



**TATA MOTORS LIMITED**

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

**AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2008**

Particulars		Quarter ended June 30,		Year ended
		2008	2007	March 31,
				2008
(A)				
1	Vehicle Sales:(in Nos.) (includes traded vehicles)			
	Commercial vehicles	71409	61633	312935
	Passenger cars and Utility vehicles	52450	52573	218055
	Exports	9220	13889	54659
		<b>133079</b>	<b>128095</b>	<b>585649</b>
2	Vehicle Production:(in Nos.)			
	Commercial vehicles	82394	72175	352728
	Passenger cars and Utility vehicles	54318	56410	228630
		<b>136712</b>	<b>128585</b>	<b>581358</b>
(B)		(Rupees lakhs)		
1	Sales / Income from Operations	783768	699302	3309393
	Less: Excise Duty	90924	93620	436311
	<b>Net Sales / Income from Operations</b>	<b>692844</b>	<b>605682</b>	<b>2873082</b>
2	Other income	31561	8829	48318
3	<b>Total Income [1+2]</b>	<b>724405</b>	<b>614511</b>	<b>2921400</b>
4	Expenditure			
	(a) (Increase) / Decrease in stock in trade and work in progress	(57379)	(13735)	4048
	(b) Consumption of raw materials and components	502513	399452	1859208
	(c) Purchase of traded goods	53760	36341	159811
	(d) Employee cost	40093	35187	154457
	(e) Depreciation and Amortisation	18084	14747	65231
	(f) Product development expenses	794	1933	6435
	(g) Other expenditure	100810	93806	400087
	(h) Sub total 4(a) to 4(g)	658675	567731	2649277
5	Interest and Discounting Charges			
	(a) Gross interest and discounting charges	16927	10909	54156
	(b) Interest income / Interest capitalised	(5694)	(2753)	(25919)
	(c) Net interest and discounting charges	11233	8156	28237
6	Exceptional items			
	Notional exchange loss / (gain) (net) on revaluation of foreign currency borrowings, deposits and loans given	19988	(20589)	(13761)
7	<b>Profit from Ordinary Activities before tax [3-4-5-6]</b>	<b>34509</b>	<b>59213</b>	<b>257647</b>
8	Tax expense	1898	12537	54755
9	<b>Net Profit from Ordinary Activities after tax [7-8]</b>	<b>32611</b>	<b>46676</b>	<b>202892</b>
10	Extraordinary Items (net of tax expense)	-	-	-
11	<b>Net Profit for the period [9-10]</b>	<b>32611</b>	<b>46676</b>	<b>202892</b>
12	Paid-up Equity Share Capital (Face value of Rs. 10 each)	38566	38542	38554
13	Reserves excluding Revaluation Reserve			742845
14	Earnings Per Share (EPS)			
	(a) Basic EPS before and after Extraordinary items	Rupees 8.46	12.11	52.64
	(b) Diluted EPS before and after Extraordinary items	Rupees 7.68	11.52	48.28
		(Not annualised)	(Not annualised)	
15	Public Shareholding			
	- Number of Shares	201031151	199287375	207771594
	- Percentage of shareholding	52.13%	51.71%	53.89%

Notes:-

- 1) Figures for the previous period have been regrouped / reclassified wherever necessary.
- 2) Effective from April 1, 2008, the Company has applied hedge accounting principles in respect of forward exchange contracts as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement, issued by the Institute of Chartered Accountants of India. Accordingly, all such contracts outstanding as on June 30, 2008 are marked to market and a notional loss aggregating to Rs 13116 lakhs (net of tax) arising on contracts that were designated and effective as hedges of future cash flows, has been directly recognised in the Hedging Reserve Account to be ultimately recognised in the Profit and Loss Account depending on the exchange rate fluctuation till and when the underlying forecasted transaction occurs. This treatment is different from the earlier practice of recognizing such notional loss / gain in the Profit and Loss Account on the basis of exchange rate on the reporting date.
- 3) During the quarter, the Company, has reviewed the estimation for provisioning for doubtful receivables in respect of its vehicle financing business based on past performance trends. The Company continues to provide for such doubtful receivables based on an assessment and the probable inherent loss in the business, and more conservatively than required under the RBI guidelines applicable to NBFC's. The revised estimation has resulted in lower provisioning of Rs 5076 lakhs in the current quarter.
- 4) During the quarter ended June 30, 2008, the Company has partially divested its stake in Tata AutoComp Systems Ltd, an associate company, from 50% to 26%. The resultant profit of the divestment of Rs. 11366 lakhs is included in the other income.
- 5) Acquisition of Jaguar Land Rover :
  - (a) On June 2, 2008, the Company acquired from Ford Motor Company, Jaguar Land Rover businesses, for a consideration of US \$ 2.3 billion (approx Rs. 975373 lakhs), in an all-cash transaction, through JaguarLandRover Ltd, a wholly owned subsidiary of TML Holdings Pte Ltd, Singapore, which is a 100% subsidiary of the Company. Out of the consideration, Ford has contributed approx US \$ 600 million to the Jaguar Land Rover pension plans.
  - (b) The acquisition includes the ownership of three major manufacturing plants, two advanced design centres in UK, a worldwide sales network, Intellectual Property Rights (including perpetual royalty free licenses) and Brands and Trade marks.
  - (c) The businesses have been acquired on a debt free basis.
  - (d) The initial acquisition cost has been financed through bridge finance facility provided by a syndicate of banks to JaguarLandRover Ltd, which has been guaranteed by the Company.
  - (e) The Company has made an investment of US \$ 100 million (Rs. 41312 lakhs) in equity shares and US \$ 400 million (Rs. 163239 lakhs) in redeemable preference shares in TML Holdings Pte Ltd, Singapore.
- 6) The Company is engaged mainly in the business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006, are considered to constitute one single primary segment.
- 7) As on March 31, 2008, no investor complaint was outstanding. The Company received 4 complaints and resolved 3 complaints during the quarter. There is 1 complaint unresolved as on June 30, 2008.
- 8) Public Shareholding as on June 30, 2008 excludes 14.47% (14.86% as on June 30, 2007) of Citibank N.A. as Depository for ADR holders.
- 9) The Statutory Auditors have carried out an audit of the results stated in (B) above for the quarter ended June 30, 2008.

The above Results have been reviewed by the Audit Committee of the Board and were approved by the Board of Directors at its meeting held on July 30, 2008.

Tata Motors Limited

Ratan N Tata  
Chairman

Mumbai, July 30, 2008