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भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

CFD/DIL/SP/VB/OW/2480/2010
April 23, 2010

Shri H. K. Sethna
Company Secretary
Tata Motors Limited
Bombay House
24 Homi Mody Street
Mumbai - 400 001

Dear Sir,

Sub: Request from Tata Motors Limited for interpretative letter under SEBI (Informal Guidance) Scheme, 2003 - Guidance in relation to clause 28A of Equity Listing Agreement

1. Please refer to the correspondence resting with letter dated September 17, 2009 seeking informal guidance under the SEBI (Informal Guidance) Scheme, 2003.
2. Vide your abovementioned letter, it is *inter alia* submitted by you as follows:-
 - i. Tata Motors Limited (TML) is listed with the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).
 - ii. TML made an issue of 64,276,164 'A' Ordinary Shares of face value of Rs.10/- each vide its letter of offer dated September 18, 2008 in accordance with the Companies (Issue of Share Capital with Differential Voting Rights) Rules 2001. These 'A' Ordinary Shares were issued with differential rights as to having inferior voting rights and additional dividend to 'A' Ordinary shareholders as compared to Ordinary shareholders.
 - iii. SEBI vide its circular SEBI/CFD/DIL/LA/2/2009/21/7 dated July 21, 2009 amended the Equity Listing Agreement and introduced clause 28A, which reads as:

"The company agrees that it shall not issue shares in any manner which may confer on any person, superior rights as to voting or dividends vis-à-vis the rights on equity shares that are already listed".

3. In light of your aforesaid submissions, you have sought informal guidance on the following:
 - i. Whether the existing holder of 'A' Shares continues to have all their existing rights and more specifically be entitled to receive superior



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- dividends as compared to the Ordinary Shares of the company in accordance with the terms of the issue?
- ii. Whether the company can make a fresh issue of 'A' Shares on the same terms as the existing listed 'A' Shares by way of a bonus or rights issue in accordance with the terms of the issue to existing holders of 'A' Shares?
 - iii. Whether the company can make a fresh issue of 'A' Shares on the same terms as the existing listed 'A' Shares by way of a follow on public issue, preferential issue or under the QIP route to increase liquidity in these 'A' Shares?
 - iv. Whether the company can issue 'A' Shares on exercise of conversion option by holders of Convertible Alternative Reference Securities (CARS) in case the Company identifies 'A' Shares as the Qualifying Securities for such conversion?
 - v. Whether the company can issue employee stock options ("ESOPs") in accordance with the SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999 where the options can be converted into 'A' Shares on same terms as the existing 'A' Shares?
4. We have considered the submission made by you, in your letter under reference and without necessarily agreeing to your views our comments on the issue are as under:
- i. The existing listed 'A' Ordinary Shares will continue to have all their existing rights.
 - ii. The company may make a fresh issue of 'A' Ordinary Shares on the same terms as the existing listed 'A' Ordinary Shares by way of a bonus or rights issue.
 - iii. The company may make a fresh issue of 'A' Ordinary Shares by way of a follow on public issue, preferential allotment of 'A' Ordinary Shares and QIP of 'A' Ordinary Shares, subject to compliance with the SEBI (ICDR) Regulations.
 - iv. The company may issue 'A' Ordinary Shares on exercise of conversion option by holders of Convertible Alternative Reference Securities (CARS) subject to terms and condition of the convertible instrument and fulfillment of other guidelines, regulations and any other applicable laws.
 - v. The company may issue employee stock options ("ESOPs") in accordance with the SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999 where the options can be converted into 'A' Shares on same terms as the existing 'A' Ordinary Shares.

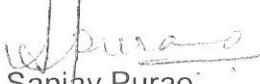


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5. This position is based on the representation made to the division in your aforesaid letter. Different facts or conditions might require a different result. This letter does not express decision of the Board on the questions referred.
6. You may note that the above views are expressed only with respect to the clarifications sought and do not affect the applicability of any other law or requirement.

Yours faithfully,


Sanjay Purao