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# RESEARCH REPORT

Market cap: 3.52 trillion  
CMP: Rs 960.00



# INTRODUCTION

Tata Motors Limited is an Indian multinational automotive company headquartered in Mumbai and part of the Tata Group. Founded in **1945**, Tata Motors initially focused on locomotive manufacturing but expanded into the commercial vehicle sector in **1954** through a joint venture with Daimler-Benz of Germany. The company entered the passenger vehicle market in 1991 with the launch of the Tata Sierra, a sport utility vehicle based on the Tata Mobile platform. Over the years, Tata Motors has made significant acquisitions and partnerships, including Jaguar Land Rover, Tata Daewoo, and Hispano Carrocera, among others. Today, Tata Motors is a leading global manufacturer of cars, utility vehicles, buses, trucks, and defence vehicles, with a global footprint and a network of subsidiaries and joint ventures across various countries.

Tata group founded by Jamsetji Tata in **1868**, Tata Motors is among the world's leading manufacturers of automobiles. Tata believe in 'Connecting aspirations', by offering innovative mobility solutions that are in line with customers' aspirations. They are India's largest automobile manufacturer, and they continue to take the lead in shaping the Indian commercial vehicle landscape, with the introduction of leading-edge powertrains and electric solutions packaged for power performances and user comfort at the lowest life-cycle costs. Their new passenger cars and utility vehicles are based on impact design and offer a superior blend of performance, driveability and connectivity.

There focus on connecting aspirations and our pipeline of tech-enabled products keeps us at the forefront of the market. We have identified six key mobility drivers that will lead us into the future – modular architecture, complexity reduction in manufacturing, connected & autonomous vehicles, clean drivelines, shared mobility, and low total cost of ownership

There mission - across our globally dispersed organisation – is to be passionate in anticipating and providing the best vehicles and experiences that excite our global customers.

# HISTORY OF THE COMPANY

## **Early Years (1945-1954):**

- **1945:** Tata Sons acquires the E.I. Railway Workshop, marking the official beginning of Tata Motors (TELCO). Their initial task was assembling imported wagons for the Indian railways.

## **Commercial Vehicle Focus (1954-1991):**

- **1954:** Collaboration with Daimler-Benz proves to be a turning point. The first Tata Mercedes-Benz truck rolls out, laying the foundation for their dominance in the Indian commercial vehicle market.
- **1960s & 1970s:** Focus on indigenization. Tata Motors develops its own engines and technologies, reducing dependence on foreign collaborations.

## **Passenger Vehicle Entry & Growth (1991-2008):**

- **1991:** The Tata Sierra, their first passenger vehicle, enters the market.
- **1998:** The iconic Tata Indica, a budget-friendly hatchback, disrupts the Indian car market.
- **2000s:** Continued innovation with models like the Tata Safari (SUV) and Indigo (sedan).

## **Global Acquisitions & Expansion (2008-Present):**

- **2008:** The landmark acquisition of Jaguar Land Rover transforms Tata Motors into a global automotive player.
- **2004:** Tata Motors acquires Daewoo's commercial vehicle unit in South Korea, strengthening their commercial vehicle portfolio.
- **2010:** Focus on electric vehicles (EVs). Tata Nexon EV becomes India's best-selling electric car.

## **Beyond Vehicles:**

- Tata Motors actively participates in the Indian defense sector, manufacturing military vehicles.
- The company emphasizes sustainability and social responsibility through various initiatives.

# **PRODUCTS OFFERED**

## **Passenger Vehicles**

### **1. Cars**

- Tata Tiago: A compact hatchback.
- Tata Tigor: A compact sedan.
- Tata Altroz: A premium hatchback.
- Tata Nexon: A subcompact SUV.
- Tata Harrier: A mid-size SUV.
- Tata Safari: A full-size SUV.

### **2. Electric Vehicles (EVs)**

- Tata Nexon EV: An electric version of the Nexon SUV.
- Tata Tigor EV: An electric version of the Tigor sedan.

## **Commercial Vehicles**

### **Trucks**

- Tata Ace: A mini-truck.
- Tata LPT 407: A light commercial truck.
- Tata Prima: A range of heavy-duty trucks.
- Tata Signa: A range of heavy-duty trucks.

# MAJOR SUBSIDIARIES

- **Jaguar Land Rover (JLR):** Acquired by Tata Motors in 2008, JLR is a British multinational automotive company that designs, manufactures, and sells luxury vehicles under the Jaguar and Land Rover brands. JLR has been a significant contributor to Tata Motors' global presence and revenue.
- **Tata Daewoo Commercial Vehicle Company (TDCV):** Based in South Korea, TDCV is one of the largest manufacturers of heavy-duty trucks in the country. Tata Motors acquired Daewoo Commercial Vehicle Company in 2004, expanding its commercial vehicle segment.
- **Tata Motors European Technical Centre (TMETC):** Located in the UK, TMETC is a research and development center focused on automotive engineering and innovation. It plays a crucial role in developing new technologies and products for Tata Motors.
- **Tata Hispano Motors Carrocera S.A.:** This subsidiary is based in Spain and specializes in the manufacture of bus and coach bodies. It enhances Tata Motors' capabilities in the bus segment, particularly in the European market.
- **Tata Motors Finance Ltd. (TMFL):** TMFL is the financial arm of Tata Motors, providing financing solutions to customers and dealers. It supports the sales and distribution network of Tata Motors by offering loans, leases, and other financial services.
- **Concorde Motors (India) Ltd.:** A wholly-owned subsidiary, Concorde Motors focuses on sales, service, and spare parts distribution for Tata Motors vehicles in India.
- **Tata Technologies:** This subsidiary offers engineering and design services to the automotive, aerospace, and industrial machinery sectors. It supports Tata Motors in various aspects of product development and innovation.

# MAJOR COMPETITORS

## Passenger Vehicles

1. **Maruti Suzuki:** The largest car manufacturer in India, known for its wide range of affordable and reliable vehicles.
2. **Hyundai Motor India:** A key player in the Indian market with a strong lineup of compact and mid-sized cars.
3. **Honda Cars India:** Competes with Tata Motors in the sedan and SUV segments.
4. **Mahindra & Mahindra:** Another major Indian automaker with a strong presence in the SUV and utility vehicle segments.
5. **Toyota:** Known for its reliable and durable vehicles, Toyota competes in various segments, including sedans and SUVs.

## Commercial Vehicles

1. **Ashok Leyland:** One of the largest manufacturers of commercial vehicles in India, competing directly with Tata Motors in trucks and buses.
2. **Eicher Motors:** Known for its commercial vehicles, especially in the medium and heavy-duty segments.
3. **Mahindra & Mahindra:** Competes in the light commercial vehicle segment.
4. **BharatBenz:** A brand of Daimler India Commercial Vehicles, offering a range of trucks and buses.

## Luxury Vehicles

1. **BMW:** Competes with Jaguar Land Rover in the luxury car segment.
2. **Mercedes-Benz:** A major competitor in the luxury and premium vehicle market.
3. **Audi:** Competes with Jaguar Land Rover in the luxury and performance vehicle segments.
4. **Volvo:** Known for its safety and luxury features, competing in the premium vehicle market.

## Electric Vehicles (EVs)

1. **Tesla:** A global leader in electric vehicles, setting benchmarks in technology and performance.
2. **Mahindra Electric:** One of the early entrants into the Indian EV market.
3. **Hyundai:** Offers electric models like the Kona Electric, competing in the EV space.
4. **MG Motor:** Known for its electric SUV, the MG ZS EV, in the Indian market.

# BOARD OF DIRECTORS



# SWOT ANALYSIS

## Strengths

- Strong brand reputation as part of the prestigious Tata Group.
- Diverse product portfolio spanning passenger vehicles, commercial vehicles, and electric vehicles.
- Focus on innovation with significant R&D investments.
- Global presence with manufacturing in multiple countries and exports to over 125 markets.
- Acquisition of Jaguar Land Rover providing access to luxury segments and cutting-edge technologies.
- Vertical integration within the Tata Group enabling cost efficiencies and supply chain optimization.
- Skilled workforce with expertise in design, manufacturing and marketing.

## Weaknesses

- Heavy reliance on the Indian domestic market.
- Relatively small global market share compared to major competitors.
- Slower adoption of electric vehicles compared to some competitors.
- Vulnerability to economic downturns and industry cycles.



## **Opportunities**

- Growing demand for electric vehicles in India and globally.
- Expansion into new international markets.
- Increasing focus on shared mobility and transportation services.
- Leveraging digital technologies to enhance customer experience.

## **Threats**

- Intense competition from established global automakers.
- Potential disruption from new entrants and technologies.
- Increasing environmental regulations and emission standards.
- Volatility in commodity prices and foreign exchange rates.
- Shared mobility trends potentially reducing car ownership.
- Trade barriers like tariffs and trade wars impacting overseas business.

In summary, Tata Motors is a leading Indian automaker with a strong brand, diverse product portfolio, and global presence. Its acquisition of Jaguar Land Rover has boosted its capabilities. However, it faces challenges from heavy domestic market reliance, intense competition, and industry disruption. Opportunities lie in electric vehicles, international expansion, and transportation services.

# INDUSTRY OVERVIEW

Tata Motors' revenue mix can be broken down into the following segments:

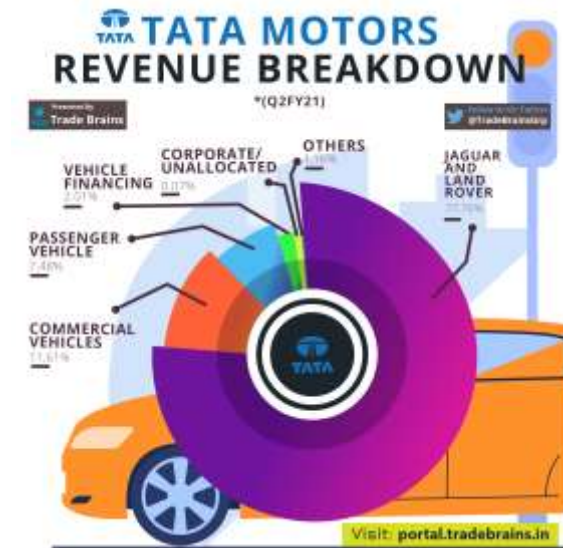
**Jaguar Land Rover (JLR):** This segment accounts for a significant portion of Tata Motors' revenue, contributing around **69.1%** in FY2024. JLR is a British luxury automotive brand owned by Tata Motors and has been experiencing strong growth in recent years.

**Tata Commercial Vehicles:** This segment includes trucks, buses, and defense vehicles and contributes around **18%** of Tata Motors' revenue in FY2024. The commercial vehicle industry in India has been showing healthy demand, driven by strong economic activity and government infrastructure development.

**Tata Passenger Vehicles:** This segment includes passenger cars and SUVs and contributes around **12%** of Tata Motors' revenue in FY2024. Tata Motors has been actively investing in expanding its passenger vehicle lineup, including electric vehicles.

**Vehicle Financing:** This segment contributes a small portion of Tata Motors' revenue, around **0.8%** in FY2024.

Tata Motors has been focusing on improving its product mix, driving customer preference through superior product innovation, and exploring new business models like smart mobility solutions and digital offerings. The company aims to sustain its growth momentum and deliver double-digit EBITDA margins



# GROWTH OPPORTUNITIES

## 1. Electric Vehicles (EVs)

- **Expansion of EV Portfolio:** Tata Motors is already a leader in the Indian EV market with models like the Nexon EV. Expanding its EV portfolio to include more models across different segments could enhance its market share.
- **Battery Technology:** Investing in advanced battery technology and infrastructure, including partnerships for battery manufacturing and charging networks, can support long-term growth in the EV sector.
- **Government Incentives:** Leveraging government incentives and subsidies for EV production and adoption can further drive growth.

## 2. Global Market Expansion

- **Emerging Markets:** Entering and expanding in emerging markets where automotive penetration is still growing can provide significant opportunities. Markets in Southeast Asia, Africa, and Latin America hold potential for Tata Motors.
- **Partnerships and Joint Ventures:** Forming strategic alliances with local players in international markets can facilitate easier market entry and expansion.

## 3. Commercial Vehicles

- **Innovative Solutions:** Developing innovative commercial vehicle solutions, such as electric and autonomous trucks and buses, can cater to the growing demand for sustainable transportation in the logistics and public transportation sectors.
- **Infrastructure Projects:** Capitalizing on infrastructure development projects globally, which increase the demand for commercial vehicles, can drive sales growth.

## 4. Digital Transformation and Connected Vehicles

- **Connected Car Technology:** Enhancing connected car features, including advanced infotainment systems, telematics, and vehicle-to-everything (V2X) communication, can attract tech-savvy consumers.
- **Data Analytics:** Utilizing big data and analytics to improve product offerings, enhance customer experience, and streamline operations.

## 5. Sustainability Initiatives

- **Sustainable Manufacturing:** Implementing sustainable manufacturing practices and reducing the carbon footprint in production processes can attract environmentally conscious consumers and comply with global regulations.
- **Recycling and Circular Economy:** Engaging in recycling and promoting a circular economy approach can reduce waste and create new business opportunities in

# ECONOMIC FACTORS

## Direct Impact of Inflation

- **Cost of Raw Materials and Production**
  - **Rising Costs:** Inflation generally leads to an increase in the prices of raw materials such as steel, aluminum, rubber, and plastics. As these are key inputs in automobile manufacturing, the overall cost of production for Tata Motors can rise.
  - **Supply Chain Disruptions:** Inflation can also cause disruptions in the supply chain, leading to higher logistics and transportation costs, which further increase the cost of production.
- **Wage Pressures**

**Labor Costs:** Inflation often leads to increased wage demands from employees as the cost of living rises. This can lead to higher labor costs for Tata Motors, impacting its operating expenses.
- **Interest Rates**

**Financing Costs:** Central banks typically raise interest rates to combat inflation. Higher interest rates increase the cost of borrowing for Tata Motors, affecting its capital expenditure plans and increasing the cost of financing for consumers, potentially reducing vehicle sales.

## Indirect Impact of Inflation

- **Consumer Purchasing Power**
  - **Reduced Disposable Income:** As inflation erodes consumer purchasing power, individuals may delay or forego large purchases, such as new vehicles. This can lead to a decline in demand for Tata Motors' products.
  - **Shift in Demand:** Consumers might opt for cheaper or more fuel-efficient vehicles to cope with higher living costs, impacting the sales mix and profitability for Tata Motors.
- **Input Prices and Profit Margins**
  - **Price Increases:** To maintain profit margins, Tata Motors may need to increase the prices of its vehicles. However, significant price hikes can reduce demand and make the company less competitive, especially in price-sensitive markets.
  - **Cost Management:** Effective cost management strategies, such as improving operational efficiencies and negotiating better terms with suppliers, become crucial in an inflationary environment.

# STRATEGIC RESPONSES TO INFLATION

## 1. Productivity Enhancements

- **Automation and Technology:** Investing in automation and advanced manufacturing technologies can help reduce labor costs and improve efficiency, mitigating the impact of rising production costs.
- **Lean Manufacturing:** Implementing lean manufacturing techniques can optimize production processes, reduce waste, and lower costs.

## 2. Pricing Strategies

- **Flexible Pricing:** Adopting flexible pricing strategies, including dynamic pricing models and value-based pricing, can help Tata Motors adjust to changing cost structures without significantly affecting demand.
- **Cost-Pass-Through:** Gradually passing on increased costs to consumers can help maintain margins while avoiding sudden price shocks.

## 3. Product Portfolio Adjustments

- **Focus on High-Margin Products:** Emphasizing the production and sale of high-margin vehicles, such as luxury cars and SUVs, can help offset the impact of inflation on lower-margin segments.
- **Electric Vehicles (EVs):** Accelerating the transition to electric vehicles, which may have different cost structures and are often supported by government incentives, can provide a buffer against traditional fuel price inflation.

## 4. Financial Hedging

- **Hedging Strategies:** Utilizing financial instruments to hedge against inflationary pressures on raw materials and currencies can protect profit margins.
- **Diversified Financing:** Accessing diversified and lower-cost financing options can mitigate the impact of rising interest rates.

## 5. Customer Financing and Incentives

- **Attractive Financing Options:** Offering attractive financing options, such as low-interest loans or flexible payment plans, can help sustain vehicle sales even when consumer disposable income is under pressure.
- **Incentives and Promotions:** Implementing targeted promotions and incentives can stimulate demand and offset the negative impact of inflation on consumer sentiment.

# MAJOR CLIENTS

Tata Motors, a leading global automobile manufacturer from India, has a diverse range of clients across different sectors. Here are some of their major clients and areas of collaboration:

## 1. Government and Public Sector:

- **Indian Defense Forces:** Tata Motors supplies a variety of vehicles, including military trucks and specialized defense vehicles, to the Indian Armed Forces.
- **Public Transport Authorities:** Various state transport undertakings in India, such as BEST in Mumbai, DTC in Delhi, and BMTC in Bangalore, use Tata buses for public transportation.

## 2. Corporate Clients:

- **Logistics Companies:** Companies like DHL, Blue Dart, and Gati use Tata Motors' commercial vehicles for their logistics and transportation needs.
- **Construction Companies:** Major construction firms, including L&T and Shapoorji Pallonji, use Tata Motors' heavy trucks and tippers.

## 3. Agriculture Sector:

- **Agricultural Enterprises:** Companies engaged in agricultural production and distribution often utilize Tata Motors' pick-up trucks and small commercial vehicles for transportation of goods.

## 4. International Clients:

- **South Asia, Africa, and Latin America:** Tata Motors exports its vehicles to several countries in these regions, serving clients across various sectors, including transportation, logistics, and public services.
- **European Markets:** Through its subsidiary, Jaguar Land Rover (JLR), Tata Motors serves premium automotive clients in Europe and other regions.

## 5. Retail and Consumer Goods:

- **E-commerce Companies:** Businesses like Amazon and Flipkart use Tata Motors' commercial vehicles for their last-mile delivery services.

## 6. Small and Medium Enterprises (SMEs):

- SMEs across different industries utilize Tata Motors' commercial vehicles for their day-to-day operations, including transportation of goods, raw materials, and finished products.

Tata Motors' diverse product portfolio, ranging from passenger cars and SUVs to heavy trucks and buses, allows it to cater to a wide range of clients across different industries and geographies.

# FINANCIALS

		(₹ in crores)	
		As at March 31, 2023	As at March 31, 2022
		Notes	
<b>I. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a)	Property, plant and equipment	3 (b)	11,707.87
(b)	Capital work-in-progress	3 (c)	575.65
(c)	Right of use assets	4 (b)	421.27
(d)	Other intangible assets	5 (b)	2,413.18
(e)	Intangible assets under development	5 (c)	509.30
(f)	Investments in subsidiaries, joint ventures and associates	6	27,976.80
(g)	Financial assets		
(i)	Investments	7	1,204.82
(ii)	Loans and advances	9	114.40
(iii)	Other financial assets	11	2,405.23
(h)	Deferred tax assets (net)	28	1,477.26
(i)	Non-current tax assets (net)		868.22
(j)	Other non-current assets	13	596.82
			27,917.45
			1,338.94
			48.43
			1,992.57
			-
			777.68
			562.24
			48,280.25
<b>(2) CURRENT ASSETS</b>			
(a)	Inventories	15 (b)	3,027.90
(b)	Financial assets		
(i)	Investments	8	3,142.96
(ii)	Trade receivables	16	2,307.72
(iii)	Cash and cash equivalents	18 (b)	1,121.43
(iv)	Bank balances other than (iii) above	19	293.22
(v)	Loans and advances	10	132.29
(vi)	Other financial assets	12	255.25
(c)	Other current assets	14	1,219.18
			11,499.95
			15,619.61
			63,899.87
			5,143.08
			2,111.78
			2,450.23
			155.21
			139.37
			809.51
			1,091.97
			11,499.95
			15,619.61
			63,899.87
<b>TOTAL ASSETS</b>			
			63,899.87
			63,899.87
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a)	Equity share capital	20	766.02
(b)	Other equity		21,703.83
			22,469.85
			765.88
			19,178.21
			19,944.11
<b>LIABILITIES</b>			
<b>(1) NON-CURRENT LIABILITIES</b>			
(a)	Financial liabilities		
(i)	Borrowings	22	10,445.70
(ii)	Lease liabilities		305.26
(iii)	Other financial liabilities	25	424.44
(b)	Provisions	27 (b)	1,588.75
(c)	Deferred tax liabilities (net)	28	51.16
(d)	Other non-current liabilities	29	692.08
			13,497.39
			14,102.74
			237.84
			460.37
			1,474.11
			173.72
			514.11
			16,962.91
<b>(2) CURRENT LIABILITIES</b>			
(a)	Financial liabilities		
(i)	Borrowings	23	8,426.74
(ii)	Lease liabilities		100.99
(iii)	Trade payables	24	
(a)	Total outstanding dues of micro and small enterprises		114.67
(b)	Total outstanding dues of creditors other than micro and small enterprises		7,047.93
(iv)	Acceptances		5,839.39
(v)	Other financial liabilities	26	1,300.18
(b)	Provisions	27 (c)	408.89
(c)	Current tax liabilities (net)		53.66
(d)	Other current liabilities	30	2,511.08
			25,803.53
			26,992.81
			63,899.87

		(₹ in crores)	
		Year ended March 31, 2023	Year ended March 31, 2022
		Notes	
<b>REVENUE FROM OPERATIONS</b>			
Revenue			65,298.84
Other operating revenue			498.49
Total revenue from operations		31 (b)	65,797.33
Other Income		32 (b)	820.94
<b>Total Income (I+II)</b>			66,618.27
<b>IV. Expenses</b>			
(a)	Cost of materials consumed		42,226.81
(b)	Purchases of products for sale		5,030.00
(c)	Changes in inventories of finished goods, work-in-progress and products for sale		484.69
(d)	Employee benefits expense	33	4,021.63
(e)	Finance costs	34	2,047.51
(f)	Foreign exchange loss (net)		279.76
(g)	Depreciation and amortisation expense		1,760.86
(h)	Product development/Engineering expenses		899.06
(i)	Other expenses	35	7,819.74
(j)	Amount transferred to capital and other accounts	36	(1,086.23)
<b>Total Expenses (IV)</b>			65,040.69
<b>Profit/(loss) before exceptional items and tax (III-IV)</b>			1,577.52
<b>VI. Exceptional items:</b>			
(a)	Employee separation cost		1.36
(b)	Cost of slump sale of PV undertaking		50.00
(c)	Provision/reversal for loan given to/investment in/cost of closure of subsidiary companies		4.95
(d)	Provision for intangible assets under development		276.91
(e)	Others	49 (a)	(2.52)
<b>Profit/(loss) before tax (V-VI)</b>			1,254.80
<b>VII. Tax expense/(credit) (net)</b>			
(a)	Current tax		81.80
(b)	Deferred tax		(1,554.92)
<b>Total tax expense/(credit) (net)</b>			(1,473.33)
<b>Profit/(loss) for the year from continuing operations (VII-VIII)</b>			2,728.13
<b>IX. Profit/(loss) before tax for the year from discontinued operations</b>			
<b>X. Tax expense (net) of discontinued operations</b>			
(a)	Current tax		-
(b)	Deferred tax		44.14
<b>Total tax expense</b>			44.14
<b>Profit for the year after tax from discontinued operations (X-XI)</b>			348.37
<b>Profit/(loss) for the year (IX+XI)</b>			3,076.50
<b>XII. Other comprehensive income/(loss):</b>			
(A)	Items that will not be reclassified to profit and loss:		
(a)	Remeasurement losses on defined benefit obligations (net)		(61.43)
(b)	Equity instruments at fair value through other comprehensive income		(134.12)
(ii)	Income tax credit/(expense) relating to items that will not be reclassified to profit and loss		34.86
(B)	Items that will be reclassified to profit and loss - gains/(losses) in cash flow hedges		(89.69)
(iii)	Income tax credit/(expense) relating to items that will be reclassified to profit and loss		9.93
<b>Total other comprehensive income/(loss), net of taxes</b>			(256.36)
<b>Total comprehensive income/(loss) for the year (XII+XIII)</b>			2,822.14
<b>XVI. Earnings/(Loss) per share (EPS)</b>			
<b>Earnings/(loss) per share from continuing operations (EPS)</b>			
(A)	Ordinary shares (face value of ₹ 2 each):		
(i)	Basic	₹	7.11
(ii)	Diluted	₹	7.11
(B)	'A' Ordinary shares (face value of ₹ 2 each):		
(i)	Basic	₹	7.21
(ii)	Diluted	₹	7.21
<b>Earnings/(loss) per share from discontinued operations (EPS)</b>			
(A)	Ordinary shares (face value of ₹ 2 each):		
(i)	Basic	₹	-
(ii)	Diluted	₹	0.90
(B)	'A' Ordinary shares (face value of ₹ 2 each):		
(i)	Basic	₹	-
(ii)	Diluted	₹	1.00
<b>Earnings/(loss) per share from continuing and discontinued operations (EPS)</b>			
(A)	Ordinary shares (face value of ₹ 2 each):		
(i)	Basic	₹	7.11
(ii)	Diluted	₹	7.11
(B)	'A' Ordinary shares (face value of ₹ 2 each):		
(i)	Basic	₹	7.21
(ii)	Diluted	₹	7.21

# CASH FLOW STATEMENT

Mar 2022	Mar 2023	Mar 2024
14,283	35,388	67,915
-4,444	-15,417	-22,782
-3,380	-26,243	-37,006
<b>6,459</b>	<b>-6,272</b>	<b>8,128</b>

3 year consolidated cash flow



# KEY RATIOS

Market Cap ₹ 3,49,574 Cr.

Current Price ₹ 954

High / Low ₹ 1,066 / 568

Stock P/E 10.9

Book Value ₹ 255

Dividend Yield 0.31 %

ROCE 20.1 %

ROE 49.4 %

Face Value ₹ 2.00

Return on assets 9.26 %

EPS ₹ 94.5

Return on equity 49.4 %

Debt to equity 1.26

Price to Earning 10.9

Change in Prom Hold -0.01 %

Price to book value 3.74

Pledged percentage 0.00 %

Current ratio 0.88

PAT Qtr ₹ 17,482 Cr.

# ANALYSIS

- **Price to earning ratio: 10.9** indicates that the stock's market price is 10.9 times higher than the company's earnings per share. This means investors are willing to pay less for each rupee of the company's earnings, potentially indicating a buying opportunity.
- **ROCE:**A ROCE of **20.1%** suggests the company is efficiently generating returns on the capital it employs. This capital could be in the form of property, plant and equipment, inventory, or even intangible assets. The company is likely making good use of its resources to generate profits. It is strong indicator of company's profitability and capital efficiency.
- **Return on assets:** An ROA of **9.26%** is generally considered a good indicator of efficient asset utilization and profitability. Managing asset growth efficiently is crucial. Excessive asset growth without corresponding revenue increases can reduce ROA.
- **Debt to equity:** A Debt to Equity ratio of **1.26** indicates a relatively balanced use of debt and equity, but with a slight preference towards debt. This means the company is using more debt than equity to finance its operations. It also suggests that the company has a moderate level of financial risk, as it has more debt than equity but not excessively so.
- **Return on equity:** An ROE of **49.4%** is an outstanding indicator of profitability and efficient management. However, investors should consider the sources of this high ROE, its sustainability, and the associated risks. The ROE is quite high, indicating that the company is very effective at generating profits from its equity base.
- **Dividend yield:** A dividend yield of **0.31%** is quite low, suggesting that the company returns a very small portion of its earnings to shareholders in the form of dividends. Investors looking for income through dividends might find this yield less attractive.
- **Current ratio:** A current ratio of **0.88** indicates that a company's current assets are not enough to cover its current liabilities.

# PEER COMPARISON

Tata Motors

Chart

Analysis

**Peers**

Quarters

Profit & Loss

Balance Sheet

Cash Flow

Ratios

Investors

Documents

Notebook

## Peer comparison

EDIT COLUMNS

Sector: Automobile

Industry: Automobiles - LCVs / HCVs

S.No.	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 %
1.	<a href="#">Tata Motors</a>	954.85	10.93	349904.14	0.31	17528.59	213.80	119986.31	13.27	20.11
2.	<a href="#">Ashok Leyland</a>	241.75	27.95	70988.02	2.03	933.69	23.99	13577.58	2.84	15.17
3.	<a href="#">Tata Motors-DVR</a>	639.70		32528.86	0.48	1251.40	372.94	7769.67	-26.91	
4.	<a href="#">Olectra Greentec</a>	1810.85	193.53	14863.71	0.02	14.89	-49.24	288.81	-23.17	14.79
5.	<a href="#">Force Motors</a>	9211.30	31.26	12140.52	0.11	140.29	259.90	2011.21	34.96	23.77
6.	<a href="#">SML ISUZU</a>	2092.35	28.04	3027.66	0.00	52.32	95.30	679.60	16.53	23.81

# CONCLUSION

- Company has reduced debt.
- Company has delivered good profit growth of 93.1% CAGR over last 5 years.
- Company has a good P/E ratio which makes the more stable in its earnings and utilising its resources efficiently.

I would suggest to buy TATA MOTORS and hold it for long term.

TATA