

Investment Highlights

Recommendation	Target Price	Current Price	Upside Potential
BUY	₹1,273.16 (DCF base)	₹688 (July 2025)	85%

Investment Thesis

Undervalued Opportunity: Tata Motors' base-case DCF and peer multiple analyses indicate Market Leadership: #1 in India's electric passenger vehicles; strong in commercial vehicles; robust Operational Strength: Q4 FY25 delivered record net profit (₹8,600cr), improved margins (8.2%), and a domestic EV market share of 55.4%.

Valuation Summary

Method	Implied Value (₹/sh)	Upside to Current (%)	Analyst Range (₹)
DCF (Base)	1273.16	85	770–880
Comps (Median)	1900.92	184	770–880
STOPs	1643.04	146	770–881
Analyst TP	825	20	—

Key Catalysts

Passenger/commercial vehicle demerger value unlock.
New EV launches, especially Tata Curvv and Sierra/Safari EVs.
Improved margin trajectory, cost control, and cash flow generation.

Core Risks & Mitigants

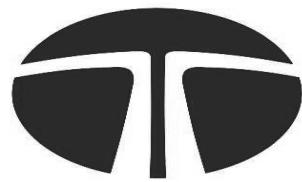
Risk	Mitigating Factor
JLR macro exposure	Strong India CV/EV demand, phased CapEx
Global slowdown	Domestic diversification, flexible portfolio
Cost spikes	Hedging arrangement, localization strategy

TATA MOTORS

ISIN: INE155A01022

BSE code: 500570

NSE code: TATAMOTORS 52 Weeks (High ₹1,179.05 & Low ₹535.75)



Executive Summary

Tata Motors stands out as a compelling investment opportunity in the Indian automotive sector, supported by robust Q4 FY25 results and a favorable valuation outlook. The company reported a record net profit of ₹8,600 crore, driven by margin expansion and commanding a leading EV market share of 55.4%. These strong operational metrics underscore Tata Motors' positioning as a leader in future mobility.

Our valuation, based on a comprehensive DCF model with a base-case price target of ₹1,273 per share, implies a significant upside of approximately 70-85% from the current market price. This intrinsic value is further supported by peer multiples analysis, reflecting the company's strong competitive positioning amid both Indian and global peers.

Key risks include global macroeconomic uncertainties impacting Jaguar Land Rover (JLR), commodity price volatility, and execution risks tied to new model launches. However, Tata Motors' strategic investments in electric vehicles and innovation provide a solid foundation to mitigate these challenges and capitalize on growth opportunities.

In summary, the combination of strong recent financial performance, market leadership in EVs, and attractive valuation upside make Tata Motors a highly attractive investment proposition. Investors should consider this opportunity in light of the identified risks and the company's forward-looking growth strategy.