

May 15, 2025

Tata Motors Finance Limited (erstwhile Tata Motors Finance Solutions Limited): Ratings withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture	5,209.00	0.00	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
Subordinated debt	1,515.10	0.00	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
Perpetual debt	1,190.00	0.00	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
Long-term/Short-term fund-based/Non-fund based bank lines	37,500.00	0.00	[ICRA]AA+; Rating Watch with Positive Implications/[ICRA]A1+; ratings withdrawn
Commercial paper programme	10,500.00	0.00	[ICRA]A1+; withdrawn
Total	55,914.10	0.00	

*Instrument details are provided in Annexure I; Rated limits to be transferred to Tata Capital Limited (TCL); Rs. 193.5-crore perpetual debt and Rs. 85-crore subordinated debt withdrawn as amount fully redeemed on maturity

Rationale

ICRA has withdrawn the ratings assigned to Tata Motors Finance Limited (TMFL; erstwhile Tata Motors Finance Solutions Limited) in accordance with ICRA's policy on the withdrawal of credit ratings on account of the merger with Tata Capital Limited (TCL) which became effective from May 8, 2025.

The key rating drivers, liquidity position, rating sensitivities, and key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	-
Consolidation/Standalone	-

About the company

Tata Motors Finance Limited (erstwhile Tata Motors Finance Solutions Limited) was a non-banking financial company (NBFC) and a 100% subsidiary of TMF Holdings Limited (TMFHL) before its merger with Tata Capital Limited, effective May 8, 2025, after which it ceased to exist as a separate entity. It was a captive financier of commercial vehicles (CVs) and cars for Tata Motors Limited's (TML) customers and channel partners, provided used vehicle financing for TML's vehicles and other original equipment manufacturers (OEMs) and had a corporate lending business as well. Following the demerger in FY2024, the NBFC business of TMF Business Services Limited (previously known as Tata Motors Finance Limited) was transferred to TMFL and the operating lease business was retained in TMFL, which was later renamed TMF Business Services Limited.

On a standalone basis, TMFL reported a net loss of Rs. 44 crore in 9M FY2025 on an asset base of Rs. 36,716 crore as on December 31, 2024 against a net profit of Rs. 52 crore in FY2024 on an asset base of Rs. 38,567 crore as on March 31, 2024.

The company reported gross and net stage 3 of 7.4% and 4.5%, respectively, as on December 31, 2024 compared with 6.1% and 3.4%, respectively, as on March 31, 2024.

Status of non-cooperation with previous CRA: Not applicable

Any other information:

A member of the board of directors of ICRA Limited is also an Independent Director on TMFL's board. This director was not involved in any of the discussions and processes related to the rating(s) of the instrument(s) mentioned herein.

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	15-MAY-2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Long-term/Short-term fund based/Non-fund based-others	Long term/Short term	0.00	[ICRA]AA+; Rating Watch with Positive Implications/[ICRA]A1+; withdrawn	13-JUN-2024	[ICRA]AA; Rating Watch with Positive Implications/[ICRA]A1+	30-JUN-2023	[ICRA]AA-(Positive)/[ICRA]A1+	-	-
				05-JUL-2024	[ICRA]AA+; Rating Watch with Positive Implications/[ICRA]A1+	14-JUL-2023	[ICRA]AA (Stable)/[ICRA]A1+	-	-
Commercial paper	Short term	0.00	[ICRA]A1+; withdrawn	13-JUN-2024	[ICRA]A1+	30-JUN-2023	[ICRA]A1+	21-OCT-2022	[ICRA]A1+
				05-JUL-2024	[ICRA]A1+	14-JUL-2023	[ICRA]A1+	30-DEC-2022	[ICRA]A1+
				-	-	-	-	06-MAR-2023	[ICRA]A1+
Non-convertible debenture	Long term	0.00	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn	13-JUN-2024	[ICRA]AA; Rating Watch with Positive Implications	30-JUN-2023	[ICRA]AA-(Positive)	-	-
				05-JUL-2024	[ICRA]AA+; Rating Watch with Positive Implications	14-JUL-2023	[ICRA]AA (Stable)	-	-
Perpetual debt	Long term	0.00	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn	13-JUN-2024	[ICRA]A+; Rating Watch with Positive Implications	30-JUN-2023	[ICRA]A (Positive)	21-OCT-2022	[ICRA]A (Stable)
				05-JUL-2024	[ICRA]AA-; Rating Watch with Positive Implications	30-JUN-2023	[ICRA]A (Positive)	30-DEC-2022	[ICRA]A (Stable)
				-	-	14-JUL-2023	[ICRA]A+ (Stable)	06-MAR-2023	[ICRA]A (Positive)
Subordinated debt	Long term	0.00	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn	13-JUN-2024	[ICRA]AA; Rating Watch with Positive Implications	30-JUN-2023	[ICRA]AA-(Positive)	21-OCT-2022	[ICRA]AA-(Stable)

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	15-MAY-2025	Date	Rating	Date	Rating	Date	Rating
				05-JUL-2024	[ICRA]AA+; Rating Watch with Positive Implications	30-JUN-2023	[ICRA]AA-(Positive)	30-DEC-2022	[ICRA]AA-(Stable)
				-	-	14-JUL-2023	[ICRA]AA-(Stable)	06-MAR-2023	[ICRA]AA-(Positive)

Source: Company, ICRA Research

Complexity level of the rated instrument

Instrument	Complexity indicator
Perpetual debt	Moderately Complex
Subordinated debt	Simple
Non-convertible debenture	Simple
Long-term/Short-term fund-based/Non-fund based bank facilities	Simple
Commercial paper	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 as on March 31, 2025

ISIN	Instrument name	Date of issuance /Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA^	Non-convertible debentures	Proposed	NA	NA	5,209	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE909H08196*	Subordinated debt	12-Sep-2014	10.60%	12-Sep-2024	25	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE909H08204*	Subordinated debt	26-Sep-2014	10.35%	26-Sep-2024	60	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE909H08212	Subordinated debt	19-Dec-2014	9.70%	19-Dec-2024	150	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE601U08010	Subordinated debt	13-Nov-2017	8.35%	13-Nov-2027	50	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE601U08028	Subordinated debt	28-Mar-2018	9.00%	28-Mar-2028	200	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE601U08036	Subordinated debt	31-Aug-2018	10.00%	31-Aug-2028	100	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE601U08051	Subordinated debt	29-Mar-2019	10.00%	29-Mar-2029	150	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE601U08069	Subordinated debt	30-Apr-2019	10.25%	30-Apr-2029	100	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE601U08077	Subordinated debt	31-May-2019	9.95%	31-May-2029	200	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
NA^	Subordinated debt	Proposed	NA	NA	480.1	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn
INE909H08188*	Perpetual debt	5-Sep-2014	11.10%	Perpetual	50.3	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08085	Perpetual debt	18-Jun-2019	11.50%	Perpetual	100	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08093*	Perpetual debt	1-Nov-2019	11.50%	Perpetual	60	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08101	Perpetual debt	21-Nov-2019	11.50%	Perpetual	45	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08119	Perpetual debt	18-Dec-2019	11.50%	Perpetual	45	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08127	Perpetual debt	14-Jul-2020	10.50%	Perpetual	15	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08135	Perpetual debt	9-Sep-2020	10.25%	Perpetual	43	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08143	Perpetual debt	24-Sep-2020	10.25%	Perpetual	100	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08150*	Perpetual debt	11-Nov-2020	9.75%	Perpetual	85	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08168	Perpetual debt	3-Dec-2020	9.75%	Perpetual	100	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08176	Perpetual debt	21-Dec-2020	9.60%	Perpetual	60	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08184	Perpetual debt	19-Jan-2021	9.55%	Perpetual	100	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
INE601U08192	Perpetual debt	02-Mar-2021	9.55%	Perpetual	210	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
NA^	Perpetual debt	Proposed	NA	NA	176.7	[ICRA]AA-; Rating Watch with Positive Implications; withdrawn
NA	Long-term/Short-term fund-based/ Non-fund based bank facilities	NA	NA	NA	37,500	[ICRA]AA+; Rating Watch with Positive Implications; withdrawn / [ICRA]A1+; withdrawn
INE477S14CW7*	Commercial paper	22-Jan-2025	NA	23-Apr-2025	850	[ICRA]A1+; withdrawn
INE477S14CX5*	Commercial paper	06-Feb-2025	NA	07-May-2025	500	[ICRA]A1+; withdrawn

ISIN	Instrument name	Date of issuance /Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE477S14CY3	Commercial paper	18-Feb-2025	NA	20-May-2025	875	[ICRA]A1+; withdrawn
INE477S14CZ0	Commercial paper	20-Feb-2025	NA	21-May-2025	650	[ICRA]A1+; withdrawn
INE477S14DA1	Commercial paper	21-Feb-2025	NA	22-May-2025	50	[ICRA]A1+; withdrawn
INE477S14DC7	Commercial paper	25-Feb-2025	NA	26-May-2025	250	[ICRA]A1+; withdrawn
INE477S14DB9	Commercial paper	25-Feb-2025	NA	27-May-2025	100	[ICRA]A1+; withdrawn
INE477S14DE3	Commercial paper	27-Feb-2025	NA	28-May-2025	550	[ICRA]A1+; withdrawn
INE477S14DD5	Commercial paper	28-Feb-2025	NA	29-May-2025	200	[ICRA]A1+; withdrawn
INE477S14DF0	Commercial paper	19-Mar-2025	NA	17-Jun-2025	500	[ICRA]A1+; withdrawn
INE477S14DG8	Commercial paper	24-Mar-2025	NA	19-Mar-2026	500	[ICRA]A1+; withdrawn
NA^	Commercial paper	NA	NA	7-365 days	5,475	[ICRA]A1+; withdrawn

Source: Company; ^ Yet to be placed; * Fully redeemed and withdrawn

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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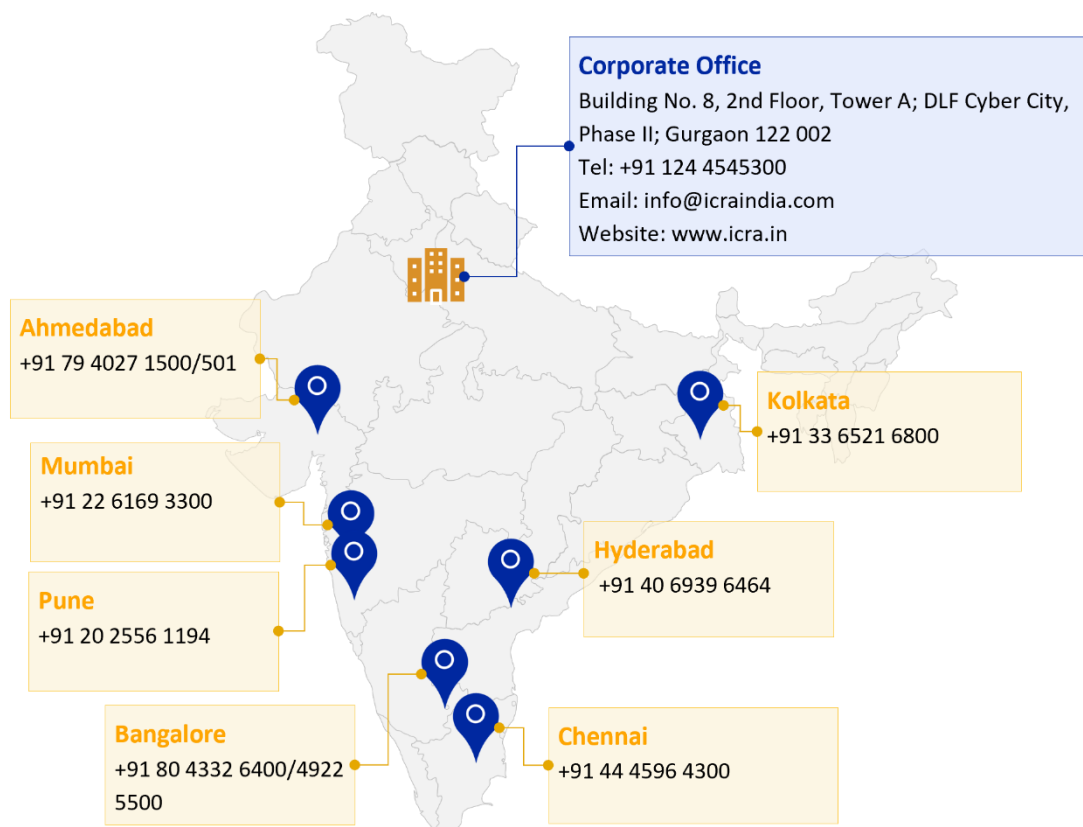


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