TATA MOTORS LTD/FI
Form 6-K
May 09, 2011

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

For the Month of May 2011

Commission File Number 001-32294

Tata Motors Limited

(Exact Name of Registrant as Specified in Its Charter)

Bombay House

24, Homi Mody Street

Mumbai 400 001, India

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ¨.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ¨.

Explanatory note

This Report on Form 6-K contains the following exhibit.

Exhibit Number

1 Supplemental Information Regarding the Jaguar Land Rover Business of Tata Motors Limited

Forward-looking statements contain risks

The supplemental information regarding the Jaguar Land Rover business of Tata Motors Limited (TML) constituting Exhibit 1 to this Form 6-K, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements may include, without limitation, statements relating to TML s operating strategies, future plans, management goals, mergers and acquisitions and other matters; its competitive positions; its reorganization plans; its capital expenditure plans; its future business conditions and financial results; its cash flows; its dividends; its financing plans; the future growth of market demand of, and opportunities for, TML s new and existing products; and future regulatory and other developments in the global automotive industry.

The words anticipate , believe , could , estimate , intend , may , seek , will and similar expressions, as they relate to TML, are intended t certain of these forward-looking statements. TML does not intend to update any forward-looking statement.

These forward-looking statements are, by their nature, subject to significant risks and uncertainties. In addition, these forward-looking statements reflect the current views of TML with respect to future events and do not guarantee the future performance of TML. Actual results may differ materially from those expressed or implied in the forward-looking statements as a result of a number of factors, including, without limitation:

- changes in the regulatory regime and significant policies for the automotive industry;
- the level of demand for automobiles;
- competitive forces, including pricing pressures, and TML s ability to retain market share in the face of competition from existing automotive companies and potential new market entrants;
- the availability, terms and deployment of capital, and the impact of regulatory and competitive developments on capital outlays;
- changes in the assumptions upon which TML has prepared its projected financial information and capital expenditure plans; and
- changes in the effects of competition on the demand and price of TML s products.

Financial Statements and Other Financial Information

The financial information included herein has been prepared in accordance with IFRS. You should consult your own professional advisers for an understanding of the differences between IFRS and US GAAP and how those differences could affect the financial information contained in this Report. There are a number of differences between IFRS and US GAAP. TML has not prepared financial statements in accordance with US GAAP or reconciled its financial statements to US GAAP and is therefore unable to identify or quantify the differences that may impact TML s reported profits, financial position or cash flows were they to be reported under US GAAP.

Non-IFRS Financial Measures

This Report contains references to certain non-IFRS measures, including EBITDA. EBITDA is not an IFRS measure and should not be construed as an alternative to any IFRS measure such as revenue, gross profit, other income, net profit or cash flow from operating activities. EBITDA is defined as net income attributable to shareholders before income tax, finance expense (net of capitalised interest), finance income, the excess of fair value of net assets acquired over cost of acquisition, depreciation and amortisation. In this Report EBITDA and related ratios are presented for Jaguar Land Rover PLC and its consolidated subsidiaries (collectively JLR). EBITDA and related ratios should not be considered in isolation and are not measures of JLR s financial performance or liquidity under IFRS and should not be considered as an alternative to profit or loss for the period or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating, investing or financing activities as a measure of our liquidity as derived in accordance with IFRS. EBITDA, as used herein, may not be comparable to other similarly titled measures used by other companies.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TATA MOTORS LIMITED
(Registrant)

Date: May 9, 2011

By: /s/ Hoshang K. Sethna
Name: Hoshang K. Sethna
Title: Company Secretary

EXHIBIT 1 TO FORM 6-K

SUPPLEMENTAL INFORMATION REGARDING THE JAGUAR AND LAND ROVER BUSINESS

OF TATA MOTORS LIMITED

This Exhibit sets forth selected recent developments, financial data, discussion and analysis of results of operations, employee and management information, and other information relating to the Jaguar and Land Rover business. Unless the context indicates otherwise, references to JLR , Jaguar Land Rover the Group for the purposes of this Exhibit, are to Jaguar Land Rover PLC and its subsidiaries and references to Tata Motors or TML are to Tata Motors Limited and its subsidiaries. References to £ are to the British pound sterling and references to $ and US$ are to United States dollars.

I. Recent Developments

Impact of the recent natural disasters in Japan

TML is monitoring the impact of the recent disasters in Japan. At present, JLR has not suffered any production shut-downs or delays due to supply chain disruptions. However, the situation in Japan continues to evolve. There is a risk JLR may face supply chain disruptions in the future.

Trading update

JLR s results of operations for the quarter and Fiscal year ended March 31, 2011 will be announced as part of Tata Motors results for the Fiscal year ended March 31, 2011, presently expected to be published on or around May 26, 2011. Based on present management estimates and subject to confirmation by the results announcement as described in the preceding sentence, TML believes that:

- JLR s wholesale volumes for the quarter ended March 31, 2011 were slightly above those of the prior quarter;

- JLR s revenue and EBITDA for this quarter are expected to conclude a strong performance in Fiscal 2011; and

- JLR s operating and financial performance for this quarter was in line with management expectations.

II. Financial Information For JLR

	Period commencing on January 18, 2008 and ended and as at March 31, 2009[1]	Fiscal year ended and as at March 31, 2010	Nine months ended and as at December 31, 2009	Nine months ended and as at December 31, 2010	Twelve months ended and as at December 31, 2010
			(£ in millions)		
Income Statement Data:					
Revenues	4,949.5	6,527.2	4,486.2	7,132.0	9,173.0
Cost of sales materials[2]	(3,375.0)	(4,437.0)	(3,141.6)	(4,444.9)	(5,740.3)
Employee cost	(587.8)	(746.8)	(552.3)	(575.2)	(769.7)
Other expenses	(1,500.2)	(1,488.2)	(1,017.6)	(1,455.0)	(1,925.6)
Expenditure capitalized[3]	418.3	471.0	341.3	437.1	566.8
Other income (net)	27.4	27.6	21.3	33.3	39.6
Foreign exchange gain/(loss) (net)	(129.9)	68.3	107.2	(2.6)	(41.5)
Depreciation and amortization[4]	(229.3)	(317.0)	(246.9)	(299.2)	(369.3)
Excess of fair value of net assets acquired over cost of acquisition[5]	116.0				
Finance income	10.0	3.4	1.8	17.9	19.5
Finance expense (net of capitalized interest)	(74.7)	(57.1)	(39.9)	(28.9)	(46.1)
Net income/(loss) before tax	(375.7)	51.4	(40.5)	814.5	906.4
Income tax expense	(26.7)	(27.9)	(15.3)	(41.0)	(53.6)
Net income/(loss) attributable to shareholders	(402.4)	23.5	(55.8)	773.5	852.8
Currency translation differences	(607.5)	100.8	215.2	38.7	(75.7)
Gain on cancellation of preference shares				48.8	48.8
Actuarial gains and losses	(200.5)	(21.3)	(145.5)	(128.2)	(4.0)
Gain/(loss) on cash flow hedges				(11.7)	(11.7)
Total comprehensive income for the year	(1,210.4)	103.0	13.9	721.1	810.2
Balance Sheet Data (at period end)[6]:					
Intangible assets	1,270.5	1,676.0	n.a.	2,001.3	2,001.3
Total non-current assets	2,609.8	3,031.6	n.a.	3,364.0	3,364.0
Total current assets	1,674.1	2,592.7	n.a.	2,963.1	2,963.1
Total assets	4,283.9	5,624.3	n.a.	6,327.1	6,327.1
Total current liabilities	4,144.7	3,585.0	n.a.	3,734.2	3,734.2
Total non-current liabilities	1,066.0	2,502.1	n.a.	2,334.6	2,334.6
Total liabilities	5,210.7	6,087.1	n.a.	6,068.8	6,068.8
Total equity attributable to equity holders of the parent	(926.8)	(462.8)	n.a.	258.3	258.3
Cash Flow Data:					
Net cash from/(used in) operating activities	(70.7)	626.0	326.7	1,246.4	1,545.7
Net cash from/(used in) investing activities	(1,696.3)	(795.1)	(610.3)	(548.5)	(733.3)
Net cash from/(used in) financing activities	1,886.8	711.1	626.3	(392.1)	(307.3)
Cash and cash equivalents at the end of year	128.5	679.9	472.5	999.7	999.7

Other Financial Data:					
EBITDA[6]	(197.7)	422.1	244.5	1,124.7	1,302.3
Capital expenditure (excluding R&D costs)	188.8	332.3	271.0	127.2	188.5
R&D costs[7]	457.2	471.2	369.2	513.6	615.6
Capitalized product development expenditure[8]	418.3	423.4	334.4	400.1	519.2
Net debt (at period end)[9]	2,626.1	2,378.5	n.a.	1,647.5	1,647.5

(1) Financial Period 2009 represents the period from January 18, 2008 to March 31, 2009 and the trading of the Jaguar and Land Rover businesses from the date of acquisition on June 2, 2008 to March 31, 2009.

(2) TML has elected to present JLR s income statement under IFRS by nature of expenditure rather than by function. Accordingly, TML does not present costs of sales, selling and distribution and other functional cost categories on the face of the income statement. For illustrative purposes, TML has defined cost of sales materials as the sum of the following types of expenditure presented in the income statement: (i) change in inventories of finished goods and works in progress; (ii) purchase of products for sale; and (iii) raw materials and consumables. Cost of sales materials does not equal cost of sales that the company would report if it were to adopt a functional presentation for its income statement because it does not include all relevant employee costs, depreciation and amortization of assets used in the production process and relevant production overheads, which JLR reports separately. The reconciliation of costs of sales materials to JLR s income statement is as follows:

	Period commencing on January 18, 2008 and ended March 31, 2009	Fiscal year ended March 31, 2010	Nine months ended 31 December 2009	Nine months ended 31 December 2010	Twelve months ended December 31, 2010
			(£ in millions)		
Change in inventories of finished goods and work in progress	(260.4)	49.3	(288.4)	89.1	357.7
Add purchase of products for sale	(497.5)	(603.1)	(438.2)	(528.7)	(693.6)
Add raw materials and consumables	(2,617.1)	(3,883.2)	(2,615.0)	(4,005.3)	(5,404.4)
Cost of sales materials	(3,375.0)	(4,437.0)	(3,141.6)	(4,444.9)	(5,740.3)

(3) This amount represents the amount of internally generated intangible assets recognized at the end of the relevant period, which consist predominantly of capitalized cost of product development.

(4) Depreciation and amortization include, among other things, the amortization attributable to the capitalized cost of product development relating to new vehicle platforms, engine, transmission and new products. The amount of total depreciation and amortization attributable to the amortization of capitalized product development costs for Financial Period 2009, Fiscal 2010, the nine months ended December 31, 2009 and 2010 and the last 12 months ended December 31, 2010 was £2.6 million, £52.4 million, £34.3 million, £65.8 million and £83.9 million, respectively.

(5) On June 2, 2008, JLR acquired the Jaguar and Land Rover businesses from Ford. The consideration was £1,279.4 million not including £149.7 million of cash acquired in the business. The one-off excess of fair value of net assets acquired over the cost of acquisition was £116.0 million. This excess was primarily attributable to the significant value of the Jaguar and Land Rover brands.

(6) Comparable balance sheet data in JLR s condensed 2010 interim financial statements are presented as of March 31, 2010, not December 31, 2009. Consequently, no balance sheet data is presented as at December 31, 2009.

(7) TML has defined EBITDA as net income/(loss) attributable to shareholders before income tax expense, finance expense (net of capitalized interest), finance income, the excess of fair value of net assets acquired over cost of acquisition, depreciation and amortization. EBITDA is presented because TML believes that it is frequently used by securities analysts, investors and other interested parties in evaluating companies in the automotive industry. However, other companies may calculate EBITDA in a manner that is different from that used by TML. EBITDA is not