TATA MOTORS COMMERCIAL VEHICLES | Better Always

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# Research Report

## Tata Motors Limited


Prepared By-

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# About

Founded in 1945, Tata Motors Ltd is one of India's largest automobile manufacturers and a part of the Tata Group.

**Business Overview Post Demerger:**

The commercial-vehicle undertaking was demerged into TML Commercial Vehicles Ltd w.e.f. 01.10.2025. The company was renamed Tata Motors Ltd on 29.10.2025. Passenger vehicles, passenger EVs and JLR are not part of this entity.

## Business Segments

The company manufactures pickups, SCVs, intermediate and light trucks, heavy trucks, buses and vans.

**New Launches**

In July,26, the company launched the new Ultra Prime and Starbus Prime bus ranges alongwith LPO 1620 CNG, Ultra Prime LPO 412, Ultra Skool 9/9 EV, Ultra Prime RE Concept, Magic EV and Winger Plus.

**Market Share**

As of FY26, company has a 35.7% Market share. It aims to be at 40% by FY28.

**Geographical Presence**

It operates across India and South Korea and sells in 40+ countries covering Africa, the Middle East, Latin America, Southeast Asia and SAARC markets.

## Synopsis of Financials

**Executive Takeaways (Q1 FY27; quarter ended June 30, 2026):**

Consolidated highlights (limited detail in call)

- Revenue: ₹20,700 crore (+19% YoY)
- EBITDA margin: 10.9% (down 90 bps)
- EBIT margin: 8.5% (down 80 bps)
- PBT (pre-exceptionals): ₹3,000 crore (+81%), includes mark-to-market adjustment on Tata Capital investments

Source: Company Annual Report

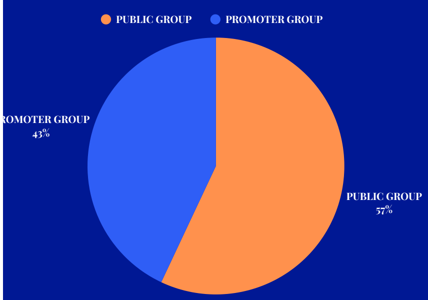
## Stock data (as 04th September 2026)

| | |
|---|---|
| Nifty Price | : 23,950.00 |
| 52 week High (in Rs.) | : 509.00 |
| 52 week Low (in Rs.) | : 306.30 |
| Market Cap. (in Crore) | : 1,69,220.08 |
| NSE Code | : INE1TAE01010 |

## Stock data

-NIFTY-50
-Tata Motors Limited


## Shareholding Pattern (June 2026)




-PUBLIC GROUP
-PROMOTER GROUP

## Financial Summary

| Particular | Mar 2025 10m | Mar-26 |
|---|---|---|
| Sales - | 58,217 | 83,855 |
| Sales Growth % | | 44.04% |
| Expenses + | 52045 | 76238 |
| Operating Profit | 6,172 | 7,617 |
| OPM % | 11% | 9% |
| Net Profit + | 3,195 | 3,030 |
| EPS in Rs | | 8.23 |
| Dividend Payout % | 0% | 49% |

Note:- The Profit & Loss statement for Tata Motors Limited is available for only two years due to the demerger of the company in October 2025. Following the demerger, the Commercial Vehicles business was separated and now operates as Tata Motors Commercial Vehicles (TMCV).

# Quaterly Results

| Particular | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 |
|---|---|---|---|---|---|---|
| Sales - | 21,863 | 17,324 | 18,585 | 21,847 | 26,098 | 20,667 |
| YOY Sales Growth % | 16.18% | -20.76% | 5.99% | 16.09% | 19.37% | 19.30% |
| Expenses - | 19,432 | 15,248 | 16,553 | 19,260 | 22,771 | 17,395 |
| Material Cost % | 67% | 66% | 67% | 68% | 69% | 69% |
| Employee Cost % | 6% | 8% | 8% | 7% | 6% | 8% |
| Operating Profit | 2,431 | 2,076 | 2,032 | 2,587 | 3,327 | 3,272 |
| OPM % | 11% | 12% | 11% | 12% | 13% | 16% |
| Other Income - | 72 | 332 | -1,865 | -981 | -28 | 341 |
| Other income normal | 331 | 342 | 172 | 366 | 424 | 420 |
| Interest | 319 | 254 | 256 | 198 | 166 | 135 |
| Depreciation | 592 | 480 | 472 | 483 | 510 | 508 |
| Profit before tax | 1,592 | 1,674 | -561 | 925 | 2,623 | 2,970 |
| Tax % | 16% | 17% | 55% | 24% | 32% | 14% |
| Net Profit + | 1,340 | 1,397 | -867 | 705 | 1,793 | 2,556 |

Source: Screener

# Key Ratios

| Particulars | Year Ended March 31, 2026 | From June 23,2024 to March 31, 2025* |
|---|---|---|
| Debt Equity Ratio (number of times) | 0.38 | 0.87 |
| Debt Service Coverage Ratio (number of times) | 1.05 | 0.59 |
| Interest Service Coverage Ratio (number of times) | 10.65 | 6.40 |
| Current ratio (number of times) | 0.76 | 0.93 |
| Long term debt to working capital (number of times) | (0.91) | 5.00 |
| Debtors' turnover (in times) | 28.98 | 18.80 |
| Inventory turnover (in times) | 11.26 | 6.72 |
| Operating margin (%) | 12.35% | 13.21% |
| Net profit margin (%) | 3.61% | 5.49% |

*Ratios for the comparative period is for 9 months (June 23,2024 to March 31,2025), and hence not comparable with ratios for year ended March 31, 2026.

Source: Company Annual Report

# Yearly Results

| Particulars | March2025 | March2026 |
|---|---|---|
| Equity Capital | 0 | 736 |
| Reserves | 10,533 | 11,998 |
| Borrowings | 9,925 | 5,615 |
| Other Liabilities | 26393 | 33960 |
| Total Liabilities | 46851 | 52309 |
| Fixed Assets | 13,664 | 13,962 |
| CWIP | 1875 | 2026 |
| Investments | 5,282 | 13,283 |
| Other Assets | 26,030 | 23,038 |
| Total Assets | 46,851 | 52,309 |

**Note on Historical Balance Sheet Data**
The Balance Sheet data for Tata Motors Limited is available for only two years due to the demerger of the company in October 2025. Following the demerger, the Commercial Vehicles business was separated and now operates as Tata Motors Commercial Vehicles (TMCV).

Source: Screener

# Synopsis Quarter Results

## Concall Notes - Aug-2026: Key Highlights

**Executive Takeaways (Q1 FY27; quarter ended June 30, 2026):**

Financial Performance: Standalone and Consolidated (Commodity headwinds, pricing, and leverage)

### Standalone (primary reporting basis in call)

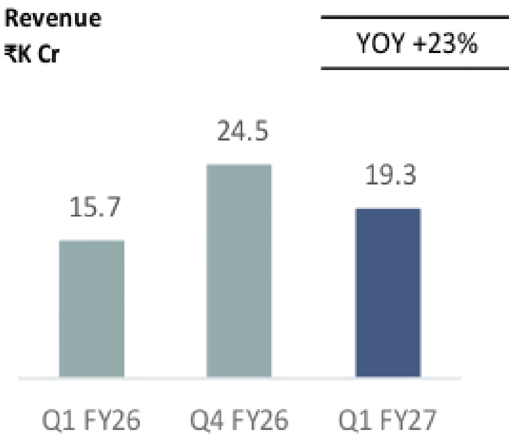
- Revenue: ₹19,300 crore (+23% YoY)
- EBITDA: ₹2,300 crore, 11.7% margin (down 60 bps YoY)
- EBIT margin: 9.4% (down 20 bps YoY)
- PBT (pre-exceptionals): ₹2,100 crore (+26% YoY)
- FCF: ₹1,100 crore (vs -₹1,800 crore last year)
- Net cash: ₹7,100 crore (after ₹1,473 crore dividend payout in quarter)
- Auto ROCE (TTM): 68% (vs 72% FY26)
- Capex: ~₹500–₹554 crore; investment spending ₹515 crore (~2.7% of revenue), within guided 2–4%

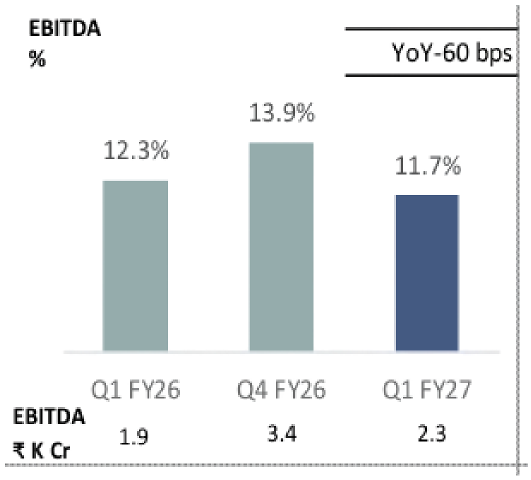
### Consolidated highlights (limited detail in call)

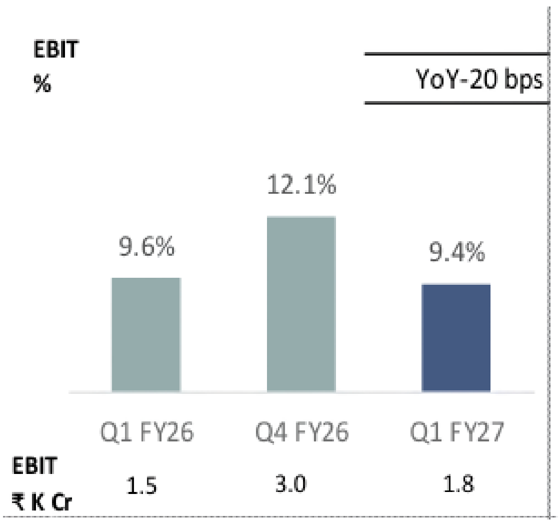
- Revenue: ₹20,700 crore (+19% YoY)
- EBITDA margin: 10.9% (down 90 bps)
- EBIT margin: 8.5% (down 80 bps)
- PBT (pre-exceptionals): ₹3,000 crore (+81%), includes mark-to-market adjustment on Tata Capital investments
- FCF: ₹400 crore (vs -₹2,000 crore last year)
- Net cash: ₹13,500 crore (vs ₹13,700 crore at March end)

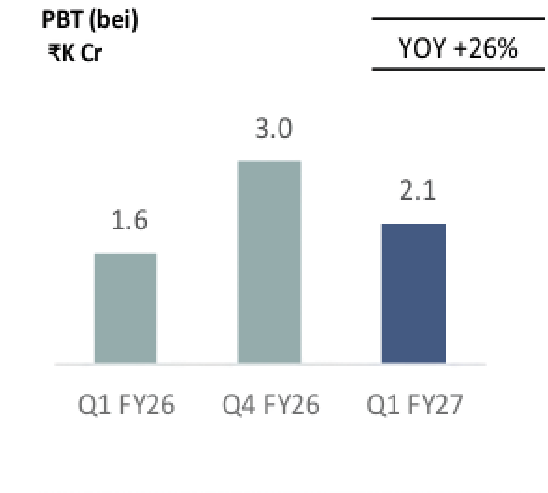
# Highlights

Q1 FY27 Standalone including Joint Operations Tata Cummins |IndAS | ₹K Cr




Source: Investor Presentation

# Peer Comparison

## Peer Stock Performance (1Y) Indexed


Source: Trading View

## Peer Financial Performance

| Name | CMP Rs. | P/E | Mar Cap Rs.Cr. | Div Yld % | NP Qtr Rs.Cr. | Qtr Profit Var % | Sales Qtr Rs.Cr. | Qtr Sales Var % | ROCE % |
|---|---|---|---|---|---|---|---|---|---|
| Tata Motors | 460.0 | 22.9 | 169404.2 | 0.9 | 2556.0 | 87.0 | 20667.0 | 19.3 | 35.9 |
| Ashok Leyland | 169.5 | 26.7 | 99532.5 | 2.1 | 667.8 | 0.8 | 13069.6 | 11.6 | 13.6 |

Source: Screener

# Final Outlook

## TMCV : HOLD| LTP: 460.0

**Summary**

Tata Motors Commercial Vehicles has shown strong business momentum following the demerger, supported by healthy revenue growth, strong market share, new product launches, and improving cash generation. The company delivered a strong Q1 FY27 with 23% standalone revenue growth and significantly improved free cash flow, while maintaining a strong net cash position and high Auto ROCE. Its leadership in commercial vehicles, growing electric vehicle portfolio, and target of increasing market share to 40% by FY28 provide attractive long-term growth opportunities.

**Recent Performance – Q1 FY27:**

TMCV delivered a strong start to FY27, particularly on the revenue and cash-flow front.

- Standalone revenue reached ₹19,300 Cr, up 23% YoY.
- EBITDA stood at ₹2,300 Cr, with an 11.7% margin.
- PBT before exceptional items increased 26% YoY to ₹2,100 Cr.
- Free Cash Flow improved significantly to ₹1,100 Cr, compared with negative ₹1,800 Cr in the previous year.
- Net cash stood at ₹7,100 Cr.
- Auto ROCE remained strong at 68%.
- Consolidated revenue was ₹20,700 Cr, up 19% YoY.

**Simple Understanding:**

- Sales increased strongly from ₹58,217 Cr to ₹83,855 Cr.
- Operating profit also increased, but the operating margin declined from 11% to 9%.
- Net profit remained broadly stable despite higher revenue.
- The decline in margin indicates some pressure from costs and commodity prices.
- The company's balance sheet improved, with borrowings falling from ₹9,925 Cr to ₹5,615 Cr.

Tata Motors Commercial Vehicles remains a strong player in India's commercial vehicle market, supported by its leading market position, diversified product portfolio, improving cash generation, and strong balance sheet. The company's 35.7% market share, ambitious target of reaching 40% by FY28, and continuous launch of new and electric vehicles provide a solid foundation for future growth.