Company Update

Retail Equity Research

GEOJIT
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Tata Motors Ltd

BUY

Sector: Automobiles

17th September, 2026

Key Changes	Target ▼		Rating ▲		Earnings ▲
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	TMCV:IN	74,336	TMCV	544569	12 Months

Target	**Rs. 482**
CMP	**Rs. 424**
Return	**+14%**

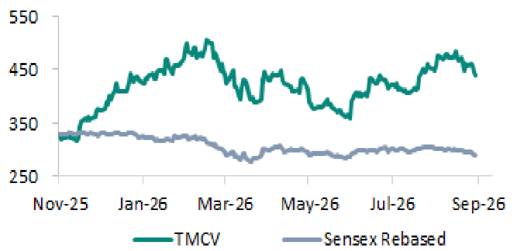
Data as of: 16-Sep-2026, 18:00 hrs

Company Data	
Market Cap (Rs.cr)	156,095
52 Week High — Low (Rs.)	509 - 306
Enterprise Value (Rs. cr)	153,020
Outstanding Shares (cr)	368.2
Free Float (%)	56.7
Dividend Yield (%)	0.9
6m average volume (cr)	1.2
Beta	1.1
Face value (Rs.)	2.0

Shareholding (%)	Q3FY26	Q4FY26	Q1FY27
Promoters	42.6	42.6	42.6
FII's	18.3	19.0	18.6
MFs/Institutions	17.2	17.8	18.5
Public	20.3	18.9	19.1
Others	1.7	1.7	1.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	5.3%	1.7%	-
Absolute Sensex	-3.7%	0.2%	-
Relative Return	9.0%	1.5%	-

*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	83,855	92,677	100,952
Growth (%)	-	*10.5*	*8.9*
EBITDA	9,935	10,186	12,371
EBITDA Margin (%)	*11.8*	*11.0*	*12.3*
PAT Adjusted	4,101	7,452	8,393
Growth (%)	-	*81.7*	*12.6*
Adjusted EPS	11.1	20.2	22.8
Growth (%)	-	*81.7*	*12.6*
P/E	39.5	21.7	19.3
P/B	12.7	8.2	5.8
EV/EBITDA	16.0	15.5	12.7
ROE (%)	*32.2*	*37.7*	*29.9*
D/E	0.4	0.2	0.1

Volume-Led Growth; Iveco Unlocks Next Leg

Tata Motors Ltd is a leading automobile manufacturer in India that designs, manufactures and sells commercial vehicles (CVs).

- Consolidated revenue rose 19.3% YoY to Rs. 20,667cr in Q1FY27, driven by stronger domestic/export CV volumes.
- Commercial Vehicle revenue increased 19.8% YoY to Rs. 20,384cr, led by strong CV wholesales, resilient freight demand, new launches and export growth.
- Total CV sales grew 26.7% YoY to 108,488 units, supported by broad-based CV demand and export traction, including Indonesia-related orders.
- EBITDA rose 8.3% YoY to Rs. 2,145cr; however, EBITDA margin declined 106bps YoY to 10.4%, primarily due to commodity inflation in steel, aluminium, copper and other raw materials.
- Adjusted profit after tax (PAT) increased 5.7% YoY to Rs. 1,484cr, driven by volume growth and lower finance costs.

Outlook & Valuation

Tata Motors delivered a healthy performance in the quarter, driven by broad-based volume growth across all segments, strengthened eCV leadership, successful new product launches in the SCV portfolio and market share gains YoY. Near-term demand remains healthy, with management guiding for double-digit YoY volume growth in Q2FY27. The Indonesia order is expected to be fulfilled over the next two years, EV supply-chain debottlenecking is anticipated to be complete shortly, and the Iveco tender offer is expected to close in the coming months. Further, the Fleet Edge-Freight Tiger integration and new platform launches across ICE, CNG and EV segments are expected to support business growth. Additionally, management noted that demand post September is expected to pick up strongly as tipper utilisation recovers after the monsoon and infrastructure activity resumes. The company has secured final clearance from the European Central Bank for the €3.8 bn Iveco acquisition. **We have upgraded our rating on the stock to BUY from HOLD, with a target price of Rs. 482 based on SOTP valuation.**

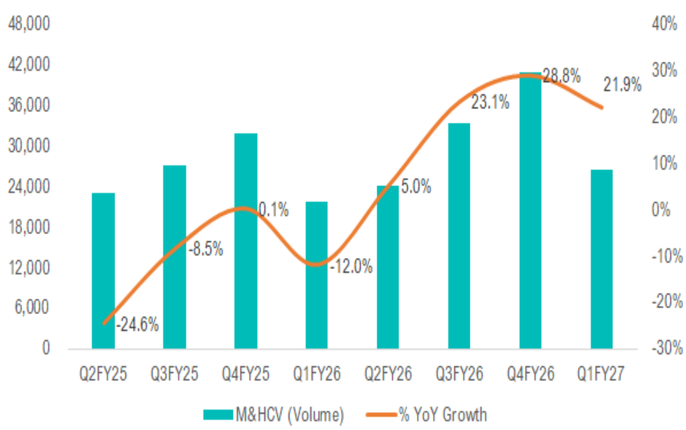
Quarterly Financial Consol.

Rs.cr	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Sales	20,667	17,324	*19.3*	26,098	*-20.8*
EBITDA	2,145	1,981	*8.3*	3,319	*-35.4*
Margin (%)	*10.4*	*11.4*	*-106bps*	*12.7*	*-234bps*
EBIT	1,637	1,501	*9.1*	2,809	*-41.7*
PBT	2,970	1,674	*77.4*	2,623	*13.2*
Rep. PAT	2,556	1,397	*83.0*	1,793	*42.6*
Adj PAT	2,619	1,405	*86.5*	1,617	*62.0*
Adj. EPS (Rs)	7.1	3.8	*86.5*	4.4	*62.0*

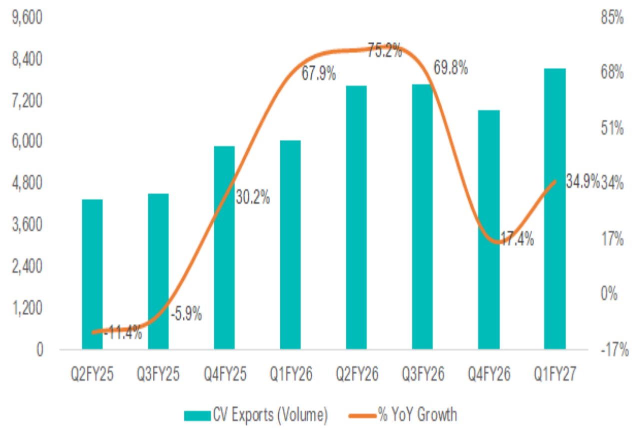
Key highlights

- Freight Tiger became a subsidiary after the acquisition of an additional 18.1% equity stake in May 2026 for Rs. 95.66cr, taking total holding to ~63.6% from earlier minority position.
- Tata Motors initiated deliveries for its Indonesian order of 35,000 units each of the Yodha and the Ultra T.7 during Q1FY27, with ~2,000 vehicles shipped and consistent ramp-up post-quarter.
- The Lucknow plant crossed its cumulative production milestone of 10 lakh CVs in Q1FY27, demonstrating long-term manufacturing scale and operational capability.
- About 4,500 government CV passenger orders remain on hand for delivery during Q2FY27, spanning defence and state transport undertaking requirements and including 850 e-buses.
- The company is expected to deliver healthy double-digit YoY volume growth in Q2FY27, based on strong recent demand trends; H2 outlook depends on September onwards post-GST correction base comparison.
- Commodity cost pressure is expected to continue in Q2FY27, particularly in steel, rubber and other raw materials; management is confident that price hikes and internal cost actions will offset the headwinds.
- Tata Motors announced it has obtained every regulatory clearance needed for its €3.8 bn Iveco Group takeover, with the European Central Bank granting final approval covering Iveco's French financial services units.

M&HCV (Volume)



CV Exports (Volume)



SOTP (Sum-of-the-part) Valuation

Particulars	Basis	Multiple	% holding	Value (Rs cr)	Value/share (Rs)
Standalone India CV business	FY28E EV/EBITDA	12x	100	164,623	447
Iveco valuation (Net of Acquisition Cost)	CY28E EV/EBIT	4x	100	8,220	22
Tata Capital stake	Market cap		4.7	4,824	13
Tata Capital equity/market value				**177,668**	**482**

Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	86,153	92,964	92,677	100,952	*7.6*	*8.6*
EBITDA	10,881	12262	10,186	12,371	*-6.4*	*0.9*
Margins (%)	*12.6*	*13.2*	*11.0*	*12.3*	*-160bps*	*-95bps*
Adj. PAT	6,847	8060	7,452	8,393	*8.8*	*4.1*
EPS	18.6	21.9	20.2	22.8	*8.8*	*4.1*

Consolidated Financials

Profit & Loss*

Y.E March (Rs.cr)	9MFY25	FY26A	FY27E	FY28E
Sales	**58,217**	**83,855**	**92,677**	**100,952**
% change	-	*44.0*	*10.5*	*8.9*
EBITDA	**6,263**	**9,935**	**10,186**	**12,371**
% change	-	*58.6*	*2.5*	*21.5*
Depreciation	1,690	1,945	2,014	2,089
EBIT	**4,573**	**7,990**	**8,171**	**10,282**
Interest	1,079	874	540	521
Other Income	594	-2,453	2,220	1,424
PBT	**4,088**	**4,663**	**9,851**	**11,185**
% change	-	*14.1*	*111.3*	*13.5*
Tax	893	1,633	2,463	2,796
Tax Rate (%)	*21.8*	*35.0*	*25.0*	*25.0*
Reported PAT	**3,195**	**3,030**	**7,388**	**8,389**
PAT att. to common shareholders	**3,195**	**3,030**	**7,392**	**8,393**
Adj.*	238	1,071	59	-
Adj. PAT	**3,433**	**4,101**	**7,452**	**8,393**
% change	-	*19.5*	*81.7*	*12.6*
No. of shares (cr)	368.2	368.2	368.2	368.2
Adj EPS (Rs.)	**9.3**	**11.1**	**20.2**	**22.8**
% change	-	*19.5*	*81.7*	*12.6*
DPS (Rs.)	-	4.0	2.6	2.9

**Iveco not consolidated*

Balance Sheet*

Y.E March (Rs.cr)	9MFY25	FY26A	FY27E	FY28E
Cash	2,266	7,776	8,109	9,289
Accts. Receivable	3,064	2,721	3,244	3,735
Inventories	4,625	5,448	6,145	6,632
Other Cur. Assets	14,015	7,264	8,820	10,513
Investments	2,246	8,009	11,359	15,097
Gross Fixed Assets	12,404	14,507	17,114	19,966
Net Fixed Assets	11,685	11,812	12,289	12,914
CWIP	719	748	778	809
Intangible Assets	3,135	3,428	3,514	3,619
Def. Tax -Net	-	-	-	-
Other Assets	5,096	5,103	6,094	6,808
Total Assets	**46,851**	**52,309**	**60,350**	**69,415**
Current Liabilities	21,055	27,130	28,412	29,468
Provisions	2,603	3,484	3,554	3,643
Debt Funds	9,156	4,817	4,403	4,026
Other Liabilities	3,504	4,144	4,199	4,254
Equity Capital	-	-	-	-
Res. & Surplus	10,533	12,734	19,783	28,024
Shareholder Funds	10,533	12,734	19,783	28,024
Minority Interest	-	-	-	-
Total Liabilities	**46,851**	**52,309**	**60,350**	**69,415**
BVPS	29	35	54	76

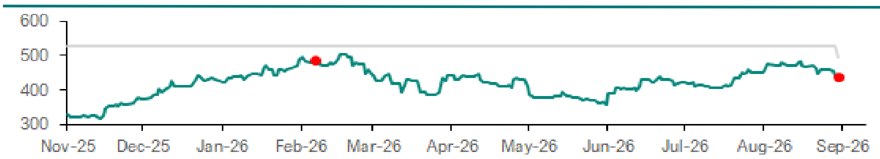
Cashflow*

Y.E March (Rs.cr)	9MFY25	FY26A	FY27E	FY28E
Net inc. + Depn.	**4,885**	**4,975**	**9,403**	**10,478**
Non-cash adj.	2,456	9,226	568	784
Other adjustments	-	-	-	-
Changes in W.C	1,206	780	11	26
C.F. Operation	**8,547**	**14,981**	**9,982**	**11,288**
Capital exp.	-1,542	-2,103	-2,607	-2,852
Change in inv.	-2,803	-1,958	-4,510	-4,703
Other invest.CF	461	610	-652	-602
C.F - Investment	**-3,884**	**-3,451**	**-7,769**	**-8,157**
Issue of equity	-	-	-	-
Issue/repay debt	-3,916	-1,506	-415	-376
Dividends paid	-	-	-	-
Other finance.CF	-4,054	-3,717	-1,465	-1,575
C.F - Finance	**-7,970**	**-5,223**	**-1,880**	**-1,951**
Chg. in cash	-3,307	6,307	333	1,180
Closing Cash	**2,266**	**7,776**	**8,109**	**9,289**

Ratios

Y.E March	9MFY25	FY26A	FY27E	FY28E
Profitab. & Return				
EBITDA margin (%)	10.8	11.8	11.0	12.3
EBIT margin (%)	7.9	9.5	8.8	10.2
Net profit mgn.(%)	5.9	4.9	8.0	8.3
ROE (%)	32.6	32.2	37.7	29.9
ROCE (%)	23.2	45.5	33.8	32.1
W.C & Liquidity				
Receivables (days)	19.2	11.8	12.8	13.5
Inventory (days)	43.1	35.1	36.5	37.2
Payables (days)	107.7	86.8	87.4	88.2
Current ratio (x)	0.9	0.8	0.8	0.9
Quick ratio (x)	0.3	0.5	0.6	0.6
Turnover &Leverage				
Gross asset T.O (x)	-	6.2	5.9	5.4
Total asset T.O (x)	-	1.7	1.6	1.6
Int. covge. ratio (x)	-	9.1	15.1	19.7
Adj. debt/equity (x)	-	0.4	0.2	0.1
Valuation				
EV/Sales (x)	-	1.9	1.7	1.6
EV/EBITDA (x)	-	16.0	15.5	12.7
P/E (x)	-	39.5	21.7	19.3
P/BV (x)	-	12.7	8.2	5.8

Recommendation Summary (Last 3 years)



Dates	Rating	Target
18-Feb-26	HOLD	528
17-Sep-26	BUY	482

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: Upgrade No Change Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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