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ODD LOT SCHEME FOR SHAREHOLDERS

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

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 Monday, July 11, 2005 at Birla Matushri Sabhagar at 3.30 p.m.

Tata Motors Limited (formerly known as Tata Engineering and Locomotive Company Limited)

Board of Directors

Ratan N Tata	<i>Chairman</i>
N A Soonawala	
J J Irani	
J K Setna	
V R Mehta	
R Gopalakrishnan	
N N Wadia	
Helmut Petri	
S A Naik	
Ravi Kant	<i>Executive Director</i>
Praveen P Kadle	<i>Executive Director</i>
V Sumantran	<i>Executive Director</i>
P K M Fietzek	<i>(Alternate Director to Mr Helmut Petri)</i>

Management Team

A P Arya	<i>President (Jamshedpur & Lucknow Works)</i>
P M Telang	<i>President (Pune & Dharwad Works)</i>
Rajiv Dube	<i>Sr. Vice President (Commercial) PCBU</i>
C Ramakrishnan	<i>Vice President (Chairman's Office)</i>
Shyam Mani	<i>Vice President (Sales & Marketing) CVBU</i>
R T Singh	<i>Vice President (Manufacturing)</i>
K C Girotra	<i>Vice President (Lucknow Works & FBV)</i>
R S Thakur	<i>Vice President (Finance)</i>
R R Akarte	<i>Vice President (ERC)</i>
M V Rajarao	<i>Vice President (Manufacturing)</i>

Company Secretary

H K Sethna

Registered Office

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.
Tel: +91-22-56658282
Fax: +91-22-56657799

Solicitors

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

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, ICICI Bank Limited, Standard Chartered Bank, State Bank of India, The Hongkong & Shanghai Banking Corporation Limited, Union Bank of India

Share Registrars

Tata Share Registry Limited,
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai 400 001.
Tel: +91-22-56568484
Fax: +91-22-56568494

Auditors

A F Ferguson & Co.
S B Billimoria & Co.
Deloitte Haskins & Sells *(Proposed to be
appointed for FY 2005-06)*

Web Sitewww.tatamotors.com

Summarised Balance Sheet

	(Rupees crores)	
WHAT THE COMPANY OWNED	As at March 31, 2005	As at March 31, 2004
1 NET FIXED ASSETS	3696.51	3247.80
2 INVESTMENTS	2912.06	3056.77
3 NET CURRENT ASSETS	545.36	(959.24)
4 MISCELLANEOUS EXPENDITURE	18.16	22.19
5 TOTAL ASSETS (NET)	<u>7172.09</u>	<u>5367.52</u>
WHAT THE COMPANY OWED		
1 LOANS	2495.42	1259.77
2 NET WORTH	4111.39	3593.60
Represented by :		
Share Capital	Rs. 361.79 crores	(Previous Year Rs. 356.83 crores)
Reserves	Rs. 3,749.60 crores	(Previous Year Rs. 3,236.77 crores)
3 DEFERRED TAX LIABILITY (NET)	565.28	514.15
4 TOTAL FUNDS EMPLOYED	<u>7172.09</u>	<u>5367.52</u>

Summarised Profit and Loss Account

	(Rupees crores)	
	2004-05	2003-04
1 INCOME		
SALE OF PRODUCTS AND OTHER INCOME	20648.66	15552.42
LESS : EXCISE DUTY	3063.44	2270.30
	<u>17585.22</u>	<u>13282.12</u>
2 EXPENDITURE		
RAW MATERIALS / COMPONENTS, MANUFACTURING AND OTHER EXPENSES	14208.70	10458.93
EMPLOYEE COST	1039.34	882.49
PRODUCT DEVELOPMENT EXPENDITURE	67.12	51.64
DEPRECIATION	450.16	382.60
INTEREST	154.15	161.26
TOTAL EXPENDITURE	<u>15919.47</u>	<u>11936.92</u>
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	1665.75	1345.20
PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS	(9.67)	(48.30)
EMPLOYEE SEPARATION COST	(4.18)	(4.56)
3 PROFIT BEFORE TAX	1651.90	1292.34
4 TAX : i) CURRENT	(363.82)	(96.00)
ii) DEFERRED	(51.13)	(386.00)
5 PROFIT AFTER TAX	1236.95	810.34
6 BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	365.80	123.71
	<u>1602.75</u>	<u>934.05</u>
7 APPROPRIATIONS		
(i) Interim Dividend	-	139.95
(ii) Tax on Interim Dividend	-	17.93
(iii) Proposed Dividend	452.19	142.16
(iv) Tax on Proposed Dividend	63.42	18.21
(v) Residual dividend paid for the year 2003-04 (including tax)	1.54	-
(vi) General Reserve	500.00	250.00
(vii) Balance carried to Balance Sheet	585.60	365.80
	<u>1602.75</u>	<u>934.05</u>

Chairman's Statement

Dear Shareholder,

The Tata Locomotive and Engineering Company Limited was formed in 1945, to manufacture steam locomotives, which it supplied to the Indian Railways from its plant in Jamshedpur for the next over two decades. In 1954, the Company took a critical decision to enter a totally new business line which changed its fortunes in the years to come. This was the decision to enter into a collaboration with Daimler Benz AG of West Germany to manufacture commercial vehicles, setting the path for it to become the leading Indian commercial vehicle manufacturer in the country.

Today, in its 60th year, and 50 years after that important decision to enter the automotive sector, the Company, now renamed Tata Motors Limited, has produced and sold a total of 2.7 million trucks and buses, and enjoys a dominant share of the Indian market. Following the termination of the collaboration with Daimler Benz in 1969, the Company established its own product development capability, providing itself with the independence and flexibility of a self-sufficient, stand-alone automobile company. This capability enabled the Company to make yet another critical decision in 1995, namely, to design, develop and manufacture its own passenger cars, which in turn have made their own mark in the domestic and selected overseas markets. The Company today has become the largest manufacturer of commercial vehicles and passenger cars in the country, and the fifth largest medium and heavy commercial vehicle manufacturer globally.

2004-05 has been a memorable year for Tata Motors on several fronts. The revenues reached a new high of just over Rs.20,000 crores with the highest-ever Profit After Tax of just over Rs.1,200 crores. 2004 was also the 100th anniversary of the passing away of the Group's founder, Mr. J. N. Tata, whose vision and foresight laid the strong foundations for the enterprises established as well as the value system for which the

Tata Group is known today. The year, coincidentally, also marks the birth centenaries of Mr. J. R. D. Tata, Mr. Naval Tata and Mr. Sumant Moolgaokar, who provided leadership and direction to the Group over the past 50 years of development and growth, while preserving the business ethics and values set by the founder. Tata Motors' excellent performance during the year has thus been a fitting tribute to the memory of these venerable gentlemen, to whom we owe so much for building this Company into an institution which stands for trust, good value for the consumer, and a great sense of social responsibility.

The Indian economy has continued to be buoyant during the year, with continued growth in the demand for goods and services. Several sectors of the economy have gained in prosperity and the corporate sector has, almost without exception, enjoyed the benefits of strong growth. The entry of new domestic and international companies in several sectors has forced many Indian corporates to become more competitive – and, most importantly, the Indian consumers have the opportunity to choose the products and services that provide them with the best value.

In this environment, Tata Motors has had an outstanding year. It has grown its market share in commercial vehicles and passenger cars, and retained its product leadership in most of its product segments. As a result of its concerted efforts to grow overseas, the Company has been very successful in the launch of its commercial vehicles and passenger cars in South Africa, Turkey and Russia. It also introduced the range of heavy commercial vehicles from its Tata Daewoo Heavy Commercial Vehicle Company plant in the Republic of Korea, in several overseas markets, complementing the Company's existing product range. During the year, Tata Motors also invested in Hispano Carrocera SA, a leading Spanish bus manufacturing company, which is expected to provide the Company with high-end buses and the related technology to address the luxury bus segment in various geographies. The year, therefore, has seen a consolidation of our Company's operations domestically and a substantial increased penetration into select overseas markets.

These very positive developments during the year were marred by the unfortunate turn of events in the MG Rover Group in the UK, which have forced it into court administration. These events fortunately are not

expected to significantly impact Tata Motors in terms of receivables from the MG Rover Group under the administrator. Initiatives to grow our Company's presence in Western Europe through our Company's existing dealer network continue as before.

At this time, it is essential that we do not forget that the well-being of the commercial vehicles business depends directly on the health of the economy. As has been said many times before, the commercial vehicles business is one of the barometers of the economy. One needs, therefore, to guard against any sense of euphoria and recognise that this business is prone to up-turns and down-turns of an economic business cycle, driven by several related and unrelated factors. The passenger car sector, by contrast, is less related to the economic variations of the country, and instead, more dependent on the market acceptance of new products, the discretionary income level of the consumer and the availability of credit. The unprecedented increase in steel prices and other input costs have placed considerable pressure on margins and while the industry has absorbed a major part of these costs during the year, it is most likely that prices of passenger cars will increase, possibly having a damping effect on demand. The rising prices of fuel will undoubtedly also have an impact on the viability of the transport industry and new commercial vehicles sales. Tata Motors will, therefore, have to aggressively reduce its costs without compromising quality, and be able to market products which have appeal in terms of price, appearance, performance and reliability as well as good customer support.

Looking Ahead:

As the level of prosperity in the country increases and as the road connectivity throughout India improves, following the major investments being made in road infrastructure, there is no doubt that the automotive industry will continue to play a major role in India's development. The automotive industry in India is dominated by global majors who have established varying levels of manufacturing capabilities in the country. Products offered will, by and large, be similar to products being developed for other markets. Tata Motors is one of two or three Indian enterprises which have the capability of developing 'home grown' indigenously-developed products, designed specifically for the Indian

market, but it is essential that these new product introductions are on schedule and at affordable prices. The Company will also need to differentiate itself by developing products that are designed to meet the needs of the vast and growing 'lower segments of the pyramid', in addition to the product range it sells today. The recently introduced mini truck and the new low-end car being developed by the Company are amongst such initiatives. The small car envisages some evolutionary and different means of product assembly and distribution, which could possibly be the first of its kind in the country, aimed at providing the customer with exceptional value at a very affordable cost, thus extensively expanding the target market.

The Company has transformed itself, to a very great extent, in several areas over the past 10 years and has the capability of meeting the challenges ahead. But it will be necessary to ensure that its ability to achieve its goals is not diminished by complacency or bureaucracy or arrogance. This mindset transformation and the willingness to question the unquestioned will have to be accelerated even more to ensure continued leadership. A greater sense of fulfillment will only come when there is an environment in which there is total encouragement of new ideas, dismantling of hierarchal structures and a truly 'seamless' operation. This will undoubtedly be one of the Company's greatest challenges. If our Company can succeed in fully making this important transformation, it can look forward to making a significant contribution towards our national growth and aspire to remain at the forefront of the country's automotive enterprises for the next 50 years.



Chairman

Mumbai, June 6, 2005

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTIETH ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Monday, July 11, 2005 at 3:30 p.m., at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2005 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To declare a dividend on Ordinary Shares.
3. To appoint a Director in place of Mr N N Wadia, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr P P Kadle, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Dr V Sumantran, who retires by rotation and is eligible for re-appointment.

Special Business**6. Appointment of Statutory Auditors**

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

“RESOLVED that subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Deloitte Haskins & Sells, Mumbai, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, in place of the retiring auditors Messrs S B Billimoria & Co, Chartered Accountants and Messrs A F Ferguson & Co, Chartered Accountants to examine and audit the accounts of the Company for the Financial Year 2005-06, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus service tax, out-of-pocket, travelling and living expenses, the audit to be carried out at the various locations of the Company at periodic intervals.”

7. Re-appointment of Mr Ravi Kant as a Whole-time Director

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 Sections 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 as amended or re-enacted from time to time (“the Act”), the Company hereby approves of the re-appointment and terms of remuneration of Mr Ravi Kant as a Whole-time Director of the Company for the period from July 12, 2005 to June 1, 2009 upon the terms and conditions set out below and in the draft Agreement submitted to this Meeting and initialled by a Director for the purpose of identification:-

- i. Remuneration :
 - a. Salary: Upto a maximum of Rs.4,00,000/- per month with authority to the Board, which expression shall include a Committee thereof, to fix the salary within the above maximum amount from time to time. The annual increment will be merit based and take into account the Company's performance.

- b. Incentive Remuneration: Upto 200% of salary to be paid at the discretion of the Board annually, based on certain performance criteria.
- c. Commission: Such remuneration by way of commission, in addition to the salary, incentive remuneration, if any, and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The specific amounts payable to Mr Kant will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Members.
- d. Perquisites and allowances: In addition to the salary, incentive remuneration, if any, and commission payable, Mr Kant shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical/accident insurance, leave travel concession for himself and his family; club fees and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr Kant; such perquisites and allowances will be subject to a maximum of 140% of his annual salary.
- For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
 - Provision for use of the Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.
 - Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- ii. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr Kant, the profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances as specified above."

"RESOLVED FURTHER that the Board be and is hereby authorised to alter and vary the terms and conditions of the said re-appointment and/or Agreement in such manner as may be agreed to between the Directors and Mr Kant and to do all acts, deeds, matters and things, as it may, at its absolute discretion, consider necessary, expedient or desirable, to give effect to the foregoing Resolution or otherwise considered by it to be in the best interests of the Company."

NOTES:

- (a) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item nos. 6 and 7 set out above and details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking re-appointment at the Annual General Meeting, are annexed hereto.

- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (c) Only registered members of the Company may attend and vote (either in person or by proxy) at the Annual General Meeting. The holders of the American Depositary Receipts (the 'ADRs') of the Company shall not be entitled to attend the said Annual General Meeting. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said meeting through the Depository, to give or withhold such consents, to receive such notice or to otherwise take action to exercise their rights with respect to such underlying shares represented by each American Depositary Shares. A brief statement as to the manner in which such voting instructions may be given would be sent to the ADR holders by the Depository.
- (d) The Register of Members and Transfer Books of the Company will be closed from Monday, June 27, 2005 to Monday, July 11, 2005, both days inclusive, for the purpose of payment of dividend to those Members whose names stand on the Register of Members as on July 11, 2005. The dividend in respect of Ordinary Shares held in electronic form will be payable to the beneficial owners of the Ordinary Shares as at the end of business hours on June 25, 2005, as per the details furnished by the depositories for this purpose.
- (e) The dividend on Ordinary Shares as recommended by the Directors for the year ended March 31, 2005 will be payable on or after July 11, 2005 in accordance with the resolution to be passed by the Members of the Company.
- (f) To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents.
- (g) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS, mandates, nominations, power of attorney, change of address/name, etc. to their depository participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
- (h) Members' attention is particularly drawn to the "Corporate Governance" section in respect of unclaimed and unpaid dividends.
- (i) As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.

By Order of the Board of Directors

H K Sethna
Company Secretary

Mumbai, June 6, 2005

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