

Tata Motors (NYSE : TTM)

FY09 Review

Snapshot

Standalone FY09 Financials (Indian GAAP)

	FY09 (Rs mn)	FY08 (Rs mn)	Change (%)	FY09 (*) (US\$ mn)	FY08 (**) (US\$ mn)
Revenue (Net of excise)	256,608	287,395	-11%	5,495	7,134
EBITDA#	15,622	27,322	-43%	3,35	678
EBITDA %	6.13%	9.57%	(344)bps	6.13%	9.57%
Profit before Tax	10,138	25,765	-61%	217.0	640
Net Profit	10,013	20,289	-51%	214	504
Basic EPS - Ordinary Shares	22.70	52.64	-57%	0.49	1.31
Diluted EPS - Ordinary Shares	20.83	48.04	-57%	0.45	1.19
Basic EPS – 'A' Ordinary Shares	23.20	-	-	0.50	-
Diluted EPS – 'A' Ordinary Shares	21.33	-	-	0.46	-

(*)Average Conversion rate for FY09: 1US\$ = Rs 46.47

(**) Average conversion rate for FY08: 1US\$ = Rs 40.29

EBITDA excludes income from technology transfer and bond buyback

Business Review

Standalone FY09 Financials (Audited)

- Tata Motor's Net Revenue for FY09 was Rs. 256.6 bn; down by 11% Y-o-Y.
- Impacted by steep volume decline, high material prices, EBITDA declined by 344 bps in FY09 to Rs 15.6 bn. EBITDA margin stood at 6.13%.
- The Company posted a profit after tax of Rs. 10.0 bn in FY09, compared with Rs.20.29 bn in FY08.
- Subsequently the company posted a Basic EPS of 22.70 Rs and 23.20 for FY09, for the ordinary and 'A' Ordinary shares respectively.
- Dividend declared by the Board is Rs.6 per ordinary share and Rs.6.50 per "A" Ordinary shares.

Table 1: Volume Summary

	FY09	FY08	Change
Total CVs	265,373	312,935	-15.2%
Total PVs*	207,512	218,055	-4.8%
Total Domestic Sales	472,885	530,990	-10.9%
Exports	33,536	54,659	-38.6%
Total Volumes	506,421	585,649	-13.5%

* include sales of FIAT vehicles

- Following the severe demand contraction in Q3FY09 triggered by the liquidity crisis and weakness of economic activity, especially in the MHCV category, auto industry showed some signs of recovery in Jan-Mar'09. On a month-on-month basis the CV industry grew at 29.6%, 32.2% and 31.6% while the passenger vehicle industry grew at 37.6%, 5.8% and 14.1%. However on a full year basis the volumes remained weak with CV industry having declined 17.4% while passenger vehicle industry remained relatively stable with a decline of 1.0%.
- The overall CV industry declined by 17.4% while TML's Commercial vehicle business declined by 15.2% supported by a diversified product portfolio, pan India presence and an encouraging growth of LCV business on the back of continued positive response to the ACE truck, ACE Magic and Winger. Consequently, Tata Motors gained market share both in MHCV and LCV segments.
- While the passenger vehicle industry declined by 1.0% affected by high interest rate and restricted credit availability, TML's Passenger vehicle business declined by 4.8%. The rate of decline was arrested in H2 due to encouraging response to new products introduced – Indigo CS and Indica Vista. Going ahead the performance is expected to improve as supply of Vista is improved and full capacity of Nano is available coupled with new product launches.
- The export volumes of the Company registered a sharp decline of 38.6% during FY09, due to global economic slowdown and credit crunch, especially in prime markets which witnessed adverse impact on automotive demand.

Significant events:

Tata Marcopolo Motors' Dharwad plant goes on stream

The state-of-the-art bus manufacturing facility of Tata Marcopolo Motors Limited at Dharwad (Karnataka) began commercial production in late Jan 2009. Tata Marcopolo Motors Limited is a 51:49 joint venture of Tata Motors and Marcopolo of Brazil, one of the largest manufacturers of bus bodies in the world.

The Dharwad plant will cater to India's growing need for world class fully built buses for intra-city and inter-city transportation with international standard comfort, quality and safety. The plant will produce a comprehensive range of buses. The range, to be marketed under the 'Starbus' and 'Globus' brands, includes 16 to 54-seater standard buses, 18 and 45-seater luxury buses, luxury coaches and low-floor city buses. . In 2009-10, the first full year of operation, production can be up to 15,000 units. It is expected to be increased to 30,000 units in phases.

Tata Motors bags Rs.2200-cr DTC order for 1625 low-floor buses, and their maintenance

In January 2009, Tata Motors won yet another order from the Delhi Transport Corporation (DTC) to supply 1625 ultra low-floor buses, and their maintenance for 12 years. The contract is valued at Rs.2200 crores, comprising about Rs.900 crores for the 1625 buses, and about Rs.1300 crores for the 12-year maintenance contract for these buses.

This is the second consecutive occasion that the DTC has entrusted Tata Motors with its prestigious order, aimed at revamping the city's transportation system. The first such order by the DTC in 2007 for 650 such buses was won by Tata Motors, and the company fulfilled the order in batches, as per schedule, in 2008.

These ultra low-floor buses make entry and exit extremely convenient for all passengers, including those with special challenges. The interiors are spacious. The seats are ergonomically designed, and the corridors wide enough for easy movement. Special features include a communication system connecting the driver to passengers and electronic destination board.

New Product Launches

1. Tata Motors expanded its Safari DICOR 2.2 range with the addition of a new Gx variant positioned below Vx, the top end variant. The Gx comes with several high end comfort and safety features such as with dual tone exteriors, reverse guide system to aid the driver while reversing and ABS with EBD. The new variant offers enhanced value to the Safari customer at an attractive price point below the top end variant. Safari Gx has been launched at a price of Rs. 9.95 lakhs (ex showroom Delhi) for the 4x2 version and 10.87 lakhs (ex showroom Delhi) for the 4x4 version. The price of the Safari DICOR range starts at Rs.7.67 lakhs (ex showroom Delhi). The Safari DICOR range now comprises four variants: Lx, Ex, Gx and Vx.
2. On 23rd March 2009 Tata Motors commercially launched the World's least expensive car 'Tata Nano', keenly awaited across India since it's unveiling on January 10, 2008. The Tata Nano is BS-III* compliant and comes with an all-new 2-cylinder aluminium MPFI 624 cc petrol engine mated to a four-speed gear box and will be available in three variants. The Tata Nano is currently being manufactured at the company's Pantnagar plant in Uttarakhand in limited numbers. The new dedicated plant, at Sanand in Gujarat, will be ready in 2010 with an annualised capacity of 350,000 cars.

Pre-owned car programme

On 21st January 2009 Tata Motors commenced its certified pre-owned car programme, 'Tata Motors Assured'. 'Tata Motors Assured' pre-owned car operations have been launched on a pilot basis through 15 dealers in 10 major cities across India. The cities are Mumbai, Delhi, Bangalore, Hyderabad, Chennai, Pune, Ahmedabad, Chandigarh, Ludhiana and Vapi. The programme will be subsequently offered across the country through the Tata Motors dealer network in a phased manner.

10th anniversary of the launch of the Indica

Tata Motors celebrated the 10th anniversary of the launch of the Indica on December 30, 2008. To mark this milestone, a 10th Anniversary Limited Edition Indica Vista was launched. In the first decade, close to 940,000 Indicas had been produced and the platform has spawned off close to 1.2 million vehicles. The Indica has remained a bestseller throughout in the industry figuring in the top 3 selling list of cars for most of the years. It achieved a peak sale of 144,690 in 2006-07 and the new generation Indica Vista was launched in August this year to a continuing pull even in today's depressed market conditions.

Refinancing plan

- **Rupee denominated rated, listed, secured, guaranteed, low coupon premium redemption bonds**

On 20th May 2009, Tata Motors raised Rs. 4200 crores (\$ 840 million) through issue of Secured Non-Convertible Rupee Debentures. The funds raised will be used for part repayment of the \$3 billion bridge facility taken for acquiring Jaguar Land Rover. Tata Motors had earlier prepaid \$1.11 billion.

This debenture issue, which is among the largest by an Indian corporate, is first of its kind for the Indian capital markets. The debentures, issued in four tranches with maturities ranging from 23 to 83 months, carry a coupon of 2% and will be redeemed at varying premia on maturity. All the tranches are guaranteed by the State Bank of India (SBI) and counter guarantees have been provided by several banks to SBI. The issue was a success and the market demand for the book building was oversubscribed 1.56 times.

- **US\$ Term Loan**

US\$1 billion Term Loan for 18 months from most of the original consortium of lenders for LIBOR + 500 bps was raised by TML as the part of the refinancing plan.

Economic Scenario

Key Highlights of FY09

1. GDP Growth

The Indian economy growth slowed to 5.3% in Q3 FY09 on a y-o-y basis from 8.9% in Q3 FY08. This has been the lowest growth in 23 quarters. Growth for Apr-Dec '08 stands at 6.9% (9% for Apr-Dec '07).

Although agriculture has done much better in the second half of 2008-09 and industry was on a recovery path by January, fiscal 2008-09 would still suffer a lower growth than the anticipated 7.1% by CSO. This is because the trade and transport sectors continued to suffer steep falls in their growth rates. Trade in agricultural commodities like cotton and sugarcane has declined, foreign trade in general, has declined, freight movement on the railways and cargo movement on the ports have slowed down sharply. The expected recovery in the trade and transport sectors following the recovery in agriculture and industry is not seen in the data for January and February 2009.

According to Crisil, impaired by the aggravating global financial crisis the Real GDP growth forecast for 2009-10 stands at 5.5-6.0 per cent. This Forecast assumes a sharp slowdown of industrial production and the expected moderation in services transport and finance. The agriculture, industrial (including construction) and services sectors are likely to grow at 3.0, 3.6-3.9 and 7.3-7.8 per cent, respectively.

(source: CRISIL,RBI,CSO,CMIE)

2. Industrial Growth

Industrial growth remains highly moderated by the persistent high interest rate scenario and slowing economy. The IIP index for March'09 was 297.9 which is 2.3% lower than March'08. The cumulative growth for the period April-March 2008-09 stands at 2.4% over the corresponding period of the previous year, which saw a growth of 8.5%.

The subdued performance of the manufacturing sector, which has a weightage of 80 per cent in IIP, continues to be the reason behind unimpressive industrial growth. While, on an average, the manufacturing sector grew at 9 per cent in 2007-08, it grew merely by 2.3% during the period Apr – Mar 2009. On the basis of use-based classification, consumer goods growth accelerated to 4.4% in Apr – Mar'09. Capital goods grew by 7% in Apr – Mar'09.

Table 2: Index of Industrial Production

	Categories	Apr-Mar'09	Apr-Mar'08	Growth (%)
IIP	General	274.3	268.0	2.4%
Sectoral	Mining	175.6	171.6	4.9%
	Mfg.	293.8	287.2	2.3%
	Electricity	223.7	217.7	2.8%
Use-based	Basic	229.6	223.9	2.5%
	Capital	396.8	370.8	7%
	Intermediate	256.6	264.1	-2.8%
	Consumer			
	- Consumer Durables	376.2	378	-0.5%
- Consumer Non-Durables	286.3	274.2	4.4%	

(Source: CSO)

3. Infrastructure Index

During April-March 2008-09, six core-infrastructure industries having a combined weight of 26.7% in the Index of Industrial Production registered a growth of 2.7% (provisional) against 5.9% during the corresponding period of the previous year. All sectors other than coal witnessed lower growth compared with last year. Coal production grew 8.1% during Apr – Mar'09 compared with 6.0% in the corresponding period of last year while Crude Oil production registered a growth of (-) 1.8% compared to a growth of 0.4% , during the same period of 2007-08. The Petroleum refinery production registered a growth of 3.0% compared to 6.5%, Finished (carbon) Steel production grew by 0.4% compared to growth of 6.2%, Electricity generation grew by 2.7% compared to 6.3% and Cement Production grew by 7.5% in Apr – Mar'09 compared to an increase of 8.1% during the same period of 2007-08.

(Source:: GOI- MINISTRY OF COMMERCE INDUSTRY)

4. Inflation

Inflation as measured by year-on-year variations in the wholesale price index (WPI) has declined to 0.26 as on 28th March 2009, Strict RBI measures to curb inflation, higher base effect, softening of the crude prices and in other main-line input commodities continued to result in softening of inflation. Inflation touched high of 12.91% for the week ended 2nd August 2009; strict RBI measures helped to curb inflation and were brought down to current negligible levels. For the year Apr – Mar'09, average inflation was 8.4% compared with 4.7% of FY08. More recently or the for the week ended April 18, 2009 inflation was 0.57 % , due to presence of adequate liquidity and the persisting low interest rates.

5. Interest rates

In a move to alleviate the pressure of India's credit market due to impact of global liquidity constraints, the RBI undertook a series of reduction in CRR and the policy rates during the last year. The numerous cuts by RBI have led to a marginal softening of interest rates. However, availability of bank credit continues to be an issue as banks is hesitant to take risks and extend lending operations.

6. Freight Rates

For the period ending Mar'09, the freight rates increased 1.3% on a y-o-y basis. During the year as oil prices tumbled rapidly from its peak in July, the government announced a cut in petrol prices by Rs 5 per litre and diesel by Rs 2 per litre in early December 2008. Prior to this in June 2008 a Rs 5 per litre increase in petrol , and a Rs 3 per litre price in diesel was announced. On a y-o-y basis the diesel prices declined 4.52% thereby impacting the truckers' profitability in a positive way, which was needed desperately in a hard macroeconomic environment.

7. National Highway Development Project (NHDP)

As elucidated in the below table, 33.4% of the national highway development and other road projects under NHAI was completed as on 31st March 2009. With substantial portion of the Golden Quadrilateral having been completed, the focus of implementation has shifted to the NSEW and Phase III Though work on NHDP – V is under implementation and only 1.6% was complete as on 31st March 2009.

Table 3: Status of the NHDP as on 31st March 2009

	Total Length (in Kms)	Completed	Under Implementation	Balance to be Awarded
GQ	5,846	97.9%	2.1%	0%
NS-EW	7,300	47.07%	39.9%	10.8%
Port Connectivity & others	1,342	73.5%	24.5%	1.9%
NHDP Phase III	12,109	6.5%	15.5%	78.0%
NHDP Phase V	6,500	1.6%	14.3%	84.2%
Total	33,097	33.4%	18.7%	47.5%

(Source: NHAI)

8. India tops the Nielsen Global Confidence Index

According to Nielsen Global survey on Consumer Confidence, India has topped the Nielsen Global Consumer Confidence Index with 114 points. Findings of the survey indicate that global recession is likely to have a limited impact on India where domestic market is large enough to support continued growth.

Commercial Vehicle Segment

Highlights

- CV market share increased by 160 basis point to 63.8% for the FY09; from 62.2% in FY08.
- Impacted by severe liquidity crunch and slowing economy CV domestic sales volumes decreased by 15.2% y-o-y to 265,373 units in FY09 as compared to 312,935 units in FY08.

Company Performance in Domestic CV Segment

Table 4: CV Domestic Sales Volumes

	FY09	FY08	Change
M/HCVs	113,695	165,249	-31.2%
LCVs	151,678	147,686	2.7%
Total CVs	265,373	312,935	-15.2%

Table 5: CV Market Shares

	FY09	FY08
M/HCVs	61.9%	60.4%
LCVs	65.4%	64.4%
Total CVs	63.8%	62.2%

Source: SIAM Industry Data and Company analysis

- Following a positive performance in H1 and the severe fall in volumes in Q3, the commercial vehicle market saw some revival in demand in Q4 supported by the fiscal and monetary stimulus provided by the government.
- CV industry registered a volume decline of 17.4% during FY09. CV sales in the first half of FY09 was nearly equal to that in corresponding period of previous year, however in second half the near collapse of the global financial system and recession in developed markets led to liquidity crisis in India. Slow down in Indian exports and decelerated growth in industrial production resulted in a steep fall in CV sales. In a challenging environment of non-availability of vehicle financing, high interest rates and, lower industrial growth and contraction of freight traffic, MHCV market recorded a decline of 33.2% y-o-y during the quarter, however LCV's increased marginally by 1.2%. The decline in CV's was somewhat cushioned by Government's stimulus packages and RBI initiatives to generate liquidity.
- A divergent trend was witnessed with in the truck market where volumes in the MHCV truck segment declined by 37.0% y-o-y, while industry volumes in the LCV truck segment declined by 7.6% y-o-y during FY09. Additionally the slowdown in the MHCV truck market has been accompanied by a shift in the market structure from heavy to medium trucks triggered by lower capital cost and inadequate load factor under depressed freight conditions.
- TML's volume in MHCV truck market declined by 34.1% during FY09 compared to the previous year. However TML's market share in the MHCV truck market increased significantly from 63.1% in FY08 to 66.1% FY09. TML's volumes in the MHCV bus market saw a decline of 8.8% in FY09; however, on the other hand LCV passenger carrier market witnessed incredible growth of 70.4% in FY09 compared to corresponding period last year driven primarily by the success of ACE Magic and Winger. Tata Motors' market share increased substantially from 64.9% in FY08 to 77.9% in FY09 in LCV passenger carrier segment.

- During an extremely challenging environment, Tata Motors improved its market share position across every CV category except LCV trucks on the back of its diversified product portfolio and strong geographical spread across India. Support from the captive financing entity - TMF – enabled to partially mitigate the liquidity scarcity among customers.

Passenger Vehicle Segment

Highlights

- Domestic passenger vehicle sales stood at 207,512 (including 7,365 Fiat vehicles) during FY09; down by 4.8% y-o-y.
- Market share of Tata Motors including Fiat stood at 13.6% in FY09.

Table 7: PV Domestic Sales Volumes

	FY09	FY08	Change
Small Car	111,664	135,641	-17.7%
Entry Mid-size Car	49,188	31,417	56.6%
UV	39,295	47,700	-17.6%
Fiat	7,365	3,297	123.4%
Total PV	207,512	218,055	-4.8%

Table 8: PV Market Shares (including Fiat volume)

	FY09	FY08
Small Car	11.9%	14.6%
Entry-level Mid-size Car	32.8%	32.4%
UV	17.6%	19.6%
Total PV	13.6%	14.2%

Source: SIAM Industry Data and Company analysis

- The passenger vehicle industry registered a volume decline of 1.0% during FY09, primarily due to, unavailability of finance, and high interest rates and high fuel prices. Utility vehicle segment declined the most by 8.2%, Impacted by the ad-hoc duty imposed on this segment in July.
- In this scenario the Company tried to arrest the decline through new products and increased support of the captive financing entity. Additionally during Q4 the company tied up with several public sector banks for retail and wholesale financing with a view to mitigate the liquidity scarceness caused by the Private Banks. In Passenger vehicle industry, Tata Motors' (including FIAT) market share decline marginally from 14.2% in FY08 to 13.6% in FY09.
- In the small car segment while the full year TML volumes decline by 18%, TML market share in PV market improved in H2 post launch of the Vista in Aug'08. TML performance is expected to improve as the full capacity of Indica Vista and Nano become available in FY10.
- Fully ramped up Indica Vista full capacity and launch of Nano will boost volumes and will help TML to boost volumes.
- The entry-mid size car segment continued to clock a healthy growth and grew at an astounding 56.6%. TML maintained its strong market share 32.8% due to continued positive response to Indigo CS. Also with the launch of the new Indigo platform in FY10 will further strengthened TML's position in the entry mid-size segment.

- In the Utility Vehicle segment, Tata Motors market share declined from 19.6% in FY08 to 17.6% in FY09 due to competitive pressures and new launches by the competition.
- Fiat volumes for FY09 were 7,365 an implausible growth of about 123.4% over the previous year. Combined Tata-Fiat market share in the overall PV industry stood at 13.6% for FY09.
- On 23rd March 2009 Tata Motors commercially launched the most awaited World's least expensive car 'Tata Nano'. It is BS-III* compliant and comes with an all-new 2-cylinder aluminium MPFI 624 cc petrol engine mated to a four-speed gear box and will be available in three variants. The Tata Nano is currently being manufactured at the company's Pantnagar plant in Uttarakhand in limited numbers. Deliveries for the Nano will commence from July 2009.

The company made arrangements for the widest possible network to book the car, so that prospective customers can conveniently avail of booking facilities at their locations, across the length and breadth of India. The sale of application forms started from April 1, to a very encouraging response. The forms could be bought over 30,000 locations in about 1,000 cities through Tata Motors Passenger Car dealerships, State Bank of India and its branches, its subsidiaries and associates, other preferred financiers, and outlets of Westside, Croma, 'World of Titan' and Tata Indicom exclusive stores. Subsequently, the booking of the Tata Nano opened on April 9th 2009 and continued up to the end of day on April 25, 2009. Tata Motors also entered into agreements with 18 preferred banks/NBFCs to enable prospective customers to get finance and facilitate booking of the car.

The Tata Nano drew over 2.03 lakh (70% financed, 30% cash) fully paid bookings amounting to nearly Rs.2,500 crores out of the 6.10 lakh forms purchased. About 4,000 cash bookings were made online through www.tatanano.com, a first for the auto industry in India. Among the three variants of the car, 20% bookings are for the Nano Standard, 30% for the Nano CX and the remaining 50% for the top-end Nano LX.

International Business

Highlights

- The Company's export volumes declined substantially by 38.6% y-o-y during FY09.

Company Performance in International Business

Table 10: Exports Volumes

Business Unit	FY09	FY08	Change
Commercial Vehicles	26,620	39,850	-33.2%
Passenger Vehicles	6,916	14,809	-53.3%
Total Exports	33,536	54,659	-38.6%

- Exports volume declined substantially by 38.6% during FY09 mainly impacted by the global economic slowdown and credit crunch especially, in prime markets which witnessed adverse impact on automotive demand.
- Passenger vehicles volumes declined by 53.3% due to decline in prime markets such as South Africa, Italy and Turkey.
- Commercial vehicles too saw a 33.2% decline in volumes due to sharp drop in sales in markets like South Africa, and Sri Lanka.

Finance

- Full year FY09 volumes declined by 13.5% causing Net Revenues to fall to Rs.256.6 Bn, a decline of 10.7%. Average realisation grew 3.3% mainly due to pricing actions undertaken by the company during the year.
- Material costs which were at significantly high levels over the past many quarters saw some respite in Q4 as the global commodity prices showed signs of weakening. Additionally the cost reduction efforts of the company also enabled a cost reduction of about Rs. 3196 mn. Consequently raw material cost as percentage of net revenues was reduced to 72.6% in FY09.
- In response to a weak market environment, Company tried to align the production in line with demand as best as it could and also undertook other measures to contain overheads. Additionally the other expenses item was also benefited by the lower production levels which reduced variable manufacturing and S&D costs. This is reflected in the lower other expenses of Rs. 3326 mn for the full year FY09.
- Consequently, EBITDA for FY09 stood at Rs 17.5 bn. Reported EBITDA margins stood at 6.83% in FY09 (FY08: 10.2%).
- During 2008, Company transferred technology to two subsidiary companies for Rs. 1694 mn and realized a gain of Rs. 300 mn from transfer of activity relating to financing of Construction Equipment to Tata Capital Ltd. which are included in the Total Income from operations for the year ended March 31, 2008. Total Income from operations for the year ended March 31, 2009 includes Rs. 1388 mn towards transfer of technology to one of its subsidiary companies. Adjusting for these items, EBITDA margin stood at 6.13% in FY09 (FY08: 9.57%)
- During the year ended March 31, 2009, the Company has divested its stake in Tata AutoComp Systems Ltd and Tata Steel Ltd and sold its investments in Tata Tele Services Ltd. The resultant profits of Rs. 1138 mn, Rs. 3585 mn and Rs. 478 mn respectively are included in the other income.
- Depreciation costs increased by 34% for the full year FY2009. This increase has been due to the increase in Fixed assets mainly due to the expansion of capacity at Uttaranchal for the production of Tata Ace and Magic and Pune plant for the production of the Indica Vista and Indigo variants.
- High interest rate environment for most part of the year along with increased debt resulted in an increase of interest cost which stood at Rs.6737 mn for FY09.
- Consequent to the notification no. G.S.R. 225(E) dated March 31, 2009, issued by the Ministry of Corporate Affairs amending the Companies (Accounting Standards) Rules, 2006, the Company has opted to change the accounting policy retrospectively with effect from April 1, 2007, by accounting the exchange differences arising on reporting of designated long-term monetary items denominated in foreign currency in the following manner, which were hitherto recognised in the profit and loss account
 - differences relating to long-term foreign currency monetary items taken for the acquisition of depreciable capital asset are adjusted in the carrying cost of such capital asset; and
 - Differences relating to other long-term foreign currency monetary items are accumulated in Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long-term foreign currency monetary items or up to March 31, 2011, whichever is earlier.

As a result, profit before tax for the year ended March 31, 2009 is higher by Rs. 5.19 bn. Further an amount of Rs. 1.43 bn (net of tax) pertaining to the financial year ending on March 31, 2008 has been debited to the General Reserve.

- Net Profit for FY09 stood at Rs.10.01 bn compared with Rs.20.29 bn in FY08.
- As on March 31,2009, the balance sheet size of the Company was Rs. 267.9 bn as compared to Rs 150.9 bn as on 31st Mar'09. Net of vehicle financing loans and receivables, which stood at Rs.20 bn, the Company's capital employed was Rs 248 bn.
- As on 31st March'09, 449.8 mn ordinary shares (Face value Rs.10) and 64.2 mn 'A' ordinary shares (Face value Rs.10) were outstanding on the balance sheet of Tata Motors. The increase in share capital from FY08 was on account of the Rights Issue offer made by the Company.
- The Gross total debt (inc. FCCNs) stood Rs 131.6 bn as on 31st March'09. The Company's Net Debt (Net of the surplus investible funds) stood at Rs 124 bn while the Company's net debt to equity ratio stood at 0.99. Borrowings increased mainly to support Capex, Investments and increased working capital requirements in a volume decline scenario.
- As of year end FY09, the total amount raised from the fixed deposit scheme to the public and shareholders stood at Rs.12 bn.
- Upto Mar 31st 2009, 97.6% of the Zero coupon Convertible Notes (due 2009) have been converted into Ordinary Shares / ADSs. There have been no conversions of the other FCCNs issued by the Company.
- The following table shows the days of sales of inventory and receivables of the company

Table 11: Current Assets

No. of Days	31st Mar'08	30th June'08	30th Sep'08	31th Dec'08	31th Mar'09
Inventory	27	39	35	36	28
Receivables (excl veh financing)	11	14	18	17	18

Shareholding Pattern

Table 13: Shareholding Pattern as on March 31st, 2009

	%
Tata Group	41.73
Daimler Chrysler	5.69
Indian Financial Institutions / MFs / Banks	13.18
ADR/GDR Holders / Foreign holders-DR status	13.10
Foreign Institutional Investors	7.13
Others	19.17
Total	100.00

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