienced by the shareholders in disposing of the physical shares held in small/odd lots and fractional coupons for the rights warrants, Tata Share Registry Ltd. has framed a scheme for the purchase of such shares/fractional coupons.

Any shareholder wishing to know the details of the scheme may kindly contact Tata Share Registry Ltd., Army Navy Building, 148, M G Road, Fort, Mumbai 400001.

Phone No.: 91-22-56568484 ext.: 239/242/243

Email: csg-unit@tatashare.com; oddlot@tatashare.com

Annual General Meeting on Thursday July 8, 2004 at Birla Matushri Sabhagar at 3.30 p.m.

Tata Motors Limited**Board of Directors :****Ratan N Tata** (*Chairman*)**N A Soonawala****J J Irani****J K Setna****V R Mehta****R Gopalakrishnan****N N Wadia****Helmut Petri****S A Naik****Ravi Kant** (*Executive Director*)**Praveen P Kadle** (*Executive Director*)**V Sumantran** (*Executive Director*)**P K M Fietzek** (*Alternate Director to Mr Helmut Petri*)**Company Secretary :****H K Sethna****Registered Office :**

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.

Tel: 91-22-56658282

Fax: 91-22-56657799

Share Registrars :

Tata Share Registry Limited,
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai 400 001.

Tel: 91-22-56568484

Fax: 91-22-56568494

Solicitors :

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

Auditors :

A F Ferguson & Co.

S B Billimoria & Co.

Works :

Jamshedpur

Pune

Lucknow

Dharwad

Bankers :

Bank of America

Bank of Baroda

Bank of India

Bank of Maharashtra

Bank of Nova Scotia

Central Bank of India

Citibank N. A.

Corporation Bank

Deutsche Bank

HDFC Bank Limited

Standard Chartered Bank

State Bank of India

The Hongkong & Shanghai

Banking Corporation Ltd.

Union Bank of India

Summarised Balance Sheet

		(Rupees crores)	
WHAT THE COMPANY OWNED		As at March 31, 2004	As at March 31, 2003
1	NET FIXED ASSETS	3247.80	3368.07
2	INVESTMENTS	3056.77	1271.80
3	NET CURRENT ASSETS	(959.24)	(509.16)
4	MISCELLANEOUS EXPENDITURE	22.19	30.06
5	TOTAL ASSETS (NET)	5367.52	4160.77
WHAT THE COMPANY OWED			
1	LOANS	1259.77	1458.31
2	NET WORTH	3593.60	2597.16
	Represented by:		
	Share Capital	Rs. 356.83 crores	(Previous Year Rs. 319.83 crores)
	Reserves	Rs. 3236.77 crores	(Previous year Rs. 2277.33 crores)
3	DEFERRED TAX LIABILITY (NET)	514.15	105.30
4	TOTAL FUNDS EMPLOYED	5367.52	4160.77

Summarised Profit and Loss Account

		(Rupees crores)	
		2003-04	2002-03
1	INCOME		
	SALE OF PRODUCTS AND OTHER INCOME	15552.42	10858.74
	LESS: EXCISE DUTY	2270.30	1743.79
		13282.12	9114.95
2	EXPENDITURE		
	RAW MATERIALS, STORES AND OTHER EXPENSES	10458.93	7237.13
	SALARIES, WAGES ETC.	882.49	720.37
	PRODUCT DEVELOPMENT EXPENSES	51.64	-
	DEPRECIATION / AMORTISATION	382.60	362.13
	INTEREST	161.26	278.95
	TOTAL EXPENDITURE	11936.92	8598.58
	PROFIT BEFORE EXTRAORDINARY/EXCEPTIONAL ITEMS	1345.20	516.37
	WRITE BACK OF PROVISION FOR CONTINGENCIES	-	20.00
	PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS	(48.30)	(26.00)
	EMPLOYEE SEPARATION COST	(4.56)	-
3	PROFIT BEFORE TAX	1292.34	510.37
4	TAX: i) CURRENT	(96.00)	(19.71)
	ii) DEFERRED	(386.00)	(190.55)
5	PROFIT AFTER TAX	810.34	300.11
6	BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	123.71	-
7	INVESTMENT ALLOWANCE (UTILISED) RESERVE WRITTEN BACK	-	0.90
		934.05	301.01
8	APPROPRIATIONS		
	(i) Interim Dividend	139.95	-
	(ii) Tax on Interim Dividend	17.93	-
	(iii) Proposed Dividend	142.16	127.91
	(iv) Tax on Proposed Dividend	18.21	16.39
	(v) General Reserve	250.00	33.00
	(vi) Balance carried to Balance Sheet	365.80	123.71
		934.05	301.01

Chairman's Statement

Dear Shareholder,

2003-04 has been a historic year for Tata Motors. It is a year in which the Company posted its highest-ever turnover, profits and vehicle sales volumes. A year in which the entire team has gained a tremendous sense of fulfillment, credibility—and, above all success. All of us feel a deep sense of appreciation towards you, our shareholders, who stood with us in troubled times and retained your faith in our Company's future.

The buoyancy in the Indian economy has been evident over the past two years with demand for products and services running high in most sectors. The automotive sector saw unprecedented levels of demand in both the commercial vehicle and passenger car segments. Overall vehicle sales increased by 36%. Our Company outperformed the market with total sales increasing by 43% in volumes. The Company was able to increase its market share in commercial vehicles by 3% and passenger vehicles by about 1%. But for some supply constraints, the Company could have achieved even higher levels of sales.

One of the major factors which has fueled the increase in market demand has undoubtedly been the very significant investment in the national road infrastructure, which has injected over Rs.16,600 crores into the economy by way of jobs, roadway equipment and road-building

materials. The multiplier effect from this major public works project will be evident in the years ahead.

The efforts of the past few years in reducing costs, improving product quality and providing better customer support have begun to pay dividends. Our vehicles are better accepted, perform better and interaction with our customers get better support from most of our dealers. Nevertheless far more needs to be done to meet the standards achieved by the major global auto companies. The important fact is that there is far greater commitment towards achieving these goals than ever before.

During the year, Tata Motors has been vigorously pursuing the expansion of its business overseas. The important acquisition of Daewoo Commercial Vehicles Co. Ltd. in Korea, the supply of passenger cars to MG Rover in the U.K., the development of new markets and/or assembly bases in China, South Africa, Thailand and both East and West Europe, are all part of a major initiative towards the commitment the Company has made to establish a meaningful presence in selected international markets.

It is but natural to feel proud and euphoric in the wake of this year's excellent performance but it must be recognized and accepted that the automobile sector's business cycles are volatile. As I have said before, the commercial vehicle sector is one of the barometers of the economy of a country and we have in the past seen unprecedented growth in commercial vehicles in India and other parts of the world, followed by a collapse in demand. The passenger car sector is also cyclic and while this sector is showing growth today, it was only two years ago that this growth in passenger cars was flat. The Company is addressing this

challenge by taking steps that will ensure viability even during downturns, through expansion in international markets and constant attention to holding fixed costs.

Another major concern is the significant price increase in the past year in major basic industrial materials like steel, aluminum and petroleum products. The enormous consumption of these materials and other commodities by China have resulted in global shortages and consequential price increases. The growing scarcity of coal, iron ore and fossil fuel energy resources can only intensify this price spiral. User industries will need to re-invent the way they conduct their business in order to survive. New materials, new processes and new manufacturing practices will be needed to keep user industries competitive in these changing times. Tata Motors will need to make these investments now if it is to safeguard its market position in India and to grow overseas.

Despite the concerns one may have on the shorter-term demand trends in India, there can only be a strong sense of optimism about India's future development and in the growth in per capita income which would reflect in increased demand for goods and services.

The low-end car which the Company is endeavoring to develop, should succeed in catering to the growing demand for affordably-priced personal and family transportation. If successful, the Company would have, once again, dared to demolish the shackles of tradition by breaking new ground and exploring new frontiers.

Events and achievements have given India international visibility and prominence in the recent past. We now have a platform from which to unleash the full potential of our nation and the full, unfettered capability

of our people. We need to evolve a strong national spirit which would overshadow vested-interest agendas and create an environment of equal opportunity based on merit and ability, rather than influence, patronage and self-interest.

India's youth should be encouraged and empowered to make their contribution to the nation's development, particularly in the engineering and scientific space without being subordinated by their elders. We need to stand together, bury our communal and personal differences, consider ourselves as Indians first, and help build a strong unified nation, which will take its rightful place as a country that can stand up and be counted amongst the economically successful nations of our time.

REPORT  JUNCTION.COM

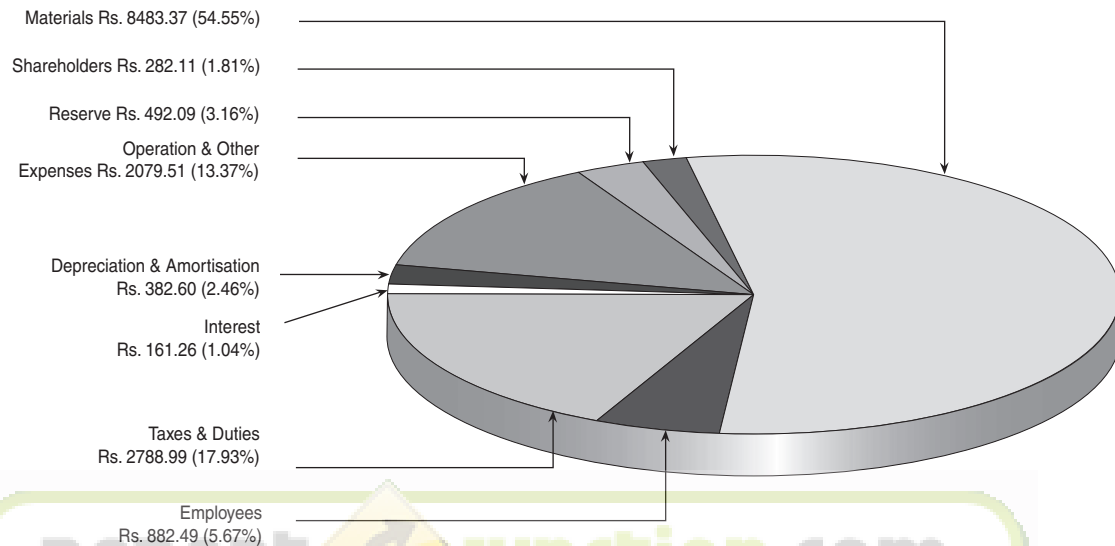
Ratan T. Tata

June 5, 2004.

Chairman

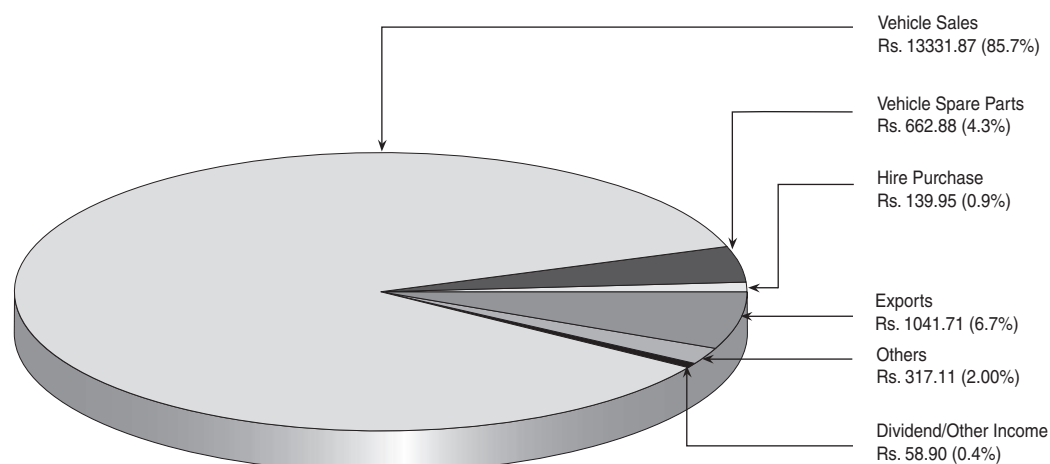
DISTRIBUTION OF REVENUE 2003-04

(Rupees in Crores)



SOURCES OF REVENUE 2003-04

(Rupees in Crores)





NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY-NINTH ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Thursday, July 8, 2004 at 3.30 p.m., at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business :-

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2004 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare a dividend on Ordinary Shares.
3. To appoint a Director in place of Mr Ratan N Tata, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr R Gopalakrishnan, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr S A Naik, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.
7. **Alteration of the Memorandum of Association of the Company**

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

“RESOLVED that pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be altered as follows:-

For Clause V, substitute the following Clause:-

‘V. The Capital of the Company is Rs.400,00,00,000/- divided into 40,00,00,000 Ordinary Shares of Rs.10/- each.’”

8. **Alteration of the Articles of Association of the Company**

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

“RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:-

For Article 5, substitute the following Article:-

‘5. The Capital of the Company is Rs.400,00,00,000/- divided into 40,00,00,000 Ordinary Shares of Rs.10/- each.’”



9. **Revision in terms of remuneration of Mr Ravi Kant, Executive Director**

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

“RESOLVED that in partial modification of the Resolution No.7 passed at the Annual General Meeting of the Company held on August 14, 2001 and the Resolution No.5 passed at the Extraordinary General Meeting of the Company held on March 27, 2002 for the appointment and terms of remuneration of Mr Ravi Kant, Executive Director of the Company and in accordance with the provisions of Sections 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the maximum amount of salary and perquisites and allowances payable to Mr Kant (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within such maximum amount, increasing thereby proportionately, all benefits related to the quantum of salary w.e.f. April 1, 2004, for the remainder of the tenure of his contract as set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification which Agreement is hereby specifically sanctioned.”

10. **Revision in terms of remuneration of Mr Praveen P Kadle, Executive Director**

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

“RESOLVED that in partial modification of the Resolution No.3 passed at the Extraordinary General Meeting of the Company held on March 27, 2002 for the appointment and terms of remuneration of Mr Praveen P Kadle, Executive Director of the Company and in accordance with the provisions of Sections 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the maximum amount of salary and perquisites and allowances payable to Mr Kadle (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within such maximum amount, increasing thereby proportionately, all benefits related to the quantum of salary w.e.f. April 1, 2004 for the remainder of the tenure of his contract as set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification which Agreement is hereby specifically sanctioned.”

11. **Revision in terms of remuneration of Dr V Sumantran, Executive Director**

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

“RESOLVED that in partial modification of the Resolution No.4 passed at the Extraordinary General Meeting of the Company held on March 27, 2002 for the appointment and terms of remuneration of Dr V Sumantran, Executive Director of the Company and in accordance with the provisions of Sections 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the maximum amount of salary and perquisites and allowances payable to Dr Sumantran (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within such maximum amount, increasing thereby proportionately, all benefits related to the quantum of salary w.e.f. April 1, 2004 for the remainder of the tenure of his contract as set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification which Agreement is hereby specifically sanctioned.”