

Morgan Stanley India Company
Private Limited

Balaji Jayaraman, CFA

Balaji.Jayaraman@morganstanley.com
+91 22 2209 7811

Anosh Koppikar

Anosh.Koppikar@morganstanley.com
+91 22 2209 7062

March 27, 2008

Stock Rating
Underweight

Industry View
Cautious

Tata Motors Jaguar Land Rover Acquisition: Still Negative at First Glance

Investment conclusion: We believe the acquisition of premium brands – Jaguar Land Rover (JLR) from Ford for US\$2.3 bn – at first glance appears negative as it increases earnings volatility amid a difficult economic environment. Our conclusion is based on the following: a) JLR could see increased volume declines given weakening economic fundamentals in key markets – US and Europe – where it generates 88% of overall volumes (Exhibit 1); b) The volume deceleration could dampen the recent turnaround in JLR's performance. We note that, according to Ford, Jaguar at least broke-even or possibly reduced its losses, while Land Rover maintained profitability in C2007 (Exhibit 2); c) Increased borrowings (US\$3.0 bn) and potential dilution of equity (US\$1.0 bn, or roughly 14.5% if issued at current market price) could reduce standalone earnings by as much as 36% for F09 and subsequently lead to a deterioration in credit metrics (Exhibit 3).

We await further details on the following key points from management as it materially alters the valuation of the acquisition:; 1) Is TAMO continuing to pay royalty fees to Ford for the previous R&D support received by JLR since 2000, which amounts to ~GBP 3.1bn ; 2) Why is Ford funding pension plans despite the fact that JLR's pension plan has been in surplus as of December 2007 (Exhibit 4)? 3) Further, with Ford Motor Credit (captive finance arm of Ford) supporting JLR brands for a max of only 12 months we could see long term pain in volume growth if Tata Motors does not find alternative financiers as the passenger cars are generally 100% financed in US / UK and other developed markets

Where we differ: We believe the Street needs to take down earnings and valuation to reflect the higher interest costs and the costs of the JLR acquisition, which would more than offset the recovery in domestic commercial vehicles market we expect by 2H09.

Key Ratios and Statistics

Reuters: TAMO.BO Bloomberg: TTMT IN

India Four-Wheelers: Commercial Vehicles

Price target	Rs630.00
Shr price, close (Mar 26, 2008)	Rs679.40
Mkt cap, curr (mn)	Rs276,629
52-Week Range	Rs840.00-535.00
Sh out, basic, curr (mn)	385.4
EV, curr (mn)	Rs280,775
Net debt/cap (03/08e) (%)	14.0
ROE (03/08e) (%)	28.9
Shrs out, basic, per-end (03/08e) (mn)	385
S'hldr eqty (03/08e) (mn)	Rs83,993
RNOA (03/08e) (%)	18.7

e = Morgan Stanley Research estimates

Morgan Stanley does and seeks to do business with companies covered in Morgan Stanley Research. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of Morgan Stanley Research. Investors should consider Morgan Stanley Research as only a single factor in making their investment decision. Customers of Morgan Stanley in the US can receive independent, third-party research on companies covered in Morgan Stanley Research, at no cost to them, where such research is available. Customers can access this independent research at www.morganstanley.com/equityresearch or can call 1-800-624-2063 to request a copy of this research.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

+ = Analysts employed by non-US affiliates are not registered pursuant to NASD/NYSE rules

March 27, 2008

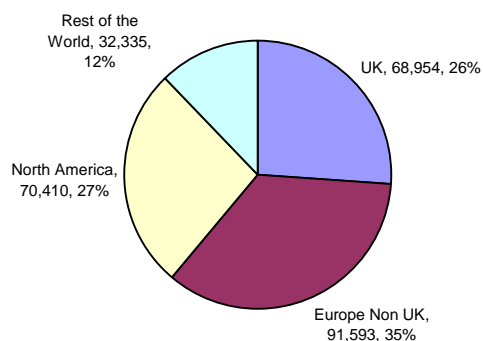
Tata Motors

Exhibit 1

Declining Economic Fundamentals in Key Markets – US and Europe...

USA	CY2006	CY2007	YoY	CYTD07	CYTD06	YoY
Acura	19,056	17,582	-7.7%	26,675	24,252	-9.1%
Audi	11,897	8,504	-28.5%	13,008	12,570	-3.4%
Bentley	653	312	-52.2%	636	598	-6.0%
BMW	30,945	30,199	-2.4%	42,035	35,250	-16.1%
Cadillac	22,715	21,436	-5.6%	27,882	29,212	4.8%
Ferrari	165	150	-9.1%	251	240	-4.4%
Hummer	6,928	5,333	-23.0%	8,157	6,412	-21.4%
Jaguar	1,553	1,522	-2.0%	2,581	1,727	-33.1%
Land Rover	6,014	4,887	-18.7%	6,539	5,678	-13.2%
Lexus	37,235	34,555	-7.2%	44,636	41,576	-6.9%
Lincoln	12,806	10,065	-21.4%	20,357	17,558	-13.7%
Maserati	158	337	113.3%	309	335	8.4%
Maybach	15	22	46.7%	30	22	-26.7%
Mercedes-Benz	28,130	27,279	-3.0%	34,403	36,855	7.1%
Mini	2,472	3,562	44.1%	4,418	5,875	33.0%
Porsche	2,850	2,891	1.4%	4,951	4,310	-12.9%
Rolls Royce	30	29	-3.3%	58	116	100.0%
Saab	3,535	2,748	-22.3%	4,583	3,506	-23.5%
Total	187,157	171,413	-8.4%	241,509	226,092	-6.4%
Europe						
Jaguar	40,598	32,584	-19.7%	2,581	1,727	-33.1%
Landrover	83,144	89,815	8.0%	6,539	5,678	-13.2%
Audi	628,000	645,676	2.8%	13,008	12,570	-3.4%
Mercedes	713,758	715,650	0.3%	34,403	36,855	7.1%
BMW	670,320	689,272	2.8%	42,035	35,250	-16.1%
Porsche	95,342	98,702	3.5%	4,951	4,310	-12.9%
Total	2,231,162	2,271,699	1.8%	103,517	96,390	-6.9%

... Where It Generates 88% of Overall Volumes



Source: Company data, Morgan Stanley Research

Exhibit 2

Volume deceleration could pour cold water on JLR's recent turnaround

Jaguar- Profit and Loss Account

P&L account(£ mn)	2004	2005	2006
Turnover	1900	1567	1459
Cost of Sales	1850	1733	1523
Staff Costs	381	342	374
Raw Materials	1469	1391	1149
Gross (Loss)/Profit	50	(166)	(64)
Administrative & Distribution Costs	197.6	162.9	158.9
Operating Lease	1.3	1.6	1.3
Hire Charges	0	0.5	1.5
Loss on Disposal of Fixed Assets	2.5	0.8	1.5
R&D Costs	226.1	185.4	193.7
R&D costs billed to Ford USA	-226.1	-185.4	-193.7
Royalty Charge from Ford USA	45.2	41.1	70.3
Auditors Fees	0.3	0.3	0.3
Other Expenses	148.3	118.6	84
EBITDA	(148)	(329)	(223)
Adjusted EBITDA*	(329)	(473)	(346)
Depreciation	64	14	15
Interest Payable	34.8	59.8	14.6
Other income	141.9	17.8	36.2
Dividends Received	0	0	0
PBT	(104.1)	(385.2)	(216.6)
Adjusted (Loss)/Profit*	(285)	(530)	(340)
Exceptional items	312	186.7	41.3
PBT after exceptional items	(416.1)	(571.9)	(257.9)
Tax	-2.8	-84	-72.6
PAT / (loss)	(413.3)	(487.9)	(185.3)
Adjusted (Loss)/Profit*	(282)	(446)	(267)

Source: Company Data, Morgan Stanley Research

March 27, 2008

Tata Motors

Land Rover Ltd- Profit and Loss Account

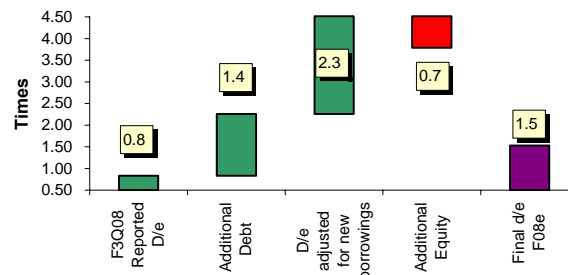
P&L account(£ mn)	2004	2005	2006
Turnover	3327.2	4580.5	4789.5
Cost of Sales	2929.6	3828.6	4089.4
Staff Costs	435.7	436.5	427.5
Raw Materials	2493.9	3392.1	3661.9
Gross Profit	398	752	700
Administrative & Distribution Costs	297.1	307.5	339.2
Income from Fellow Subsidiary	0	0	-0.6
R&D Costs	231.8	253.9	203.7
R&D costs billed to Ford USA	-231.8	-253.9	-203.7
Royalty Charge from Ford USA	0	169.8	125.8
Loss on Disposal of Fixed Assets	7.5	5.5	5.2
Operating Lease Rentals	5.9	5.3	7.4
Auditors remuneration	0.3	0.4	0.4
Other Expenses	283.4	126.5	201
EBITDA	101	444	361
Adjusted EBITDA*	(131)	360	283
Depreciation	176	185	173
Amortisation	26	26	26
Interest Payable	77.8	111.8	81.9
Other income	0	0	0
Dividends Received	0	0	0
PBT	(178.8)	121.4	79.8
Exceptional items	17.3	0	66
Adjusted Profit/Loss*	(410.6)	37.3	1.9
PBT after exceptional items	(196.1)	121.4	13.8
Tax	-62.3	-105.4	-49.4
PAT / (loss)	(133.8)	226.8	63.2
Adjusted (Loss)/Profit*	(348.3)	142.7	51.3

Source: Company data, Morgan Stanley Research

*Adjusted profits reflect the full cost of R&D incurred by JLR without offsetting the subsidy provided by FORD. Therefore we exclude the royalties paid assuming the IPR/R&D is fully owned by JLR.

Exhibit 3

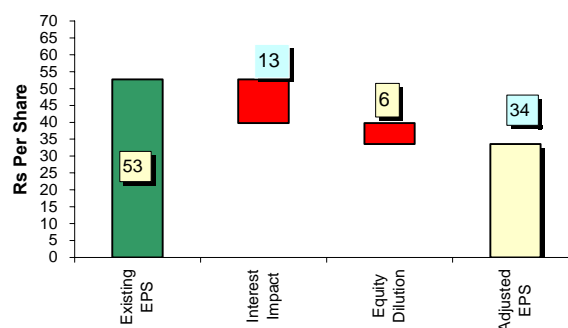
Increased Borrowing would increase the d/e



...which could lead to potential dilution in equity of 14.5%?

Total Amount (Rs mm)	40,000
Current Market price	679
Shares Issued at Minimum Price	59
No of Shares pre issue	407
No of Shares post issue	466
Dilution (%)	14.5

... Resulting in a 36% Earnings Decline...



... and Deterioration in credit metrics

	Pre deal Announcement	Post deal Announcement
Interest Coverage	7.5	1.7
Debt to EBITDA	2.0	5.7
Debt /Equity	0.8	1.5
Net Debt to EBITDA	1.7	5.4
Net Debt /Equity	0.6	1.4

Source: Company data, Morgan Stanley Research

Exhibit 4

Assets and Liabilities of JLR as disclosed in Ford Motor Co's 10K.

USD mm	December 31st 2007	December 31st 2006
Assets		
Receivables	758	590
Inventories	1530	1404
Net Property	2246	2119
Goodwill and other Intangibles	2010	3210
Pension Assets	696	3
Other Assets	297	122
Total Assets of held for sale operations	7537	7448
Liabilities		
Payables	2395	2202
Pension Liabilities	19	380
Warranty liabilities	645	759
Other Liabilities	2022	2050
Total Liabilities held for sale	5081	5391

Source: Company data, Morgan Stanley Research

Morgan Stanley is acting as financial advisor to Ford Motor Company ("Ford") in relation to the sale of its Jaguar and Land Rover operations to Tata Motors Ltd, as announced on March 26, 2008

The proposed transaction is subject to required regulatory approvals and other customary closing conditions. Ford has agreed to pay fees to Morgan Stanley for its services that are subject to the consummation of the proposed transaction.

Please refer to the notes at the end of this report.

Company Description

TAMO is India's largest commercial vehicle manufacturer and second-largest manufacturer of cars and utility vehicles. It has a dominant market share in most product categories, and strong engineering and product development capabilities.

India Four-Wheelers: Commercial Vehicles

Industry View: Cautious

We were anticipating a soft landing of MHCV domestic truck demand cycle given the strong economic indicators and structural changes in the Industry. However, with the current higher interest rate environment, relatively declining profitability of transport operators, increasing competition from Indian Railways and lower replacement demand we anticipate now a hard landing of the overall demand cycle. We will become positive if the interest rate environment improves, better capacity utilization in the transportation sector and / or reduced intensity of competition from Indian Railways.

MSCI Country: India

Asia Strategist's Recommended Weight: 4.0%
MSCI Asia/Pac All Country Ex Jp Weight: 7.8%



Morgan Stanley ModelWare is a proprietary analytic framework that helps clients uncover value, adjusting for distortions and ambiguities created by local accounting regulations. For example, ModelWare EPS adjusts for one-time events, capitalizes operating leases (where their use is significant), and converts inventory from LIFO costing to a FIFO basis. ModelWare also emphasizes the separation of operating performance of a company from its financing for a more complete view of how a company generates earnings.

Disclosure Section

The information and opinions in Morgan Stanley Research were prepared or are disseminated by Morgan Stanley Asia Limited (which accepts the responsibility for its contents) and/or Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z, regulated by the Monetary Authority of Singapore, which accepts the responsibility for its contents), and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H, regulated by the Monetary Authority of Singapore, which accepts the responsibility for its contents), and/or Morgan Stanley Taiwan Limited and/or Morgan Stanley & Co International plc, Seoul Branch, and/or Morgan Stanley Australia Limited (A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents), and/or Morgan Stanley India Company Private Limited and their affiliates (collectively, "Morgan Stanley").

For important disclosures, stock price charts and rating histories regarding companies that are the subject of this report, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures, or contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Equity Research Management), New York, NY, 10036 USA.

Analyst Certification

The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Balaji Jayaraman.

Unless otherwise stated, the individuals listed on the cover page of this report are research analysts.

Global Research Conflict Management Policy

Morgan Stanley Research has been published in accordance with our conflict management policy, which is available at www.morganstanley.com/institutional/research/conflict/policies.

Important US Regulatory Disclosures on Subject Companies

As of February 29, 2008, Morgan Stanley beneficially owned 1% or more of a class of common equity securities of the following companies covered in Morgan Stanley Research: Mahindra & Mahindra, Tata Motors.

As of February 29, 2008, Morgan Stanley held a net long or short position of US\$1 million or more of the debt securities of the following issuers covered in Morgan Stanley Research (including where guarantor of the securities): Mahindra & Mahindra, Tata Motors.

In the next 3 months, Morgan Stanley expects to receive or intends to seek compensation for investment banking services from Mahindra & Mahindra. Within the last 12 months, Morgan Stanley has provided or is providing investment banking services to, or has an investment banking client relationship with, the following company: Mahindra & Mahindra.

The research analysts, strategists, or research associates principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues.

Certain disclosures listed above are also for compliance with applicable regulations in non-US jurisdictions.

STOCK RATINGS

Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight or Underweight (see definitions below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight and Underweight are not the equivalent of Buy, Hold and Sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's views, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the rating alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Global Stock Ratings Distribution

(as of February 29, 2008)

For disclosure purposes only (in accordance with NASD and NYSE requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight to hold and Underweight to sell recommendations, respectively.

Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	% of Total IBC	% of Rating Category
Overweight/Buy	1039	44%	322	45%	31%
Equal-weight/Hold	974	41%	300	42%	31%
Underweight/Sell	356	15%	100	14%	28%
Total	2,369		722		

Data include common stock and ADRs currently assigned ratings. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley or an affiliate received investment banking compensation in the last 12 months.

Analyst Stock Ratings

Overweight (O or Over) - The stock's total return is expected to exceed the total return of the relevant country MSCI Index, on a risk-adjusted basis over the next 12-18 months.

March 27, 2008

Tata Motors

Equal-weight (E or Equal) - The stock's total return is expected to be in line with the total return of the relevant country MSCI Index, on a risk-adjusted basis over the next 12-18 months.

Underweight (U or Under) - The stock's total return is expected to be below the total return of the relevant country MSCI Index, on a risk-adjusted basis, over the next 12-18 months.

More volatile (V) - We estimate that this stock has more than a 25% chance of a price move (up or down) of more than 25% in a month, based on a quantitative assessment of historical data, or in the analyst's view, it is likely to become materially more volatile over the next 1-12 months compared with the past three years. Stocks with less than one year of trading history are automatically rated as more volatile (unless otherwise noted). We note that securities that we do not currently consider "more volatile" can still perform in that manner.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

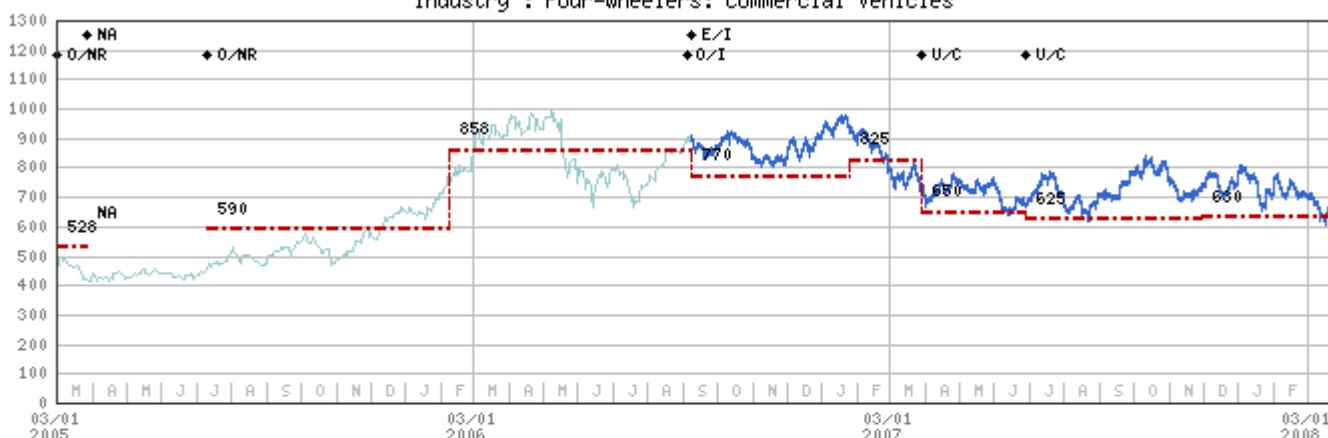
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index.

Stock Price, Price Target and Rating History (See Rating Definitions)

Tata Motors (TAM0.B0) - As of 3/26/08 in INR
Industry : Four-Wheelers: Commercial Vehicles



Stock Rating History: 3/1/05 : O/NR; 3/28/05 : NA; 7/11/05 : O/NR; 9/4/06 : O/I; 9/8/06 : E/I; 3/29/07 : U/C; 6/28/07 : U/C

Price Target History: 11/1/04 : 528; 3/28/05 : NA; 7/11/05 : 590; 2/8/06 : 858; 9/8/06 : 770; 1/25/07 : 825; 3/29/07 : 650; 6/29/07 : 625; 11/30/07 : 630

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target --- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) --- Stock Price (Covered by Current Analyst) ---
Stock Ratings abbreviated as below (Effective 3/18/02, ratings appear as Stock Ratings/Industry View) +
Stock Ratings as of 3/18/02: Overweight (O) Equal-weight (E) Underweight (U) More Volatile (V) No Rating Available (NAU)
Stock Ratings prior to 3/18/02: Strong Buy (SB) Outperform (OP) Neutral (N) Underperform (UP) No Rating Available (NAU)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Other Important Disclosures

Morgan Stanley produces a research product called a "Tactical Idea." Views contained in a "Tactical Idea" on a particular stock may be contrary to the recommendations or views expressed in this or other research on the same stock. This may be the result of differing time horizons, methodologies, market events, or other factors. For all research available on a particular stock, please contact your sales representative or go to Client Link at www.morganstanley.com.

For a discussion, if applicable, of the valuation methods used to determine the price targets included in this summary and the risks related to achieving these targets, please refer to the latest relevant published research on these stocks.

Morgan Stanley Research does not provide individually tailored investment advice. Morgan Stanley Research has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The securities/instruments discussed in Morgan Stanley Research may not be suitable for all investors. Morgan Stanley recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a financial adviser. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. The securities, instruments, or strategies discussed in Morgan Stanley Research may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them.

Morgan Stanley Research is not an offer to buy or sell or the solicitation of an offer to buy or sell any security/instrument or to participate in any particular trading strategy. The "Important US Regulatory Disclosures on Subject Companies" section in Morgan Stanley Research lists all companies mentioned where Morgan Stanley owns 1% or more of a class of common securities of the companies. For all other companies mentioned in Morgan Stanley Research, Morgan Stanley may have an investment of less than 1% in securities or derivatives of securities of companies and may trade them in ways different from those discussed in Morgan Stanley Research. Employees of Morgan Stanley not involved in the preparation of Morgan Stanley Research may have investments in securities or derivatives of securities of companies mentioned and may trade them in ways different from those discussed in Morgan Stanley Research. Derivatives may be issued by Morgan Stanley or associated persons

Morgan Stanley and its affiliate companies do business that relates to companies/instruments covered in Morgan Stanley Research, including market making and specialized trading, risk arbitrage and other proprietary trading, fund management, commercial banking, extension of credit, investment services and investment banking. Morgan Stanley sells to and buys from customers the securities/instruments of companies covered in Morgan Stanley Research on a principal basis.

With the exception of information regarding Morgan Stanley, research prepared by Morgan Stanley Research personnel are based on public information. Morgan Stanley makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. We have no obligation to tell you when opinions or information in Morgan Stanley Research change apart from when we intend to discontinue research coverage of a subject company. Facts and views presented in Morgan Stanley Research have not been reviewed by, and may not reflect information known to, professionals in other Morgan Stanley business areas, including investment banking personnel.

Morgan Stanley Research personnel conduct site visits from time to time but are prohibited from accepting payment or reimbursement by the company of travel expenses for such visits.

The value of and income from your investments may vary because of changes in interest rates or foreign exchange rates, securities prices or market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in your securities transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. Unless otherwise stated, the cover page provides the closing price on the primary exchange for the subject company's securities/instruments.

To our readers in Taiwan: Information on securities/instruments that trade in Taiwan is distributed by Morgan Stanley Taiwan Limited ("MSTL"). Such information is for your reference only. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. Morgan Stanley Research may not be distributed to the public media or quoted or used by the public media without the express written consent of Morgan Stanley. Information on securities/instruments that do not trade in Taiwan is for informational purposes only and is not to be construed as a recommendation or a solicitation to trade in such securities/instruments. MSTL may not execute transactions for clients in these securities/instruments.

To our readers in Hong Kong: Information is distributed in Hong Kong by and on behalf of, and is attributable to, Morgan Stanley Asia Limited as part of its regulated activities in Hong Kong. If you have any queries concerning Morgan Stanley Research, please contact our Hong Kong sales representatives.

Certain information in Morgan Stanley Research was sourced by employees of the Shanghai Representative Office of Morgan Stanley Asia Limited for the use of Morgan Stanley Asia Limited.

Morgan Stanley Research is disseminated in Japan by Morgan Stanley Japan Securities Co., Ltd.; in Hong Kong by Morgan Stanley Asia Limited (which accepts responsibility for its contents); in Singapore by Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z) and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H), regulated by the Monetary Authority of Singapore, which accepts responsibility for its contents; in Australia by Morgan Stanley Australia Limited A.B.N. 67 003 734 576, holder of Australian financial services licence No. 233742, which accepts responsibility for its contents; in Korea by Morgan Stanley & Co International plc, Seoul Branch; in India by Morgan Stanley India Company Private Limited; in Canada by Morgan Stanley Canada Limited, which has approved of, and has agreed to take responsibility for, the contents of Morgan Stanley Research in Canada; in Germany by Morgan Stanley Bank AG, Frankfurt am Main, regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin); in Spain by Morgan Stanley, S.V., S.A., a Morgan Stanley group company, which is supervised by the Spanish Securities Markets Commission (CNMV) and states that Morgan Stanley Research has been written and distributed in accordance with the rules of conduct applicable to financial research as established under Spanish regulations; in the United States by Morgan Stanley & Co. Incorporated, which accepts responsibility for its contents. Morgan Stanley & Co. International plc, authorized and regulated by Financial Services Authority, disseminates in the UK research that it has prepared, and approves solely for the purposes of section 21 of the Financial Services and Markets Act 2000, research which has been prepared by any of its affiliates. Private U.K. investors should obtain the advice of their Morgan Stanley & Co. International plc representative about the investments concerned. In Australia, Morgan Stanley Research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. RMB Morgan Stanley (Proprietary) Limited is a member of the JSE Limited and regulated by the Financial Services Board in South Africa. RMB Morgan Stanley (Proprietary) Limited is a joint venture owned equally by Morgan Stanley International Holdings Inc. and FirstRand Investment Holdings Limited, which is wholly owned by FirstRand Limited.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (DIFC Branch), regulated by the Dubai Financial Services Authority (the DFSA), and is directed at wholesale customers only, as defined by the DFSA. This research will only be made available to a wholesale customer who we are satisfied meets the regulatory criteria to be a client.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (QFC Branch), regulated by the Qatar Financial Centre Regulatory Authority (the QFCRA), and is directed at business customers and market counterparties only and is not intended for Retail Customers as defined by the QFCRA.

The trademarks and service marks contained in Morgan Stanley Research are the property of their respective owners. Third-party data providers make no warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data. The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property of MSCI and S&P.

Morgan Stanley has based its projections, opinions, forecasts and trading strategies regarding the MSCI Country Index Series solely on publicly available information. MSCI has not reviewed, approved or endorsed the projections, opinions, forecasts and trading strategies contained herein. Morgan Stanley has no influence on or control over MSCI's index compilation decisions.

Morgan Stanley Research, or any portion hereof may not be reprinted, sold or redistributed without the written consent of Morgan Stanley.

Morgan Stanley Research is disseminated and available primarily electronically, and, in some cases, in printed form.

Additional information on recommended securities/instruments is available on request.

The Americas

1585 Broadway
New York, NY 10036-8293
United States
Tel: +1 (1) 212 761 4000

Europe

25 Cabot Square, Canary Wharf
London E14 4QA
United Kingdom
Tel: +44 (0) 20 7 425 8000

Japan

4-20-3 Ebisu, Shibuya-ku
Tokyo 150-6008
Japan
Tel: +81 (0) 3 5424 5000

Asia/Pacific

Three Exchange Square
Central
Hong Kong
Tel: +852 2848 5200

Industry Coverage: India Four-Wheelers: Commercial Vehicles

Company (Ticker)	Rating (as of)	Price (03/26/2008)
Balaji Jayaraman, CFA		
Ashok Leyland Ltd. (ASOK.BO)	E (03/29/2007)	Rs32.95
Mahindra & Mahindra (MAHM.BO)	E (02/04/2008)	Rs680.05
Tata Motors (TAMO.BO)	U (03/29/2007)	Rs679.4

Stock Ratings are subject to change. Please see latest research for each company.