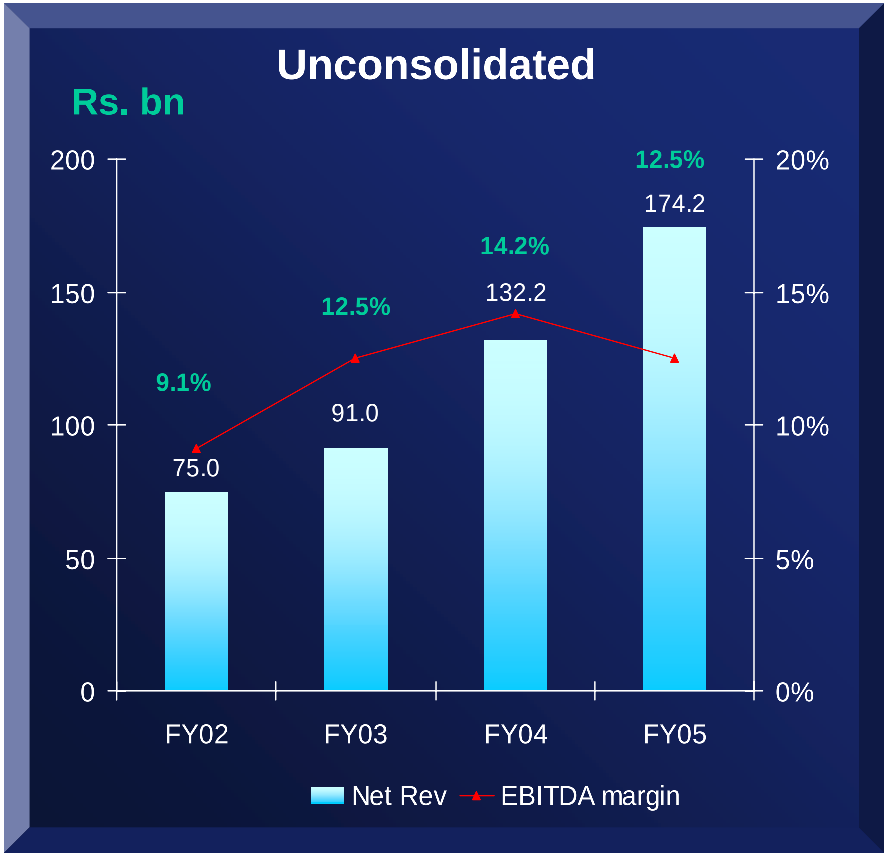
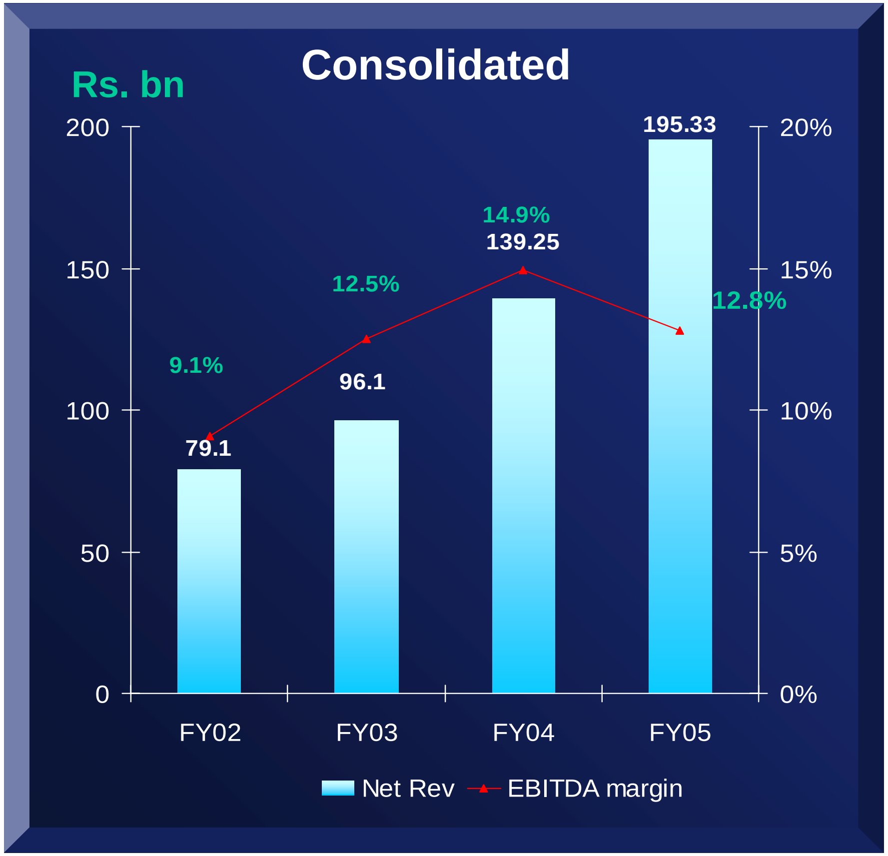
Tata Motors Limited

9th March '06

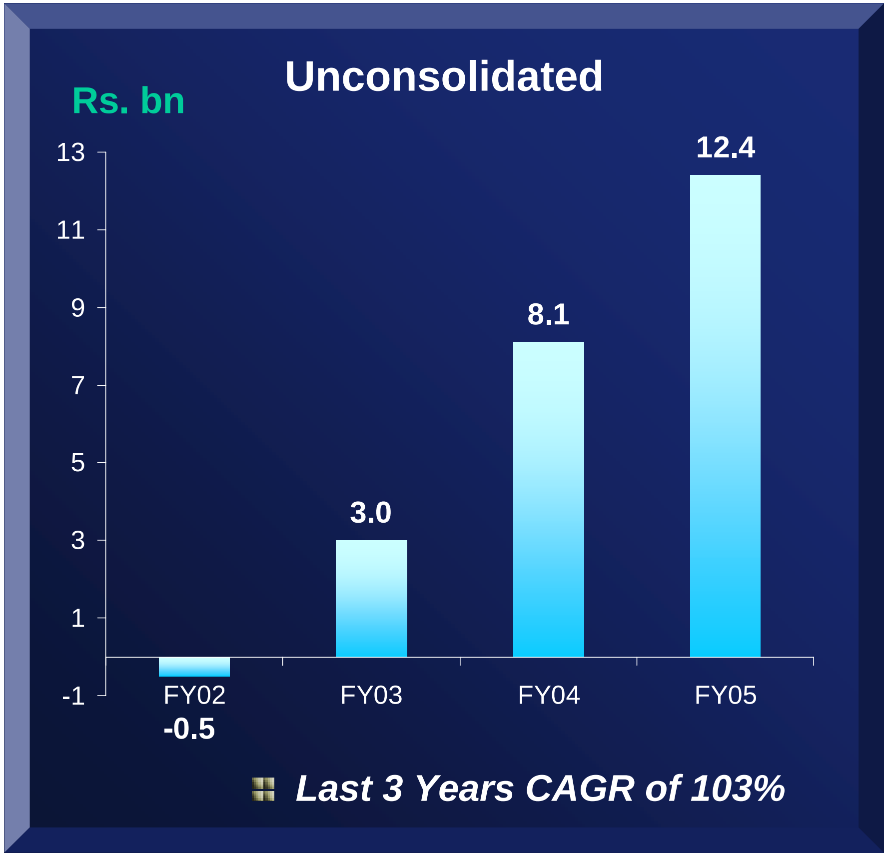
1. *Annual Performance*
2. *Recent Performance*
3. *Commercial vehicles*
    - *Growth Drivers*
    - *Market Strategy*
4. *Passenger Vehicles*
    - *Growth Drivers*
    - *Market Strategy*
5. *Vehicle Financing*
6. *Financial Management*
7. *Subsidiaries*

Net Revenue and Operating Margin

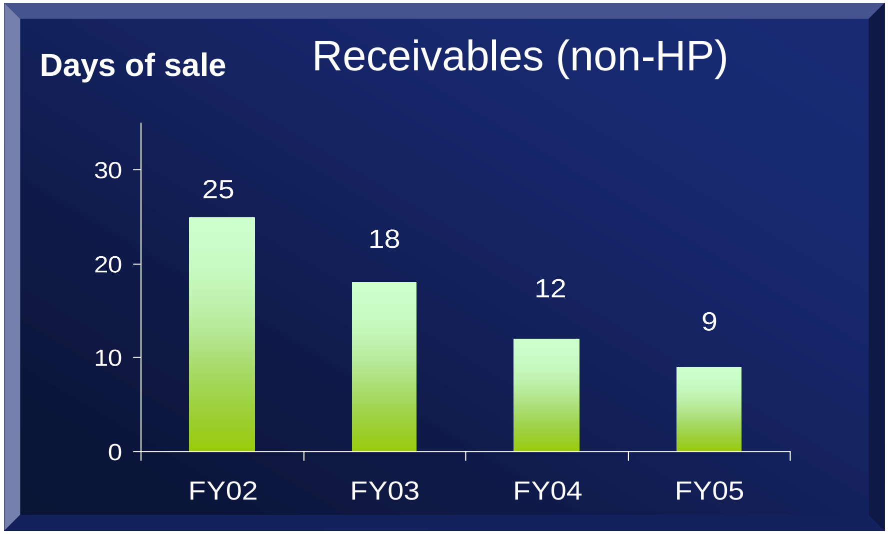


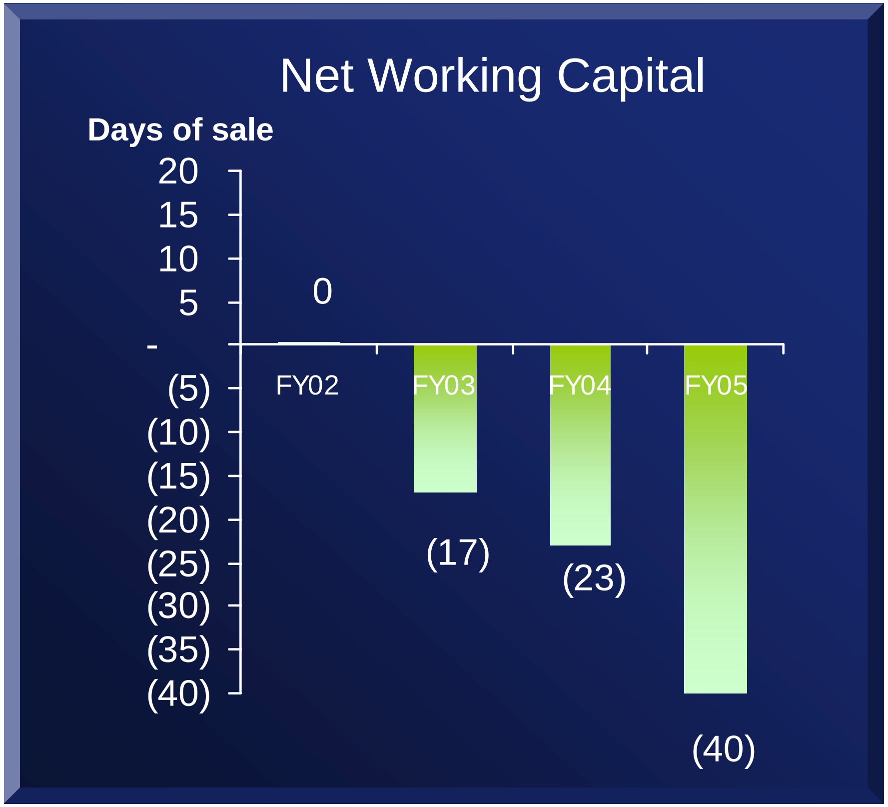


Profit after Tax



Negative Working Capital

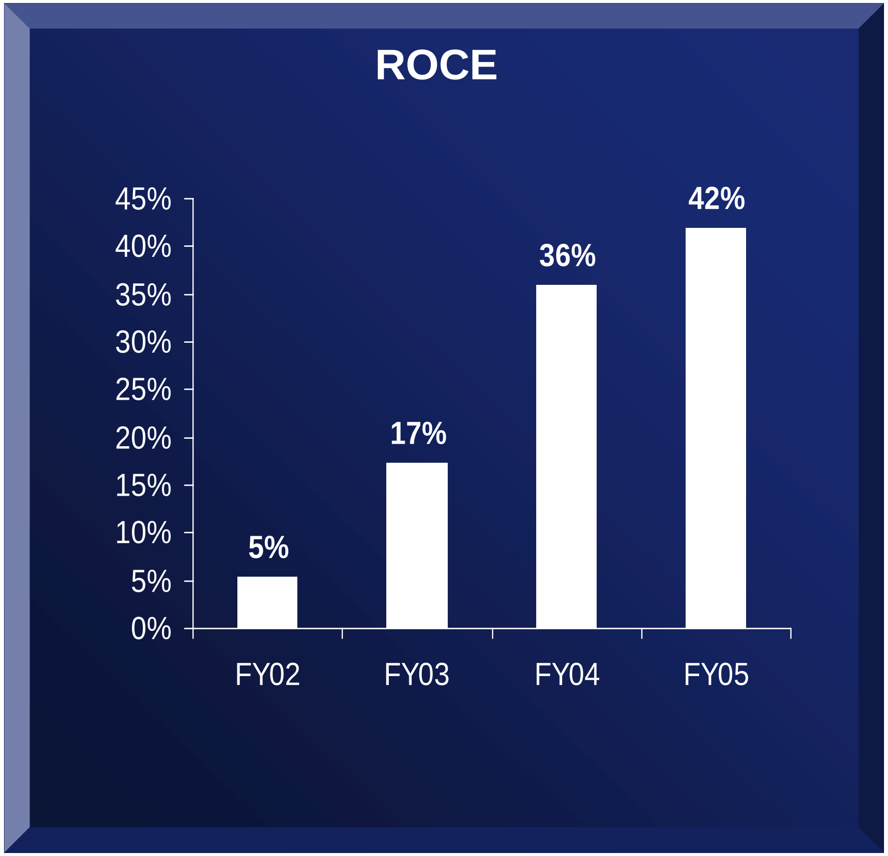


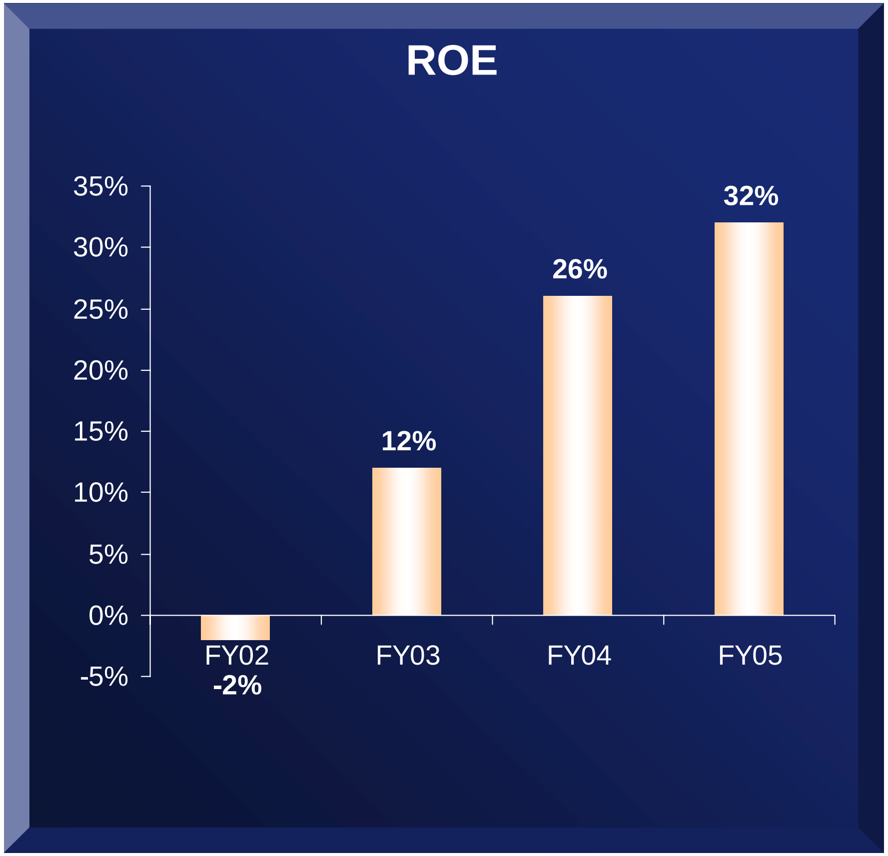


Negative Working Capital Maintained

Calculations exclude Investible surplus and vehicle financing loans

Optimizing Returns on Capital





Note : Capital Employed excludes Investible Surplus for ROE and ROCE calculation

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3Q FY06 Financial Performance (Unconsolidated)

Rs mn	3QFY06	3QFY05	% change
Gross Revenue	59,035.7	50,910.9	16.0%
Net Revenue	50,745.5	43,628.2	16.3%
EBITDA	6230.6	5811.5	7.2%
EBITDA Margin	*12.28%*	*13.32%*	-104bps
Other Income	1683.6	246.6	581.8%
Net Interest	601.1	414.4	45.2%
Dep. & Amortisation	1308.3	1007.7	29.8%
Prod. Dev. Exp.	77.0	62.4	24.2%
PBT before Extra-ord. Items	5927.8	4573.6	29.6%
Extra-ord. Items	-10.1	-10.1	0.0%
PBT	5917.7	4563.5	29.7%
Tax	1315.4	1401.1	-6.1%
Profit after Tax	4602.3	3162.4	45.5%
Basic EPS (Rs) (Non- Annualised)	12.2	8.8	38.6%

- ***At 111,228, sales volumes 12.7%***
- ***Net Revenue Rs 50746 Mn. 16.3%***
- ***EBITDA at Rs 6231 Mn 7.2%***
  - *Other expenses includes Forex losses*
- ***PBT at Rs 5918 Mn 29.7%.***
  - *Other income includes profit on sale of investments, dividends from long-term investments and income from investible surplus*
- ***PAT at Rs 4602 Mn 45.5%***
- ***EPS at Rs 12.2 39.0%***

April- December'05 Financial Performance(Unconsolidated)

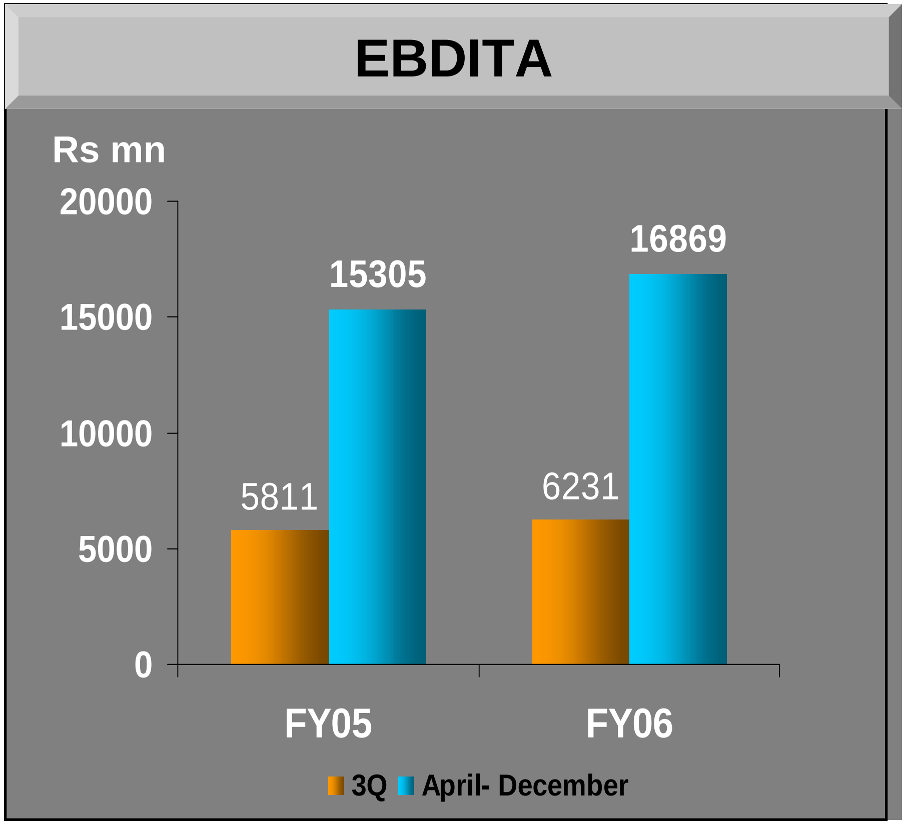
Rs mn	Apr-Dec FY06	Apr-Dec FY05	% change
Gross Revenue	160,248.5	142,201.7	12.7%
Net Revenue	137,194.5	120,802.6	13.6%
EBITDA	16,868.5	15,305.2	10.2%
EBITDA Margin	*12.30%*	*12.70%*	-40bps
Other Income	2,846.9	1,364.9	108.6%
Net Interest	1,571.8	1,228.0	28.0%
Dep. & Amortisation	3,846.9	3,059.2	25.8%
Prod. Dev. Exp.	208.7	485.8	-57.0%
PBT before Extra-ord. Items	14,088.0	11,897.1	18.4%
Extra-ord. Items	(30.3)	(30.9)	3.2%
PBT	14,057.7	11,866.2	18.5%
Tax	3,350.0	3,378.4	-0.8%
Profit after Tax	10,707.7	8,487.8	26.2%
Basic EPS (Rs) (Non- Annualised)	28.5	23.6	20.8%

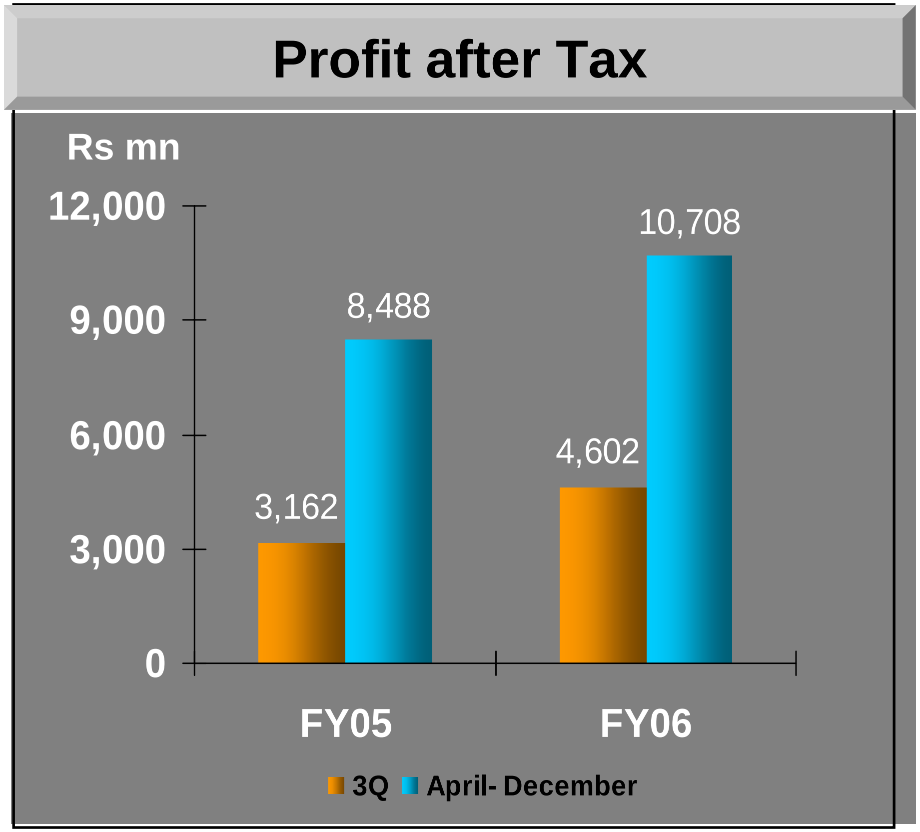
- ***At 305,786, sales volumes 9.5%***
- ***Net Revenue: Rs137,195 Mn 13.6%***
- ***EBITDA at Rs16,869 Mn 10.2%***
- ***PBT at Rs14,058 Mn. 18.5%;***
- ***PAT at Rs 10,708 Mn 26.2%***
- ***EPS at Rs 28.5 20.8%***

April- December'05 Financial Performance (Consolidated)

Rs mn	Apr-Dec FY06	Apr-Dec FY05	Change (%)
Net Revenue	158,401	136,143	16.3%
EBITDA	**20,164**	**17,489**	**15.3%**
EBITDA Margin	***12.73%***	***12.85%***	**-12bps**
Other Income	2,425	1,011	139.7%
Net Interest	1,720	1,357	26.7%
Dep. & Amortisation	4,645	3,724	24.7%
Prod. Dev. Exp.	209	486	-57.0%
PBT before Extra-ord. Items	16,015	12,933	23.8%
Extra-ord. Items	(44)	(40)	10.2%
PBT	15,971	12,893	**23.9%**
Tax	(4,078)	(3,931)	3.7%
Profit after Tax	11,893	8,963	**32.7%**
Share in Profit of Ass	291	270	7.6%
Minority Interest	(106)	(50)	110.8%
Other Adjustments	(23)	-	n.a.

Profitability





EBIDTA up 7.2% in 3QFY06

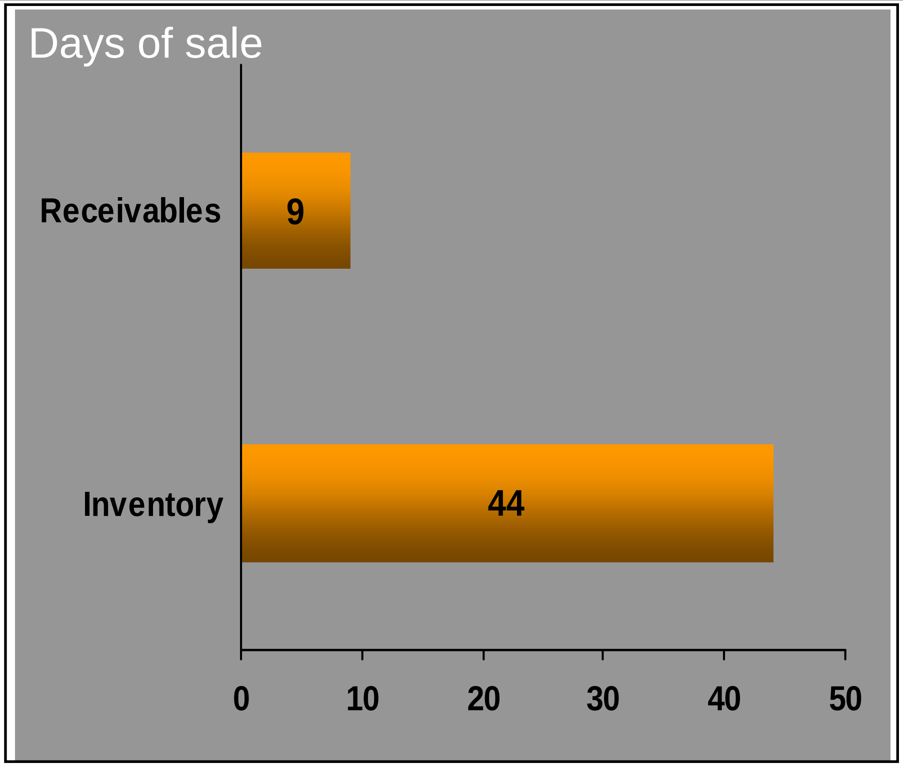
EBIDTA up 10.2% in April- December 2005

PAT up 46.5% in 3QFY06

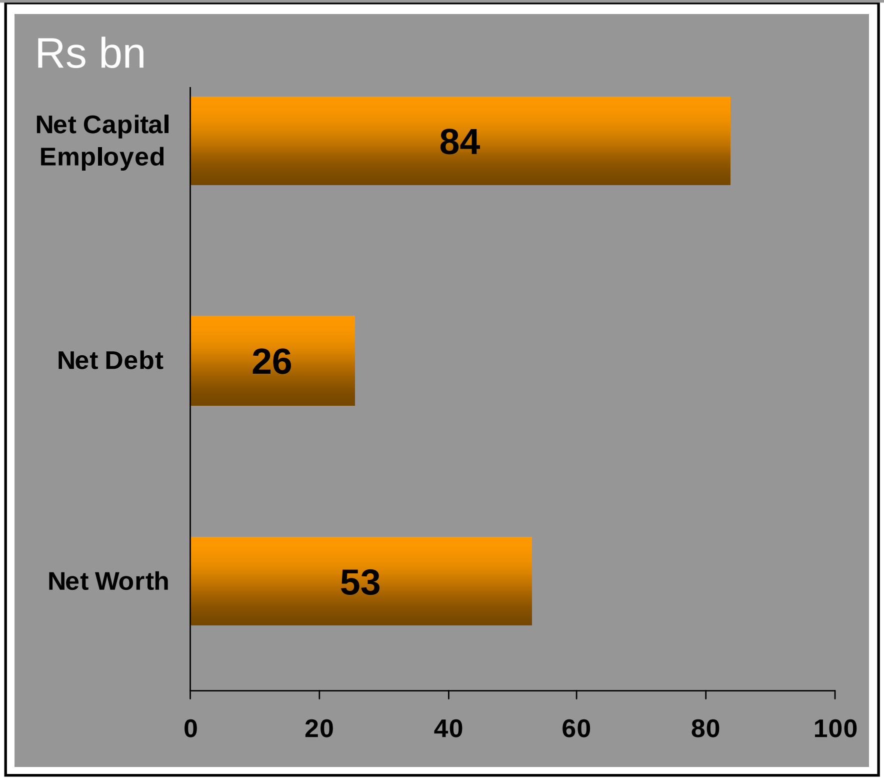
PAT up 26.5% in April- December 2005

Working Capital and Capital Structure

Working Capital as on 31st Dec'05



Capital Structure as on 31st Dec'05



Net Debt includes loans and receivables of vehicle financing business

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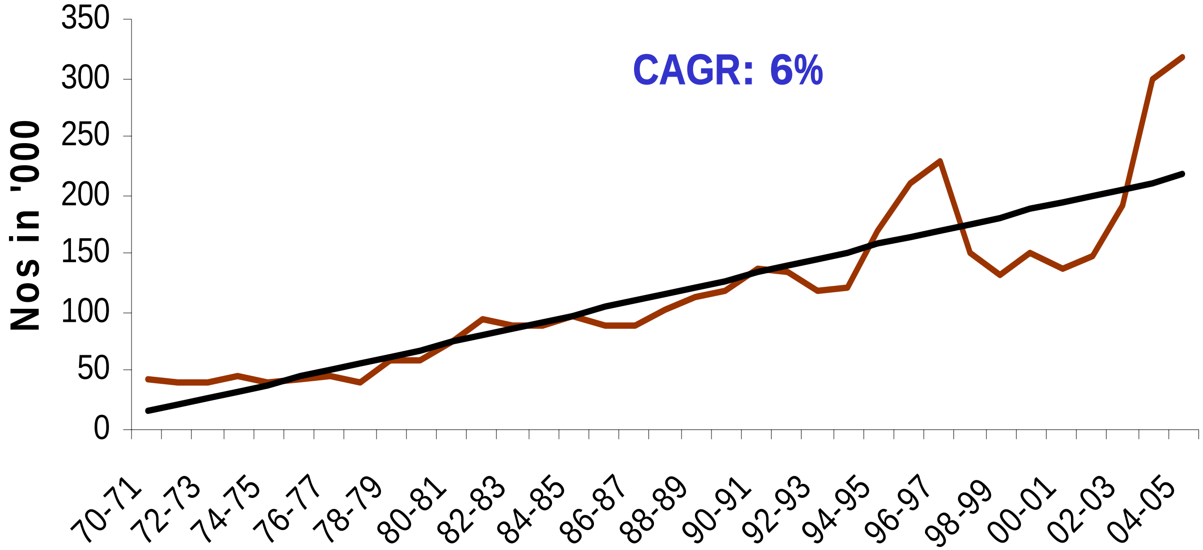
The Indian Commercial Vehicle Industry is similar to Global CV Industry due to its cyclic nature and low volumes



Indian CV Industry	Characteristics
Similar with Global CV Industry	• Cyclical • Low Volume (in ,000s)
Dis-similar to Global CV Industry	• Secular long term growth trend • Early stage of road development

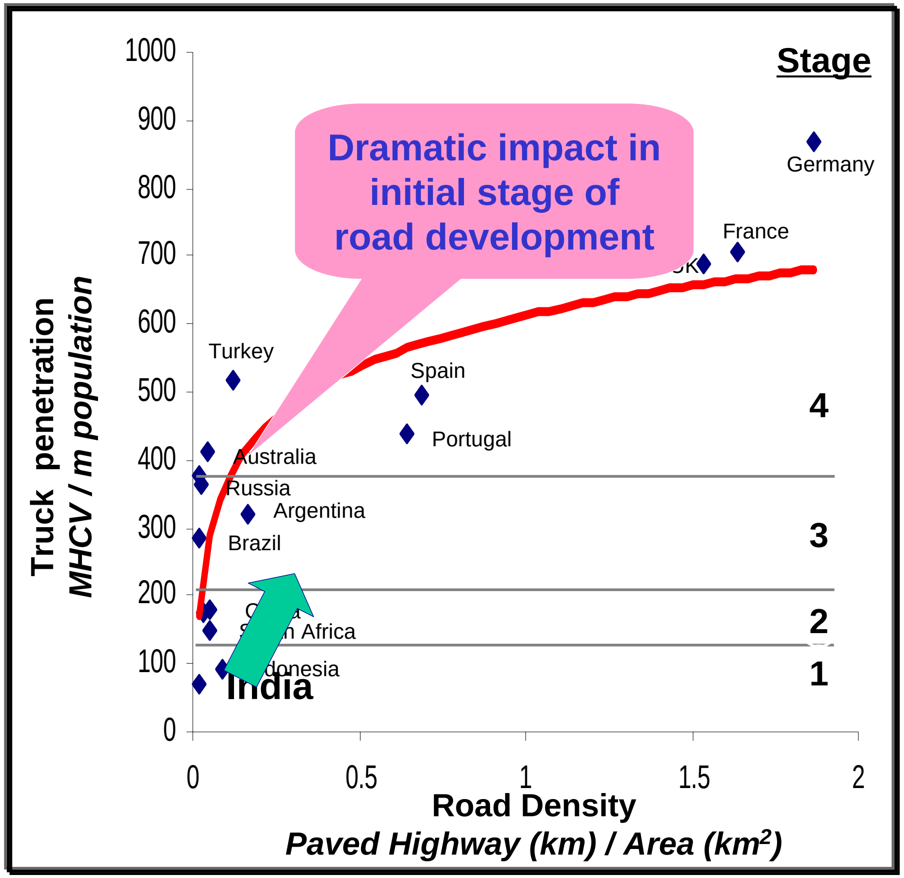
Strategy for Countering Cyclicality
• Retain high Market Share in existing segments & enter less cyclical segments in India • Build Strong position in emerging segments in new geographies • Lower Break Even Point

The Indian CV Industry, which has seen an up-cycle for the last 4 years, could be influenced by several factors

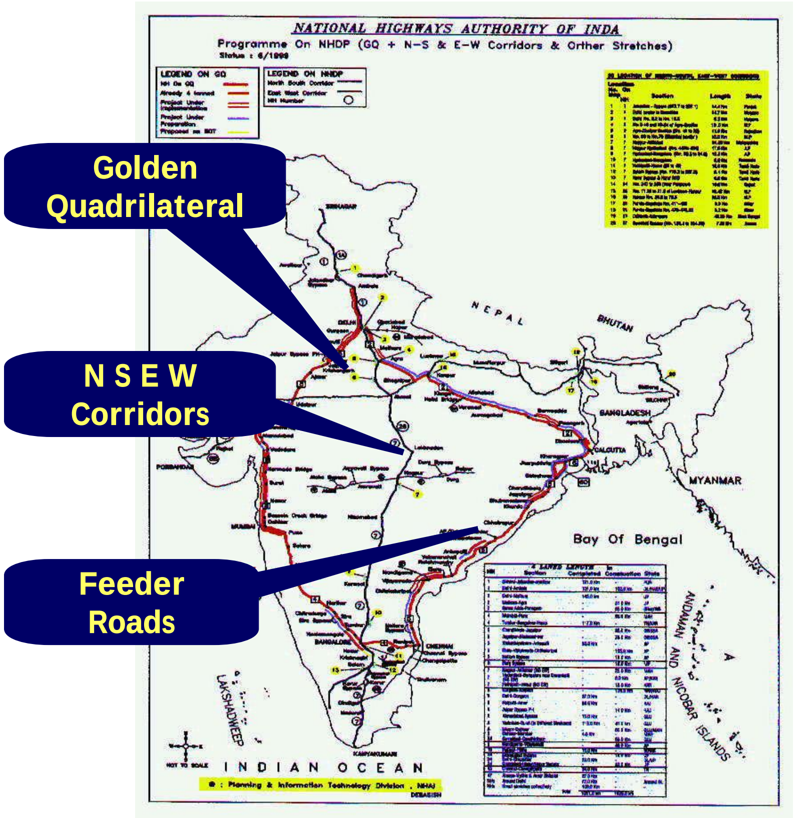
Growth Drivers
• Continued road development in the next 5 years • GDP growth rate of 6% to 8% • Low interest rates and availability of finance • Possible opening of trade with Pakistan • Entry of global players would help in market expansion

Retarding Factors
• Increasing Oil price - Now, $ 70/bbl. • Railways Network plans *- Separate Rail corridor for freight* *- Discounts for bulk freight movement* • Continuation of high increase of input prices • Development of OIL pipe-line network

Growth in road development activity would be the single most important factor to move forward the Indian CV Industry

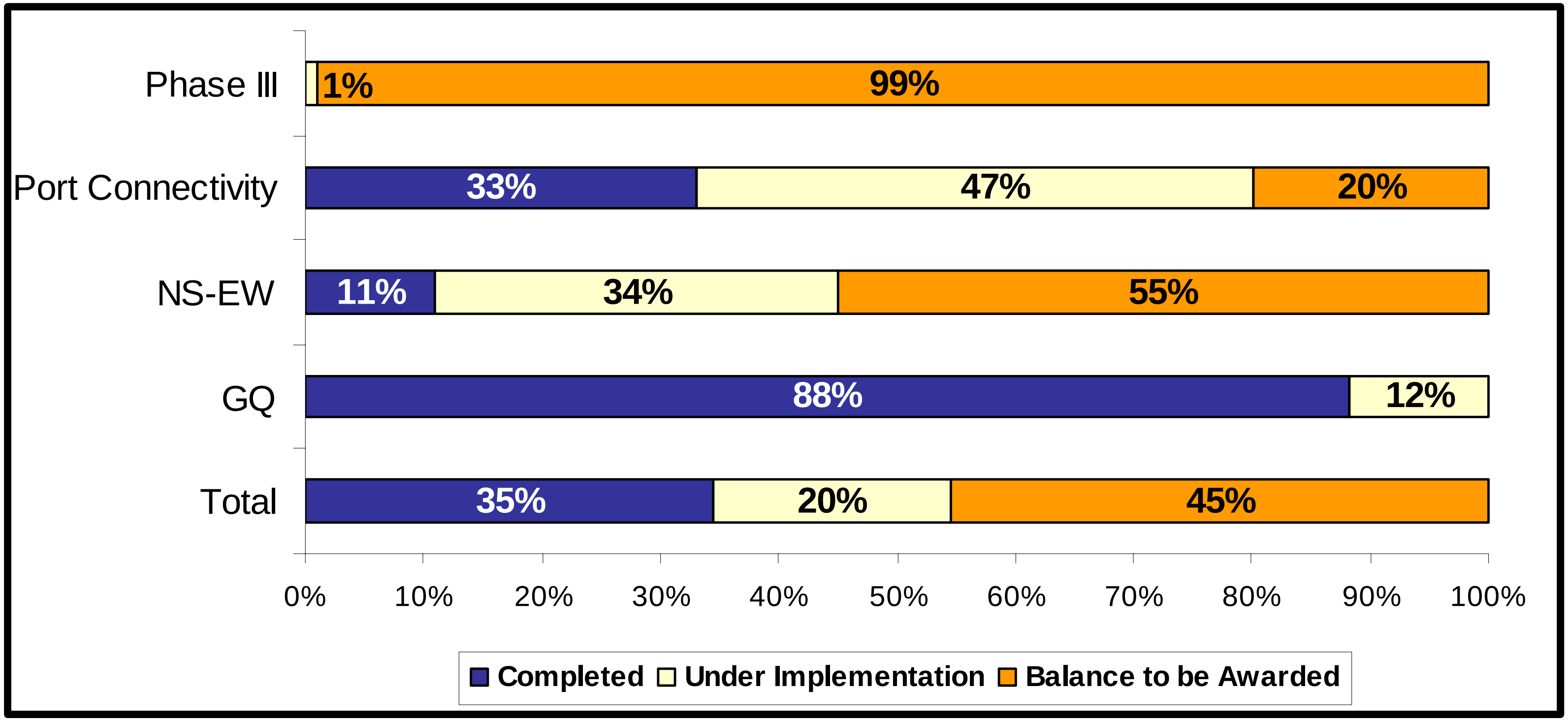


Source: VDA (German Automotive Association), Worldbank, DRI Automotive report



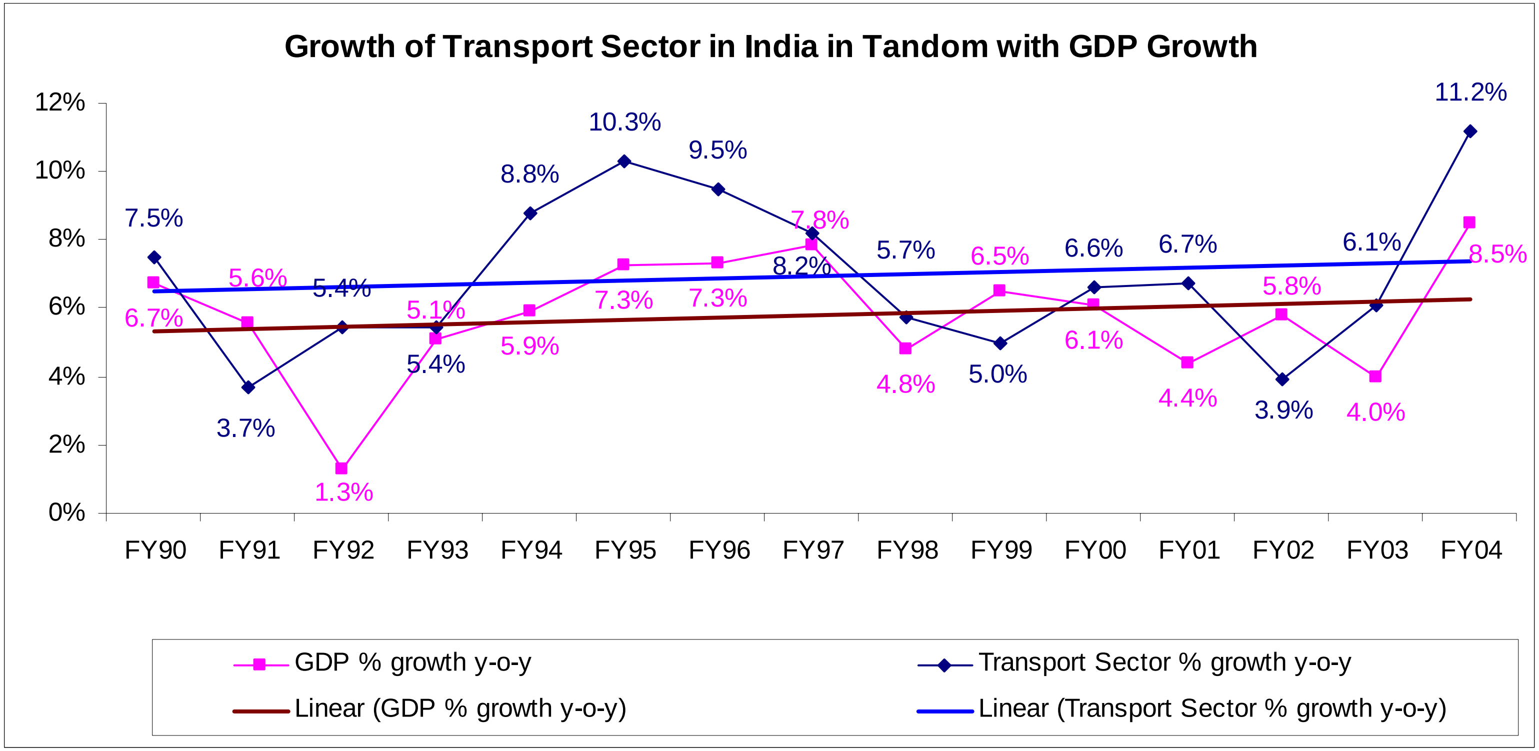
43,000 KMs – (USD 25 billion)

Status of Road Development Programme as on 31st December, 2005



Source : www.nhai.org

Growth of Transport Sector in Tandem with GDP growth of the country



In coming years, domestic CV market would witness entry of International Players with products for various segments

ITEC with M&M

Dong-Feng with ESSAR

MAN with Force Motors

Daimler Chrysler

Hyundai

Tata Motors is developing the products to have matching or superior products and with value for money offerings

Our understanding of the Customer Segments has shaped our Product Strategy which would enable us to offer competitive vehicles till 2010 & beyond

- ***Tata Ace***
- ***World Truck***
- ***World Pickup***
- ***World LCV***
- ***New bus***

Synergies of our In-house R & D Centre, TDCV-Korea, Hispano-Spain & external consultancy would support in timely launch of these products

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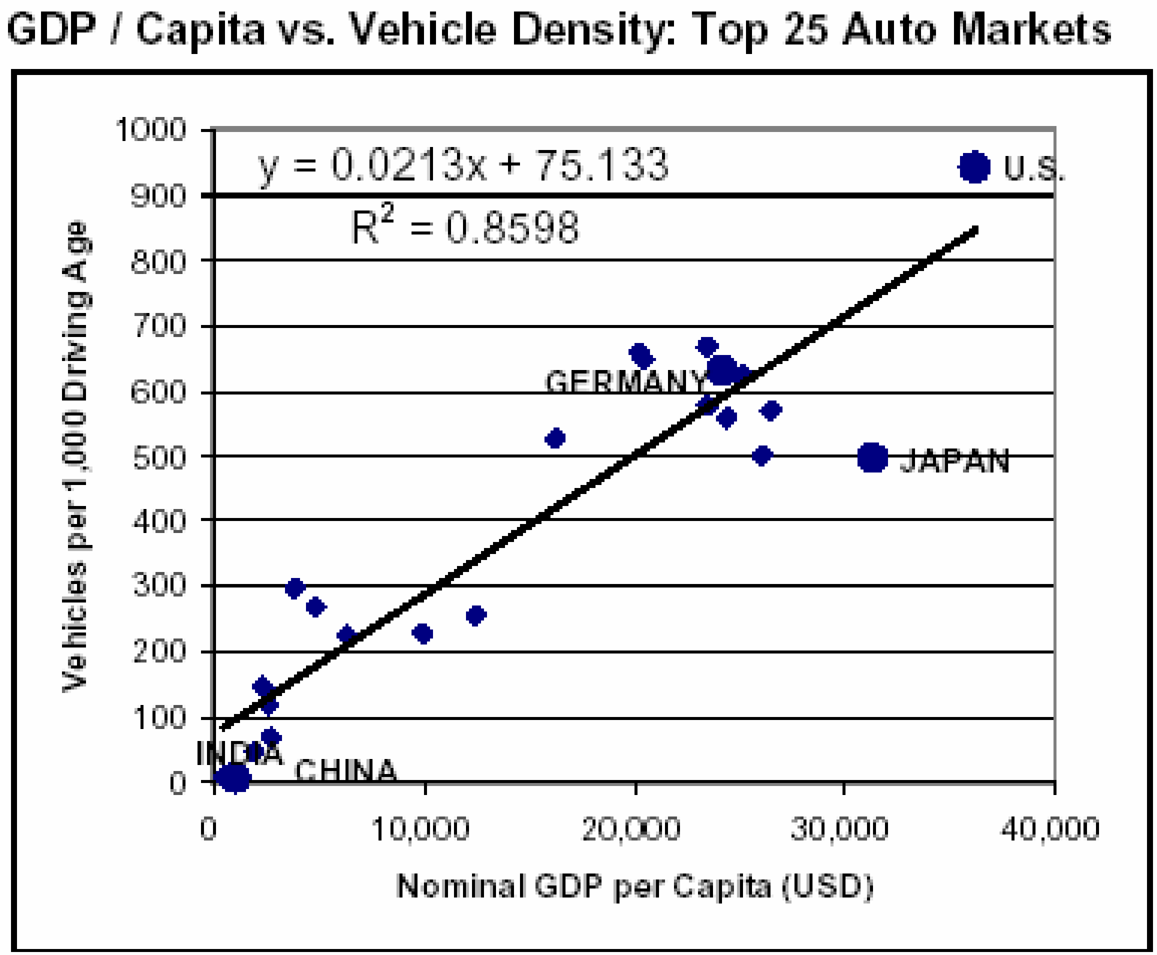
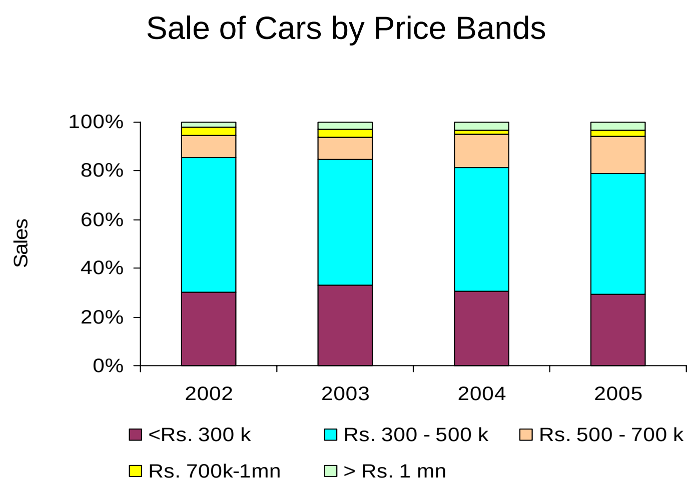
Personal Mobility is positively correlated to per capita GDP

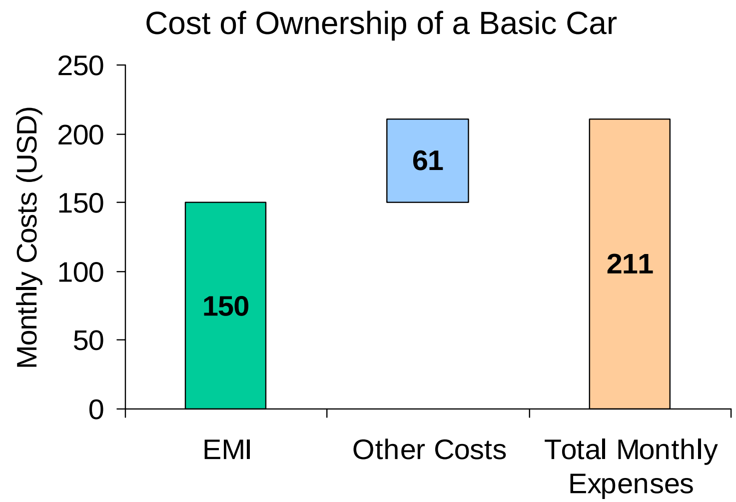


Source: International Monetary Fund, LMC J.D. Power, Global Insight, Morgan Stanley Research

Customer Habits & Market Segmentation

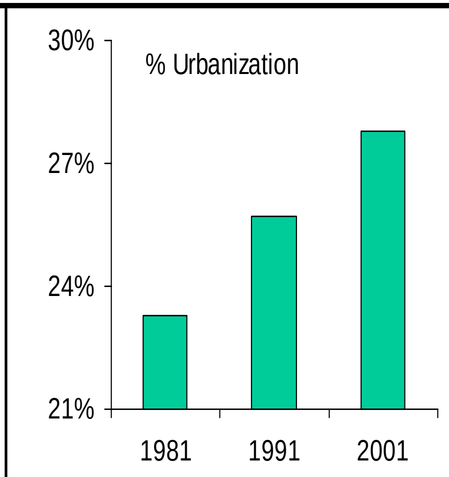
- Cars priced below Rs. 500,000 account for nearly 80% of the market.
- Vehicles priced between Rs. 300,000 – 500,000 form the largest segment in the passenger car market.
- Indian customers are highly discerning, educated and well informed. They are price sensitive and put a lot of emphasis on value for money
- Preference for small cars. Small cars are socially acceptable, even amongst the well-off
- Preference for fuel efficient cars with low running costs. The Tata Indica has the lowest running cost at Rs 2.30 per km.

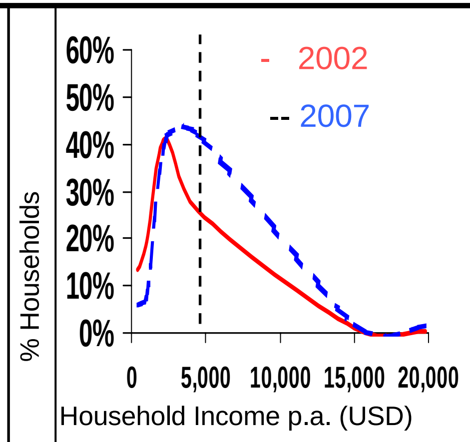




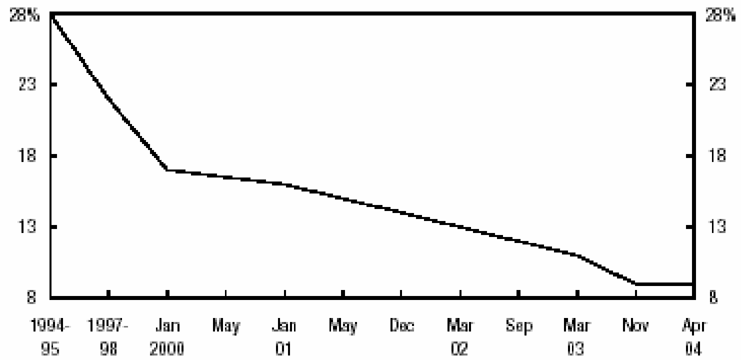
Key Market Drivers - Social

- Growth in urbanization
- Upward migration of household income levels
- Low interest rates translating to low financing and acquisition costs hence greater affordability.
- 85% of Cars are financed in India (15% in China)

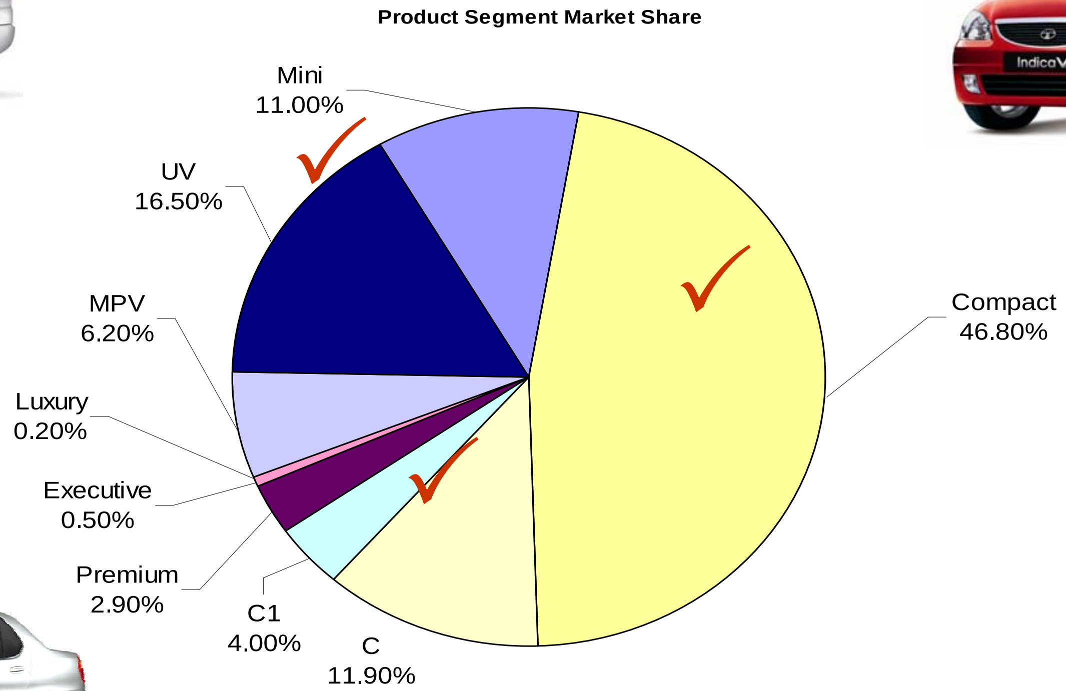




Reduction in Consumer Financing Rates



Indian Market Footprint



Tata Motors' current product range addresses 75% of the market

Proposed launches in next few years

- Indica Family
  - Indica variants
  - New Generation Indica
- Indigo Family
  - Indigo SX
  - Indigo / Marina variants
  - New Generation Indigo
- Small Car

- New UV Platform
- Sumo Family
  - Sumo Variants
- Safari Family
  - Dicor
- Crossover

A customer focused field approach is under deployment

Domestic:

1. Expansion of network & penetration into smaller towns in pace with road development
2. Customer care a competitive edge
3. Robust processes

   Sales Planning – (Unique and finest in the world)

   Customer Relationship Management (SIEBEL – Largest deployment in the world)

International Business:

1. Choosing countries with highest market potential in customer segments conscious of overall value
2. Creating products to be amongst the top 3 players in each chosen segment
3. Customer care a competitive edge

   Low spares price

   Relationship of OE & Customer

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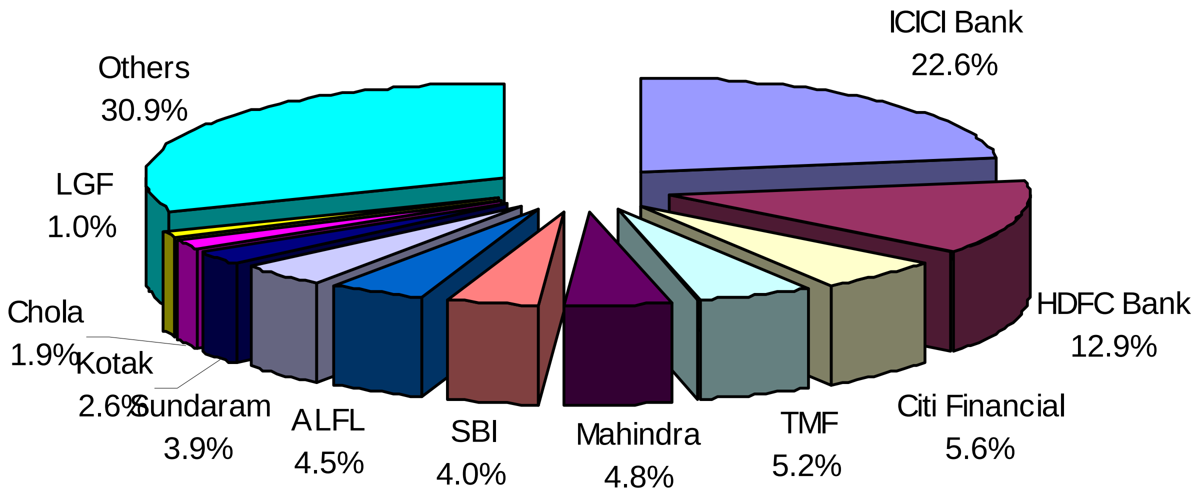
Auto Finance Market Scenario (FY 04-05)

	Industry Volume	Retail Finance (crs)
Commercial Vehciles	320000	21000
Passenger Car	1000000	41000
Total	1320000	62000

Share of major players in the market



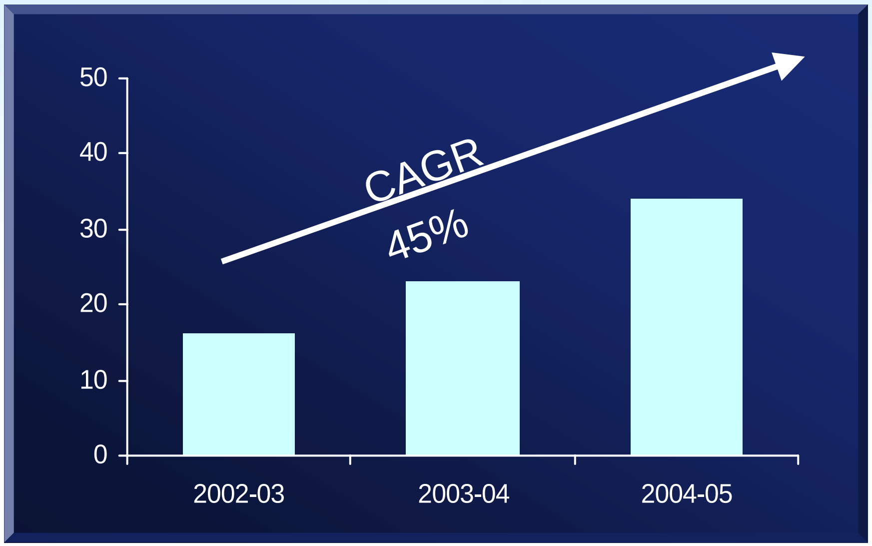
- Banks have dominant market share in Auto financing,
- leading NBFCs are stagnating their growth
- Cheap CoB has become CSF for players

TMF is ahead of leading NBFCs in terms of disbursal

Tata Motor Finance - A Captive Vehicle Financing Arm

	2002-03	2003-04	2004-05
Units financed	35,316	53,130	74,916

Finance Disbursed (Rs in bn)

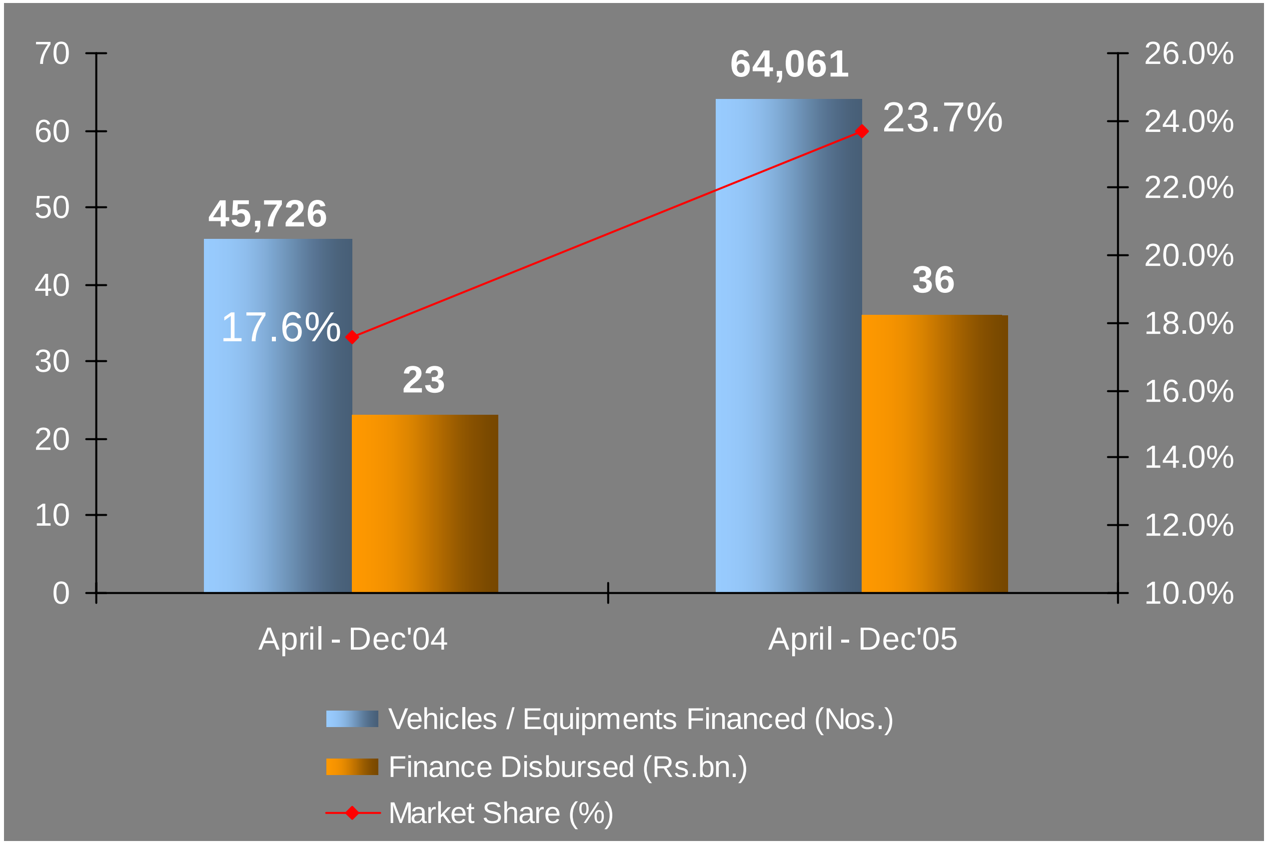


	2002-03	2003-04	2004-05
Market Share(%)	14.8	16.3	18.2

TMF is 4th largest player in vehicle financing industry in India

- Targeted market share in vehicle financing business : 40% from the current 18% level.
- Strategy:
  - Realignment of TMF business sourcing channels
  - Operating leases for high end M&HCV and for car fleet owners
  - Used vehicle financing in CV and PC
  - Refurbishment of old vehicles
  - Expanding the reach, setting up new IT systems
  - Expanding into International Markets

Vehicle Financing – Recent Performance



	April - Dec'05	April - Dec'04	Growth
Vehicles / Equipments Financed	64,061	45,726	40.1%
Finance Disbursed (Rs. bn)	36	23	56.5%
Market Share (%)	23.7	17.6	+610 bps

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Organic Growth Plans

- Rs. 60 bn capex programme to be implemented over five years beginning April 04.
- Targeted investment areas
  - New Product Introduction
  - Capacity Expansion
  - Enhancing ERC capabilities
  - Product up-gradation
  - Sustenance Expenditure

Cost Reduction Drive

- Value Engineering
- Target Costing
- E – Sourcing
  and Global Sourcing
- Supplier base rationalisation
- Process Improvement
- Productivity Improvement
- Outsourcing

Rs. 10 bn cost reduction targeted over the next 3 years

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Tata Technologies – 94.3% Subsidiary

- Tata Technologies is a provider of Engineering & Design and enterprise services in the field of Engineering Automation and PLM solutions to automotive and aerospace OEMs (FY05 revenue at Rs 1.7 b)
- To pursue its growth plans globally, the company has recently acquired a UK based company named INCAT. The following advantages are seen with the acquisition:
  - Increased scale of business. Current revenue size of Rs. 1.7 billion to over Rs.6.7 billion
  - Access to a broader customer base in the automotive, aerospace and manufacturing industries
  - Wider presence in all major geographies and markets
  - Access to INCAT's high end consulting skills and project management capabilities.
  - INCAT's areas of Knowledge management and appropriate IPRs to provide wider product range
  - INCAT acquired CEDIS GmbH, a German E&D Service provider in December 2005

Tata Daewoo- Heavy Trucks (S. Korea) (100% Subsidiary)

- A strong player in Korean M&HCV market. Currently has 29.1% market share (25% in FY04) despite 24 % decline in Korean market
- TDCV debt reduced to US$ 30Mn (US $ 51 mn previous year)
- Current capacity utilization at 25%
- Exports more than doubled in FY05 and continue to grow further in the current year
- MCVs Launched in S.Korea
- TDCV Heavy Trucks (Novus) Launched in India
- Operational efficiencies to be improved through cost reduction, Implementation of IT systems and debt restructuring.
- Integration with TML for product design and development

Initial Focus to turnaround the company. Now the focus is on integrated product design and development with TML. The result has been launch of MCVs in Korea and Novus in India. Currently engineers are working on Future Truck programs

Telco Construction Equipment Co. Ltd. (60% TML : 40% Hitachi JV)

- Telco Construction Equipment Co Ltd. (Telcon) is a joint venture company between Tata Motors and Hitachi Construction Machinery Ltd – Japan (HCM). Originally a division of Tata Motors, Telcon was spun off as a 100% subsidiary of Tata Motors in 1999.

- Telcon designs, manufactures, sells and services a wide range of construction equipment including hydraulic excavators, crawler cranes, wheel loaders, backhoe loaders, off high-way dumpers and motor graders.

- The company has Technical Collaborations with Hitachi (Japan), John Deere (USA) and Lebrero (Spain).

- Telcon is the largest manufacturer of hydraulic excavators in India (54% market share) offering eight models ranging from 2 tonnes to 120 tonnes in size. It is also the largest manufacturer of crawler cranes in India (90% market share). 00

In December 2005, Hitachi Increased its stake from earlier 20% to 40% in the company

TELCON….

Benefits of Stronger Hitachi partnership

- Access to the world class Hitachi product range
  - Strong partnership with a global player like Hitachi will enable Telcon to compete successfully with other global majors in terms of product offerings (12 of the top 15 companies are already in India).
  - Critical to maintaining market-share.

- Enhance scale of operations
  - Telcon will be integrated with the Hitachi global production chain resulting in increased export off-take of machines and localized components

- Preferential pricing of components & spares by Hitachi and localization of key components will enhance Telcon operating margins

- Access to International markets where Hitachi is currently present.

- Support from Hitachi in streamlining manufacturing processes, improving quality and cost reduction.

- Use of Telcon service engineers in overseas markets by Hitachi will enable flow of best practices for customer management into Telcon.

- The proposed R&D center with collaboration of Hitachi will enable transfer of domain specific knowledge to Telcon.

HVAL & HVTL – Heavy Axles and Transmission (100% subsidiaries)

- Auto component subsidiaries in the business of manufacturing and selling Axles and Transmission respectively for heavy commercial vehicles.
- Both companies have shown good growth in last few years backed by growth in Tata Motors automotive business
- Discussions to bring the strategic partners at an advanced stage.
- HVAL/HVTL will support Tata motors in its advanced power train implementation strategy.
- Investments planned for capacity expansion, productivity, quality improvement.
- To expand its operations to other automotive companies

HVAL & HVTL – Heavy Axles and Transmission (100% subsidiaries)

- Auto component subsidiaries in the business of manufacturing and selling Axles and Transmission respectively for heavy commercial vehicles.
- HVAL FY05 Performance
  - Revenue of Rs.1.5bn (y-o-y growth of 22%)
  - Net Profit at Rs 427mn (up 44% y-o-y)
- HVTL FY05 Performance
  - Revenue of Rs.1.3bn (y-o-y growth of 19%)
  - Net Profit at Rs 270mn (up 56% y-o-y)

- Discussions to bring the strategic partners at an advanced stage.
- HVAL/HVTL will support Tata motors in its advanced power train implementation strategy.
- Investments planned for capacity expansion, productivity, quality improvement.
- To expand its operations to other automotive companies

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	36%	2,410.5	1,427.8	69%	1,641.0	904.0	82%

* Includes INCAT performance

Operational Highlights of 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.
- 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.

Operational Highlights of Subsidiaries…contd.

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.
- 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. 671 mn, up 22% y-o-y , PBT at Rs.5 mn - down 37% y-o-y, PAT at Rs.3 Mn – 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.

Going forward….

- Economic growth, industrial production and infrastructure development expected to continue to boost the economic development
- Further increase in interest rates movement is likely to put a pressure on interest cost
- While steel prices have stabilised, increase in the prices of other key commodities like aluminium, rubber, copper etc is expected to continue to put pressure on the input costs

Thank You