

December 23, 2025

Tata International Vehicle Applications Pvt Ltd: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based term loan	21.00	17.90	[ICRA]A+ (Stable); reaffirmed
Long-term/Short-term fund-based/Non-fund based others	75.00	75.00	[ICRA]A+ (Stable)/[ICRA]A1; reaffirmed
Long term/Short term – Unallocated	0.00	3.10	[ICRA]A+ (Stable)/[ICRA]A1; reaffirmed
Total	96.00	96.00	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation factors in Tata International Vehicle Applications Pvt Ltd's (TIVA) established market position as one of the leading trailer manufacturers in India, supported by its strong distribution network and financial flexibility as part of the Tata Group. Despite the sharp slowdown in the domestic heavy commercial vehicle (HCV) segment, with industry volumes for 35-tonne+ trailers declining by 24% year-on-year (YoY) in H1 FY2026, it managed to improve its market share¹ to around 13% in H1 FY2026 from approximately 11% in FY2025, aided by its wide geographic presence and incentives offered to onboard new customers. The company's focus on higher realisation segments such as customised trailers for fleet owners and special trailers for the defence sector continued to support profitability in FY2025, even as overall volumes remained under pressure. In FY2025, TIVA's revenue declined by 1.7% due to subdued industry demand, caused by the slowdown in mining and infrastructure activities impacting commercial vehicle (CV) volumes (35 tonnes and above). The decline in volume continued in H1 FY2026 and is expected to continue in H2 FY2026 as well. That said, recovery in volumes in FY2027 remains a monitorable. The recently commissioned vehicle scrappage facility in Pune provides an additional revenue stream and is anticipated to break even by the end of FY2026, aiding diversification. TIVA's operating margin improved to 10.0% in FY2025 from 9.7% in FY2024 on account of higher contribution from special trailers and increased sales to fleet owners, which typically require customisation and offer better realisations. In H1 FY2026, softness in demand continued, resulting in a 20% decline in operating income and a contraction in the operating margin to 7.7% due to operating deleverage. The ratings continue to derive comfort from TIVA's comfortable capital structure and adequate liquidity profile. ICRA notes that the company has commenced operations at its vehicle scrappage plant and the capacity utilisation at the same is gradually ramping up. While the capital expenditure (capex) for the scrappage plant was partly funded by term debt, the overall leverage continues to be comfortable. Going forward, ICRA expects the leverage and coverage metrics to remain healthy.

The ratings continue to be constrained by the company's modest scale of operations relative to larger CV component manufacturers and the inherent cyclicity of the domestic medium and heavy commercial vehicles (M&HCV) industry. Intense competition from organised and unorganised players also persists, though the risk is partly mitigated by TIVA's technological capabilities, compliance with safety norms and increasing preference for organised players. Its ability to scale up revenues from the defence and vehicle scrappage segments will be critical to offset cyclicity risks over the medium term.

The Stable outlook on the rating reflects ICRA's expectation that TIVA will likely sustain its operating metrics even as its revenue growth may moderate. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, if any, to further expand the capacity will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

¹ Market share details as per company management

Key rating drivers and their description

Credit strengths

Strong financial flexibility as part of the Tata Group – TIVA is a 99.99% subsidiary of Tata International Limited (TIL), which in turn is held completely by Tata Group companies with Tata Sons Private Limited (rated [ICRA]AAA (Stable)/A1+) holding 61.67% as on March 31, 2025. The ratings continue to draw comfort from the company's strong parentage, which supports its financial flexibility. It is the sole supplier of trailers to Tata Motors Limited (TML), the market leader in the domestic M&HCV segment with a market share of about 49% in H1 FY2026.

Strong position in domestic trailer segment – TIVA is one of the largest organised players in the trailer segment in India. The company's robust market presence is supported by its position as the sole supplier of trailers to TML, while also catering to dealers of other original equipment manufacturers (OEMs) and directly to fleet operators in the open market. Despite the industry being highly fragmented, with a significant share (65-70%) held by unorganised players, the company has steadily strengthened its market position over the years. This improvement was driven by structural changes such as GST implementation and the Covid-19 pandemic, which adversely impacted smaller players with limited financial flexibility. Additionally, the introduction of stringent safety and compliance regulations has created entry barriers for unorganised manufacturers, positioning TIVA to capture incremental market share. Its ability to offer customised solutions, maintain quality standards and leverage strong OEM relationships further reinforces its leadership in the organised trailer segment.

Credit challenges

Susceptible to cyclical in domestic M&HCV industry – The domestic M&HCV industry exhibits significant cyclical, with its prospects closely linked to some of the key segments of the economy, such as industrial growth and investments in infrastructure and construction. As TIVA deals with the supply of trailers for M&HCVs, its sales volume and earnings remain susceptible to cyclical in the segment. ICRA notes that the company's efforts to diversify into other sectors such as defence and vehicle scrapping centres would help it mitigate this risk over the medium-to-long term. Going forward, ramp-up in revenues from these segments will continue to be a key monitorable.

Intense competition from organised as well as unorganised segments – Though the company remains the largest organised trailer manufacturer in India, its operations continue to be exposed to intense competition from other organised and unorganised players, which account for a sizeable share of the domestic trailer manufacturing industry.

Liquidity position: Adequate

TIVA's liquidity position is adequate, primarily supported by expectations of healthy cash accruals of Rs. 20-25 crore annually, coupled with unutilised fund-based working capital limits of Rs. 36.2 crore and free cash and balances of Rs. 14.2 crore as on September 30, 2025. Against the same, the company has capex plans of about Rs. 15 crore in FY2026 towards maintenance and upgradation of machinery, to be funded through internal accruals. It has repayment obligations of Rs. 2.7 crore in FY2026 and Rs. 3.6 crore in FY2027.

Rating sensitivities

Positive factors – The ratings may be upgraded upon significant improvement in the company's scale of operations and diversification in business segment (ramp-up in revenue from the scrappage centre) and customer profile (onboarding new fleet operators/OEMs), while maintaining strong operating profitability.

Negative factors – Negative pressure on the ratings could arise in case of continued deterioration in scale, and sustained weakening in operating margins. Downward pressure could also emerge from any large debt-funded capex or dividend payout,

which results in stretched liquidity or deterioration in coverage metrics on a sustained basis. Specific credit metrics which would lead to a downgrade would include total debt/OPBITDA above 1.8 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financials of TIVA.

About the company

Tata International Vehicle Applications Pvt Ltd (TIVA) was incorporated on June 25, 2005 as a 50:50 joint venture between Tata International Limited (TIL) and Dutch Lanka Trailers Manufacturers Ltd (DLT; step-down, wholly-owned subsidiary of TRF Limited), Sri Lanka. It commenced manufacturing activity from April 2006. TIVA became a 99.99% subsidiary of TIL with effect from FY2021.

TIVA is in the business of designing, manufacturing and selling trailers, which are used for transporting containers, steel coils, structural steel, cement, granite and marble, coal and heavy cargo. The company has three major product segments, namely flatbed, skeletal and sidewall, with tonnage ranging from 35-55 tonnes and lengths between 7 metres and 22 metres. It is estimated to be the largest trailer manufacturer in India and is the preferred supplier (currently sole supplier) of trailers to Tata Motors Limited (TML). Currently, TIVA has an installed capacity of 9,240 trailers per year, with manufacturing units in Ajmer (Rajasthan), Waki and Nighoje in Pune (Maharashtra) and Jamshedpur (Jharkhand).

TIVA also commissioned its vehicle scrappage plant in Pune in April 2025 after trials, with a current dismantling rate of over 400 metric tonnes (MT) per month. The plant recovers metals and other materials for sale to scrap dealers.

Key financial indicators (audited)

TIVA	FY2024	FY2025	H1 FY2026*
Operating income	859.8	845.4	330.8
PAT	53.9	53.2	12.7
OPBDIT/OI	9.7%	10.0%	7.7%
PAT/OI	6.3%	6.3%	3.8%
Total outside liabilities/Tangible net worth (times)	2.4	2.0	1.9
Total debt/OPBDIT (times)	0.5	0.7	1.4
Interest coverage (times)	19.3	19.0	8.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; * Provisional

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						
			FY2025		FY2024		FY2023		
Instrument	Type	Amount rated (Rs. crore)	Dec 23, 2025	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	17.90	[ICRA]A+ (Stable)	Sep 16, 2024	[ICRA]A+ (Stable)	-	-	Aug 02, 2022	[ICRA]A (Stable)
Fund-based cash credit	Long term	-	-	-	-	-	-	Aug 02, 2022	[ICRA]A (Stable)
Non-fund based	Short term	-	-	-	-	-	-	Aug 02, 2022	[ICRA]A2+
Fund-based/Non-fund based facilities	Long term/Short term	75.00	[ICRA]A+ (Stable)/[ICRA]A1	Sep 16, 2024	[ICRA]A+ (Stable)/[ICRA]A1	Jul 27, 2023	[ICRA]A (Stable)/[ICRA]A2+	Aug 02, 2022	[ICRA]A (Stable)/[ICRA]A2+
Unallocated	Long term/Short term	3.10	[ICRA]A+ (Stable)/[ICRA]A1	-	-	Jul 27, 2023	[ICRA]A (Stable)/[ICRA]A2+	Aug 02, 2022	[ICRA]A (Stable)/[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based term loan	Simple
Long term/Short term – Fund based/Non-fund based	Simple
Long term – Unallocated	Not Applicable

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
NA	Fund based/Non-fund based	NA	NA	NA	75.00	[ICRA]A+ (Stable)/[ICRA]A1
NA	Term loans	January 2024	8.15%	FY2030	17.90	[ICRA]A+ (Stable)
NA	Unallocated	NA	NA	NA	3.10	[ICRA]A+ (Stable)/[ICRA]A1

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Jitin Makkar

+91 012 4454 5300

jitinm@icraindia.com

Kinjal Kirit Shah

+91 022 6114 3400

kinjal.shah@icraindia.com

Mythri Macherla

+91 022 6114 3426

mythri.macherla@icraindia.com

Aman Mundhada

+91 022 6114 3471

aman.mundhada@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.