

August 08, 2025

Tata Motors Limited: Update on material event

Summary of ratings outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture programme	1,100.0	1,100.0	[ICRA]AA+ (Stable); outstanding
Commercial paper programme	6,000.0	6,000.0	[ICRA]A1+; outstanding
Short-term debt programme	1,000.0	1,000.0	[ICRA]A1+; outstanding
Long-term – fund-based facilities	4,000.0	4,000.0	[ICRA]AA+ (Stable); outstanding
Term loans	1,000.0	1,000.0	[ICRA]AA+ (Stable); outstanding
Non-fund based facilities	4,500.0	4,500.0	[ICRA]AA+ (Stable)/ [ICRA]A1+; outstanding
Total	17,600.0	17,600.0	

*Instrument details are provided in Annexure-I

Rationale

Material event

On July 30, 2025, Tata Motors Limited (TML) informed the stock exchanges of its 100% acquisition of Iveco Group N.V., the Italian manufacturer of commercial vehicles, by its commercial vehicle (CV) business through a voluntary tender offer. The proposed transaction, which excludes Iveco's defence business, which is slated for separation, values the deal at approximately €3.8 billion, with TML offering €14.10 per share in cash.

The offer has been endorsed by Iveco's Board of Directors. Further, Exor N.V., Iveco's largest shareholder, has irrevocably committed to support the transaction and tender its shares, representing 27.06% of Iveco's common equity and 43.11% of its total voting rights.

The acquisition is subject to regulatory approvals, including merger control, foreign direct investment review, compliance with the EU Foreign Subsidies Regulation, and financial regulatory clearances. Completion is expected in the first half of CY2026.

The announcement comes as TML undergoes a corporate demerger, set to conclude by around October 2025, which will separate its CV and passenger vehicle (PV) (including electric vehicles (EV) and Jaguar Land Rover) businesses. Post-demerger, the existing entity will be renamed and will retain the internal combustion engine PV business, while housing the EV-PV, Jaguar Land Rover, and other associated PV businesses through subsidiaries.

The Iveco acquisition is to be undertaken by the demerged CV entity, which will operate independent of the PV business and have no direct material financial or operational linkages with the currently-rated company.

Impact of the material event

As the acquisition is to be undertaken by the new CV company, which is to be established as part of TML's ongoing demerger, this development is credit neutral for the demerged TML (the rated company), which will exclusively house the PV businesses of the Tata Motors Group.

For the CV business, the proposed acquisition represents a significant strategic expansion. The combined business is expected to generate revenues exceeding Rs. 2 trillion, nearly three times the scale of TML's existing CV operations. The business will benefit from enhanced geographic diversification, with revenue contributions projected from Europe (50%), India (35%) and Americas (15%) and some presence across the Rest of the World as well. The acquisition will strengthen the CV portfolio by securing access to emerging technologies (including in alternative powertrains) and better positioning to invest in sustainable mobility solutions. The product portfolios of both companies are complementary across the pricing spectrum, enabling broader market coverage. Post acquisition, the consolidated CV company is expected to become the fourth-largest global truck manufacturer (in the above 6 tonne segment) by sales volume. Additionally, TML will gain access to Iveco's established powertrain and financial services businesses.

The transaction will be initially funded through bridge loans, which will be refinanced later through a mix of debt and equity. Approximately 70% of the €3.8 billion acquisition value is expected to be financed via debt.

According to ICRA, financial leverage for the combined CV business (pro forma for the acquisition and excluding Iveco's financial services arm), as measured by Total Debt/ OPBITDA, is projected to temporarily rise to more than 2.5 times as of April 1, 2026, from around 1.9 times as of March 31, 2025. However, this is expected to improve to 1.7-1.9 times over the subsequent 12-18 months. Ceteris paribus, the CV business should be able to bear such increase in financial leverage without materially affecting its credit profile. The final funding structure and the strategic integration of Iveco will be the key to realising synergies and support the credit profile of the expanded CV business.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their descriptions, liquidity position, rating sensitivities and key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Commercial Vehicle Passenger Cars
Parent/Group support	Parent Company: Tata Sons Private Limited ICRA expects TML's parent, Tata Sons (rated [ICRA]AAA (Stable) / [ICRA]A1+), to be willing to extend financial support to TML, should there be a need. Both TML and Tata Sons share a common name, which in ICRA's opinion would persuade Tata Sons to provide financial support to TML to protect its reputation from a distress situation for a Group entity.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of TML.

About the company

Incorporated in 1945, Tata Motors Limited (TML) is one of the India's largest automobile companies. It is the market leader in the domestic CV industry and one of the top three manufacturers of PVs in India. In the domestic CV industry, TML has one of the most diversified product portfolios across light, medium, and heavy-duty segments. The company's product portfolio in the PV segment also spans passenger cars and sport utility vehicles (SUVs).

In June 2008, TML acquired JLR from Ford Motor Company for \$2.3 billion. Following the acquisition, TML's business profile underwent a significant change from being a predominantly India-centric OEM to one offering premium and luxury segment cars and SUVs across the UK, EU, North America, China, and other overseas markets. Apart from JLR, which is wholly-owned by TML, generating around 72% of its consolidated turnover in FY2025, the company has historically expanded its operations in India as well as overseas through strategic alliances, mergers, and acquisitions.

TML has manufacturing plants in six locations in India – Pune (Maharashtra), Lucknow (Uttar Pradesh), Jamshedpur (Jharkhand), Pantnagar (Uttaranchal), Dharwad (Karnataka) and Sanand (Gujarat). Tata Passenger Electric Mobility Limited (a subsidiary of TML) acquired Ford's manufacturing facility in Sanand in FY2023. In addition, the company's key subsidiary, JLR, operates four principal manufacturing facilities in the UK, as well as facilities in Brazil and Slovakia. In FY2015, JLR opened a

manufacturing facility in China, through a Chinese JV. Moreover, as a Tata Group entity, TML operates assembly operations at multiple locations around the globe through its subsidiaries and JVs.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs Crore)	August 08, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based facilities	Long Term	4,000.00	[ICRA]AA+ (Stable)	03-July-2025	[ICRA]AA+ (Stable)	13-JUN-2024	[ICRA]AA (Stable)	05-JUL-2023	[ICRA]AA (Stable)	15-FEB-2023	[ICRA]AA- (Positive)
						04-JUL-2024	[ICRA]AA+ (Stable)	13-MAR-2024	[ICRA]AA (Stable)	-	-
Non-fund-based facilities	Long term/ Short term	4,500.00	[ICRA]AA+ (Stable)/ [ICRA]A1+	03-July-2025	[ICRA]AA+ (Stable)/ [ICRA]A1+	13-JUN-2024	[ICRA]AA (Stable)/ [ICRA]A1+	05-JUL-2023	[ICRA]AA (Stable)/ [ICRA]A1+	15-FEB-2023	[ICRA]AA- (Positive)/ [ICRA]A1+
						04-JUL-2024	[ICRA]AA+ (Stable)/ [ICRA]A1+	13-MAR-2024	[ICRA]AA (Stable)/ [ICRA]A1+	-	-
Proposed term loan	Long Term	1,000.00	[ICRA]AA+ (Stable)	03-July-2025	[ICRA]AA+ (Stable)	13-JUN-2024	[ICRA]AA (Stable)	05-JUL-2023	[ICRA]AA (Stable)	15-FEB-2023	[ICRA]AA- (Positive)
						04-JUL-2024	[ICRA]AA+ (Stable)	13-MAR-2024	[ICRA]AA (Stable)	-	-
Commercial paper programme	Short Term	6,000.00	[ICRA]A1+	03-July-2025	[ICRA]A1+	13-JUN-2024	[ICRA]A1+	05-JUL-2023	[ICRA]A1+	15-FEB-2023	[ICRA]A1+
						04-JUL-2024	[ICRA]A1+	13-MAR-2024	[ICRA]A1+	-	-
Short-term debt programme	Short Term	1,000.00	[ICRA]A1+	03-July-2025	[ICRA]A1+	13-JUN-2024	[ICRA]A1+	05-JUL-2023	[ICRA]A1+	15-FEB-2023	[ICRA]A1+
						04-JUL-2024	[ICRA]A1+	13-MAR-2024	[ICRA]A1+	-	-
Non-convertible debenture programme	Long Term	1,100.00	[ICRA]AA+ (Stable)	03-July-2025	[ICRA]AA+ (Stable)	13-JUN-2024	[ICRA]AA (Stable)	05-JUL-2023	[ICRA]AA (Stable)	15-FEB-2023	[ICRA]AA- (Positive)

Current (FY2026)				Chronology of rating history for the past 3 years							
		FY2026		FY2025		FY2024		FY2023			
Instrument	Type	Amount Rated (Rs Crore)	August 08, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
						04- JUL- 2024	[ICRA]AA+ (Stable)	13- MAR- 2024	[ICRA]AA (Stable)	-	-
Non-convertible debenture programme	Long Term	-	[ICRA]AA+ (Stable); withdrawn	03- July- 2025	[ICRA]AA+ (Stable); withdrawn	13- JUN- 2024	[ICRA]AA (Stable)	05- JUL- 2023	[ICRA]AA (Stable)	15- FEB- 2023	[ICRA]AA- (Positive)
						04- JUL- 2024	[ICRA]AA+ (Stable)	13- MAR- 2024	[ICRA]AA (Stable)	-	-
Non-convertible debenture programme	Long Term	-		-	-	13- JUN- 2024	[ICRA]AA (Stable)	05- JUL- 2023	[ICRA]AA (Stable)	15- FEB- 2023	[ICRA]AA- (Positive)
						04- JUL- 2024	[ICRA]AA+ (Stable); withdrawn	13- MAR- 2024	[ICRA]AA (Stable)		

Complexity level of the rated instrument

Instrument	Complexity Indicator
Commercial paper programme	Very Simple
Short-term debt programme	Very Simple
Non-convertible debenture programme	Very Simple
Fund-based facilities	Simple
Term loan	Simple
Non-fund based facilities	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
Yet to be placed	CP	-	-	-	6,000.0	[ICRA]A1+
Yet to be placed	Short-term Debt Programme	-	-	-	1,000.0	[ICRA]A1+
Yet to be placed	NCD	-	-	-	1,100.0	[ICRA]AA+ (Stable)
NA	Proposed Term Loan	-	-	-	1,000.0	[ICRA]AA+ (Stable)
NA	Fund-based Facilities	-	-	-	4,000.0	[ICRA]AA+ (Stable)
NA	Non-fund Based Facilities	-	-	-	4,500.0	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: Company

Annexure-II: List of entities considered for consolidated analysis

Company Name	TML Ownership	Consolidation Approach
DIRECT SUBSIDIARIES		
Tata Motors Insurance Broking and Advisory Services Limited	100.00%	Full Consolidation
Tata Technologies Limited	55.39%	Full Consolidation
TMF Holdings Limited	100.00%	Full Consolidation
Tata Motors Body Solutions Limited	100.00%	Full Consolidation
TML Holdings Pte. Limited	100.00%	Full Consolidation
Tata Hispano Motors Carrocera S.A.	100.00%	Full Consolidation
Tata Hispano Motors Carrocerries Maghreb SA	100.00%	Full Consolidation
Tata Precision Industries Pte. Limited	78.39%	Full Consolidation
Brabo Robotics and Automation Limited	100.00%	Full Consolidation
Jaguar Land Rover Technology and Business Services India Private Limited	100.00%	Full Consolidation
TML CV Mobility Solutions Limited	100.00%	Full Consolidation
Tata Passenger Electric Mobility Limited	100.00%	Full Consolidation
Tata Motors Passenger Vehicles Limited	100.00%	Full Consolidation
TML Smart City Mobility Solutions Limited	100.00%	Full Consolidation
TML Commercial Vehicles Limited	100.00%	Full Consolidation
TML Securities Trust	100.00%	Full Consolidation
INDIRECT SUBSIDIARIES		
Tata Motors Global Services Limited	100.00%	Full Consolidation
Tata Motors Design Tech Centre plc	100.00%	Full Consolidation
Trilix S.r.l.	100.00%	Full Consolidation
Tata Daewoo Commercial Vehicle Company Limited	100.00%	Full Consolidation
Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	100.00%	Full Consolidation
Tata Motors (Thailand) Limited	97.21%	Full Consolidation

Company Name	TML Ownership	Consolidation Approach
PT Tata Motors Indonesia	100.00%	Full Consolidation
Tata Technologies (Thailand) Limited	55.39%	Full Consolidation
Tata Technologies Pte Limited	55.39%	Full Consolidation
INCAT International Plc.	55.39%	Full Consolidation
Tata Technologies Europe Limited	55.39%	Full Consolidation
Tata Technologies Europe Limited	55.39%	Full Consolidation
Tata Technologies GmbH	55.39%	Full Consolidation
Tata Technologies Inc.	55.44%	Full Consolidation
Tata Technologies de Mexico, S.A. de C.V.	55.44%	Full consolidation
Cambric Limited	55.44%	Full Consolidation
Tata Technologies SRL Romania	55.44%	Full Consolidation
Tata Manufacturing Technologies (Shanghai) Limited	55.39%	Full Consolidation
Jaguar Land Rover Automotive Plc	100.00%	Full Consolidation
Jaguar Land Rover Limited	100.00%	Full Consolidation
Jaguar Land Rover Austria GmbH	100.00%	Full Consolidation
Jaguar Land Rover Belux NV	100.00%	Full Consolidation
Jaguar Land Rover Japan Limited	100.00%	Full Consolidation
Jaguar Cars South Africa (Pty) Limited	100.00%	Full Consolidation
JLR Nominee Company Limited	100.00%	Full Consolidation
The Daimler Motor Company Limited	100.00%	Full Consolidation
Daimler Transport Vehicles Limited	100.00%	Full Consolidation
S.S. Cars Limited	100.00%	Full Consolidation
The Lanchester Motor Company Limited	100.00%	Full Consolidation
Jaguar Land Rover Deutschland GmbH	100.00%	Full Consolidation
Jaguar Land Rover Classic Deutschland GmbH	100.00%	Full Consolidation
Jaguar Land Rover Holdings Limited	100.00%	Full Consolidation
Jaguar Land Rover North America LLC	100.00%	Full Consolidation
Land Rover Ireland Limited	100.00%	Full Consolidation
Jaguar Land Rover Nederland BV	100.00%	Full Consolidation
Jaguar Land Rover Portugal - Veiculos e Pecas, Lda.	100.00%	Full Consolidation
Jaguar Land Rover Australia Pty Limited	100.00%	Full Consolidation
Jaguar Land Rover Italia Spa	100.00%	Full Consolidation
Jaguar Land Rover Espana SL	100.00%	Full Consolidation
Jaguar Land Rover Korea Company Limited	100.00%	Full Consolidation
Jaguar Land Rover (China) Investment Co. Limited	100.00%	Full Consolidation
Jaguar Land Rover Canada ULC	100.00%	Full Consolidation
Jaguar Land Rover France, SAS	100.00%	Full Consolidation
Jaguar Land Rover (South Africa) (pty) Limited	100.00%	Full Consolidation
Jaguar e Land Rover Brasil industria e Comercio de Veiculos LTDA	100.00%	Full Consolidation
Jaguar Land Rover (South Africa) Holdings Limited	100.00%	Full Consolidation

Company Name	TML Ownership	Consolidation Approach
Jaguar Land Rover India Limited	100.00%	Full Consolidation
Jaguar Cars Limited	100.00%	Full Consolidation
Land Rover Exports Limited	100.00%	Full Consolidation
Jaguar Land Rover Pension Trustees Limited	100.00%	Full Consolidation
Jaguar Racing Limited	100.00%	Full Consolidation
InMotion Ventures Limited	100.00%	Full Consolidation
In-Car Ventures Limited	100.00%	Full Consolidation
InMotion Ventures 2 Limited	100.00%	Full Consolidation
InMotion Ventures 3 Limited	100.00%	Full Consolidation
Shanghai Jaguar Land Rover Automotive Services Company Limited	100.00%	Full Consolidation
Jaguar Land Rover Slovakia s.r.o	100.00%	Full Consolidation
Jaguar Land Rover Singapore Pte. Ltd	100.00%	Full Consolidation
PT Tata Motors Distribusi Indonesia	100.00%	Full Consolidation
TMF Business Services Limited	100.00%	Full Consolidation
Jaguar Land Rover Ireland (Services) Limited	100.00%	Full Consolidation
Jaguar Land Rover Taiwan Company Limited	100.00%	Full Consolidation
Jaguar Land Rover Servicios Mexico,S.A. de C.V.	100.00%	Full Consolidation
Jaguar Land Rover Mexico,S.A.P.I. de C.V.	100.00%	Full Consolidation
Jaguar Land Rover Hungary KFT	100.00%	Full Consolidation
Jaguar Land Rover Classic USA LLC	100.00%	Full Consolidation
Bowler Motors Limited	100.00%	Full Consolidation
Jaguar Land Rover (Ningbo) Trading Co. Limited	100.00%	Full Consolidation
TML Smart City Mobility Solutions (J&K) Private Limited	100.00%	Full Consolidation
Tata Technologies Limited Employees Stock Option Trust	53.39%	Full Consolidation
INCAT international Limited ESOP 2000	53.39%	Full Consolidation
JLR Insurance Company Limited	100.00%	Full Consolidation
Tata Motors Digital.AI Labs Limited	100.00%	Full Consolidation
JOINT OPERATIONS		
Fiat India Automobiles Private Limited	50.00%	Proportionate Consolidation
Tata Cummins Private Limited*	50.00%	
JOINT VENTURES		
Chery Jaguar Land Rover Automotive Company Limited	50.00%	Equity Method
Jaguar Land Rover Schweiz Limited	30.00%	
Inchcape JLR Europe Limited	30.00%	
Billia JLR Import AB	30.00%	
ASSOCIATES		
Automobile Corporation of Goa Limited	48.98%	Equity method

Company Name	TML Ownership	Consolidation Approach
Nita Company Limited	40.00%	
Tata Hitachi Construction Machinery Company Private Limited	39.74%	
Tata Precision Industries (India) Limited	39.19%	
Tata AutoComp Systems Limited	26.00%	
Jaguar Cars Finance Limited	49.90%	
Synaptiv Limited	33.33%	
Freight Commerce Solutions Private Limited	26.79%	
BMW TechWorks India Private Limited	50.00%	

Source: TML annual report FY2025

*Includes 100% Indian subsidiary namely TCPL Green Energy Solutions Private Limited

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