Tata Motors (NYSE: TTM)
3Q FY06 Review

Snapshot

Unconsolidated 3Q FY06 Financials (Audited Indian GAAP)

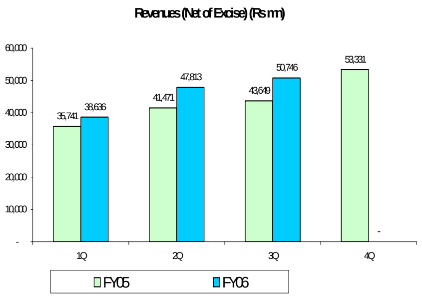
	3Q FY06 (Rs mn)	3Q FY05 (Rs mn)	Change %	3Q FY06 (*) (US$ mn)	3Q FY05 (US$ mn)
Revenue (Net of excise)	50,746	43,628	16.3%	1,118	1,004
Operating Profit	6,231	5,811	7.2%	137	134
Operating Profit %	12.28%	13.32%	-104bps		
Cash Profit (before Tax)	7,313	5,643	29.6%	161	130
Extra-ordinary Items	(10)	(10)	-	(0.2)	(0.01)
Profit before Tax	5,918	4,563	29.7%	130	105
Profit after Tax	4,602	3,162	45.5%	101	73
Basic EPS (Non-annualised)	Rs 12.2	Rs 8.8	38.6%	US$ 0.27	US$ 0.20

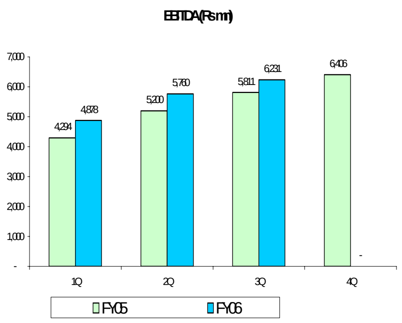
(*) Average Conversion Rate for 3QFY06: 1US$ = Rs. 45.39

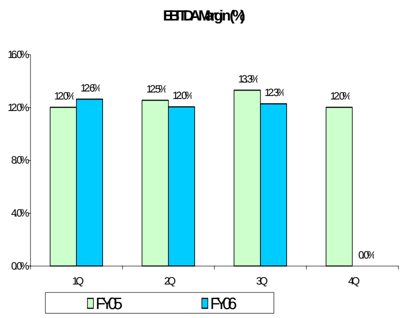
Unconsolidated Financials (Audited Indian GAAP) for April- December 2005

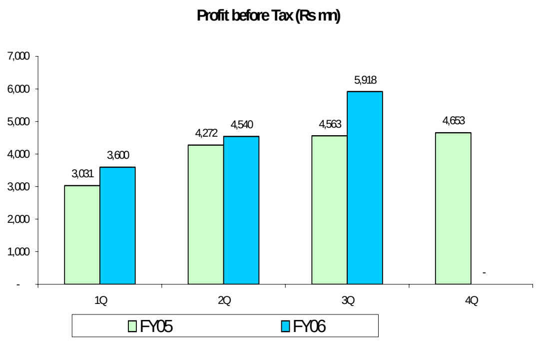
	Apr-Dec FY06 (Rs mn)	Apr-Dec FY05 (Rs mn)	Change %	Apr-Dec FY06(*) (US$ mn)	Apr-Dec FY05 (US$ mn)
Revenue (Net of excise)	137,195	120,803	13.6%	3,101	2,781
Operating Profit	16,869	15,305	10.2%	381	352
Operating Profit %	12.30%	12.70%	-40bps		
Cash Profit (before tax)	18,144	15,442	17.5%	410	355
Extra-ordinary Items	(30)	(31)	-3.2%	(0.7)	(1.0)
Profit before Tax	14,058	11,866	18.5%	318	273
Profit after Tax	10,708	8,488	26.2%	242	195
Basic EPS (Non-annualised)	Rs.28.5	Rs 23.6	20.8%	US$ 0.64	US$ 0.54

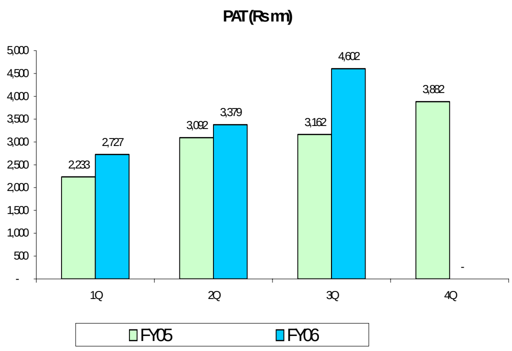
(*) Average Conversion Rate for April- Dec, 2005: 1US$ = Rs. 44.25











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Business Review

Unconsolidated 3Q FY06 Financials (Audited)

- Tata Motors Net Revenue increased by 16.3% Y-o-Y from Rs.43.7 bn in 3QFY05 to Rs. 50.8 bn in 3QFY06.
- 13% growth in sales volumes during 3QFY06. Details are given in the table below.
- EBITDA up 7.2% from Rs.5.8bn in 3QFY05 to Rs.6.2 bn in 3QFY06; EBITDA margin at 12.3% during the current quarter as compared to 13.3% in the corresponding quarter of the previous year.
- After adjusting for forex loss and gain in the respective periods, the EBITDA margin of the Company for 3QFY06 increased to 13.0% from 11.8% in 3QFY05.
- PBT for the quarter was Rs 5.9 bn, up 29.7% Y-o-Y from Rs.4.6 bn in 3QFY05.
- The Company posted PAT of Rs.4.6 bn in 3Q FY06, a 45.6% y-o-y increase compared to Rs 3.2 bn in 3Q FY05.
- Tata Motors sold 20% stake in its construction equipment subsidiary, Telcon, to Hitachi Ltd. for a total consideration of around Rs.2 bn ($44.25 mn). Consequently, Tata Motors' stake has reduced to 60% from 80% held earlier in the subsidiary.
- The Company also set up a wholly owned subsidiary under the name of Tata Motors European Technical Centre PLC in UK to derive synergies in the field of automobile research and further improve the existing research skills in the Company. This research centre will also facilitate development of world-class products by the Company.

Table 1: Volume Summary

	3Q FY06	3Q FY05	Change	Apr-Dec'05	Apr-Dec'04	Change
Total CVs	56,077	50,908	10%	143,420	134,861	6%
Total PVs	43,369	39,048	11%	127,517	124,996	2%
Total domestic Sales	**99,446**	**89,956**	**11%**	**270,937**	**259,857**	**4%**
Exports	11,782	8,706	35%	34,849	19,299	81%
Total Volumes	**111,228**	**98,662**	**13%**	**305,786**	**279,156**	**10%**

- The key drivers for the volume growth of 13% during 3QFY06 are:
  - Volume growth in light commercial vehicles
  - Volume growth in Utility Vehicles
  - Continued robust volume growth in exports
- On 21st October, 2005, the Company sold its 1 millionth passenger vehicle since its entry in to this segment in 1991.
- During the quarter, the Company launched new products, both, in commercial and passenger vehicle segments. While Tata TL 4x4 (a pick up variant) and Tata Novus (a 25 ton tipper from Tata Daewoo) were new offerings in the commercial vehicle segment, Indica V2 Turbo Diesel were the key launches in the passenger vehicle segment. All the products have received an enthusiastic response in the market.
- During the quarter, Tata Daewoo also launched its first MCV in the Korean market.

Consolidated 3Q FY06 Financials (Audited Indian GAAP)

Rs mn	3Q FY06 (Rs mn)	3Q FY05 (Rs mn)	Change %	3Q FY06 (*) (US$ mn)	3Q FY05 (US$ mn)
Net Revenue	59,695	48,779	22.40%	1,315	1,122
EBITDA	**7,745**	**6,594**	**17.50%**	**171**	**152**
EBITDA Margin	***12.97%***	***13.52%***	**-54bps**		
Other Income	1,729	176	880.80%	38	4
Net Interest	687	474	44.80%	15	11
Dep. & Amortisation	1,674	1,281	30.70%	37	29
Prod. Dev. Exp.	77	76	1.20%	2	2
PBT before Extra-ord. Items	7,037	4,939	42.50%	155	114
Extra-ord. Items	-13	-6	124.60%	0	0
PBT	**7,024**	**4,934**	**42.40%**	**155**	**114**
Tax	-1,616	-1,587	1.80%	-36	-37
Profit after Tax	**5,408**	**3,347**	**61.60%**	**119**	**77**
Share in Profit of Associates	153	46	235.70%	3	1
Minority Interest	-47	-23	103.00%	-1	-1
Other Adjustments	-8	17	-145.90%	0	0
Net Profit	**5,507**	**3,387**	**62.60%**	**121**	**78**
Basic EPS (non-annualised)	Rs 14.6	Rs 9.4	56.20%	US$0.32	US$0.22

Consolidated Financials (Audited Indian GAAP) for April- December 2005

Rs mn	Apr-Dec FY06 (Rs mn)	Apr-Dec FY05 (Rs mn)	Change %	Apr-Dec FY06(*) (US$ mn)	Apr-Dec FY05 (US$ mn)
Net Revenue	158,401	136,143	16.3%	3,580	3,133
EBITDA	**20,164**	**17,489**	**15.3%**	**456**	**402**
EBITDA Margin	***12.73%***	***12.85%***	**-12bps**		
Other Income	2,425	1,011	139.7%	55	23
Net Interest	1,720	1,357	26.7%	39	31
Dep. & Amortisation	4,645	3,724	24.7%	105	86
Prod. Dev. Exp.	209	486	-57.0%	5	11
PBT before Extra-ord. Items	16,015	12,933	23.8%	362	298
Extra-ord. Items	-44	-40	10.2%	-1	-1
PBT	**15,971**	**12,893**	**23.9%**	**361**	**297**
Tax	-4,078	-3,931	3.7%	-92	-90
Profit after Tax	11,893	8,963	**32.7%**	269	206
Share in Profit of Associates	291	270	7.6%	7	6
Minority Interest	-106	-50	110.8%	-2	-1
Other Adjustments	-23	-	n.a.	-1	
Net Profit	**12,055**	**9,183**	**31.3%**	**272**	**211**
Basic EPS (non-annualised)	Rs 32.04	Rs 25.56	25.4%	US$ 0.72	US$0.59

Economic Scenario

Key Highlights of 3Q FY06

1. GDP Growth*

During the second quarter of FY06, GDP of the country grew by 8.0% compared to 6.7% in the corresponding period of the previous year. Agricultural sector grew by 2.0%, industrial sector grew by 7.5% and the services sector grew by 10.1% during the quarter.

For the first half of FY06, the GDP of the economy grew by 8.1% y-o-y as compared to 7.1% growth registered in 1HFY05. While the agricultural sector grew by a modest 2.0% during the period, the industrial and the service sectors recorded a healthy growth of 8.6% and 10.0% respectively.

*Source : CMIE

2. Infrastructure Index

The growth rate of Infrastructure Index for April – December 2005 was 4.5% as against 6.4% in the corresponding period in the previous year. The growth in cement sector (10.9%), steel sector (7.1%) and coal sector (5.7%) was offset by moderate growth of electricity and petroleum refinery product sectors and decline in crude petroleum sector.

3. Index of Industrial Production

IIP registered a growth of 8.3% in the period April- November 2005. This is marginally lower than 8.6% growth recorded in the corresponding period in the previous year. Manufacturing sector continues to lead the growth on a sectoral basis. On a use - based classification, capital goods and consumer goods categories recorded 15.9% and 12.9% growth, respectively.

Table 2: IIP

	Categories	Apr-Nov'04	Apr-Nov'05	Growth (%)
IIP	General	197.3	213.6	8.3%
Sectoral	Mining	147.4	148.3	0.6%
	Mfg.	206.1	225.4	9.4%
	Electricity	179.5	188.3	4.9%
Use-based	Basic	173.6	184.0	6.0%
	Capital	211.5	245.1	15.9%
	Intermediate	209.0	215.3	3.0%
	Consumer	211.3	238.6	12.9%
	- Consumer Durables	298.0	337.9	13.4%
	- Consumer Non-Durables	191.3	215.8	12.8%

Source: CSO

4. Inflation

The Wholesale Price Index of the country grew by 4.8% during the period April- December 2005 against 6.4% recorded in the corresponding period in the previous year. The average inflation during the quarter was 4.5%.

The fall in the inflation rate is largely on account of the high base effect and softening of the international crude oil prices. The international prices of Brent crude oil reduced from around $65/bbl in September 2005 to around $58/bbl in December 2005.

5. Interest rates

The liquidity condition in the economy was under pressure during the quarter on account of redemption of the IMD scheme bonds by SBI and advance tax payments. This resulted in a pressure on the interest rates in the short term with the corporate loans being re-priced to the extent of 200bps.

6. Freight Rates

The secular drivers of economic and industrial growth and easy availability of funds along with recent regulatory developments restricting the overloading practices in the transport sector resulted in a 16% y-o-y increase in benchmark freight rate index as on 31st December, 2005. This surpasses the 14.6% increase in the diesel price index for the period, thereby indicating increase in profitability of truck operators.

7. National Highway Development Project (NHDP)

35% of the target 18,328 km of road development was completed as on 31st December, 2005, post the commencement of work on Phase III of NHDP.

Table 3: Status of the NHDP as on December 31st, 2005

	Total Length (in Kms)	Planned date of completion	Completed	Under Implementation	Balance to be Awarded
GQ	5,846	Dec-06	88%	12%	0%
NS-EW	7,300	Dec-07	11%	34%	55%
Port Connectivity & others	1,167	Dec-07	33%	47%	20%
Phase III	4,015	Dec-12	0%	1%	99%
Total	18,328		35%	20%	45%

(Source: NHAI)

8. Railways

The freight earnings of Indian Railways during the period April-December 2005 increased by nearly 18.0% and the freight carried increased by 9.73% y-o-y during the period.

Outlook

- The GDP growth estimates for fiscal 2006 have been revised to 7.5-8% from the 7.0 -7.5% forecasted earlier. Growth in industrial sector and services sector is expected to drive the economic growth for the year. (Source: RBI and CMIE)
- With manufacturing sector registering 10.2% growth in the first half of fiscal 2005, the buoyancy is expected to continue in this sector in the near term.
- Increase in the prices of commodities like aluminium, rubber, copper etc is expected to impact the input costs.
- Despite moderation in the international crude oil prices, the inflation is expected to remain in the range of 5-5.5% for fiscal 2005-06. (Source: RBI)
- Continued surge in credit demand is expected to result in liquidity being under pressure, thereby impacting the interest rates in the short term. 10 year G-Sec rates are expected to be in the range of 7.25% -7.50% by the end of fiscal 2006 (Source : Crisil).

Commercial Vehicle Segment

Highlights

- CV domestic sales volumes grew by 10% y-o-y; 56,077 units in 3QFY06 as compared to 50,908 units in 3QFY05
- CV market share stood at 61.6% for the quarter.
- The Company launched Tata TL 4x4, a pick up variant, during the quarter. The Company also launched Tata Novus, a 25 ton tipper from the Tata Daewoo range of vehicles, on the Indian roads during 3QFY06. Both the products received an enthusiastic response from the customers.

Domestic CV Industry

- While the CV industry registered a volume growth of 6% during 3QFY06, Tata Motors' commercial vehicle volumes grew by 10% during the quarter.
- During April- December 2005, the CV industry volumes grew by 6.6% and the Company volumes grew by 6.4%.
- The industry volumes in the M/HCV segment declined by 2% y-o-y and that in LCV segment grew by 17% y-o-y during 3QFY06.
- While industry volumes of M/HCV segment declined marginally by 0.7%, those of LCV segment grew by 18% y-o-y during April –December'05.

Company Performance in Domestic CV Segment

Table 4: CV Domestic Sales Volumes

	3Q FY06	3Q FY05	Change	Apr-Dec'05	Apr-Dec'04	Change
M/HCVs	34,560	34,221	1%	85,602	92,115	-7%
LCVs	21,517	16,687	29%	57,818	42,746	35%
Total CVs	**56,077**	**50,908**	**10%**	**143,420**	**134,861**	**6%**

Table 5: CV Market Shares

	3Q FY06	3Q FY05	Apr-Dec'05	Apr-Dec'04
M/HCVs	66.4%	66.6%	61.7%	66.7%
LCVs	61.5%	53.3%	58.4%	50.2%
Total CVs	**61.6%**	**64.2%**	**60.3%**	**60.4%**

Source : SIAM

- The M/HCV volumes of the Company increased marginally by 1% y-o-y during 3QFY06. However, the market share of 66.4% achieved during 3QFY06 was comparable to 66.6% recorded in 3QFY05.
- Despite an 8% decline in the volumes during the quarter from 28,588 units to 26,302 units, the Company's market share in the M/HCV truck segment stood at 76.4% for 3QFY06, which was 240bps higher than that in the corresponding period in the previous year.
- For the period April – December'05, the Company steadily gained market share over the months to achieve 65.6% market share in the M/HCV truck segment.
- Volumes in the ICV truck segment grew 33% y-o-y to 3,884 units during the quarter from 2,917 units in 3QFY05. While the HCV truck segment volumes in 3QFY06 were 12,918 units, up 1% y-o-y from 12,733 units in 3QFY05, the MCV truck volumes declined 16% y-o-y to 13,384 units 3QFY06 from 15,855 units in 3QFY05.
- In April – December'05 the ICV truck segment volumes grew 47% y-o-y to 9,482 units and achieved market share of 42.9% as compared to 37.6% in the corresponding period of the previous year.
- The HCV segment volumes on YTD basis declined 2.5% with market share at 62.7% in April – December'05 as compared to 65.7% in April – December'04.
- The MCV truck segment of the Company declined 17% during April – December'05. This is in line with the industry decline of 16% in this segment. However, the Company continued to maintain its market share at 80.9% in this segment.
- The bus segment of Tata Motors registered a volume growth of 26% y-o-y, from 2717 units in 3QFY05 to 3,417 units in 3QFY06 and achieved market share of 45.9% during the quarter.

- At 22,521 units, the LCV segment of Tata Motors registered 35% volume growth during the third quarter of FY06 from 16,687 units in 3QFY05. At 58,811 units, there was 38% y-o-y volume growth in this segment on YTD basis.

- The market share in this segment was 61.5% during 3QFY06 as compared to 53.3% in 3QFY05. During April – December'05, the market share increased by 820bps to 58.4%.

- Tata Ace continues to receive an enthusiastic response from the five states in which it was launched. An average of 2,800 vehicles per month were sold during 3QFY06.

- The Company's market share in the pick-up segment increased to 59.8% during 3QFY06 from 42.1% in 3QFY05. The Company is a market leader in this segment with a market share of 56.5% during April – December'05 against 37.7% in April – December'04.

Passenger Vehicle Segment

Highlights

- Domestic PVs clocked sales of 43,369 units during 3QFY06; up 11% y-o-y
- 127,517 units sold during April – December'05 , up 2% y-o-y.
- The Company launched Indica V2 Turbo Diesel, a variant of Tata Indica fitted with a turbo charged engine, during the third quarter of the current fiscal.

Domestic PV Industry

- The passenger vehicle industry registered a modest volume growth of 4% during 3QFY06 and 6% during April – December'05.
- During 3QFY06, industry volumes of utility vehicle segment grew by nearly 2% and that of the passenger car segment grew by 5% y-o-y. During April – December'05, the utility vehicle volumes of the industry grew by 9% and passenger car volumes of the industry grew by 6% y-o-y.

Company Performance in Domestic PV Segment

The Company retained its #2 position in the domestic PV market.

Table 7: PV Domestic Sales Volumes

	3Q FY06	3Q FY05	Change	Apr-Dec'05	Apr-Dec'04	Change
Compact Car	25,309	22,207	14%	75,399	74,663	1%
Entry-level Mid-size Car	8,724	8,695	0.3%	27,192	27,861	-2%
UV	9,336	8,146	15%	24,926	22,472	11%
Total PV	**43,369**	**39,048**	**11%**	**127,517**	**124,996**	**2%**

Table 8: PV Market Shares

	3Q FY06	3Q FY05	Apr-Dec'05	Apr-Dec'04
Compact Car	17.6%	17.9%	18.4%	21.1%
Entry-level Mid-size Car	33.3%	25.9%	31.3%	30.8%
UV	19.5%	17.6%	18.2%	17.9%
Total PV	15.6%	14.6%	15.8%	16.4%

Source : SIAM

- The passenger vehicle volumes of the Company increased by 11% y-o-y to 43,368 units during 3QFY06 from 39,050 units in 3QFY05. The market share of this segment increased by 100bps y-o-y to 15.6% during the period.
- While the total passenger vehicle volumes of the Company during April –December'05 grew by 2%, the market share came down by 60 bps to 15.8% during the period from 16.4% in the corresponding period in the previous year.
- The utility vehicle volumes of the company grew by 15% y-o-y with 190bps increase in the market share during the third quarter of FY06.
- During April – December'05, the utility vehicle volumes increased by 11% and the market share increased 30bps to 18.2% from 17.9% in April – December'04.
- During the quarter, 'Drive away a Millionaire' scheme was floated to mark the milestone of sale of 1 million passenger vehicles since launch.

International Business

Highlights

- The Company's export volumes increased 35% y-o-y during 3QFY06.
- The Company's export volumes increased 81% y-o-y during April- December'05.

Company Performance in International Business

Table 6: Exports Volumes

Business Unit	3Q FY06	3Q FY05	Change	Apr-Dec'05	Apr-Dec'04	Change
Commercial Vehicles	7,271	5,339	36%	20,843	13,451	55%
Passenger Vehicles	4,511	3,367	34%	14,006	5,848	140%
Total Exports	**11,782**	**8,706**	**35%**	**34,849**	**19,299**	**81%**

- The key export destinations during 3QFY06 were South Africa, Turkey, South Asia and parts of Europe.
- Revenues from international business formed around 16% of the consolidated revenues of the company during April – December'05.
- During 3QFY06, TDCV sold 1,530 units of vehicles, up 50% from 1,021 units sold in 3QFY05. 3,907 units were sold during April – December'05 against 3,541 units sold during April – December'04, up 10.3% y-o-y.

Finance

- As on 31st December 2005, the total number of outstanding shares of Tata Motors stood at 376.3 mn (Face value Rs.10). The market capitalization of the Company was Rs.245.9 bn as on 31st December 2005 as compared to Rs.201.23 bn as on 30th September 2005, up 22.2%.

- The Company registered a 10.2% y-o-y growth in its operating profit (EBITDA) from Rs 5811 mn in 3QFY05 to Rs.6231 mn during 3QFY06. The EBITDA margin for the quarter stood at 12.3% compared to 13.3% in 3QFY05 and 12.05% in 2QFY06.

- The raw material cost as percentage of net revenues of the Company decreased to 67.5% in 3QFY06 from 68.3% in 3QFY05. The comparative figure for 2QFY06 was 68.2%. However, the pressure on account of increase in input prices continues to prevail.

- The cost reduction programme of the Company is progressing well on target, with the Company already achieving 87% of the targeted annual cost reduction till 31st December, 2005.

- The operating margin of the company was positively impacted by an increase in the average vehicle realisation during the quarter. It was largely driven by price increase undertaken for M/HCV segment and the overall volume growth registered by the Company during 3QFY06 but partially offset by change in the product mix.

- During 3QFY06 the company incurred forex loss to the extent of Rs. 386.3 mn against a gain of Rs 620.8 mn in 3QFY05. After adjusting for forex loss and gain in the respective periods, the EBITDA margin of the Company for 3QFY06 increased to 13.0% compared to 11.8% in 3QFY05.

- Other income of Rs.1.7 bn earned during 3QFY06 (3Q FY05: Rs 247 mn) comprises of profit on sale of investments, dividends from long-term investments and income from investible surplus.

- The Net Interest cost in 3QFY06 increased to Rs.601 mn from Rs.414 mn in 3QFY05, an increase of around 45% y-o-y. This increase is largely attributable to the re-pricing of corporate loans on account of the tight liquidity conditions in the economy during the third quarter of the fiscal as also increase in debt during the quarter.

- During 3QFY06 the Company sold its 20% stake in Telcon, its construction equipment subsidiary, to Hitachi Ltd. for around Rs.2 bn (US$ 44.25 mn). Consequently, the Company's shareholding reduced to 60% from 80% held earlier.

- The Gross total debt (inc. FCCNs) stood Rs.33.2 bn as on 31st December 2005 as compared to Rs.28.4 bn as on 30th Sept, 2005. The Company's Net Debt (Net of the surplus investible funds) stood at Rs.25.3 bn as on 31st December, 2005. As on 31st December, 2005, the Company's net debt to equity ratio stood at 0.48: 1.

- The increase in debt is mainly on account of the increase in working capital requirements of the company during the quarter.

- Out of the FCCBs issued in July 2003, around 89.4% have been converted into ADRs at a premium of Rs 240.75 per share by 31st December, 2005.

- As on 31st December, 2005, the balance sheet size of the Company was Rs.91.3 bn as compared to Rs 81.8 bn as on Sep. 30, 2005. Net of the investible surplus, the Company's capital employed was Rs.83.7 bn as on 31st December 2005 against Rs.73.4 bn as on 30th September 2005.

- Receivables and loans on account of vehicle financing business on the Company's Balance Sheet as on 31st December 2005, increased to Rs.38.8 bn from Rs.31.4 bn as on 30th September 2005.

- The Company had an investible surplus of around Rs. 7.6 bn as on 31st December, 2005.

- The following table shows the days of sales of inventory and receivables of the company.

Table 7: Current Assets

No. of Days	31st December'05	30th September'05
Inventory	44	40
Receivables (non-HP)	9	8

- Tata Motors Finance disbursed Rs 36.1 bn during April – December'05, up 58% from Rs.22.9 bn in April – December'04. 64,061 no. of vehicles were financed during the period, up 40% from 45,726 units in the corresponding period of the previous year, thereby increasing the market share to 23.7% in April – December'05 from 17.6% in April – December'04.

- The Company has incurred capital expenditure of around Rs 2.5 bn during 3QFY06.

Performance of Key subsidiaries

Table 8: Key Subsidiary Financials

Subsidiary	Turnover (Rs mn)		Change (%)	PBT (Rs mn)		Change (%)	PAT (Rs mn)		Change (%)
	Apr-Dec 05	Apr-Dec 04		Apr-Dec 05	Apr-Dec 04		Apr-Dec 05	Apr-Dec 04	
Tata Daewoo CV Ltd., Korea (TDCV)	11,091.9	8,785.5	26%	612.4	225.2	172%	458.1	166.5	175%
Telco Construction Equipment Co. Ltd (Telcon)	7,933.4	5,728.7	38%	813.6	380.8	114%	521.3	241.4	116%
Tata Technologies Ltd (TTL)*	3,292.5	1,299.8	153%	204.8	65.9	211%	145.7	41.3	253%
HV Transmissions Ltd (HVTL)	904.3	909.3	-1%	318.1	314.1	1%	209.4	174.0	20%
HV Axles Ltd (HVAL)	1,019.8	1,040.1	-2%	456.1	433.2	5%	303.8	272.1	12%
TAL Mfg Solutions Ltd (TAL)	671.1	549.7	22%	5.5	8.7	-37%	2.7	8.7	-69%
Total	24,913.1	18,313.1		2,410.5	1,427.8	69%	1,641.0	904.0	82%

* Includes INCAT financials

Operational Highlights of Key Subsidiaries

TDCV

- TDCV registered total sales volume of 3,907 units during April – December'05 against 3,541 units during April – December'04, up 10. 3 % y-o-y.
- While the domestic market share of TDCV stood at 27.7% during April – December 2005, the exports registered a y-o-y growth of three times during the period.
- TDCV launched MCV trucks in the Korean market during the quarter in the 4.5, 5 and 7-tonne categories.

TTL

- Acquisition of INCAT International Plc was completed on 3rd Oct 2005 and the Company was delisted from LSE with effect from 4th November 2005.
- INCAT acquired CEDIS GmbH, Germany in December 2005
- Post acquisition integration process is in progress.
- The combined entity will now focus on auto, aerospace and other engineering market segments in the areas of Engineering Automatics and Enterprise Solutions.

TELCON

- Tata Motors sold another 20% of its stake in Telcon to Hitachi during the quarter, thereby reducing its total stake to 60% from 80% held earlier. Hitachi would provide technology, assist in developing product development capabilities and provide global reach for the products.
- Registered 45% growth in volume sales; 2,504 units in April – December'05 from 1,727 units in April December'04.
- Continued to be market leader in excavators during the April-December, 2005 with 51% market share.
- During April- December 2005, market share in wheel loaders and backhoe loaders sustained at 22% and 9% respectively.

TAL

- Performance highlights during April – December'05; Revenues at Rs. 67.1cr, up 22% y-o-y , PBT at Rs.0.5 Cr - down 37% y-o-y, PAT at Rs.0.3 Cr – down 69%.
- Strong order book position, cost reduction and restructuring of operations to contribute to growth in future.

HVAL & HVTL

- Continued initiatives in increasing productivity and reducing costs.
- Efforts on towards strategic initiative of getting technology partners for the subsidiaries.

Shareholding Pattern

Table 9 : Shareholding Pattern as on December 31, 2005

Tata Group	34.2%
Daimler Chrysler	6.8%
Indian Financial Institutions / MFs / Banks	14.8%
ADR/GDR Holders / Foreign holders–DR status	6.8%
Foreign Institutional Investors	24.6%
Others	12.8%
Total	100.0%

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