B. Capitalization and Indebtedness.

Not applicable.

C. Reasons for the Offer and Use of Proceeds.

Not applicable.

D. Risk Factors.

This section describes the risks that we currently believe may materially affect our business. The factors below should be considered in connection with any forward-looking statements in this annual report and the cautionary statements on page i. The risks below are not the only ones we face — some risks may be unknown to us, and some risks that we do not currently believe to be material could later turn out to be material. Although we will be making all reasonable efforts to mitigate or minimize these risks, one or more of a combination of these risks could materially impact our business, revenues, sales, and net assets, results of operations, liquidity and capital resources.

Risk associated with Our Business and the Automotive Industry.

Lack of improvement or worsening global economic conditions could have a significant adverse impact on our sales and results of operations.

The sub-prime financial crisis that caused a collapse of the financial sector and as a consequence a severe tightening of credit has plunged many economies into severe recession and caused significant deterioration of consumer confidence and demand. Even economies that had little exposure to the sub prime assets, such as India, were impacted fairly severely as the credit crisis had a consequential impact on global credit markets combined with a significant fall in exports.

The Indian automotive industry is affected substantially by general economic conditions in India. The demand for automobiles in the Indian market is influenced by factors including the growth rate of the Indian economy, easy availability of credit, increase in disposable income among Indian consumers, interest rates, freight rates and fuel prices. The anti-inflationary policies of the Reserve bank of India in the past quarters had resulted in a significant increase in interest rates, tight liquidity conditions and slowing industrial activity towards the earlier part of the fiscal year. The onslaught of the impact of the crisis together with the tight monetary policy of the central bank affected the growth of the Indian economy which slowed to 6.7% in fiscal 2009 as compared to the average growth of over 9% in the previous three years. This was despite the government’s efforts to stimulate the economy in the later part of the year. The automotive industry in general is cyclical and economic slowdowns in the past have affected the manufacturing sector including the automotive and related industries. Unless there is improvement in key economic factors such as growth rate, interest rates and inflation together with availability of financing for vehicles at competitive rates, our automotive sales in India and results of operations may be adversely affected.

We acquired the Jaguar and Land Rover business from Ford Motor Company in June 2008. In addition, we also have automotive operations in South Korea and Thailand. Jaguar and Land Rover have significant presence in the UK, North America, Continental Europe and have operations in most of the major countries across the globe. The global economic meltdown significantly impacted the global automotive markets, particularly the United States, Europe and Japan. Our strategy which includes new product launches and expansion into growing markets such as China and Russia may not be sufficient to mitigate the decrease in demand for our products in established markets, which could have a significant adverse impact on our financial performance. Should industry demand soften beyond our expectations because of a continuing slowdown or negative economic growth in key markets or other factors, our results of operations and financial condition could be substantially adversely affected.

As of March 31, 2009, we had a debt of Rs.435,815 million, including the bridge finance raised for purpose of the Jaguar Land Rover acquisition. While we were able to refinance the bridge loan in May 2009, continuing economic weakness and depressed demand for our products may put further pressure on our liquidity requirements and deterioration of the financial markets may impede our efforts to raise capital and/or raise capital at a reasonable cost in order to meet our future growth plans. These may adversely impact our results of operations.

We have incurred a substantial amount of indebtedness in connection with the acquisition of Jaguar Land Rover, and our proposed repayment of the amended acquisition facility may be delayed, each of which could adversely affect our future business performance and financial condition.

On June 2, 2008, we acquired Jaguar Land Rover from Ford Motor Company on a debt-free basis, for consideration of US$2.5 billion, in an all-cash transaction, through JaguarLandRover Limited, a wholly-owned subsidiary of TML Holdings Pte Ltd, Singapore, which is our 100% subsidiary. JaguarLandRover Limited borrowed US$3 billion under a short-term bridge loan facility, which we guaranteed. In May 2009, against the US$2 billion outstanding against this facility, US$852 million was repaid through proceeds of Secured Non-Convertible Credit Enhanced Rupee Debentures. An agreement was also reached with the syndicate of banks to amend the bridge loan facility, extending the final maturity of the residual US$1 billion by 18 months up to December 31, 2010 (the “Amended Acquisition Facility”).

As at March 31, 2009, we had a debt of Rs.435,815 million. Our substantial level of indebtedness may: (i) increase the possibility that we will be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness, (ii) require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, (iii) materially impact our ability to pay dividends in the future and/or (iv) lead to a downgrade of our credit rating by international and domestic rating agencies, thereby adversely impacting our ability to raise additional financing and the interest rates and commercial terms on which such additional financing is available. Our rating for foreign currency borrowings was revised by Standard & Poor’s to B (Credit Watch with Negative Implications) and by Moodys’ to B3 (Stable), while for borrowing in local currency the rating was revised to A (Stable) by Crisil and to LA+ by ICRA.

We intend to refinance the Amended Acquisition Facility through the issuance of ordinary shares and/or securities linked to, or convertible into, ordinary shares, including, but not limited to, the issuance of depositary receipts in the international market and/or through other measures, such as monetization of a part of our investments through a phased divestment plan at prevailing market prices.

The execution of our refinancing plan is subject to various risks, including, among other things: (i) the receipt of any other regulatory or corporate approvals that are necessary, (ii) market conditions, which have been particularly exacerbated by the dislocation of the fixed income and securitization markets following the global credit crisis and (iii) foreign currency movements.

We cannot assure you that any of the conditions for our funding plans will be satisfied. If we or any other relevant parties are unable to satisfy any of the conditions for our funding plans or satisfy these conditions in the time frame that we expect, we may not be able to repay the Amended Acquisition Facility in the time frame that we expect, which could materially adversely affect our future business performance and financial condition. In addition, our costs of borrowing depend in part on our credit ratings by international and domestic rating agencies. A downgrade of our rating for foreign or local currency borrowings could adversely impact our ability to raise the amount proposed under our funding plans through the incurrence of debt and the interest rates at which such financing alternatives may be available to us.

Certain restrictive covenants in our financing agreements may limit our operational and financial flexibility and our future results of operations and financial condition may be adversely affected if we are not able to comply with certain maintenance covenants contained in our financing agreements.

Some of our financing agreements and debt arrangements set limits on, and/or require it to obtain lender consents before, among other things, undertaking certain projects, issuing new securities, changing management, merging, consolidating, selling significant assets, creating subsidiaries or making certain investments. In addition, certain financial covenants may limit our ability to borrow additional funds or to incur additional liens.

In the past, we have been able to obtain required lender consents for such activities. However, there can be no assurance that we will be able to obtain such consents in the future. If our financial or growth plans require such consents, and such consents are not obtained, we may be forced to forgo or alter our plans, which could adversely affect our results of operations and financial condition.

Certain of our financing arrangements also include covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. In the event that we breach these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such other financing agreements becoming due and payable immediately. Defaults under one or more of our financing agreements could have a material adverse effect on our results of operations and financial condition.

Jaguar Land Rover has incurred losses in previous years and our financial performance will be affected in the future by the performance of Jaguar Land Rover.

The global financial meltdown and high fuel prices, especially after September 2008, combined with vehicle financing and demand drying up, impacted the auto industry worldwide, including Jaguar Land Rover. The sales volume over the 10 months post-acquisition for Jaguar Land Rover decreased by approximately 32% from the comparable period in the previous year, resulting in a loss before tax of GBP427 million. In response, we have taken action to reduce inventory, improve working capital and reduce investments and payroll costs, including through workforce reduction of more than 2,000. However, profitability continues to come under strain given the slow revival of the global economy and impact of suppressed demand and prices.

Since March 2009, Jaguar Land Rover have secured, or have credit approval for, further financing facilities. This includes approved funding of GBP340 million from the European Investment Bank. While we anticipate that access to this funding can be secured in the near future through appropriate commercial arrangements without necessitating guarantees from the UK Government, for which discussions have been ongoing for some time, no assurance can be made that this or any other facility will be obtained, and the failure to do so could adversely affect our financial condition and results of operations.

In addition, the long-term profitability of Jaguar Land Rover continues to depend on successful execution of its business strategies, including sustained cost savings and successful introduction of its new models. Our financial performance, including our profit margins and our operating ratios, will be affected in the future by the performance of Jaguar Land Rover.

Because of the acquisition of Jaguar Land Rover, our historical financials may not be comparable.

On June 2, 2008, we completed the acquisition of Jaguar Land Rover from Ford. Therefore, our historical consolidated financial statements for the fiscal years ended on and before March 31, 2008 do not include the results of Jaguar Land Rover, and neither pro forma nor historical consolidated financial statements showing our combined results of operations and financial condition, including Jaguar Land Rover, have been prepared or are being provided in this annual report. Our financial statements for the fiscal year ended March 31, 2009 include the results of Jaguar Land Rover for the period from June 2, 2008 to March 31, 2009.

This may make it difficult to compare our past performance and financial condition or to estimate our consolidated performance in the future. Moreover, the global dislocation of the automotive industry, including Jaguar Land Rover’s markets, make past performance of the business not necessarily indicative of future demand trends or results.

Currency and exchange rate fluctuations could adversely affect our results of operations.

Our operations are subject to risk arising from fluctuations in exchange rates with reference to countries in which we operate. These risks primarily relate to fluctuations of GBP to US Dollar, Japanese Yen and Euro, and fluctuations of Indian Rupee against GBP, US Dollar and Euro.

We import capital equipment, raw materials and components and also sell our vehicles in various countries. These transactions are denominated in foreign currencies, primarily the U.S. dollar and Euro. Moreover, we have outstanding foreign currency denominated debt and hence we are sensitive to fluctuations in foreign currency exchange rates. We have experienced and expect to continue to experience foreign exchange losses and gains on obligations denominated in foreign currencies in respect of our borrowings and foreign currency assets and liabilities due to currency fluctuations. Although we engage in currency hedging as per our policy in order to decrease our foreign exchange exposure, the weakening of rupee against the dollar or other major foreign currencies may have an adverse effect on our cost of borrowing and consequently may increase our financing costs, which could have a significant adverse impact on our results of operations.

Adverse fluctuations in the value of the rupee against the dollar and GBP and also fluctuations of GBP against other major foreign currencies during fiscal 2009 had an adverse impact on our financial condition and results of operations. Any further depreciation of rupee against dollar may affect our results of operations in the future periods, mainly due to dollar denominated borrowings.

Intensifying competition could materially and adversely affect our sales and results of operations.

The global automotive industry is intensely competitive and competition is likely to further intensify in light of continuing globalization and consolidation in the worldwide automotive industry. Factors affecting competition include product quality and features, innovation and product development time, ability to control costs, pricing, reliability, safety, fuel economy, customer service and financing terms. There can be no assurance that we will be able to compete successfully in the global automotive industry in the future.

The Indian automobile industry is highly competitive. We face strong competition in the Indian market from domestic as well as foreign automobile manufacturers. Improving infrastructure and robust growth prospects compared to other mature markets is attracting a number of international companies to India who have either created joint ventures with local partners or have established independently owned operations in India. International competitors bring with them decades of international experience, global scale, advanced technology and significant financial resources. Also the recent weakness in demand for passenger vehicles and commercial vehicles in the Indian automobile market has resulted in overcapacity and price competition. Consequently, domestic competition is likely to further intensify in the future. There can be no assurance that we will be able to implement our future strategies in a way that will mitigate the effects of increased competition in the Indian automotive industry.

Our future success depends on our ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining such products' competitiveness.

In the competitive automotive industry, our competitors can gain significant advantage if they are able to offer products satisfying customer needs earlier than we are able to, which could adversely impact our sales and results of operations. Unanticipated delays in implementing the introduction of new products or in expansion plans resulting in delays in capacity enhancements and/or new product launches and cost overruns could adversely impact our results of operations. Customer preferences especially in many of the developed markets seem to be moving in favour of more fuel efficient vehicles. Further, in many countries there has been a significant pressure on the automotive industries for reduction in carbon dioxide emissions. In many markets these preferences are driven by increasing government regulations and rising fuel prices.

Our operations may be significantly impacted if there is a delay in developing fuel efficient products that reflect changing customer preferences, especially in the premium automotive category and products aimed at reducing carbon dioxide emissions. In addition, there can be no assurance that the market acceptance of our future products will meet our expectations, in which case we could be unable to realize the intended economic benefits of our investments and our results of operations may be adversely affected.

We are subject to risks associated with product liability, warranty and recall.

We are subject to risks and costs associated with product liability, warranties and recalls, should we supply defective products, parts, or related after-sales services, which could generate adverse publicity and adversely affect our business, results of operations and financial condition. Such events could also require us to expend considerable resources in correcting these problems and could adversely affect demand for our products.

We are subject to risk associated with our automobile financing business.

We are subject to-risk associated with our automobile financing business. Any defaults by our customers or inability to repay installments as due, could adversely affect our business, results of operations and cash flows. In addition, any downgrades in our credit ratings may increase our borrowing costs and restrict our access to the debt markets. Over time, and particularly in the event of any credit rating downgrades, market volatility, market disruption or otherwise, we may need to reduce the amount of financing receivables we originate, which could adversely affect our ability to support the sale of our vehicles.

Underperformance of our distribution channels and supply chains may adversely affect our sales and results of operations.

Our products are sold and serviced through a network of authorized dealers and service centers across our home markets, and a network of distributors and local dealers in international markets. We monitor the performance of our dealers and distributors and provide them with support to enable them to perform to our expectations. There can be no assurance, however, that our expectations will be met and under-performance by our dealers or distributors could adversely affect our sales and results of operations.

We rely on third parties to supply us with the raw materials, parts and components used in the manufacture of our products. Furthermore, for some of these parts and components, we are dependent on sole suppliers. Our ability to procure supplies in a cost effective and timely manner is subject to various factors, some of which are not always within our control. While we manage our supply chain as part of our vendor management process, any significant problems with our supply chain in the future could affect our results of operations in an adverse manner.

Adverse economic conditions and falling vehicle sales have had significant financial impact on some of our suppliers and distributors. Further deterioration of automobile demand and lack of access to sufficient financial arrangements to our supply chain could impair timely availability of components and parts to us while distress of our distributors may impact our performance in some markets.

In respect of our Jaguar Land Rover operations, as part of a separation agreement from Ford, we entered into supply and transitional service agreements with Ford and certain other third parties for critical components and other corporate services. Any disruption of such transitional services could have a material adverse impact on our operations and financial condition.

Increases in input prices may have a material adverse impact on our result of operations.

In fiscal 2009 and 2008 consumption of raw materials, components and aggregates and purchase of products for sale (including change in stock) constituted approximately 67.6% and 66.8% respectively, of total revenues. Prices of commodity items used in manufacturing automobiles, including steel, rubber, copper and zinc, have significantly increased over the past two years. Although, these prices have begun to show some signs of softening lately and we have been pursuing cost reduction programs and product price increases, to partially offset these input price increases, there can be no assurance that we will be able to recover any future cost increases in commodity products through cost-saving measures elsewhere or that we will be able to sufficiently increase the selling prices of our products, which could materially and adversely impact our sales and results of operations. In addition, because of intense price competition and our high level of fixed costs, we may not be able to adequately address changes in commodity prices even if they are foreseeable. Significant increases in these prices could have a substantial adverse effect on our financial condition and results of operations.

Further, after touching a low of approximately US$40 in February 2009, crude oil prices have begun an upward movement. Increased fuel costs pose a significant challenge to automobile manufacturers worldwide, including us, especially in commercial vehicle segments, where fuel costs represent a significant portion of the operational costs of such vehicles, and premium cars.

The performance of our subsidiaries and affiliates may adversely affect our results of operations.

We have made and may continue to make capital commitments to our subsidiaries and affiliates, and if the business and operations of subsidiaries and affiliates to which we make capital commitments, deteriorate, the value of our investments may be adversely affected.

We are subject to risks associated with growing our business through mergers and acquisitions.

We believe that our acquisitions provide us opportunities to grow significantly in the global automobile markets with access to additional brands, products, technologies and capabilities, and offer potential synergies. However, the scale, scope and nature of the integration required in connection with the acquisitions present significant challenges, and we may be unable to integrate effectively within our expected schedule the various subsidiaries, divisions and facilities. The acquisition may not meet our expectations and the realization of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside our control.

We will continue to evaluate growth opportunities through suitable mergers and acquisitions in the future. Growth through mergers and acquisitions involve business risks, including unforeseen contingent risks or latent business liabilities that may only become apparent after the merger or acquisition is finalized. The key success factor will be successful integration and management of the merged/acquired entity with us, retention of key personnel, joint sales and marketing efforts, and management of a larger business. If we are not able to manage these risks successfully, our results of operations could be adversely affected.

Our business is seasonal in nature and a substantial decrease in our sales during certain quarters could have a material adverse impact on our financial performance.

The sales volumes and prices for our vehicles are influenced by the cyclicality and seasonality of demand for these products, primarily in the Indian market. Demand generally peaks between January and March, although there also is a decrease in demand in February just before release of the Indian fiscal budget. Demand is usually lean from April to July and picks up again in the festival season from September onwards, with a decline in December due to year-end. The automotive industry has been cyclical in the past and we expect this cyclicality to continue.

The business of Jaguar Land Rover is impacted by the bi-annual registration of vehicles in the United Kingdom wherein the vehicle registration number changes every six months which, in turn has an impact on the resale value of the vehicles. This leads to a bunching up of sales during the period when the aforementioned change occurs. Most other markets such as the United States are driven by introduction of new model year derivatives which typically occurs in the autumn of each year. Furthermore, western European markets tend to be impacted by main summer and winter holidays. The resulting sales profile influences operating results on a quarter-to-quarter basis.

We may be adversely affected by labor unrest.

All of our permanent employees, other than officers and managers, in India and most of our permanent employees in South Korea and the United Kingdom, including certain officers and managers, in relation to our automotive business, are members of labor unions and are covered by our wage agreements, where applicable with those labor unions which have different tenures at different locations. In general, we consider our labor relations with all of our employees to be good. However, we may in the future be subject to labor unrest, which may delay or disrupt our operations in the affected regions, including the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lock-outs at our facilities or at the facilities of our major vendors occur or continue for a long period of time, our business, financial condition and results of operations may be adversely affected.

Any inability to manage our growing international business may adversely affect our results of operations.

Our growth strategy also relies on the expansion of our operations by introducing certain automotive products in other parts of the world, including Europe, China, Russia and other parts of Asia. The costs involved in entering and establishing ourselves in new markets, and expanding such operations, may be higher than expected, and we may face significant competition in those regions. In addition, our international business is subject to many actual and potential risks, including language barriers, cultural differences and other difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables through the legal systems of some foreign countries, the risk of non-tariff barriers, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws and regulations.

If we are unable to manage risks related to our expansion and growth in other parts of the world, our business, results of operations and financial condition could be adversely affected.

Future pension obligations may prove more costly than currently anticipated and the market value of assets in our pension plans could decline.

We provide post retirement and pension benefits to our employees some of which are defined benefit plans.

Our pension liabilities are generally funded, and the pension plan assets are particularly significant in respect of the Jaguar and Land Rover pension plans. In the event that the actuarially determined liabilities exceed the plan assets at the time of valuation, we would have to agree on new contributions with the trustees of Jaguar and Land Rover pension to fund the deficit over such period of time as agreed.

Lower return on pension fund assets, changes in market conditions, changes in interest rates, changes in inflation rates, and adverse changes in other critical actuarial assumptions, may impact the pension liabilities and consequent increase funding requirements, which will adversely affect our financial condition and results of operations.

Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business.

While we believe that the insurance coverage that we maintain is reasonably adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under our insurance policies will be honored fully or timely. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our financial condition may be affected.

Political and Regulatory Risks.

India's obligations under the World Trade Organization Agreement.

India's obligation under its World Trade Organization agreement could lower the present level of tariffs on imports of components and vehicles, particularly with respect to cars in completely built units and/or completely knocked down units, which could adversely affect our sales and results of operations.

Environmental, Fiscal and Other Governmental regulations.

As an automobile company, we are subjected to extensive governmental regulations regarding vehicle emission levels, noise, safety and levels of pollutants generated by our production facilities. These regulations are likely to become more stringent and compliance costs may significantly impact our future results of operations. In particular, the U.S. and Europe have stringent regulations relating to vehicular emissions. The proposed tightening of vehicle emissions regulations by the European Union will require significant costs for compliance. While we are pursuing various technologies in order to meet the required standards in the various countries in which we sell our vehicles, the costs for compliance with these required standards can be significant to our operations and may adversely impact our results of operations.

Imposition of any additional taxes and levies designed to limit the use of automobiles could adversely affect the demand for our products and our results of operations. Changes in corporate and other taxation policies as well as change in export and other incentives given by the various governments could also adversely affect our results of operations.

Regulations in the areas of investments, taxes and levies may also have an impact on Indian securities, including our shares and ADSs. In this regard it is important to note that the Government has recently released a new draft direct tax code which if brought into force will have a significant impact on the current tax regime, including in respect of our shares and ADSs.

We may be adversely impacted by political instability, wars, terrorism, multinational conflicts, natural disasters, fuel shortages/prices, epidemics and labor strikes.

Our products are exported to a number of geographical markets and we plan to expand our international operations further in the future. Consequently, we are subject to various risks associated with conducting our business outside our home markets and our operations may be subject to political instability in those markets, wars, terrorism, regional and/or multinational conflicts, natural disasters, fuel shortages, epidemics and labor strikes. Any significant or prolonged disruptions or delays in our operations related to these risks could adversely impact our results of operations.

Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance.

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and new Securities and Exchange Commission (SEC) regulations, Securities and Exchange Board of India (SEBI) regulations, New York Stock Exchange (NYSE) listing rules and Indian stock market listing regulations, have increased complexity for us. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards.

We are committed to maintaining high standards of corporate governance and public disclosure. However, our efforts to comply with evolving laws, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management resources and time.

In addition, new laws, regulations and standards regarding corporate governance may make it more difficult for us to obtain director and officer liability insurance. Further, our board members, chief executive officer and chief financial officer could face an increased risk of personal liability in connection with the performance of their duties. As a result, we may face difficulties attracting and retaining qualified board members and executive officers, which could harm our business. If we fail to comply with new or changed laws or regulations and standards differ, our business and reputation may be harmed.

Risks associated with Investments in an Indian Company.

Political changes in the Government in India could delay and/or affect the further liberalization of the Indian economy and adversely affect economic conditions in India generally and our business in particular.

Our business could be significantly influenced by economic policies adopted by the Government. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms.

The Government has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, protests against privatizations, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our ADSs and Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Although the previous Government had announced policies and taken initiatives that supported the economic liberalization policies pursued by earlier Governments, the rate of economic liberalization could change, and specific laws and policies affecting foreign investment and other matters affecting investment in Our securities could change as well. While we expect the new Government to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no assurance that such policies will be continued.

A change in the Government's policies in the future could adversely affect business and economic conditions in India and could also adversely affect our financial condition and results of operations. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally, and specifically those of our company, as a substantial portion of our assets are located in India

Terrorist attacks, civil disturbances, regional conflicts and other acts of violence, particularly in India, may disrupt or otherwise adversely affect the markets in which we operate, our business and our profitability.

India has from time to time experienced social and civil unrest and hostilities, including terrorist attacks and riots and armed conflict with neighboring countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our ADSs and shares, and on the market for our vehicles.

Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, which include regulations applicable to our Board of Directors, and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions, including the United States. You may have more difficulty in asserting your rights as a shareholder than you would as a shareholder of a corporation organized in another jurisdiction.

The market value of your investment may fluctuate due to the volatility of the Indian securities market.

The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of their listed securities. The Indian stock exchanges, including the Bombay Stock Exchange Limited (BSE), have experienced problems that, if they continue or recur, could affect the market price and liquidity of the securities of Indian companies, including our shares. These problems in the past included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

There may be a different level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, than in the United States. The Securities and Exchange Board of India (SEBI) received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the Indian securities markets. Subsequently, SEBI has prescribed regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities market. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in the United States.

Investors may have difficulty enforcing judgments against us or our management.

We are a limited liability company incorporated under the laws of India. Substantially all of our directors and executive officers named in this annual report are residents of India and all or substantial portion of our assets and the assets of these directors and executive officers are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and executive officers, (iii) enforce, in an Indian court, court judgments obtained outside of India, including those based upon the civil liability provisions of the U.S. federal securities laws, against us or these directors and executive officers, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities, including those based upon the U.S. federal securities laws, against us or these directors and executive officers.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided under Section 13 of the Code of Civil Procedure, 1908, or the Civil Code.

Section 13 and Section 44A of the Civil Code provide that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except (i) where it has not been pronounced by a court of competent jurisdiction, (ii) where it has not been given on the merits of the case, (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where Indian law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where it has been obtained by fraud or (vi) where it sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.

The United States has not been declared by the Government of India to be a reciprocating territory for the purpose of Section 44A of the Civil Code. Accordingly, a judgment of a court in the United States may be enforced only by a suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India (RBI) to execute such a judgment or to repatriate outside India any amount recovered.

Risks associated with our Shares and ADSs.

Fluctuations in the exchange rate between the rupee and the dollar may have a material adverse effect on the market value of the ADSs and the shares, independent of our operating results.

Fluctuations in the exchange rate between the rupee and the dollar will affect, among others things, the dollar equivalents of the price of the shares in rupees as quoted on the Indian stock exchanges and, as a result, may affect the market price of the ADSs. Such fluctuations will also affect the dollar equivalent of any cash dividends in rupees received on the shares represented by the ADSs and the dollar equivalent of the proceeds in rupees of a sale of shares in India.

The exchange rate between the rupee and the dollar has changed substantially in the last two decades and may substantially fluctuate in the future. The value of the rupee against the dollar was Rs. 46.89 = US$ 1.00 as of October 07, 2009.

Holders of ADSs have fewer rights than shareholders and must act through the depositary to exercise those rights.

Although holders of ADSs have a right to receive any dividends declared in respect of shares underlying the ADSs, they cannot exercise voting or other direct rights as a shareholder with respect to the shares underlying the ADSs evidenced by ADRs. Citibank, N.A. as depositary is the registered shareholder of the deposited shares underlying our ADSs, and therefore only Citibank, N.A. can exercise the rights of shareholders in connection with the deposited shares. Only if requested by us, the depositary will notify holders of ADSs of upcoming votes and arrange to deliver our voting materials to holders of ADSs. The depositary will try, in so far as practicable, subject to Indian laws and the provisions of our Articles of Association, to vote or have its agents vote the deposited securities as instructed by the holders of ADSs. If the depositary receives voting instructions in time from a holder of ADSs which fail to specify the manner in which the depositary is to vote the shares underlying such holder’s ADSs, such holder will be deemed to have instructed the depositary.

to vote in favor of the items set forth in such voting instructions. If the depositary has not received timely instructions from a holder of ADSs, the holder shall be deemed to have instructed the depositary to give a discretionary proxy to a person designated by us, subject to the conditions set forth in the deposit agreement. If requested by us, the depositary is required to represent all shares underlying ADSs, regardless whether timely instructions have been received from the holders of such ADSs, for the sole purpose of establishing a quorum at a meeting of shareholders. Additionally, in your capacity as an ADS holder, you will not be able to bring a derivative action, examine our accounting books and records, or exercise appraisal rights. Registered holders of our shares withdrawn from the depositary arrangements will be entitled to vote and exercise other direct shareholder rights in accordance with Indian law. However, a holder may not know about a meeting sufficiently in advance to withdraw the underlying shares in time. Furthermore, a holder of ADSs may not receive voting materials, if we do not instruct the depositary to distribute such materials, or may not receive such voting materials in time to instruct the depositary to vote.

Further, pursuant to Indian regulations, we are required to offer our shareholders pre-emptive rights to subscribe for proportionate number of shares to maintain their existing ownership percentages prior to the issue of new shares. These rights may be waived by a resolution passed by at least 75% of our shareholders present and voting at a general meeting. Holders of ADSs may be unable to exercise pre-emptive rights for subscribing to these new shares unless a registration statement under the Securities Act is effective or an exemption from the registration requirements is available to us. Our decision to file a registration statement would be based on the costs, timing, potential liabilities and the perceived benefits associated with any such registration statement and we do not commit that we would file such a registration statement. If any issue of securities is made to our shareholders in the future, such securities may also be issued to the Depositary, which may sell such securities in the Indian securities market for the benefit of the holders of ADSs. There can be no assurance as to the value, if any, the Depositary would receive upon the sale of these rights/securities. To the extent that holders of ADSs are unable to exercise pre-emptive rights, their proportionate interest in us would be reduced.

As a result of Indian Government regulation of foreign ownership the price of the ADSs could decline.

Foreign ownership of Indian securities is regulated and is partially restricted. In addition, there are restrictions on the deposit of shares into our ADS facilities. ADSs issued by companies in certain emerging markets, including India, may trade at a discount to the underlying equity shares, in part because of the restrictions on foreign ownership of the underlying equity shares and in part because ADSs are sometimes perceived to offer less liquidity than underlying shares which can be traded freely in local markets by both local and international investors. See Item 10.D "— Exchange Controls". The ADSs could trade at a discount to the market price of the underlying shares.