

April 20, 2020

Tata Motors Limited: Update

Summary of rating action

Instrument*	Previous Rated Amount (Rs. Crore)	Current Rated Amount (Rs. Crore)	Rating Action
Non-convertible Debenture Programme	2,250.0	2,250.0	[ICRA]AA- (Negative); outstanding
Long-term Loans	1,000.0	1,000.0	[ICRA]AA- (Negative); outstanding
Long-term, Fund-based Facilities	8,000.0	8,000.0	[ICRA]AA- (Negative); outstanding
Commercial Paper Programme	4,200.0	4,200.0	[ICRA]A1+; outstanding
Short-term Debt Programme	800.0	800.0	[ICRA]A1+; outstanding
Long-term / Short-term, Non-fund Based Facilities	6,000.0	6,000.0	[ICRA]AA- (Negative) / [ICRA]A1+; outstanding
Total	22,250.0	22,250.0	

* Instrument Details are provided in Annexure-1

Rationale

ICRA currently has a Negative outlook for multiple automotive segments including passenger vehicles (PVs) and commercial vehicles (CVs). The spread of coronavirus and consequent nationwide lockdown has significantly impacted economic activity and disrupted the supply chain. ICRA expects volume declines across most automotive segments during FY2021 ranging from high single-digit to mid double-digit. These estimates, however, would be revisited over the next two to three months as greater clarity emerges. ICRA also notes various relief measures provided by the Government and the RBI, including loan moratorium, which would help buffer the impact on the economy to an extent. The situation is still evolving and ICRA will continue to monitor it closely over the next few quarters and take appropriate rating action wherever required.

ICRA notes that Tata Motors Limited (TML) has adequate liquidity on a standalone basis in the form of sufficient unencumbered cash and bank balance and ~Rs. 1,500 crore liquid investments as on March 31, 2020. In addition, it had unutilised fund-based limits of ~Rs. 3,167 crore as on March 31, 2020. These would be used to meet its upcoming debt repayment obligations. Moreover, the company is looking at shoring up its liquidity through various means, which include among others, raising additional fund-based limits from banks and speeding up divestment of non-core investments like Tata Technologies Limited. In addition, of the ~Rs. 6,494 crore (mix of ordinary shares and warrants) equity infusion through preferential allotment to Tata Sons Private Limited (Tata Sons) announced in November 2019, ~Rs. 3,892 crore had been received in FY2020, and the balance ~Rs. 2,602 crore can be infused within the statutory timeline of 18 months when the warrants are expected. At Jaguar Land Rover PLC (JLR), TML's wholly-owned subsidiary, as well, the company would be building up liquidity by raising debt under various Government incentives / stimulus schemes like in the UK and China. Furthermore, JLR continues to have an unutilised revolving facility of £1.9 billion. ICRA expects that seeing the current scenario, there could be a substantial downward revision in the capital expenditure (capex) plans of TML (standalone) and JLR in H1 FY2021, and also takes comfort from the ongoing cost rationalisation initiatives by the companies.

The ratings continue to reflect the management's commitment to deleveraging the balance sheet by rationalising its investments and costs as also divesting some of its non-core investments and trimming overall working capital cycle. The benefits of these initiatives have yet to flow in. TML's credit profile continues to benefit from the financial support from Tata Sons and from financial flexibility as part of the Tata Group. ICRA takes comfort from the management's indication of maintaining the overall borrowings at prudent levels.

The ratings also reflect the continued deterioration in TML's domestic PV and CV businesses, which have witnessed industry-wide headwinds during FY2020. Coupled with increased working capital requirements, the decline in operating profit margins (OPM declined to 0.9% in 9M FY2020, as against 7.4% in 9M FY2019) resulted in an increase in net debt for TML (standalone including joint operations) to Rs. 17,909 crore as on December 31, 2019 from Rs. 15,658 crore as on March 31, 2019, despite the equity infusion from Tata Sons. ICRA expects the net debt for TML (standalone) to have further increased as on March 31, 2020. After witnessing a subdued performance in Q1 FY2020 amid headwinds in China and Europe (including the UK) markets and the negative operating leverage, weakened geographical mix, and higher variable marketing expenses (VME), JLR's OPM improved in Q2 and Q3 FY2020 on the back of recovery in China and cost control initiatives. The OPM for JLR improved to 9.9% in 9M FY2020, as against 7.5% in 9M FY2019. This resulted in a decline in its net debt to £2,177 million as on December 31, 2019, from £2,300 million as on September 30, 2019, and further to £2,000 million as on March 31, 2020. TML (consolidated) reported an OPM of 8.7% in 9M FY2020, as against 7.5% in 9M FY2019.

The CV business accounted for about 76% of TML's standalone revenues in 9M FY2020, followed by the PV business, exposing standalone operations to the cyclicity in the CV business. On the back of new product launches, TML's CV market share increased to 44.4% during FY2019 from 43.9% during FY2018. However, it witnessed a moderation to 42.3% during FY2020 due to a sharp decline in the medium and heavy commercial vehicle (M&HCV) segment, where it is a dominant player.

After gaining some traction during FY2018–H1 FY2019, led by new product launches, TML's PV business has witnessed YoY degrowth in sales since Q3 FY2019. This resulted in a decline in TML's PV market share to 5.0% in FY2020 from 6.8% in FY2019. Furthermore, with reduced sales volumes, TML's PV business started reporting EBITDA losses since Q3 FY2020. TML has announced demerger of its PV business into a separate subsidiary, and is exploring partners to support new product development. Success of new launches in the PV business remains crucial for TML to arrest gradual but steady decline in its PV market share.

TML's standalone cash flows in the past have benefitted from sizeable dividend inflow from JLR. TML had earlier raised debt of over Rs. 7,500 crore in its Singapore subsidiary, TML Holdings Pte Limited (TMHL), which is the holding company for JLR. Of the dividend payout from JLR, TMHL retains a part for its own funds requirement to honour its debt repayment obligations and upstreams the balance to TML. JLR had indicated a policy of paying dividend to the extent of 25% of its profit after tax (PAT), going forward. Given the net loss in FY2019, JLR did not declare any dividend in FY2020, thereby impacting TML's (standalone) cash flows for FY2020. Furthermore, with the profitability of JLR expected to remain low going forward, the quantum of dividend pay-out would thus be lower than in the past. ICRA also notes that TMHL has an upcoming principal repayment of £190 million in June 2020; the company may look to refinance the same.

The ratings also assume there would not be any material increase in support to Tata Motors Finance Limited (TMFL) in the near term.

At the consolidated level, TML derived about 84% of its revenues and 95% of its operating profits in 9M FY2020 from JLR, which witnessed YoY growth of 1.3% in its wholesale sales volume during 9M FY2020. After witnessing a sharp decline in volumes in the China market from Q2 FY2019 onwards, there were some signs of recovery during Q2–Q3 FY2020; however, COVID-19 and its consequent impact on the economy had a bearing on Q4 FY2020 dispatches/wholesale volume. The pandemic related lockdown across major geographies is likely to result in weak operational and financial performance during H1 FY2021 as well. Overall, JLR’s product portfolio remains modest as compared to other established luxury car original equipment manufacturers (OEMs) globally. While JLR has demonstrated its ability to successfully launch new models and gain market share, the success of new models currently under development will also be critical for it to sustain its financial profile. Furthermore, the company is investing in development of hybrid or electric vehicles (EV), and has indicated having a hybrid or EV variant for all its products by CY2020.

JLR laid down a turnaround strategy aimed at total cash flow improvement of £2.5 billion by March 2020, which includes among others, reduction in its capex and investment plans, streamlining working capital management and reduction in its workforce. As on December 31, 2019, the company had already exceeded its target by achieving savings of £2.9 billion. JLR now has a target of achieving savings of £1.1 billion over Q4 FY2020 (£0.4 billion) and FY2021 (£0.7 billion). Along with improvement in the sales volume of the company, this is a key rating sensitivity.

The Negative outlook reflects ICRA’s expectations of a further deterioration in the credit profile of TML, due to rising pressures on its sales volumes at TML (standalone) as well as JLR level.

Key rating drivers

Credit strengths

Financial support from Tata Sons and strong financial flexibility as a part of the Tata Group – TML’s credit profile continues to benefit from the financial support from Tata Sons. ICRA notes that during Q3 FY2020, Tata Sons committed equity infusion of ~Rs. 6,494 crore (mix of ordinary shares and warrants) through preferential allotment. Of this, ~Rs. 3,892 crore had been received in FY2020, and the balance ~Rs. 2,602 crore can be infused within the statutory timeline of 18 months when the warrants are expected. Furthermore, as part of the Tata Group, TML enjoys strong financial flexibility. ICRA takes comfort from the management indication of maintaining the overall borrowings at prudent levels.

Leading market position in CV business in India, supported by strong and diversified portfolio, high brand equity and well entrenched market reach – In the domestic CV industry, TML has one of the most diversified product portfolios with a presence across light, medium and heavy duty segments. On the back of new product launches, TML’s CV market share increased to 44.4% during FY2019 from 43.9% during FY2018. However, it witnessed a moderation to 42.3% during FY2020 due to a sharp decline in the M&HCV segment where it is a dominant player.

Business profile to further strengthen over the medium term, aided by JLR’s ongoing investments in product portfolio –JLR has new products lined up for launches over the next three years, including the new Evoque launched in both mild and PHEV options and the recently launched Defender. Furthermore, the company is investing in developing hybrid or EVs, and has indicated having a hybrid or EV variant for all its products by CY2020. While JLR has demonstrated its ability to successfully launch new models and gain market share, the success of new models currently under development will be critical for it to sustain its financial profile.

Credit challenges

Rising pressures on sales volumes at TML's (standalone) as well as JLR's level – The spread of coronavirus and consequent nationwide lockdown has significantly impacted economic activity and disrupted the supply chain. ICRA expects volume declines across most automotive segments during FY2021 ranging from high single-digit to mid double-digit. These estimates, however, would be revisited over the next two to three months as greater clarity emerges. ICRA also notes various relief measures provided by the Government and the RBI, including loan moratorium, which would help buffer the impact on the economy to an extent. The situation is still evolving and ICRA will continue to monitor it closely over the next few quarters and take appropriate rating action, wherever required.

Weakened credit metrics of TML (standalone) as well as JLR; near-term pressures to continue – TML's domestic PV and CV businesses have witnessed industry-wide headwinds during FY2020. Coupled with increased working capital requirements, the decline in OPM (to 0.9% in 9M FY2020, as against 7.4% in 9M FY2019) resulted in an increase in net debt for TML (standalone including joint operations) to Rs. 17,909 crore as on December 31, 2019 from Rs. 15,658 crore as on March 31, 2019, despite the equity infusion from Tata Sons. ICRA expects the net debt for TML (standalone) to have further increased as on March 31, 2020. Furthermore, despite an improvement of its OPM to 9.9% in 9M FY2020, as against 7.5% in 9M FY2019 due to several cost rationalisation measures, JLR's net debt increased significantly to £2,177 million as on December 31, 2019, from £736 million as on March 31, 2019. ICRA expects the net debt for JLR to have marginally declined as on March 31, 2020 despite deterioration in its performance in Q4 FY2020. JLR is expected to continue to witness headwinds in the near term, thereby resulting in a moderation in its sales volumes and thus profitability.

Liquidity position: Adequate

ICRA notes that TML has adequate liquidity on a standalone basis in the form of sufficient unencumbered cash and bank balance and ~Rs. 1,500 crore liquid investments as on March 31, 2020. In addition, it had unutilised fund-based limits of ~Rs. 3,167 crore as on March 31, 2020. These would be used to meet its upcoming debt repayment obligations. Moreover, the company is looking at shoring up its liquidity through various means, which include among others, raising additional fund-based limits from banks and speeding up divestment of non-core investments like Tata Technologies Limited. In addition, of the ~Rs. 6,494 crore (mix of ordinary shares and warrants) equity infusion through preferential allotment to Tata Sons announced in November 2019, ~Rs. 3,892 crore had been received in FY2020, and the balance ~Rs. 2,602 crore can be infused within the statutory timeline of 18 months when the warrants are expected. At JLR, TML's wholly-owned subsidiary, as well, the company would be building up liquidity by raising debt under various Government incentives / stimulus schemes like in the UK and China. Furthermore, JLR continues to have an unutilised revolving facility of £1.9 billion. ICRA expects that seeing the current scenario, there could be a substantial downward revision in the capex plans of TML (standalone) and JLR in H1 FY2021, and also takes comfort from the ongoing cost rationalisation initiatives by the companies.

Rating sensitivities

Positive triggers: The outlook may be revised to Stable if the credit profile of TML improves due to a turnaround of JLR's operations against a backdrop of improved operating leverage at TML (standalone) and deleveraging measures to be undertaken by the management.

Negative triggers: Negative pressure on the ratings could arise in case of a further weakening of JLR's performance or weakening of performance at TML's standalone level. Any significant deterioration in TML's capital structure

and debt coverage indicators because of debt-funded capex and investments or any large, inorganic acquisition would also be negative. Any material decline in TML’s market position in its CV business, resulting in a significant deterioration in its profitability and cash flows, will also be a negative. Any weakening of linkages with Tata Sons will be a negative rating factor as well.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Rating Methodology for Commercial Vehicle Industry Rating Methodology for Passenger Vehicle Manufacturers Corporate Credit Rating Methodology Impact of Parent or Group support on an Issuer’s Credit Rating
Parent / Group Support	Parent Company: Tata Sons Limited We expect 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 also share a common name, which in ICRA’s opinion would persuade Tata Sons to provide financial support to TML to protect its reputation from the consequences of a Group entity’s distress.
Consolidation / Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of TML. However, the following entities have been excluded from the consolidated financials to make a distinction between the manufacturing business and the financial services business. The entities are: TMF Holdings Limited, Tata Motors Finance Solutions Limited and Tata Motors Finance Limited. However, the analysis of TML does take into account the ongoing and future funding support it is likely to extend to the above entities. Such funding support is assessed based on factors such as expected growth in the financial services business, expected losses for which support from TML might be required, and capital adequacy and solvency ratio requirements.

About the company

Incorporated in 1945, Tata Motors Limited is India’s largest automobile company and the market leader in the domestic CV industry and one of the top five manufacturers of PVs in India. In the domestic CV industry, TML has one of the most diversified product portfolios with a presence across light, medium and heavy duty segments of the CV industry. The company’s product portfolio in the PV segment also spans passenger cars, UVs and multi-purpose vehicles (MPVs).

In June 2008, TML acquired Jaguar Land Rover 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 with presence in the premium and luxury segment cars and SUVs across multiple markets in Europe, North America, China, Russia and Brazil. Apart from JLR, which is wholly-owned by TML and generated ~83% of its consolidated turnover in 9M FY2020, the company has also historically expanded its operations in India as well as overseas through strategic alliances, and mergers and acquisitions. Some of its key subsidiaries include Tata Motors Finance Limited (vehicle financing subsidiary), Tata Technologies Limited (a software firm providing IT solutions to the automotive industry), Tata Daewoo Commercial Vehicles Company Limited (CV operations in South Korea) and TML Drivelines Limited (captive auto component manufacturer). The company also operates

joint ventures (JVs) with Marcopolo (for building bodies for buses and coaches) and Fiat (for PVs, engines and transmissions).

TML has six manufacturing plants in India at Pune (Maharashtra), Lucknow (Uttar Pradesh), Jamshedpur (Jharkhand), Pantnagar (Uttaranchal), Dharwad (Karnataka) and Sanand (Gujarat). In addition, the company's key subsidiary, JLR, operates three manufacturing facilities and two design centres in the UK, and has also recently commenced manufacturing operations at Slovakia. In FY2013, JLR also formed a 50-50 JV with the Chinese firm, Chery Automobiles, to set up a manufacturing facility in China, which commenced operations from H2 FY2015. Moreover, as a Group, TML operates assembly operations at multiple locations around the globe through its subsidiaries and JVs.

Key financial indicators (audited)

	Standalone		Consolidated	
	FY2018	FY2019	FY2018	FY2019
Operating Income (Rs. crore)	58,831.4	69,824.1	294,619.2	303,732.8
PAT (Rs. crore)	-1,034.9	2,020.6	6,813.1	-28,933.7
OPBDIT/ OI (%)	7.3%	8.6%	11.4%	9.0%
RoCE (%)	2.4%	12.4%	12.7%	-18.2%
Total Debt/ TNW (times)	0.9	0.8	0.9	1.8
Total Debt/ OPBDIT (times)	4.3	3.1	2.7	3.9
Interest Coverage (times)	2.5	3.4	7.2	4.7

Source: Tata Motors Limited

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

				Rating (FY2020)	Chronology of Rating History for the past 3 years						
				Date & Rating	Date & rating in FY2020		Date & Rating in FY2019			Date & rating in FY2018	
Instrument	Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)*	20-April 2020	05-November 2019	05-August 2019	13-February 2019	17-October 2018	12-July 2018	19-January 2018	24-October 2017
1	Commercial Paper Programme	4,200.0	1,100	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Short-term Debt Programme	800.0	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Non-convertible Debenture Programme	2,250.0	1,600	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA (Negative)	[ICRA]AA (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)
4	Term Loan	1,000.0	-	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA (Negative)	[ICRA]AA (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)
5	Fund-based Facilities	8,000.0	-	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA (Negative)	[ICRA]AA (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)
5	Non-fund Based Facilities	6,000.0	-	[ICRA]AA-(Negative) / [ICRA]A1+	[ICRA]AA-(Negative) / [ICRA]A1+	[ICRA]AA-(Negative) / [ICRA]A1+	[ICRA]AA (Negative) / [ICRA]A1+	[ICRA]AA (Stable) / [ICRA]A1+	[ICRA]AA (Positive) / [ICRA]A1+	[ICRA]AA (Positive) / [ICRA]A1+	[ICRA]AA (Positive) / [ICRA]A1+
6	Non-fund Based Facilities	Nil	-	-	-	-	-	-	-	-	[ICRA]A1+

*As on March 31, 2020

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE155A14NZ7	CP	11-Jun-18	NA	12-Mar-19	200.0	[ICRA]A1+
INE155A14OB6	CP	20-Jun-18	NA	10-Dec-18	75.0	[ICRA]A1+
INE155A14OB6	CP	20-Jun-18	NA	10-Dec-18	25.0	[ICRA]A1+
INE155A14OB6	CP	20-Jun-18	NA	10-Dec-18	25.0	[ICRA]A1+
INE155A14OD2	CP	28-Jun-18	NA	20-Mar-19	100.0	[ICRA]A1+
INE155A14OF7	CP	03-Jul-18	NA	27-Dec-18	200.0	[ICRA]A1+
INE155A14OG5	CP	05-Jul-18	NA	26-Dec-18	125.0	[ICRA]A1+
INE155A14OG5	CP	05-Jul-18	NA	26-Dec-18	75.0	[ICRA]A1+
INE155A14OH3	CP	06-Jul-18	NA	01-Oct-18	100.0	[ICRA]A1+
INE155A14OI1	CP	11-Jul-18	NA	10-Oct-18	200.0	[ICRA]A1+
INE155A14OJ9	CP	13-Jul-18	NA	12-Oct-18	200.0	[ICRA]A1+
INE155A14OK7	CP	20-Jul-18	NA	19-Oct-18	200.0	[ICRA]A1+
INE155A14OL5	CP	08-Aug-18	NA	06-Nov-18	150.0	[ICRA]A1+
INE155A14OL5	CP	08-Aug-18	NA	06-Nov-18	50.0	[ICRA]A1+
INE155A14OM3	CP	10-Aug-18	NA	09-Nov-18	150.0	[ICRA]A1+
INE155A14ON1	CP	13-Aug-18	NA	12-Nov-18	50.0	[ICRA]A1+
INE155A14OO9	CP	16-Aug-18	NA	30-Oct-18	200.0	[ICRA]A1+
INE155A14OP6	CP	31-Aug-18	NA	29-Nov-18	200.0	[ICRA]A1+
INE155A14OQ4	CP	04-Sep-18	NA	03-Dec-18	200.0	[ICRA]A1+
INE155A14OR2	CP	07-Sep-18	NA	04-Dec-18	35.0	[ICRA]A1+
-	CP	Yet to be issued			1640.0	[ICRA]A1+
-	Short-term Debt Programme	Yet to be issued			800.0	[ICRA]A1+
INE155A07219	NCD	02-Mar-10	9.95%	02-Mar-20	200.0	[ICRA]AA- (Negative)
INE155A08043	NCD	07-May-10	9.90%	07-May-20	150.0	[ICRA]AA- (Negative)
INE155A08050	NCD	24-May-10	9.75%	24-May-20	100.0	[ICRA]AA- (Negative)
INE155A08068	NCD	18-Jun-10	9.70%	18-Jun-20	150.0	[ICRA]AA- (Negative)
INE155A08191	NCD	20-Aug-14	9.81%	20-Aug-24	300.0	[ICRA]AA- (Negative)
INE155A08209	NCD	12-Sep-14	9.77%	12-Sep-24	200.0	[ICRA]AA- (Negative)
INE155A08241	NCD	10-Nov-14	9.35%	10-Nov-23	400.0	[ICRA]AA- (Negative)
INE155A08258	NCD	11-Dec-14	9.02%	10-Dec-21	300.0	[ICRA]AA- (Negative)
-	NCD	Yet to be issued			450.0	
-	Proposed Term Loan	-	-	-	1,000.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	3,120.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	100.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	480.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	400.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	200.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	375.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	250.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	800.0	[ICRA]AA- (Negative)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Fund-based Facility	-	-	-	300.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	100.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	250.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	250.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	375.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Unallocated Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Non-fund Based Facility	-	-	-	1,600.0	[ICRA]AA- (Negative) / [ICRA]A1+
-	Non-fund Based Facility	-	-	-	4,400.0	[ICRA]AA- (Negative) / [ICRA]A1+

Source: Tata Motors Limited

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership*	Consolidation Approach
Direct Subsidiaries		
Concorde Motors (India) Limited	100.00%	Full Consolidation
Tata Motors Insurance Broking & Advisory Services Limited	100.00%	Full Consolidation
Tata Motors European Technical Centre PLC	100.00%	Full Consolidation
Tata Technologies Limited	72.28%	Full Consolidation
TMF Holdings Limited	100.00%	Full Consolidation
Tata Marcopolo Motors Limited	51.00%	Full Consolidation
TML Holdings Pte. Limited	100.00%	Full Consolidation
TML Distribution Company Limited	100.00%	Full Consolidation
Tata Hispano Motors Carrocera S.A.	100.00%	Full Consolidation
Tata Hispano Motors Carroceries Maghreb SA	100.00%	Full Consolidation
Trilix S.r.l	100.0%	Full Consolidation
Tata Precision Industries Pte. Limited	78.39%	Full Consolidation
Indirect subsidiaries		
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	95.87%	Full Consolidation
Tata Motors (SA) (Proprietary) Limited	60.00%	Full Consolidation
PT Tata Motors Indonesia	100.00%	Full Consolidation
Tata Technologies (Thailand) Limited	72.28%	Full Consolidation

Company Name	Ownership*	Consolidation Approach
Tata Technologies Pte Limited	72.28%	Full Consolidation
INCAT International Plc.	72.28%	Full Consolidation
Tata Technologies Europe Limited	72.28%	Full Consolidation
Escenda Engineering AB	72.28%	Full Consolidation
INCAT GmbH.	72.28%	Full Consolidation
Tata Technologies Inc.	72.34%	Full Consolidation
Tata Technologies de Mexico, S.A. de C.V.	72.34%	Full Consolidation
Cambric Limited	72.31%	Full Consolidation
Cambric GmbH	72.34%	Full Consolidation
Tata Technologies SRL Romania	72.31%	Full Consolidation
Tata Manufacturing Technologies (Shanghai) Limited	72.28%	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
Limited Liability Company "Jaguar Land Rover" (Russia)	100.00%	Full Consolidation
Jaguar Land Rover (South Africa) Holdings Limited	100.00%	Full Consolidation
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

Company Name	Ownership*	Consolidation Approach
InMotion Ventures 1 Limited	100.00%	Full Consolidation
InMotion Ventures 2 Limited	100.00%	Full Consolidation
InMotion Ventures 3 Limited	100.00%	Full Consolidation
InMotion Ventures 4 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
Jaguar Land Rover Columbia S.A.S	100.00%	Full Consolidation
PT Tata Motors Distribusi Indonesia	100.00%	Full Consolidation
TMNL Motor Services Nigeria Limited	100.00%	Full Consolidation
Jaguar Land Rover Ireland (Services) Limited	100.00%	Full Consolidation
Spark44 (JV) Limited	50.50%	Full Consolidation
Spark44 Pty. Ltd.	50.50%	Full Consolidation
Spark44 GMBH	50.50%	Full Consolidation
Spark44 LLC	50.50%	Full Consolidation
Spark44 Limited	50.50%	Full Consolidation
Spark44 DMCC	50.50%	Full Consolidation
Spark44 Demand Creation Partners Limited	50.50%	Full Consolidation
Spark44 Limited	50.50%	Full Consolidation
Spark44 Pte Ltd	50.50%	Full Consolidation
Spark44 Communication SL	50.50%	Full Consolidation
Spark44 SRL	50.50%	Full Consolidation
Spark44 Limited	50.50%	Full Consolidation
Spark44 Japan KK	50.50%	Full Consolidation
Spark44 Canada Inc	50.50%	Full Consolidation
Spark44 South Africa (Pty) Limited	50.50%	Full Consolidation
Spark44 Colombia S.A.S.	50.50%	Full Consolidation
Spark 44 Taiwan Limited	50.50%	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
Name of the jointly controlled company		
Joint operations		
Fiat India Automobiles Private Limited	50.00%	Proportionate Consolidation
Tata Cummins Private Limited	50.00%	Proportionate Consolidation
Joint Ventures		
Tata HAL Technologies Limited	36.14%	Equity Method
Chery Jaguar Land Rover Automotive Company Limited	50.00%	Equity Method
JT Special Vehicles Pvt. Limited	50.00%	Equity Method

Company Name	Ownership*	Consolidation Approach
Name of the associate company		
Automobile Corporation of Goa Limited	47.19%	Equity Method
Nita Company Limited	40.00%	Equity Method
Tata Hitachi Construction Machinery Company Private Limited	39.99%	Equity Method
Tata Precision Industries (India) Limited	39.19%	Equity Method
Tata AutoComp Systems Limited	26.00%	Equity Method
Jaguar Cars Finance Limited	49.90%	Equity Method
Cloud Car Inc	26.30%	Equity Method
Synaptiv Limited	37.50%	Equity Method
DriveClubService Pte. Ltd.	25.07%	Equity Method
Loginomic Tech Solutions Private Limited	26.00%	Equity Method

**As on March 31, 2019*

ANALYST CONTACTS

Subrata Ray

+91 22 6114 3408

subrata@icraindia.com

Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Ashish Modani

+91 20 6606 9912

ashish.modani@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

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2020 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