Valuation Model

TATA MOTORS

As on 5.10.2025

In-Depth Financial Analysis & Valuation Report

TATA MOTORS LTD - One Page Profile

Tata Motors Group is a leading global automobile manufacturer. Part of the illustrious multi-national conglomerate, the Tata group, it offers a wide and diverse portfolio of cars, sports utility vehicles, trucks, buses and defence vehicles to the world.It has operations in India, the UK, South Korea, South Africa, China, Brazil, Austria and Slovakia through a strong global network of subsidiaries, associate companies and Joint Ventures (JVs), including Jaguar Land Rover in the UK and Tata Daewoo in South Korea.

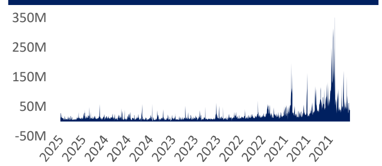
INR(in Crs)

Key Financial metrics	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total Sales	2,49,794.8	2,78,453.6	3,45,967.0	4,34,016.0	4,39,695.0
Sales Growth (YOY %)	*-4.32%*	*11.47%*	*24.25%*	*25.45%*	*1.31%*
Gross profit Margin (%)	*36.62%*	*32.01%*	*27.65%*	*31.91%*	*34.64%*
EBITDA Margins (%)	*8.30%*	*9.67%*	*11.04%*	*14.33%*	*15.16%*
EBIT Margins (%)	*-1.13%*	*0.75%*	*3.86%*	*8.06%*	*9.87%*
Net Profit Margins (%)	*-5.38%*	*-4.11%*	*0.70%*	*7.23%*	*6.33%*
Earnings Per Share (In Rs.)	-6.15	-41.14	-11.97	81.34	49.27
EPS Growth (YOY %)	*-83.98%*	*569.40%*	*-70.91%*	*-779.65%*	*-39.43%*
Dividend Per Share	-	-	2.31	6.93	6.64
DPS Growth (YOY %)	*N/A*	*N/A*	*N/A*	*200.33%*	*-4.11%*

Share Price - 5Y

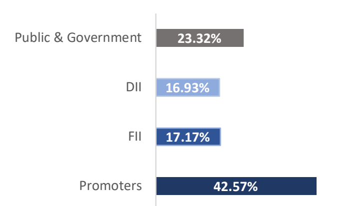
Key Financial Ratios	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Price to Earnings	0.00x	0.00x	0.00x	0.00x	0.00x
EV/EBITDA	5.66x	7.65x	6.31x	3.23x	5.41x
EV/Sales	0.47x	0.74x	0.70x	0.46x	0.82x
Price to Book Value	0.40x	2.25x	3.18x	1.65x	2.84x
Return on Equity (%)	-24.35%	-25.68%	5.33%	36.98%	23.96%
Return on Capital Employed (%)	-1.23%	1.19%	7.35%	19.04%	23.03%

Share Price - 5Y



Top 10 Share Holders	No. Share (Crs)	Holdings (%)	Market value (Crs)
Tata Sons Private Limited	147.8	40.15%	1,05,843.7
Life Insurance Corporation Of India	14.3	3.89%	10,262.4
SBI Nifty 50 Etf	10.3	2.79%	7,341.5
Tata Industries Limited	7.2	1.96%	5,169.8
ICICI Prudential Value Discovery Fund	6.8	1.85%	4,888.2
HDFC Trustee Company Ltd. A/C Hdfc Large Cap Func	4.9	1.34%	3,538.5
Rekha Jhunjhunwala	4.8	1.30%	3,420.4
Tata Investment Corporation Limited	1.1	0.30%	787.6
Investor Education and Protection Fund (IEPF)	1.0	0.27%	699.4
Ewart Investments Limited	0.3	0.09%	242.3

Shareholding Pattern



Managerial Remuneration	Designation	Remuneration	X of Median Salary
Mr N Chandrasekaran	Chairman & Non Exec. Director	N/A	N/A
Mr Girish Wagh	Exec. Director	165.6	69.31:1
Mr Om Prakash Bhatt	Independent Director	115.0	10.44:1
Ms Hanne Sorenson	Independent Director	115.0	10.32:1
Ms Vedika Bhandarkar	Independent Director	115.0	10.21:1
Mr Kosaraju Veerayya Chowdary	Independent Director	115.0	10.18:1
Mr Al Noor Ramji	Independent Director	115.0	10.15:1

01. As a Policy, Mr N Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated.
02. We have not considered the total remuneration for Mr. Wagh instead only the basic salary paid in FY25 has been condsidered

Capital Structure	
Share Price as on 05.10.2025	716.1
Number of Shares O/s	368.2
Market Capitalization	**2,63,687.7**
Less: Cash & Equivalents	(40,834.0)
Add: Total Debt	71,540.0
Add: Minority Interest	6,610.0
Enterprise Value	**3,01,003.7**

Key updates - Demerger Summary

Tata Motors has announced a strategic demerger, creating **two independently listed entities**:
- Passenger Vehicles (PV) Co. – comprising Jaguar Land Rover (JLR) and Tata's domestic EV and passenger car businesses.
- Commercial Vehicles (CV) Co. – encompassing trucks and buses, directly linked to India's infrastructure and freight growth.

Strategic Rationale
- Capital alignment: The PV arm will pursue growth capital to fund global EV and luxury ambitions, while the CV arm will maintain a stronger balance sheet and focus on returns and dividends.
- Valuation clarity: The split aims to eliminate the "conglomerate discount" caused by differing business cycles and capital needs within the consolidated structure.

Market Implications
- Analysts expect the two entities, post-listing, to trade at a 10–15% premium to Tata Motors' current combined market cap.
- The separation enables focused management, tailored capital allocation, and clearer investor propositions:
    - PV Co. – global luxury and EV growth potential.
    - CV Co. – steady domestic infrastructure exposure.

Peer Benchmark
- The move mirrors successful restructurings by Daimler (Mercedes-Benz & Daimler Truck) and Volvo, both of which unlocked shareholder value through sharper business identities.
- **Investment View:**
  The demerger offers investors a choice between two differentiated bets – a high-growth global EV and luxury play versus a cyclical, domestically driven infrastructure play potentially enhancing valuation transparency and long-term capital efficiency across both businesses.

TATA MOTORS LTD

(TATA MOTORS LTD | BSE Code : 500570)

INR 716.00 (as on 05.10.2025)

52 Week (High - INR 948.45 & Low - 535.75)

Historical Financial Statements - TATA MOTORS LTD

Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	LTM
Income Statement											
Sales	₹ 2,73,045.60	₹ 2,69,692.51	₹ 2,91,550.48	₹ 3,01,938.40	₹ 2,61,067.97	₹ 2,49,794.75	₹ 2,78,453.62	₹ 3,45,966.97	₹ 4,34,016.00	₹ 4,39,695.00	₹ 4,37,968.00
Sales Growth	*-*	*-1.23%*	*8.10%*	*3.56%*	*-13.54%*	*-4.32%*	*11.47%*	*24.25%*	*25.45%*	*1.31%*	*-0.39%*
COGS	₹ 2,05,509.07	₹ 2,05,454.24	₹ 2,28,429.83	₹ 2,42,845.53	₹ 2,10,376.07	₹ 1,95,326.04	₹ 2,23,300.01	₹ 2,74,403.64	₹ 3,34,380.00	₹ 3,40,809.00	₹ 3,86,344.00
COGS %Sales	*75.27%*	*76.18%*	*78.35%*	*80.43%*	*80.58%*	*78.19%*	*80.19%*	*79.31%*	*77.04%*	*77.51%*	*88.21%*
Gross Proft	**₹ 67,536.53**	**₹ 64,238.27**	**₹ 63,120.65**	**₹ 59,092.87**	**₹ 50,691.90**	**₹ 54,468.71**	**₹ 55,153.61**	**₹ 71,563.33**	**₹ 99,636.00**	**₹ 98,886.00**	**₹ 51,624.00**
Gross Margins	*24.73%*	*23.82%*	*21.65%*	*19.57%*	*19.42%*	*21.81%*	*19.81%*	*20.69%*	*22.96%*	*22.49%*	*11.79%*
Selling & Genral Expenses	₹ 29,141.28	₹ 34,649.58	₹ 31,662.97	₹ 34,428.54	₹ 32,704.83	₹ 22,181.28	₹ 30,433.52	₹ 39,747.53	₹ 41,812.00	₹ 43,670.00	-
S&G Expenses %Sales	*10.67%*	*12.85%*	*10.86%*	*11.40%*	*12.53%*	*8.88%*	*10.93%*	*11.49%*	*9.63%*	*9.93%*	*0.00%*
EBITDA	**₹ 38,395.25**	**₹ 29,588.69**	**₹ 31,457.68**	**₹ 24,664.33**	**₹ 17,987.07**	**₹ 32,287.43**	**₹ 24,720.09**	**₹ 31,815.80**	**₹ 57,824.00**	**₹ 55,216.00**	**₹ 57,272.00**
EBITDA %Sales	*14.06%*	*10.97%*	*10.79%*	*8.17%*	*6.89%*	*12.93%*	*8.88%*	*9.20%*	*13.32%*	*12.56%*	*13.08%*
Interest	₹ 4,889.08	₹ 4,238.01	₹ 4,681.79	₹ 5,758.60	₹ 7,243.33	₹ 8,097.17	₹ 9,311.86	₹ 10,225.48	₹ 7,594.00	₹ 5,083.00	₹ 32,214.34
Interest %Sales	*1.79%*	*1.57%*	*1.61%*	*1.91%*	*2.77%*	*3.24%*	*3.34%*	*2.96%*	*1.75%*	*1.16%*	*7.36%*
Depriciation	₹ 16,710.78	₹ 17,904.99	₹ 21,553.59	₹ 23,590.63	₹ 21,425.43	₹ 23,546.71	₹ 24,835.69	₹ 24,860.36	₹ 27,239.00	₹ 23,256.00	₹ 22,019.00
Depriciation %Sales	*6.12%*	*6.64%*	*7.39%*	*7.81%*	*8.21%*	*9.43%*	*8.92%*	*7.19%*	*6.28%*	*5.29%*	*5.03%*
Earnings Before Tax	**₹ 16,795.39**	**₹ 7,445.69**	**₹ 5,222.30**	**(₹ -4,684.90)**	**(₹ -10,681.69)**	**₹ 643.55**	**(₹ -9,427.46)**	**(₹ -3,270.04)**	**₹ 22,991.00**	**₹ 26,877.00**	**₹ 30,437.00**
EBT %Sales	*6.15%*	*2.76%*	*1.79%*	*-1.55%*	*-4.09%*	*0.26%*	*-3.39%*	*-0.95%*	*5.30%*	*6.11%*	*6.95%*
Tax	₹ 3,025.05	₹ 3,251.23	₹ 4,341.93	(₹ -2,437.45)	₹ 395.25	₹ 2,541.86	₹ 4,231.29	₹ 704.06	(₹ -4,024.00)	₹ 10,502.00	₹ 8,943.00
Effective Tax Rate	*18.01%*	*43.67%*	*83.14%*	*52.03%*	*-3.70%*	*394.97%*	*-44.88%*	*-21.53%*	*-17.50%*	*39.07%*	*29.38%*
Net Profit	**₹ 13,770.34**	**₹ 4,194.46**	**₹ 880.37**	**(₹ -2,247.45)**	**(₹ -11,076.94)**	**(₹ -1,898.31)**	**(₹ -13,658.75)**	**(₹ -3,974.10)**	**₹ 27,015.00**	**₹ 16,375.00**	**₹ 21,494.00**
Net Margins	*5.04%*	*1.56%*	*0.30%*	*-0.74%*	*-4.24%*	*-0.76%*	*-4.91%*	*-1.15%*	*6.22%*	*3.72%*	*4.91%*
No. of Equity Shares	288.74	288.72	288.73	288.73	288.73	308.9	332.03	332.07	332.13	332.37	332.37
Earning per Share	₹ 47.69	₹ 14.53	₹ 3.05	(₹ -7.78)	(₹ -38.36)	(₹ -6.15)	(₹ -41.14)	(₹ -11.97)	₹ 81.34	₹ 49.27	₹ 64.67
EPS Growth %		*-69.54%*	*-79.01%*	*-355.28%*	*392.87%*	*-83.98%*	*569.40%*	*-70.91%*	*-779.65%*	*-39.43%*	*31.26%*
Dividend per Share	₹ 0.24	-	-	-	-	-	-	₹ 2.31	₹ 6.93	₹ 6.64	-
Dividend Payout ratio	*0.49%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*-19.28%*	*8.52%*	*13.48%*	*0.00%*
Retained Earnings	*99.51%*	*100.00%*	*100.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*91.48%*	*86.52%*	*100.00%*

TATA MOTORS LTD

(TATA MOTORS LTD | BSE Code : 500570)

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Balance Sheet										
Equity Share Capital	₹ 679.18	₹ 679.22	₹ 679.22	₹ 679.22	₹ 719.54	₹ 765.81	₹ 765.88	₹ 766.02	₹ 767.00	₹ 736.00
Reserves	₹ 78,273.23	₹ 57,382.67	₹ 94,748.69	₹ 59,500.34	₹ 62,358.99	₹ 54,480.91	₹ 43,795.36	₹ 44,555.77	₹ 84,151.00	₹ 1,15,408.00
Borrowings	₹ 69,359.96	₹ 78,603.98	₹ 88,950.47	₹ 1,06,175.34	₹ 1,24,787.64	₹ 1,42,130.57	₹ 1,46,449.03	₹ 1,34,113.44	₹ 1,07,264.00	₹ 71,540.00
Other Liabilities	₹ 1,14,871.75	₹ 1,35,914.49	₹ 1,42,813.43	₹ 1,39,348.59	₹ 1,32,313.22	₹ 1,44,192.62	₹ 1,38,051.22	₹ 1,55,239.20	₹ 1,77,339.00	₹ 1,89,289.00
Total Liabilities	**₹ 2,63,184.12**	**₹ 2,72,580.36**	**₹ 3,27,191.81**	**₹ 3,05,703.49**	**₹ 3,20,179.39**	**₹ 3,41,569.91**	**₹ 3,29,061.49**	**₹ 3,34,674.43**	**₹ 3,69,521.00**	**₹ 3,76,973.00**
Fixed Assets Net Block	₹ 1,07,231.76	₹ 95,944.08	₹ 1,21,413.86	₹ 1,11,234.47	₹ 1,27,107.14	₹ 1,38,707.61	₹ 1,38,855.45	₹ 1,32,079.76	₹ 1,21,285.00	₹ 1,15,697.00
Capital Work in Progress	₹ 25,918.94	₹ 33,698.84	₹ 40,033.50	₹ 31,883.84	₹ 35,622.29	₹ 20,963.93	₹ 10,251.09	₹ 14,274.50	₹ 35,698.00	₹ 65,806.00
Investments	₹ 23,767.02	₹ 20,337.92	₹ 20,812.75	₹ 15,770.72	₹ 16,308.48	₹ 24,620.28	₹ 29,379.53	₹ 26,379.16	₹ 22,971.00	₹ 35,656.00
Other Assets	₹ 29,579.36	₹ 37,360.78	₹ 48,286.86	₹ 56,155.74	₹ 58,784.94	₹ 61,717.96	₹ 62,223.77	₹ 68,432.09	₹ 79,020.00	₹ 58,463.00
Total Non Current Assets	**₹ 1,86,497.08**	**₹ 1,87,341.62**	**₹ 2,30,546.97**	**₹ 2,15,044.77**	**₹ 2,37,822.85**	**₹ 2,46,009.78**	**₹ 2,40,709.84**	**₹ 2,41,165.51**	**₹ 2,58,974.00**	**₹ 2,75,622.00**
Receivables	₹ 13,570.91	₹ 14,075.55	₹ 19,893.30	₹ 18,996.17	₹ 11,172.69	₹ 12,679.08	₹ 12,442.12	₹ 15,737.97	₹ 16,952.00	₹ 13,248.00
Inventory	₹ 32,655.73	₹ 35,085.31	₹ 42,137.63	₹ 39,013.73	₹ 37,456.88	₹ 36,088.59	₹ 35,240.34	₹ 40,755.39	₹ 47,788.00	₹ 47,269.00
Cash & Bank	₹ 30,460.40	₹ 36,077.88	₹ 34,613.91	₹ 32,648.82	₹ 33,726.97	₹ 46,792.46	₹ 40,669.19	₹ 37,015.56	₹ 45,807.00	₹ 40,834.00
Total current Assets	**₹ 76,687.04**	**₹ 85,238.74**	**₹ 96,644.84**	**₹ 90,658.72**	**₹ 82,356.54**	**₹ 95,560.13**	**₹ 88,351.65**	**₹ 93,508.92**	**₹ 1,10,547.00**	**₹ 1,01,351.00**
Total Assets	**₹ 2,63,184.12**	**₹ 2,72,580.36**	**₹ 3,27,191.81**	**₹ 3,05,703.49**	**₹ 3,20,179.39**	**₹ 3,41,569.91**	**₹ 3,29,061.49**	**₹ 3,34,674.43**	**₹ 3,69,521.00**	**₹ 3,76,973.00**
Check	*TRUE*	*TRUE*	*TRUE*	*TRUE*	*TRUE*	*TRUE*	*TRUE*	*TRUE*	*TRUE*	*TRUE*
Cash Flow Statements										
Cash From Operating Activities	(₹ -36,693.90)	(₹ -39,571.40)	(₹ -25,139.14)	(₹ -20,878.07)	(₹ -33,114.55)	(₹ -25,672.50)	(₹ -4,443.66)	(₹ -15,417.17)	(₹ -22,781.00)	(₹ -49,982.00)
Cash From Invrsting Activities	(₹ -3,795.12)	₹ 6,205.30	₹ 2,011.71	₹ 8,830.37	₹ 3,389.61	₹ 9,904.20	(₹ -3,380.17)	(₹ -26,242.90)	(₹ -37,006.00)	(₹ -18,786.00)
Cash From Financing Activities	(₹ -2,589.48)	(₹ -3,166.85)	₹ 729.99	₹ 6,843.05	(₹ -3,092.00)	₹ 13,232.21	₹ 6,459.00	(₹ -6,272.06)	₹ 8,128.00	(₹ -5,666.00)
Net Cash Flow	**(₹ -43,078.50)**	**(₹ -36,532.95)**	**(₹ -22,397.44)**	**(₹ -5,204.65)**	**(₹ -32,816.94)**	**(₹ -2,536.09)**	**(₹ -1,364.83)**	**(₹ -47,932.13)**	**(₹ -51,659.00)**	**(₹ -74,434.00)**

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TATA MOTORS

Ratio Analysis - TATA MOTORS LTD													
Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Trend	Mean	Median
SalesGrowth		-1.23%	8.10%	3.56%	-13.54%	-4.32%	11.47%	24.25%	25.45%	1.31%		6.12%	3.56%
EBITDA Growth		-22.94%	6.32%	-21.60%	-27.07%	79.50%	-23.44%	28.70%	81.75%	-4.51%		10.75%	-4.51%
EBIT Growth		-55.67%	-29.86%	-189.71%	128.00%	-106.02%	-1564.91%	-65.31%	-803.08%	16.90%		-296.63%	-65.31%
Net Profit Growth		-69.54%	-79.01%	-355.28%	392.87%	-82.86%	619.52%	-70.90%	-779.78%	-39.39%		-51.60%	-70.90%
Dividend Growth		-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	200.33%	-4.11%		10.69%	0.00%
Gross Margin	24.73%	23.82%	21.65%	19.57%	19.42%	21.81%	19.81%	20.69%	22.96%	22.49%		21.69%	21.73%
EBITDA Margin	14.06%	10.97%	10.79%	8.17%	6.89%	12.93%	8.88%	9.20%	13.32%	12.56%		10.78%	10.88%
EBIT Margin	7.94%	4.33%	3.40%	0.36%	-1.32%	3.50%	-0.04%	2.01%	7.05%	7.27%		3.45%	3.45%
EBT Margin	6.15%	2.76%	1.79%	-1.55%	-4.09%	0.26%	-3.39%	-0.95%	5.30%	6.11%		1.24%	1.02%
Net Profit Margin	5.04%	1.56%	0.30%	-0.74%	-4.24%	-0.76%	-4.91%	-1.15%	6.22%	3.72%		0.50%	-0.22%
SalesExpense%Sales	10.67%	12.85%	10.86%	11.40%	12.53%	8.88%	10.93%	11.49%	9.63%	9.93%		10.92%	10.89%
Depreciation%Sales	6.12%	6.64%	7.39%	7.81%	8.21%	9.43%	8.92%	7.19%	6.28%	5.29%		7.33%	7.29%
OperatingIncome%Sales	7.94%	4.33%	3.40%	0.36%	-1.32%	3.50%	-0.04%	2.01%	7.05%	7.27%		3.45%	3.45%
Return on Capital Employed	14.62%	8.55%	5.37%	0.65%	-1.83%	4.43%	-0.06%	3.88%	15.91%	17.03%		6.85%	4.90%
Retaind Earnings%	99.51%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	91.48%	86.52%		47.75%	43.26%
Return on Equity%	17.44%	7.22%	0.92%	-3.73%	-17.56%	-3.44%	-30.65%	-8.77%	31.81%	14.10%		0.73%	-1.26%
Self Sustained Growth Rate	17.36%	7.22%	0.92%	0.00%	0.00%	0.00%	0.00%	0.00%	29.10%	12.20%		6.68%	0.46%
Interest Coverage Ration	4.44x	2.76x	2.12x	0.19x	-0.47x	1.08x	-0.01x	0.68x	4.03x	6.29x		2.11x	1.60x
Debtor Turnover Ratio	20.12x	19.16x	14.66x	15.89x	23.37x	19.70x	22.38x	21.98x	25.60x	33.19x		21.61x	21.05x
Creditor Turnover Ratio	2.38x	1.98x	2.04x	2.17x	1.97x	1.73x	2.02x	2.23x	2.45x	2.32x		2.13x	2.10x
Inventory Turnover ratio	8.36x	7.69x	6.92x	7.74x	6.97x	6.92x	7.90x	8.49x	9.08x	9.30x		7.94x	7.82x
Fixed Asset Turnover Ratio	2.55x	2.81x	2.40x	2.71x	2.05x	1.80x	2.01x	2.62x	3.58x	3.80x		2.63x	2.58x
Capital Turnover Ratio	3.46x	4.64x	3.06x	5.02x	4.14x	4.52x	6.25x	7.63x	5.11x	3.79x		4.76x	4.58x
(in days)													
Debtor Days	18	19	25	23	16	19	16	17	14	11		18	17
Payable Days	154	184	179	168	185	211	181	164	149	157		173	174
Inventory Days	44	47	53	47	52	53	46	43	40	39		46	47
Cash Conversion Cycle	-92	-117	-101	-98	-117	-139	-118	-104	-95	-107		-109	-106
CFO/Sales	-13.44%	-14.67%	-8.62%	-6.91%	-12.68%	-10.28%	-1.60%	-4.46%	-5.25%	-11.37%		-8.93%	-9.45%
CFO/Total Assets	-13.94%	-14.52%	-7.68%	-6.83%	-10.34%	-7.52%	-1.35%	-4.61%	-6.17%	-13.26%		-8.62%	-7.60%
CFO/Total Debts	-52.90%	-50.34%	-28.26%	-19.66%	-26.54%	-18.06%	-3.03%	-11.50%	-21.24%	-69.87%		-30.14%	-23.89%

TATA MOTORS LTD

(TATA MOTORS LTD | BSE Code : 500570)

INR 716.00 (as on 05.10.2025)

52 Week (High - INR 948.45 & Low - 535.75)

TATA MOTORS LTD - Sales Forecasting

Year weight	Year	Sales	Sales Growth
1	2016A	2,73,045.60	
2	2017A	2,69,692.51	-1.23%
3	2018A	2,91,550.48	8.10%
4	2019A	3,01,938.40	3.56%
5	2020A	2,61,067.97	-13.54%
6	2021A	2,49,794.75	-4.32%
7	2022A	2,78,453.62	11.47%
8	2023A	3,45,966.97	24.25%
9	2024A	4,34,016.00	25.45%
10	2025A	4,39,695.00	1.31%
11	2026E	4,09,204.3	-6.93%
12	2027E	4,26,419.2	4.21%
13	2028E	4,43,634.1	4.04%
14	2029E	4,60,849.1	3.88%
15	2030E	4,78,064.0	3.74%

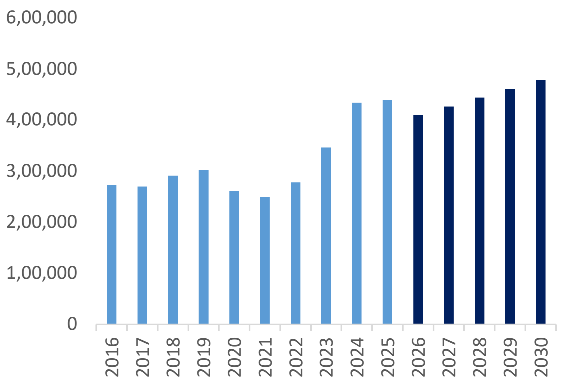
TATA MOTORS LTD - EBITDA Forecasting

Year weight	Year	EBITDA	Sales Growth
1	2016A	36,204.22	
2	2017A	32,848.59	-9.27%
3	2018A	39,566.22	20.45%
4	2019A	-1,914.45	-104.84%
5	2020A	16,993.16	-987.63%
6	2021A	20,734.35	22.02%
7	2022A	26,937.37	29.92%
8	2023A	38,204.19	41.83%
9	2024A	62,208.00	62.83%
10	2025A	66,671.00	7.17%
11	2026E	52,618.7	-21.08%
12	2027E	60,757.1	15.47%
13	2028E	70,161.8	15.48%
14	2029E	83,259.2	18.67%
15	2030E	88,494.2	6.29%

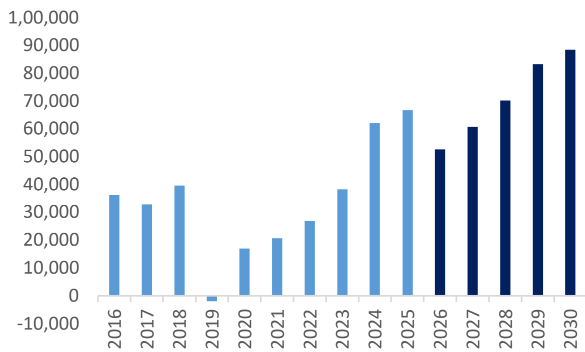
TATA MOTORS LTD - Earning per Share Forecasting

Year weight	Year	EBITDA	Sales Growth
1	2021A	47.69	
2	2022A	14.53	-69.54%
3	2023A	3.05	-79.01%
4	2024A	-7.78	-355.28%
5	2025A	-38.36	392.87%
6	2026A	-6.15	-83.98%
7	2027A	-41.14	569.40%
8	2028A	-11.97	-70.91%
9	2029A	81.34	-779.65%
10	2030A	49.27	-39.43%
11	2031E	20.3	-58.70%
12	2032E	35.2	72.86%
13	2033E	48.9	39.05%
14	2034E	63.7	30.24%
15	2035E	78.5	23.17%

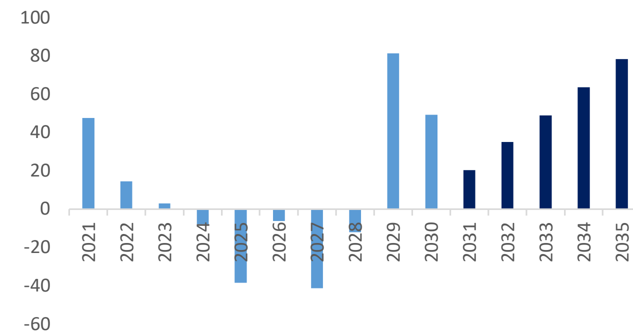
Sales Growth



EBITDA Growth



EPS Growth



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Common Sixe Income Statement - TATA MOTORS LTD

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Raw Material Cost	60.84%	64.26%	64.45%	64.34%	63.16%	61.49%	64.39%	66.84%	63.21%	61.17%
Change in Inventory	1.01%	2.74%	0.70%	-0.68%	-0.85%	-1.88%	-0.57%	1.38%	0.36%	-0.64%
Power and Fuel	0.42%	0.43%	0.45%	0.53%	0.48%	0.45%	0.78%	0.73%	0.50%	0.56%
Other Mfr. Exp	4.43%	3.73%	3.76%	3.87%	4.42%	3.31%	3.39%	3.40%	4.02%	4.28%
Employee Cost	10.58%	10.51%	10.39%	11.01%	11.66%	11.07%	11.06%	9.73%	9.67%	10.86%
Selling and admin	8.05%	11.14%	10.63%	10.84%	11.20%	9.21%	10.49%	10.07%	9.85%	10.71%
Other Expenses	2.62%	1.71%	0.23%	0.57%	1.32%	-0.33%	0.44%	1.42%	-0.22%	-0.78%
Other Income	-0.98%	0.69%	2.03%	-8.84%	0.04%	-4.45%	0.87%	1.93%	1.10%	2.68%
Depreciation	6.12%	6.64%	7.39%	7.81%	8.21%	9.43%	8.92%	7.19%	6.28%	5.29%
Interest	1.79%	1.57%	1.61%	1.91%	2.77%	3.24%	3.34%	2.96%	1.75%	1.16%
Profit before tax	5.17%	3.45%	3.83%	-10.39%	-4.05%	-4.19%	-2.52%	0.98%	6.40%	8.79%
Tax	1.11%	1.21%	1.49%	-0.81%	0.15%	1.02%	1.52%	0.20%	-0.93%	2.39%
Net profit	4.24%	2.76%	3.08%	-9.55%	-4.62%	-5.38%	-4.11%	0.70%	7.23%	6.33%
Dividend Amount	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%	0.53%	0.50%
EBITDA	13.26%	12.18%	13.57%	-0.63%	6.51%	8.30%	9.67%	11.04%	14.33%	15.16%

Common Sixe Balance Sheet - TATA MOTORS LTD

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total Liabilities	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Equity Share Capital	0.26%	0.25%	0.21%	0.22%	0.22%	0.22%	0.23%	0.23%	0.21%	0.20%
Reserves	29.74%	21.05%	28.96%	19.46%	19.48%	15.95%	13.31%	13.31%	22.77%	30.61%
Borrowings	26.35%	28.84%	27.19%	34.73%	38.97%	41.61%	44.51%	40.07%	29.03%	18.98%
Other Liabilities	43.65%	49.86%	43.65%	45.58%	41.32%	42.21%	41.95%	46.39%	47.99%	50.21%
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Net Block	40.74%	35.20%	37.11%	36.39%	39.70%	40.61%	42.20%	39.47%	32.82%	30.69%
Capital Work in Progress	9.85%	12.36%	12.24%	10.43%	11.13%	6.14%	3.12%	4.27%	9.66%	17.46%
Investments	9.03%	7.46%	6.36%	5.16%	5.09%	7.21%	8.93%	7.88%	6.22%	9.46%
Other Assets	11.24%	13.71%	14.76%	18.37%	18.36%	18.07%	18.91%	20.45%	21.38%	15.51%
Receivables	5.16%	5.16%	6.08%	6.21%	3.49%	3.71%	3.78%	4.70%	4.59%	3.51%
Inventory	12.41%	12.87%	12.88%	12.76%	11.70%	10.57%	10.71%	12.18%	12.93%	12.54%
Cash & Bank	11.57%	13.24%	10.58%	10.68%	10.53%	13.70%	12.36%	11.06%	12.40%	10.83%

TATA MOTORS LTD

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Calculation of ROIC	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Current Assets					
Inventories	36,089.0	35,240.0	40,755.0	47,788.0	47,269.0
Trade receivables +	12,679.0	12,442.0	15,738.0	16,952.0	13,248.0
Loans n Advances	4,520.0	4,583.0	(4,029.0)	(1,743.0)	7,552.0
Other asset items	57,198.0	57,641.0	72,461.0	80,763.0	50,911.0
Total Current Assets	**1,10,486.0**	**1,09,906.0**	**1,24,925.0**	**1,43,760.0**	**1,18,980.0**
Current Liabilities					
Trade Payables	76,040.0	69,750.0	79,252.0	93,978.0	97,368.0
Advance from Customers	-	-	-	-	-
Other liability items	66,579.0	64,030.0	68,710.0	75,185.0	85,311.0
Total Current Liabilities	**1,42,619.0**	**1,33,780.0**	**1,47,962.0**	**1,69,163.0**	**1,82,679.0**
Net Working Capital	(32,133.0)	(23,874.0)	(23,037.0)	(25,403.0)	(63,699.0)
Non Current Assets					
Land	7,819.0	7,760.0	8,045.0	7,996.0	7,900.0
Building	35,537.0	36,466.0	38,674.0	40,583.0	44,662.0
Plant Machinery	1,38,868.0	1,48,585.0	1,53,672.0	1,51,877.0	1,55,939.0
Equipments	-	-	-	-	-
Computers	3,172.0	3,383.0	3,499.0	3,667.0	3,879.0
Furniture n fittings	1,956.0	1,984.0	2,084.0	2,029.0	1,970.0
Vehicles	845.0	725.0	788.0	956.0	1,151.0
Intangible Assets	1,14,809.0	1,14,323.0	1,12,538.0	1,16,714.0	93,455.0
Other fixed assets	10,686.0	10,870.0	11,841.0	10,657.0	11,044.0
Gross Block	**3,13,692.0**	**3,24,096.0**	**3,31,141.0**	**3,34,479.0**	**3,20,000.0**
Accumulated Depreciation	(1,74,985.0)	(1,85,241.0)	(1,99,062.0)	(2,13,194.0)	(2,04,303.0)
Net Non Current Assets	1,38,707.0	1,38,855.0	1,32,079.0	1,21,285.0	1,15,697.0
Invested Capital	**1,06,574.0**	**1,14,981.0**	**1,09,042.0**	**95,882.0**	**51,998.0**
EBIT	**8,740.7**	**(115.6)**	**6,955.4**	**30,585.0**	**31,960.0**
ROIC	8.20%	-0.10%	6.38%	31.90%	61.46%

Calculation of Reinvestment Rate	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Capex	19,854.0	14,938.0	18,945.0	31,183.0	37,068.0
Change in Working Capital		8,259.0	837.0	(2,366.0)	(38,296.0)
EBIT	8,740.7	(115.6)	6,955.4	30,585.0	31,960.0
Marginal Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-Tax)	6,555.5	(86.7)	5,216.6	22,938.8	23,970.0
Reinvestment		23,197.0	19,782.0	28,817.0	(1,228.0)
Reinvestment Rate		**-26755.48%**	**379.21%**	**125.63%**	**-5.12%**

4 Year Average	**-6563.94%**
4 Year Median	**60.25%**

Calculation of Growth Rate	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Reinvestment Rate		-26755.48%	379.21%	125.63%	-5.12%
ROIC		-0.10%	6.38%	31.90%	61.46%
Intrinsic Growth		**26.90%**	**24.19%**	**40.07%**	**-3.15%**

4 Year Average	**22.00%**
4 Year Median	**25.54%**

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Weighted Average Cost of Capital

All figures are in INR unless stated otherwise.

Peer Comps

Name	Country	Total Debt	Total Equity	Tax Rate 1	Debt/ Equity	Debt/ Capital	Levered Beta 2	Unlevered Beta 3
Maruti Suzuki	India	87.0	4,96,944.7	30.00%	0.02%	0.02%	0.74	0.74
M & M	India	1,29,024.6	4,30,509.7	30.00%	29.97%	23.06%	1.39	1.15
Tata Motors	India	71,540.0	2,63,687.7	30.00%	27.13%	21.34%	1.76	1.48
Bajaj Auto	India	9,364.2	2,42,381.6	30.00%	3.86%	3.72%	1.10	1.07
Eicher Motors	India	458.1	1,90,376.4	30.00%	0.24%	0.24%	1.07	1.07
			Average	30.00%	12.24%	9.68%	1.21	1.10
			Median	30.00%	3.86%	3.72%	1.10	1.07

Cost of Debt

Pre-tax Cost of Debt	7.11%
After Tax Cost of Debt	30.00%
After Tax Cost of Debt	4.97%

Cost of Equity

Risk Free Rate - 10Y Bond Yield	6.52%
Equity Risk Premium	10.47%
Levered Beta [4]	1.00
Cost of Equity	16.98%

Capital Structure

		Current	Target
Total Debt	71,540.0	21.34%	9.68%
Market Capitalization	2,63,687.7	78.66%	90.32%
Total Capitalization	3,35,227.7	100.00%	100.00%
Debt / Equity		27.13%	10.71%

Levered Beta

Comps Median Unlevered Beta	1.07
Target Debt/ Equity	10.71%
Tax Rate	30.00%
Levered Beta	1.00

Weighted Average Cost of Capital

Cost of Equity	16.98%
Equity Weight	90.32%
Cost of Debt	4.97%
Debt Weight	9.68%
WACC	**15.82%**

1. Tax Rate considered as Marginal Tax Rate for the country

2. Levered Beta is based on 5 year monthly data

3. Unlevered Beta = Levered Beta/(1+(1-Tax Rate) x Debt/Equity)

3. Levered Beta = Unlevered Beta/(1+(1-Tax Rate) x Debt/Equity)

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Calculation of PV of FCFF	Mar-24A	Mar-25E	Mar-26E	Mar-27E	Mar-28E	Mar-29E
EBIT	31,960.00	35,648.85	39,763.47	44,353.01	49,472.27	55,182.41
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT*(1-Tax Rate)	23,970.00	26,736.64	29,822.61	33,264.76	37,104.21	41,386.81
Less:Reinvestment Rate	60.25%	51.58%	42.90%	34.23%	25.55%	25.55%
Free Cash Flow to Firm	9,527.74	12,946.66	17,027.87	21,878.73	27,622.52	30,810.74
Mid year Convention		0.5	1.5	2.5	3.5	4.5
Discounting factor		0.929	0.802	0.693	0.598	0.516
PV of FCFF		12,030.10	13,661.40	15,155.84	16,521.31	15,911.33

Expected Growth	11.54%
Terminal Growth	8.40%
WACC	15.82%

Sensitivity Table (Implied Share Price)

Growth Rate \ WACC	14.82%	15.32%	15.82%	16.32%
7.40%	789.9	748.9	712.7	680.6
7.90%	836.9	789.9	748.9	712.7
8.40%	891.1	836.9	789.9	748.9
8.90%	954.6	891.1	836.9	789.9
9.40%	1,029.7	954.6	891.1	836.9

Calculation of Terminal Value	
FCFF(n+1)	34,366.9
WACC	15.82%
Terminal Growth Rate	8.40%
Terminal Value	4,63,278.8

Calculation of Equity Value per Share	
PV of FCFF	73,280.0
Terminal Value	2,39,247.2
Value of Operating Assets	**3,12,527.2**
Add:Cash	40,834.0
Less:Debt	62,499.0
Value of Equity	**2,90,862.2**
No. of shares	368.23
Equity Value per Share	789.90

Sensitivity Table (Value of Operations)

Growth Rate \ WACC	14.82%	15.32%	15.82%	16.32%
7.40%	3,12,527.2	2,97,419.7	2,84,106.9	2,72,286.9
7.90%	3,29,818.3	3,12,527.2	2,97,419.7	2,84,106.9
8.40%	3,49,803.5	3,29,818.3	3,12,527.2	2,97,419.7
8.90%	3,73,165.7	3,49,803.5	3,29,818.3	3,12,527.2
9.40%	4,00,839.6	3,73,165.7	3,49,803.5	3,29,818.3

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Comparable Company valuation *(Amount in Crores)*

		Market Data					Financials			Valuation		
Company	Ticker	Share Price	Shares Outstanding	Equity Value	Net Debt	Enterprize Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E
Tata Motors		716	368.23	2,63,690	30,706	2,94,394	4,37,968	61,316	28,149	0.7x	4.8x	9.4x
Maruti Suzuki		15,806	31.44	4,96,941	(466)	4,96,479	1,55,739	24,918	14,500	3.2x	19.9x	34.3x
M & M		3,462	124.35	4,30,500	1,08,410	5,38,919	1,67,522	33,504	14,073	3.2x	16.1x	30.6x
Bajaj Auto		8,680	27.93	2,42,418	6,517	2,48,898	52,196	10,961	7,325	4.8x	22.7x	33.1x
Hyundai Motor		2,508	81.25	2,03,743	(7,288)	1,96,465	66,705	9,339	5,492	2.9x	21.0x	37.1x
Eicher Motors		6,941	27.43	1,90,392	195	1,90,571	19,519	6,637	4,734	9.8x	28.7x	40.2x
TVS Motor Co.		3,456	47.51	1,64,199	24,222	1,88,417	46,089	6,452	2,380	4.1x	29.2x	69.0x
Bosch		38,630	2.95	1,13,959	(389)	1,13,545	18,559	3,155	2,013	6.1x	36.0x	56.6x
Samvardh. Mothe.		107	1,055.44	1,12,584	10,933	1,23,517	1,15,007	11,501	4,146	1.1x	10.7x	27.2x
Hero Motocorp		5,551	20.01	1,11,066	126	1,11,174	40,440	6,470	4,376	2.7x	17.2x	25.4x
High										9.8x	36.0x	69.0x
75th Percentile										4.6x	27.2x	39.4x
Average										**3.9x**	**20.6x**	**36.3x**
Median										**3.2x**	**20.5x**	**33.7x**
25th Percentile										0.7x	4.8x	9.4x
Low										0.7x	4.8x	9.4x

Tata Motors Comparable Valuation	EV/Revenue	EV/EBITDA	P/E
Implied Enterprize Vale	14,02,570	12,55,809	9,78,865
Net Debt	30,706	30,706	30,706
Implied market Value	13,71,864	12,25,103	9,48,159
Shares Outstanding	368.23	368.23	368.23
Implied Value per Share	**3,725.6**	**3,327.0**	**2,574.9**
Weight %	20%	50%	30%
Weighted Value	745.11	1,663.50	772.47
Business Enterprise Value			**3,181.1**
			Undervalued

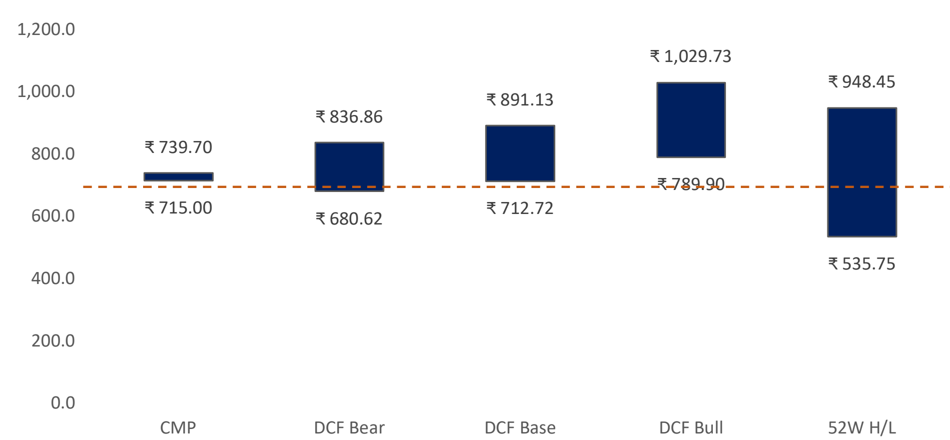
TATA MOTORS LTD

(TATA MOTORS LTD | BSE Code : 500570)

INR 716.00 (as on 05.10.2025)

52 Week (High - INR 948.45 & Low - 535.75)

Football Field Analysis - Valuation Summary (Rs)



Football Field Analysis

	Open Low	Low	Open High	High
CMP	715.0	715.0	739.7	739.7
DCF Bear	680.6	680.6	836.9	836.9
DCF Base	712.7	712.7	891.1	891.1
DCF Bull	789.9	789.9	1,029.7	1,029.7
52W H/L	535.8	535.8	948.5	948.5

Football Field Summary

1. Current Market Position:

CMP stands at **₹715 – ₹739.7**, slightly below the midpoint of the valuation range implied by DCF scenarios. This suggests the market is currently pricing in conservative growth expectations.

2. DCF Scenarios:

Bear Case: ₹680.6 – ₹836.9 → Indicates potential downside of 5% below CMP, signaling limited risk under stressed assumptions.

Base Case: ₹712.7 – ₹891.1 → The base case aligns closely with CMP, suggesting the market is fairly valuing the company under expected operating conditions.

Bull Case: ₹789.9 – ₹1,029.7 → Upside potential of 30-40% from CMP under favorable growth assumptions, highlighting significant value creation opportunity.

3. 52-Week Range:

Low/High: ₹535.75 – ₹948.45 → The CMP is positioned in the upper half of the annual trading range, providing context on historical market sentiment and potential support/resistance levels.

Strategic Implications:

The company exhibits **moderate upside potential** relative to CMP, particularly under bull-case scenarios.

Risk appears manageable, given the proximity of CMP to DCF Base and Bear case valuations.

Long-term investors could consider **incremental accumulation**, anticipating favorable operational execution and market conditions.

Active portfolio managers should monitor near-term catalysts that could drive the share price toward the upper bound of the DCF Bull case.

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Date (1994 - 2025)	Adj Close	Return	Sorted Returns
12-05-2003	30.21	-0.20	2.15
18-06-2003	37.70	0.07	1.82
16-06-2003	35.22	-0.06	1.74
26-06-2003	37.44	0.00	1.68
20-06-2003	37.34	-0.08	1.64
07-07-2003	40.53	-0.02	1.43
21-07-2003	41.33	-0.68	1.06
04-10-1995	129.04	-0.75	0.60
13-10-2021	506.90	4.44	0.20
30-04-2020	93.25	0.30	0.19
20-05-2009	71.88	-0.58	0.19
29-10-2019	172.45	0.17	0.17
27-10-2019	147.70	-0.54	0.16
02-02-2021	322.00	4.40	0.15
18-05-2009	59.62	1.00	0.14
04-12-2008	29.87	-0.26	0.13
02-04-2009	40.30	-0.64	0.13
05-06-2020	110.75	1.94	0.12
03-11-2008	37.69	-0.76	0.12
02-03-2010	157.92	-0.58	0.12
07-10-2021	376.50	21.72	0.12
03-11-2000	16.57	-0.70	0.12
15-04-2009	55.70	-0.75	0.12
11-01-2021	220.65	0.97	0.11
07-09-2009	112.00	1.24	0.11
13-04-2009	49.89	-0.73	0.11
05-02-2020	183.75	0.32	0.11
17-10-2019	139.50	8.40	0.11
24-07-2001	14.84	-0.82	0.11
28-07-2009	81.99	1.56	0.11
13-03-2009	32.00	0.07	0.11
11-06-2002	29.83	1.09	0.11
14-03-2001	14.28	-0.84	0.11
23-01-2004	89.34	0.20	0.10
09-04-2020	74.60	1.44	0.10
28-10-2008	30.55	-0.77	0.10

Replication	Simulated Returns
1	0.0442622
2	-0.0089173
3	-0.0162780
4	0.0318405
5	0.1160988
6	0.0893880
7	0.0898985
8	0.0857996
9	-0.1242264
10	-0.1280652
11	0.0008065
12	0.0477678
13	0.0219266
14	0.0013999
15	-0.0833017
16	0.0345179
17	0.0412344
18	0.0188998
19	-0.0013241
20	-0.0066487
21	-0.0067326
22	0.0303789
23	0.0028897
24	0.0499809
25	-0.0707154
26	0.0822642
27	0.0192284
28	0.0355445
29	0.0326779
30	0.0705416
31	-0.1120952
32	-0.0327626
33	-0.0376631
34	0.0086842
35	0.0442481
36	0.0599032

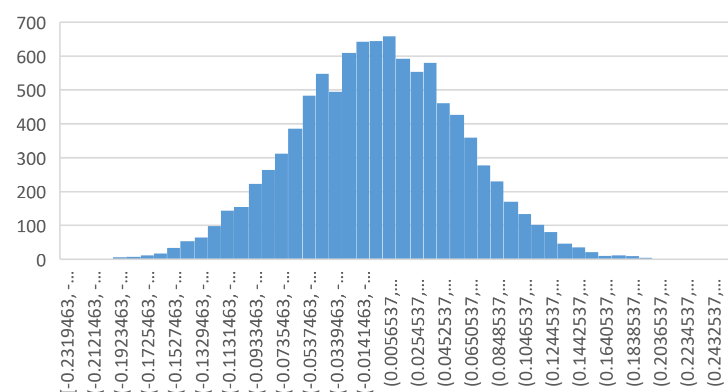
Calculation of Value at Risk - Tata Motors (Simulation)

Historical Approach	
Mean	0.17%
STD Devation	6.11%
Min	-68.31%
Max	214.69%
CPM	716.00

Monte Carlo Simulation	
Mean	0.21%
STD Devation	6.12%
Min	-23.19%
Max	0.26
CPM	1095.00

Percentile	Confidence	VAR %	Stock Price	VAR (INR)
5%	95.00%	-9.96%	644.67	71.33
1%	99.00%	-13.89%	616.55	99.45
0.5%	99.50%	-15.24%	606.87	109.13
10%	90.00%	-7.69%	660.91	55.09

Daily Returns Distribution



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52 Week (High - INR 948.45 & Low - 535.75)

About the company

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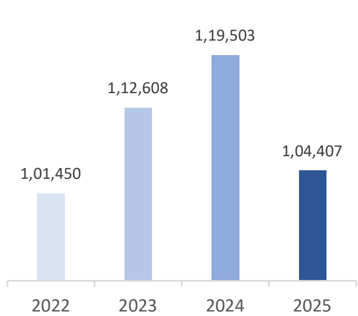
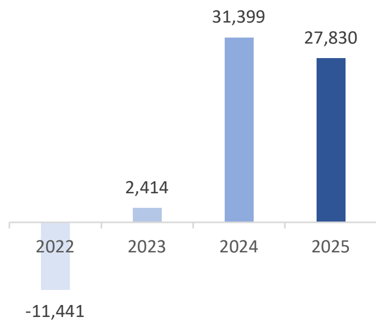
Financial Summary

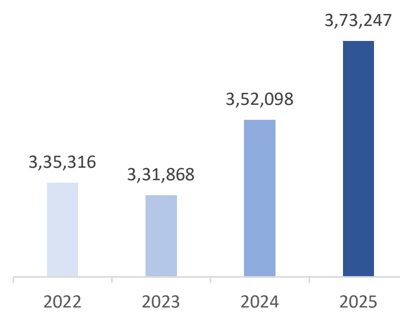
Revenue (INR Crs.)



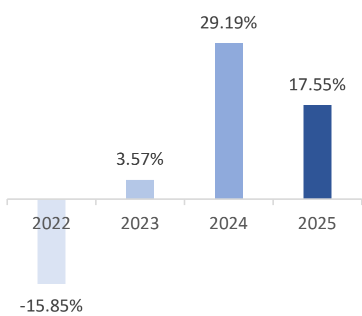
Net Profit (INr Crs)



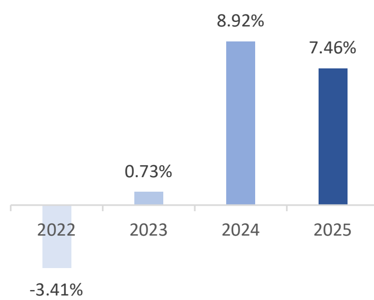
Average Total Assets (INR Crs.)



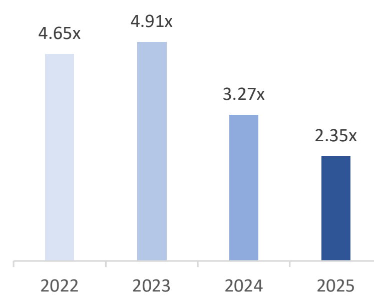
Return on Equity (%)



Return on Assets (%)



Financial Leverage



Recent Updates

- Consolidated revenue grew to ₹4,39,695 crore for FY25, reflecting the company's best-ever top line
- Consolidated net profit after tax (PAT) surged 74% YoY to ₹28,149 crore, underpinned by JLR and domestic business performance.
- EBITDA for the year was ₹57,649 crore, with margins strengthening year-on-year thanks to operational leverage and cost-reduction initiatives
- JLR reported record quarterly revenue of £7.3 billion in Q1 FY25, with EBIT margins rising to 8.9% (+30 bps), on improved product mix, pricing, and material cost management.
- Tata Commercial Vehicles revenue grew 5.1% to ₹17,800 crore, with EBIT margins improving to 8.9%. Passenger Vehicle revenues softened due to macroeconomic headwinds but margins held due to cost efficiencies **Strategic Initiatives and Transformation**
- Tata Motors announced a demerger, creating two specialized listed entities: one focused on Personal Mobility (Passenger Vehicles and JLR) and the other on Commercial Mobility. This aims to unlock shareholder value and streamline capital allocation.
- The merger of Tata Motors Finance into Tata Capital is advancing, further focusing the group's core activities.
- JLR advanced its "Reimagine" strategy, investing in electric mobility and modern luxury, aiming to electrify all brands by 2030 and achieve net-zero emissions by 2039. **Sustainability and ESG Commitment**
- Tata Motors prioritized environmental sustainability, with ambitious targets for net-zero greenhouse gas emissions: by 2039 for JLR, 2040 for passenger vehicles, and 2045 for commercial vehicles.
- The company increased its share of renewable electricity use and pushed circularity via its "Re.Wi.Re" recycling initiative, and deepened responsible supply-chain partnerships.

Dupont Analysis - Return on Equity & Return on Assets

Return on Equity (ROC)							
	Mar-19	**Mar-20**	**Mar-21**	**Mar-22**	**Mar-23**	**Mar-24**	**Mar-25**
Net Profit	(28,826.2)	-12,070.9	-13,451.4	-11,441.5	2,414.3	31,399.0	27,830.0
Average Shareholder Equity	1,07,893.5	93,168.3	86,786.0	72,184.6	67,602.4	1,07,578.9	1,58,603.0
Return on Equity	**-26.72%**	**-12.96%**	**-15.50%**	**-15.85%**	**3.57%**	**29.19%**	**17.55%**

ROE - Dupont Equation							
	Mar-19	**Mar-20**	**Mar-21**	**Mar-22**	**Mar-23**	**Mar-24**	**Mar-25**
Net Profit	(28,826.2)	-12,070.9	-13,451.4	-11,441.5	2,414.3	31,399.0	27,830.0
Revenues	1,10,577.0	1,19,033.0	1,07,102.0	1,01,450.0	1,12,608.0	1,19,503.0	1,04,407.0
Net Profit Margin (A)	**-26.07%**	**-10.14%**	**-12.56%**	**-11.28%**	**2.14%**	**26.27%**	**26.66%**
Revenues	1,10,577.0	1,19,033.0	1,07,102.0	1,01,450.0	1,12,608.0	1,19,503.0	1,04,407.0
Average Total Assets	3,16,447.7	3,12,941.4	3,30,874.7	3,35,315.7	3,31,868.0	3,52,097.7	3,73,247.0
Asset Turnover Ratio (B)	**0.35x**	**0.38x**	**0.32x**	**0.30x**	**0.34x**	**0.34x**	**0.28x**
Average Total Assets	3,16,447.7	3,12,941.4	3,30,874.7	3,35,315.7	3,31,868.0	3,52,097.7	3,73,247.0
Average Shareholder Equity	1,07,893.5	93,168.3	86,786.0	72,184.6	67,602.4	1,07,578.9	1,58,603.0
Equity Multiplier (C)	**2.93x**	**3.36x**	**3.81x**	**4.65x**	**4.91x**	**3.27x**	**2.35x**
Return on Equity (A*B*C)	**-26.72%**	**-12.96%**	**-15.50%**	**-15.85%**	**3.57%**	**29.19%**	**17.55%**

Return on Assets							
	Mar-19	**Mar-20**	**Mar-21**	**Mar-22**	**Mar-23**	**Mar-24**	**Mar-25**
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Return on Assets	**-9.11%**	**-3.86%**	**-4.07%**	**-3.41%**	**0.73%**	**8.92%**	**7.46%**

ROA - Dupont Equation							
	Mar-19	**Mar-20**	**Mar-21**	**Mar-22**	**Mar-23**	**Mar-24**	**Mar-25**
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Asset Turnover Ratio (B)	**0.35x**	**0.38x**	**0.32x**	**0.30x**	**0.34x**	**0.34x**	**0.28x**
Return on Asset (A*B)	**-9.11%**	**-3.86%**	**-4.07%**	**-3.41%**	**0.73%**	**8.92%**	**7.46%**

Dupont Summary

- Tata Motors' ROE declined sharply to -15.50% in FY21 due to pandemic disruptions, reaching a low of -15.85% in FY22, before rebounding strongly to 29.19% in FY24 and moderating to 17.55% in FY25.
- Over the seven-year period, ROE fluctuated widely starting at -26.72% in FY19, remaining negative through FY22, then turning positive in FY23 (3.57%) and surging in FY24–FY25 as profitability recovered.
- The Net Profit Margin was severely hit during the loss-making years, falling to -26.07% in FY19 and staying negative till FY22. It showed a remarkable recovery post-pandemic, improving to 2.14% in FY23, 26.27% in FY24, and 26.66% in FY25.
- The Asset Turnover Ratio stayed relatively stable between 0.30x – 0.38x, reflecting consistent but modest efficiency in using assets to generate sales.
- The Equity Multiplier rose steadily from 2.93x in FY19 to a peak of 4.91x in FY23, indicating increased leverage during recovery, before easing to 3.27x in FY24 and 2.16x in FY25, suggesting deleveraging and stronger equity positioning.
- The negative ROE from FY19 – FY22 reflects the combined effect of losses, subdued asset utilization, and high leverage, while the strong recovery from FY23 onward was driven by improved profitability, cost control, and reduced debt levels.
- ROA also followed an improving trend negative from FY19 (-9.11%) to FY22 (-3.41%), turning positive at 0.73% in FY23, and strengthening to 8.92% in FY24 and 7.46% in FY25, showing enhanced efficiency in asset management and profitability

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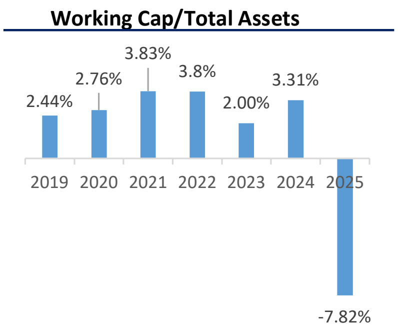
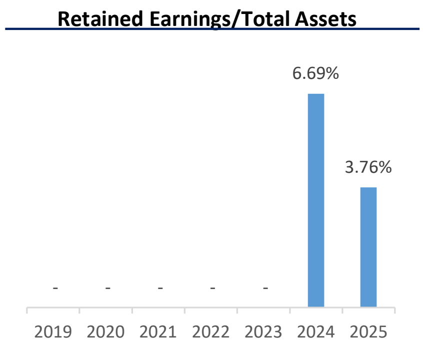
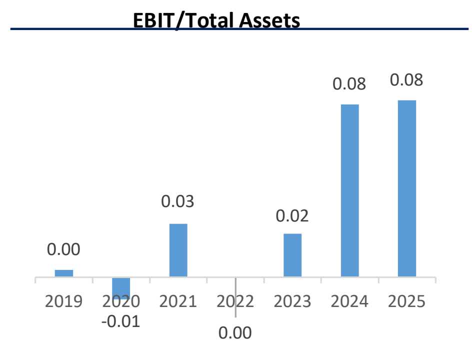
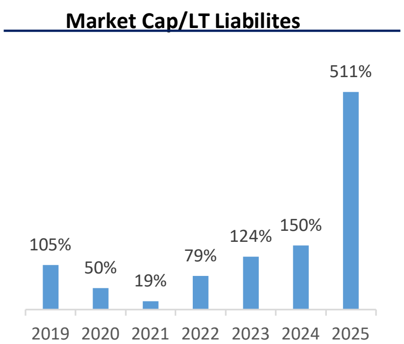
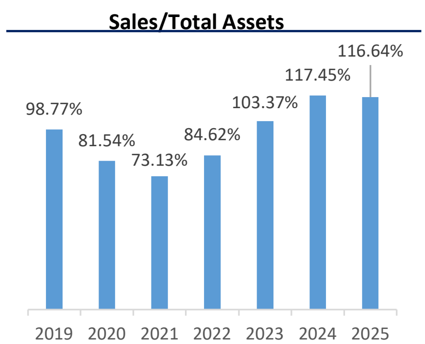
Financial Summary

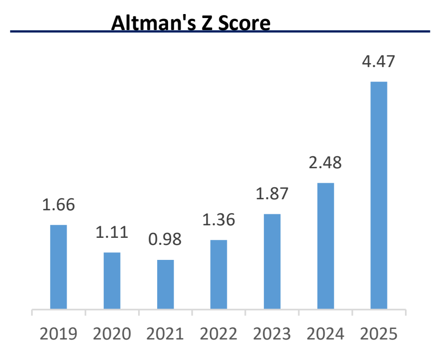












Summary of Altman's Z-Score

- Between FY2019 and FY2021, the company remained in the "Distressed" zone (Z-Score range: 1.11–1.36), reflecting weak profitability, strained liquidity, and limited retained earnings. This period would have represented high credit and equity risk, justifying either an underweight position or avoidance.
- In FY2022–FY2023, the Z-Score improved to 1.87 and 2.48, shifting the firm into the "Grey Zone." The recovery suggested stabilizing operations and improved investor sentiment, but the company remained financially fragile.
- By FY2024, the Z-Score climbed to 3.26, entering the "Strong" zone for the first time. This transition indicates a significant reduction in bankruptcy risk and enhanced solvency.
- In FY2025, the Z-Score strengthened further to 4.47, confirming the company's financial resilience and improved market credibility.

Key Drivers of Improvement

- **Profitability Recovery (EBIT/Total Assets):**
  After several years of operating losses, the company posted a notable turnaround from negative EBIT ratios pre - 2022 to 0.08x in FY2024–FY2025. This reflects operational efficiency gains and likely cost optimization.
- **Market Valuation Surge (Market Cap/Long-Term Liabilities):**
  The ratio improved dramatically from 19% in FY2021 to 511% in FY2025, signaling strong market re-rating, reduced leverage, and enhanced investor confidence.
- **Asset Utilization (Sales/Total Assets):**
  The firm consistently improved its Return on Assets (ROA) from 73.13% in FY2021 to 116.64% in FY2025, underscoring improved efficiency and profitability.
- **Retained Earnings Growth:**
  After years of stagnation, retained earnings reached 6.69% of total assets in FY2024, reflecting stronger internal capital generation before a slight dip in FY2025 due to reinvestment or dividend payouts.
- **Liquidity Volatility (Working Capital/Total Assets):**
  Despite overall financial strength, the ratio turned negative (-7.82%) in FY2025, suggesting short-term liquidity constraints a potential red flag requiring close monitoring for working capital management.

Altman's Z Score Analysis Calculation

Working Capital/Total Asset	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Working Capital	*7,465.9*	8,828.3	13,085.5	12,524.2	6,701.8	12,228.0	-29,475.0
Total Assets	3,05,703.5	3,20,179.4	3,41,569.9	3,29,061.5	3,34,674.4	3,69,521.0	3,76,973.0
Working Capital/Total Asset (A)	**2.44%**	**2.76%**	**3.83%**	**3.81%**	**2.00%**	**3.31%**	**-7.82%**

Retained Earnings/Total Assets	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Retained Earnings	-	-	-	-	-	24,714.0	14,167.0
Total Assets	3,05,703.5	3,20,179.4	3,41,569.9	3,29,061.5	3,34,674.4	3,69,521.0	3,76,973.0
Retained Earnings/Total Assets (B)	**-**	**-**	**-**	**-**	**-**	**6.69%**	**3.76%**

EBIT/Total Assets	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
EBIT	1,073.7	(3,438.4)	8,740.7	(115.6)	6,955.4	30,585.0	31,960.0
Total Assets	3,05,703.5	3,20,179.4	3,41,569.9	3,29,061.5	3,34,674.4	3,69,521.0	3,76,973.0
EBIT/Total Assets (C)	**0.00x**	**-0.01x**	**0.03x**	**0.00x**	**0.02x**	**0.08x**	**0.08x**

Market Cap/Long Term Liabilities	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
market Cap	1,11,001.6	62,690.4	27,205.5	1,15,571.7	1,66,130.5	1,61,271.3	3,65,484.3
Long Term Liabilities	1,06,175.3	1,24,787.6	1,42,130.6	1,46,449.0	1,34,113.4	1,07,264.0	71,540.0
Market Cap/Long Term Liabilities (D)	**105%**	**50%**	**19%**	**79%**	**124%**	**150%**	**511%**

Sales/Total Assets	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total Sales	3,01,938.4	2,61,068.0	2,49,794.8	2,78,453.6	3,45,967.0	4,34,016.0	4,39,695.0
Total Assets	3,05,703.5	3,20,179.4	3,41,569.9	3,29,061.5	3,34,674.4	3,69,521.0	3,76,973.0
Return on Assets (E)	**98.77%**	**81.54%**	**73.13%**	**84.62%**	**103.37%**	**117.45%**	**116.64%**

Altman's Z Score	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Final Score	**1.66**	**1.11**	**0.98**	**1.36**	**1.87**	**2.48**	**4.47**
Financial Stability	***Distressed***	***Distressed***	***Distressed***	***Distressed***	***Grey Zone***	***Grey Zone***	***Stong***