



TATA MOTORS

66th Annual Report 2010-2011

Adding a million more... and counting

Go Green Today

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to shareholders.

Members are requested to support this green initiative by updating their email addresses with the respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live.

Annual General Meeting

Date : Friday, August 12, 2011
Time : 3.00 p.m.
Venue : Birla Matushri Sabhagar,
19, Sir Vithaldas
Thackersey Marg,
Mumbai 400 020.

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Board of Directors

Ratan N Tata

Chairman

Ravi Kant

Vice-Chairman

N N Wadia

S M Palia

R A Mashelkar

S Bhargava

N Munjee

V K Jairath

R Sen

Ralf Speth

Carl-Peter Forster

Managing Director & Group CEO

P M Telang

Managing Director – India Operations

Registered Office

Bombay House
24, Homi Mody Street
Mumbai 400 001
Tel: +91-22-6665 8282
Fax: +91-22-6665 7799
Email: inv_rel@tatamotors.com
Website: www.tatamotors.com

Works

Jamshedpur, Pune, Lucknow,
Pantnagar, Sanand

Management Team

Carl-Peter Forster, Managing Director & Group CEO
P M Telang, Managing Director - India Operations
C Ramakrishnan, Chief Financial Officer
R Pisharody, President - Commercial Vehicles Business Unit
T Leverton, Head, Advanced and Product Engineering
S B Borwankar, Sr Vice President (Mfg Operations-CVBU)
Prabir Jha, Sr Vice President (Human Resources)
P Y Gurav, Sr Vice President (Corp Finance - Accts & Taxation)
Girish Wagh, Head (Passenger Car Operations)
S Ravishankar, Vice President (Engg Systems, ERC)
B B Parekh, Chief (Strategic Sourcing)
R Bhaskar, Plant Head -CVBU
Vikram Sinha, Head (Car Plant - PCBU)
A K Jindal, Head Engineering (Comm. Vehicles - ERC)
R Ramakrishnan, Vice President (Commercial - PCBU)
N Pinge, Vice President (Internal Audit)
R Bagga, Vice President (Legal)
A S Puri, Vice President (Govt Affairs & Collab)

Company Secretary

H K Sethna

Share Registrars

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011
Tel: +91-22-6656 8484; Fax: +91-22-6656 8494
Email: csg-unit@tsrdarashaw.com

Solicitors

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

Auditors

Deloitte Haskins & Sells (Registration No. 117366W)

Bankers

State Bank of India, Bank of America, Bank of Baroda, Bank of India, Bank of Maharashtra, Central Bank of India, Citibank N.A., Corporation Bank, Deutsche Bank, HDFC Bank, Hongkong and Shanghai Banking Corporation, ICICI Bank, Standard Chartered Bank, Union Bank of India, Punjab National Bank, Indian Bank, IDBI Bank, Karur Vysya Bank, Federal Bank, United Bank of India, Allahabad Bank, State Bank of Patiala, Andhra Bank, State Bank of Mysore, ING Vysya Bank

Corporate Identity Number (CIN)

L28920MH1945PLC004520

Chairman's Statement

Dear Shareholder,

In 2010, the world as a whole continued on a path of moderate economic recovery, but with dramatic differences between major geographic regions.

In the western hemisphere, the U.S. showed distinct signs of GDP growth at 2.8% in 2010, although job levels and home mortgage figures did not improve. Western Europe and the U.K. were marginally positive at 2% and 1.3% respectively. In striking contrast, Asia registered a growth rate of 9.5% led by China and India at 10.3% and 8.5% respectively. In Latin America, Brazil registered a robust growth of 7.5% and South Africa registered a very respectable growth rate of 2.8%.

The figures of growth and economic activity re-affirm that the hub of sustained economic growth has shifted from the developed nations in North America, Western Europe and the U.K., to the newly-developed and developing countries in Asia, Latin America and Africa, where the domestic market demand for goods and services is increasing, where the cost of skilled labor is low, and where newer production facilities are not burdened with high legacy costs. Further, the astronomical rise in natural resources has given some of the resource-rich nations in the developing world a new-found position of global dominance in sourcing to the developed manufacturers of the west. Whatever may be one's future view, one would have to accept that investments in new technologies, manufacturing facilities and skills development will most likely be in that part of the world where large population-driven markets have developed, and that more and more highly competitive goods and services will emanate from such locations for export to the established markets of the developed world. As boundaries and barriers become less meaningful, skilled labor, research and development and supporting infrastructure will tend to be relocated in these new emerging locations in Asia and Latin America.

Tata Motors Limited

A good example of these recent global shifts is the case of passenger cars. In 1955 the United States was undisputedly the largest manufacturer of automobiles. It produced 7.1 million cars ~70% of world consumption. Detroit was the center for most important new automotive technologies in terms of new features, new materials, process and manufacturing innovations. By 1960, the U.S. ceded its technical dominance to the European carmakers which could develop and deliver more attractive cars of higher quality at competitive prices. By 1980, Japan and later South Korea became serious competitors to the Europeans and began to take a larger share of the U.S. market by producing more appealing, higher quality and technically innovative cars at competitive prices. The landscape in 2010 has dramatically changed again! China has emerged as the world's largest automobile producer. Its production of 13.8 million cars in 2010 accounted for 24% of world production, surpassing the U.S., which produced only 2.7 million cars¹ – 5% of the world's production. Further, China has emerged as the world's largest domestic market for automobiles (In 2010 Chinese buyers bought about 18 million automobiles, against 11.7 million bought in the U.S.). Even after the economic meltdown in 2009, China and India saw 45% and 26% growth respectively in their domestic automobile markets while Europe, U.K. and the U.S. automobile markets declined by 6%, 11% and 21% respectively.

The global automobile industry production in 2010 stood at about 58 million for passenger cars and about 19 million for commercial vehicles, registering a growth of about 22% and 38% respectively over the previous year.

Tata Motors**Commercial Vehicles – India**

Industry-wide sales of commercial vehicles in India during the year were 7,42,091 – a growth of 27.3% over the previous year.

During the year, Tata Motor's commercial vehicles sales achieved an all-time high of 4,58,828 – registering a growth of 22.7% over the previous year and a market share of 61%. Intermediate and heavy truck sales increased by 30% and several new models were introduced during the year. Sales of the **Ace**, the sub-one ton pick-up, grew 25% over the previous year and achieved the highest ever annual sales. The Company's other commercial vehicles also achieved record sales during the year.

¹ Passenger cars only (excluding SUVs, MPVs and light trucks)

Passenger bus sales during the year also grew substantially, both diesel and CNG powered, and the Company's new low-floor city buses have been exceedingly popular in the cities where they have been marketed.

Passenger Cars – India

In the passenger car segment, the industry registered sales of 24,66,814 passenger vehicles – a growth of 29.8% over the previous year.

Sales levels at Tata Motors grew at only 23% – resulting in a market share decline of 0.7%. Initiatives are underway to revitalize the dealer network and improve market share. The total Company sales, since it entered the passenger car segment in 1999, crossed 2 million cars. The highest ever annual sales were achieved during the year. **Nano** sales crossed 1,00,000 and the all-new crossover, **Aria** was launched in the second quarter.

Total export sales of Tata Motors amounted to about 58,000 vehicles – an increase of 70% over the previous year.

Jaguar Land Rover

Sales of Jaguar cars and Land Rover/Range Rover vehicles have been extremely encouraging. During the year, Jaguar introduced the new XJ sedan and a new R-series – high performance versions of the XK sports and the XF sedan. Sales of Jaguar and Land Rover vehicles span 140 countries, and their market appeal has been growing.

Total wholesale sales of Jaguar cars during the year were about 53,000, registering a growth of 11.8% over the previous year. Land Rover/Range Rover achieved wholesale sales of 1,90,628, registering a growth of 30.1% over the previous year. The new Evoque is proposed to be launched in the current year and has attracted a very positive reaction from the market.

Assembly operations in India have commenced for the **Land Rover Freelander**. Assembly of other Land Rover products are also under consideration. To optimize the synergetic strengths between JLR and Tata Motors in India, an examination is also underway on a joint engine development program which would have manufacturing facilities both in the U.K. and India. The Company is also considering various options for assembly and localization of selected products in China, which has become an important market for the Company.

Both Tata Motors in India and Jaguar Land Rover in the U.K. have extensive product development plans for cars, off-road vehicles and commercial vehicles, powered by regular and alternative fuels, as also electric and hybrid vehicles, to meet future fuel efficiency and low emission requirements.

Looking Ahead

While 2010-11 has been a year of high economic growth in Asia, the quarterly growth figures in China and India have been declining. Inflation rates have risen and the central banks in both countries have initiated measures to slow down their economies to curb inflation. The resulting high interest rates, tighter credit regimes and higher fuel costs will dampen consumer demand for a range of consumer products including automobiles.

The quarterly growth figures in Asia have been declining during the year and it is expected that both China and India will register lower growth rates in 2011-12. There is therefore a likelihood of a general slowdown in industrial activity in Asia compared to the growth rates achieved over the past few years and possibly a noticeable drop in consumer demand for goods and services. Automobile sales have already started to decline in India. There has also been a decline in automobile sales in China for the first time in two years.

The extent of an economic slowdown in Asia will depend on the severity of the anti-inflationary measures adopted. Japan, which has been an industrial powerhouse for several decades, will be unbelievably burdened in the rebuilding of the country following the terrible devastation caused by the earthquake and tsunami earlier this year. While Japan will undoubtedly succeed in its enormous reconstruction task solely because of the national pride, dedication and discipline of its people, it is expected that Japan will register low figures of industrial growth.

The health of the world economy in 2012 and beyond will depend more heavily on the economic health of Asia. Inflation is indeed a lurking enemy of healthy growth and needs to be controlled. Speculation in natural resources that have a significant impact on the entire value chain of industrial production also needs to be controlled. What should be of concern to all is the creation of a situation where the pendulum swings too far in the opposite direction, causing another global slowdown – this time, not based on over-valued assets but on self-imposed fiscal prudence. It is hoped that a realistic balance will be achieved in the Asian countries to ensure that these countries continue to be the drivers of growth, innovation and prosperity for millions of their people as also both sources and markets for the rest of the world.



Chairman

Mumbai, July 6, 2011

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY-SIXTH ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Friday, August 12, 2011 at 3.00 p.m., at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Ordinary Shares and 'A' Ordinary Shares.
3. To appoint a Director in place of Mr Ravi Kant, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr N N Wadia, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr S M Palia, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

Special Business

7. Appointment of Dr Ralf Speth as a Director

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

"RESOLVED that Dr Ralf Speth who was appointed by the Board of Directors as an Additional Director of the Company with effect from November 10, 2010 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ('the Act'), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company whose office shall be liable to retirement by rotation."

8. Sub-division of Ordinary and 'A' Ordinary Shares of the Company

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

"RESOLVED that subject to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Article 69 of Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, 70,00,00,000 Ordinary Shares and 20,00,00,000 'A' Ordinary Shares both having a face value of ₹10/- each in the Authorised Share Capital of the Company be sub-divided into 3,50,00,00,000 Ordinary Shares and 1,00,00,00,000 'A' Ordinary Shares both of ₹2/- each and that 30,00,00,000 Convertible Cumulative Preference Shares of ₹100/- each in the Authorised Share Capital of the Company would remain unchanged and that Clause V of the Memorandum of Association of the Company be altered accordingly."

"RESOLVED FURTHER that pursuant to the said sub-division the 53,83,22,483 Issued and Subscribed Ordinary Shares and 9,63,86,471 Issued and Subscribed 'A' Ordinary Shares, both having a face value of ₹10/- each, [hereinafter together referred to as the 'Existing Share(s)'] shall stand sub-divided into 2,69,16,12,415 Ordinary Shares of the face value of ₹2/- each and 48,19,32,355 'A' Ordinary Shares of the face value of ₹2/- each (hereinafter together referred to as 'the Shares')."

"RESOLVED FURTHER that upon the said sub-division of the Existing Share certificate(s) in relation to the Existing Ordinary and 'A' Ordinary Shares of the face value of ₹10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date fixed by the Board of Directors of the

Tata Motors Limited

Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) for this purpose and the Company may without requiring the surrender of the certificates for the Existing Shares, directly issue and dispatch new share certificates in lieu thereof, in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and in the case of Existing Shares held in dematerialized form or in respect of Members who opt to receive the sub-divided Shares in dematerialized form, the sub-divided Shares shall be credited to the respective beneficiary account of the Members with the Depository Participants."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary for obtaining such approvals, to execute all such documents, instruments and writings, to do all such acts, matters and things as may be required in this connection and to delegate all or any of the powers herein vested in the Board to give effect to the aforesaid resolution."

By Order of the Board of Directors

H K SETHNA

Company Secretary

Mumbai, May 26, 2011

Registered Office:

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

Notes:

- a. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item Nos.7 and 8 set out above and details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/reappointment at this Annual General Meeting are annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution /authority, as applicable, issued by the member organization.
- c. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
- d. Only registered Members (including the holders of 'A' Ordinary Shares) of the Company may attend and vote at the Annual General Meeting. The holders of the American Depositary Receipts (the 'ADRs') and Global Depositary Receipts (the 'GDRs') of the Company shall not be entitled to attend the said Annual General Meeting. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said meeting through the 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 such American Depositary Share. A brief statement as to the manner in which such voting instructions may be given is being sent to the ADR holders by the Depository. The Depository for the holders of the GDRs shall exercise voting rights in respect of the deposited shares by issue of an appropriate proxy or power of attorney in terms of the Deposit Agreement pertaining to the GDRs.

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

- e. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- f. The Register of Members and Transfer Books of the Company will be closed from Thursday, July 21, 2011 to Friday, August 12, 2011, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after August 16, 2011 as under:
 - i. To all Beneficial Owners in respect of shares held in electronic form, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on July 20, 2011.
 - ii. To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 20, 2011.
 - iii. The 'A' Ordinary Shareholders will receive dividend for any financial year at five percentage points more than the aggregate rate of dividend declared on Ordinary Shares for that financial year.
- g. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS). NECS essentially operates on the new and *unique bank* account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. The NECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents.
- h. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
- i. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialised mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrars and Transfer Agents.
- j. Members' attention is particularly drawn to the "Corporate Governance" section in respect of unclaimed and unpaid dividends.
- k. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
- l. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their attendance slip alongwith a copy of Annual Report to the Meeting.