

Tata Motors Limited

August 12, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	3,500.00	CARE AA-; Negative (Double A Minus; Outlook: Negative)	Reaffirmed
Short-term Bank Facilities	1,000.00	CARE A1+ (A One Plus)	Reaffirmed
Total bank facilities	4,500.00 (Rupees four thousand five hundred crore only)		
Non-Convertible Debentures	7,900.00	CARE AA-; Negative (Double A Minus; Outlook: Negative)	Reaffirmed
Commercial Paper	6,000.00	CARE A1+ (A One Plus)	Reaffirmed

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities, Non-convertible Debentures and Commercial Paper issue of Tata Motors Limited (TML) continue to factor in the established track record of TML as one of India's largest automobile Original Equipment Manufacturers (OEMs) coupled with its strong market share in domestic Commercial Vehicle (CV) industry, its strong product portfolio under Jaguar Land Rover (JLR), which is one of the strongest brands in global luxury automobile segment and geographically diversified presence aided by large sales and distribution network.

Ratings also favorably factor in robust liquidity position of TML (as on June 30, 2020) which is adequate to weather the subdued demand scenario in the near term. TML enjoys immense financial flexibility by its virtue of being part of Tata Group and has various fund-raising avenues available with company both at JLR and TML standalone level. TML has liquidity buffer of Rs.11,043 crore on standalone basis and £2.58 billion at JLR level. Further, the committed funds infusion by Tata Sons Private Limited (Tata Sons) to the tune of Rs.6494 crore of which ~Rs.3892 crore already received in FY20 provides comfort to the ratings.

CARE favorably considers management's concrete plan to turn around JLR operations and shore up liquidity amidst challenging demand scenario. TML has demonstrated its capability to achieve the set cost rationalization targets with 'Project Charge' and extension of same to 'Project Charge+'. Cost rationalization projects have cumulatively delivered cost savings of £4.7 billion till Q1FY21 (Q1FY21 contribution was £1.2 billion), the target to be achieved by FY21 is £6 billion. CARE believes, cost rationalization, improving sales volume (month on month April to June 2020 and large pre-booking for Land Rover Defender) in some of the key markets and curtailment of non-essential capex may enable JLR to put up resilient performance for FY21.

The rating strengths are constrained by substantial volume decline in JLR as well as India business [both CV and Passenger Vehicles; (PV)] due to slowdown in the global automotive sector which was further exacerbated by COVID-19 and deterioration

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

in financial performance and debt coverage indicators for FY20 and Q1FY21. Although JLR business had started showing sign of turnaround till 9MFY20, COVID-19 severely impacted the volumes in JLR in Q4FY20, firstly in China and later on in other parts of the world that the company operates in. India CV business was impacted since the second half of FY19 which continued in FY20 as well due to a confluence of factors like revised axle load norms, liquidity crisis and economic slowdown. The Passenger vehicle business was impacted due to general slowdown in demand and transition to BS-VI mandating wholesale inventory reduction both at OEMs' end and dealers end. The demand was severely impacted in Q4FY20 which is otherwise the best quarter for auto industry on account of COVID-19 and resultant lockdown. This scenario continued in Q1FY21 as well as many parts of the world were grappling with lockdowns. The lower volumes in all segments resulted in negative operating leverage and the company posted loss at the consolidated level in FY20 and Q1FY21. The deterioration in the financial performance and increase in debt level led to deterioration in the debt coverage indicators of the consolidated entity. The adjusted overall gearing deteriorated from 0.52x in FY19 to 0.84x in FY20. The interest cover deteriorated to 2.81x (PY: 4.86x) and Adjusted net auto debt /Gross Cash Accruals deteriorated to 4.67x (PY:1.53x).

The ratings strengths, also continue to be tempered by requirement of capital expenditure in the medium term to meet consumer and regulatory requirements and to improve competitive positioning. Further, competitive pressure in the entire product segment limits the scope of operating margin expansion through price revision. The ratings also factor in the limited product offerings in domestic passenger vehicle segment with modest market share and high degree of competition from both incumbents and new entrants.

Rating Sensitivities

Positive Factors

- Sustained improvement of JLR's operating performance marked by geography wide volume growth, thus collectively translating into free cash flow positive.
- Sustained improvement in domestic operations marked by sustained sales volume growth in CV segment and PV segment.
- Consolidated interest cover over 6.0x on sustained basis
- Adjusted net auto debt / Cash Flow from Operations before working capital changes declining below 3.40x on sustained basis

Negative Factors

- Elongation of recovery in sales volume at both JLR and Domestic operations beyond our expectation
- Sustained weakening of interest cover (PBILDT / Gross Interest) below 2.5x
- Sustained weakening of Adjusted Net Auto debt/PBILDT above 3.0x

Outlook: Negative

The negative outlook reflects CARE's belief that the operating performance in terms of sales volumes both at JLR and TML standalone (CV and PV) would remain subdued for FY21, which would have negative bearing on operating profit margins translating into weak debt coverage indicators for FY21. CARE would continue to closely monitor the sales volume data published by company both at JLR & TML level and achievement of cost rationalization targets. Shortfall in achieving the key cost rationalization targets and weaker sales volume recovery would require the review of ratings.

Detailed description of the key rating drivers**Key Rating Strengths*****Strategic importance of TML for the Tata group; established track record and leadership of TML***

TML is a part of the USD 113 billion Tata Group which comprises over 100 operating companies in seven business sectors namely communications and information technology, engineering, materials, services, energy, consumer products and chemicals. The group has operations in more than 100 countries across six continents. TML continues to be strategically important to the Tata group as evinced by the fact that the promoter holding in TML has increased from 38.37% as at the end of June 2019 to 42.39% as at the end of June 2020. Being a part of the Tata Group provides immense financial flexibility to TML. Further, Tata Sons has committed for funds infusion to the tune of Rs.6494 crore of which ~Rs.3892 crore has been received in FY20 and the balance is expected in a year's time.

Strong market position in the Indian Commercial Vehicle business

TML is a formidable player in the CV segment and offers a broad portfolio of automotive products including trucks (including pickup trucks), small, medium, and large buses and coaches to passenger cars and defence vehicles. TML is one of India's largest Original Equipment Manufacturers (OEM). It is the leading player in the CV segment, with a market share of 43.0% during FY20 as against that of 45.1% during FY19. The market share in the CV segment marginally declined in FY20, however there was an increase in the market share in the Medium and Heavy Commercial Vehicle (MHCV) to 57.4% in FY20 (PY: 55%).

Well-diversified product portfolio across categories, widespread geographical presence

TML has a well-diversified product portfolio comprising of presence in CV and PV segment in India. TML has six principal automotive manufacturing facilities in India at Jamshedpur, Pune, Lucknow, Pantnagar, Sanand and Dharwad. By acquisition of JLR by TML in 2008, TML has been able to penetrate premium car markets like US, Europe, UK, China as well as several emerging markets like Russia, Brazil, South Africa.

Concrete plan of management to turnaround operations and manage costs effectively amidst challenging demand scenario

JLR has been undertaking cost reduction measures at through Project Charge and Project Charge+. Project Charge and Project Charge+ have cumulatively delivered cost savings of £4.7 billion (Q1FY21 contribution was £1.2 billion), despite challenging environment demonstrating the company's ability to achieve the set cost reduction targets. The target by FY21 is £6 billion. In India business as well, the management plans to undertake severe cost reduction measures through working capital management and reduction in investments. Apart from the above, the management has also curtailed the capex plan to about £2.5 billion for JLR (40% reduction over the previous year) and Rs.1500 crore (66% reduction over the previous year) for India business in order to shore up liquidity. For the PV business, management also plans to undertake subsidiarization in order to ensure dedicated focus, secure mutually beneficial strategic alliances, and transparent allocation of funds and to activate the product range.

Key Rating Weaknesses***Subdued performance of JLR continues due to demand weakness globally which was further exacerbated by COVID-19***

JLR continued to face the weak demand scenario and thus reported YoY decline of 12% in its retail sales volume for FY20. The decline in sales volume was witnessed across the geographies. Although the volumes in China had started showing recovery till 9MFY20, the onset of COVID-19 in Q4FY20 led to YoY decline in volumes of ~43%. COVID-19 also impacted all the other

geographies that the company operates in. The overall decline in volumes was just 5% in 9MFY20 which increased to ~31% in Q4FY20 due to COVID-19. Although JLR reported negative Free Cash Flows (FCF) in FY20 of £702 million, it is an improvement of £563 million over the previous year despite challenging environment. The volumes continued to be subdued in Q1FY21 impacted by COVID-19, wherein JLR retail wholesale volumes declined by 45% and retail volumes declined by 42%. For India operations, wholesale volumes declined by 82% and retail volumes declined by 83%.

Lower volumes reported by the CV segment and the PV segment:

Indian CV industry has been impacted since second half of FY19 due to a confluence of factors like revised axle load norms which lead to an increase in capacity by 20-25%, liquidity crisis faced by NBFC, transition to BS-VI and general economic slowdown which collectively impacted the sales volumes in the CV industry. The overall volumes for Q4FY20 and FY20 were impacted due to COVID-19. The CV segment reported 34.5% decline in volumes in FY20 (MHCV volume decline being 44.7%) and 90.2% in Q1FY21 (MHCV volume decline being 92.0%). The lower volumes in Q1FY21 were on account of lockdowns and supply chain issues.

Overall domestic PV industry was impacted by the NBFC liquidity crisis, slowdown in demand and transition to BS-VI mandating wholesale inventory reduction both at OEM's end and dealers end. The competition further intensified from the incumbents as well as new entrants. COVID-19 further led to decline in overall FY20 volumes. TML undertook impairment charge of ~Rs.1418 crore in the PV business in FY20. PV reported 45.3% decline in FY20 and 60.6% decline in Q1FY21. However, the sales of the newly launched Altroz (launched in January 2020) are encouraging for Q1FY21.

Deterioration in financial performance and debt coverage indicators in FY20

Lower volumes across all categories resulted into negative operating leverage and moderation in the operating margins in FY20. Adverse mix and higher variable marketing expenses offset the positive impact of cost savings through Project Charge+ to an extent. The subdued operating performance coupled with elevation in the debt level especially at JLR resulted into deterioration in the debt coverage indicators as evinced by high overall gearing (including acceptances) of 2.00x in FY20 (PY: 1.80x). The adjusted overall gearing (after deducting debt of financing business and cash and liquid investments from total debt and after deducting the tangible net-worth of the financing business from the consolidated tangible net worth) deteriorated to 0.84x in FY20 (PY:0.52x). The interest cover also witnessed moderation due to subdued operating performance. Adjusted net auto debt /Gross Cash Accruals deteriorated to 4.67x (PY:1.53x).

Exposure to inherent cyclical nature of automobile industry and competitive pressures:

TML continues to remain exposed to the cyclical nature of the automobile industry. The auto industry was already facing slowdown in India as well as globally which was further exacerbated by COVID-19 which resulted in lockdowns and production halts at various locations across the world. This led to subdued volumes in Q4FY20 which otherwise is the best quarter for the auto industry. The subdued demand scenario continued in Q1FY21 as well as there was lockdown for large part of Q1FY21 coupled with supply chain issues. Factors like economic slowdown, fear of job loss and increasing fuel prices (in India) may lead to consumer postponing their purchase decisions which may lead to subdued demand environment in the near term.

TML is also exposed to competitive intensity in the global as well as the Indian market (especially in the PV segment). Global players have the advantage of advanced technology, financial resources and operating leverage. In the Indian market, especially

in the Utility Vehicle segment, there have been a number of launches in the past couple of years resulting into pricing pressure and impacting operating margins of OEMs.

Liquidity: Strong

The liquidity profile of TML on a consolidated basis is strong as evinced by cash and cash equivalents of £2.75 billion and liquidity buffers of £2.58 billion (in the form of undrawn revolving credit facility and funding secured) as on June 30, 2020 for JLR. The available liquidity and liquidity buffers are more than sufficient to cover the debt repayments of £526 million in the next four quarters.

TML (Standalone) business had cash and cash equivalents of Rs.5,399 crore and liquidity buffers of Rs.11,043 crore (in the form of undrawn revolving credit facility, unutilized working capital lines, funding secured and expected funds infusion from Tata Sons) as on June 30, 2020. The available liquidity and liquidity buffers are more than sufficient to cover the debt repayments of Rs.2961 crore in the next four quarters. The strength of the liquidity profile of the company is also evinced by the fact that TML did not avail moratorium as per RBI notification dated March 27, 2020.

Analytical approach: Consolidated

CARE has considered consolidated financials of TML and its key subsidiaries including JLR. However, adjustments are made to net worth and debt position (of TML) by excluding the net worth and debt, of Tata Motors Finance Limited (TMFL; rated CARE AA-/ Negative/A1+) and Tata Motors Finance Solutions Limited (TMFSL-rated CARE AA-/ Negative/CARE A1+), which are Non-Banking Financial Companies (NBFCs) involved in the activity of captive financing of its vehicles. These NBFCs are wholly-owned subsidiaries of TMF Holdings Limited (TMF) which in turn is a wholly owned subsidiary of TML. However, equity commitments towards TMF are considered in the overall analysis.

For arriving at the rating, CARE has used its notch-up framework factoring in the support that it derives by being part of Tata Group. List of subsidiaries which are consolidated is given in Annexure 5.

Applicable Criteria

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[CARE's Policy on Curing period](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology - Manufacturing Companies](#)

[Rating Methodology - Commercial Vehicle Industry](#)

[Rating Methodology: Consolidation and Factoring Linkages in Ratings](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

About the Company

Incorporated in 1945, Tata Motors Limited (TML) is one of the leading automotive manufacturers in India. Essentially a Commercial Vehicle (CV) manufacturer, TML forayed into manufacturing of passenger vehicles across all product segments viz compact, mid-size and utility in 1998-99, broadening the business horizon of the company. TML forayed into the premium luxury car segment through acquisition of JLR (Jaguar and Land Rover PLC) in June 2008, which has a presence across various geographies such as Europe, US, China, Russia and Brazil. Through its subsidiaries and associates, TML also has a presence in Thailand, South Africa, South Korea and Indonesia.

TML's manufacturing base in India is spread across Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Sanand (Gujarat) and Dharwad (Karnataka). In addition, JLR has four manufacturing units and two product development centers in the UK, manufacturing unit in Slovakia and China and a contract manufacturing facility in Austria.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)	Q1FY21 (UA)
Total operating income	3,03,817.57	2,63,051.58	32,589.59
PBILDT	27,973.90	20,380.46	1,289.23
PAT	(28,724.20)	(11,975.23)	(8,443.98)
Overall gearing (times)	1.80	2.00	-
Adjusted overall gearing (times)*	0.52	0.84	-
Adjusted Net Auto Debt / PBILDT (times)*	1.53	4.67	-
Interest coverage (times)	4.86	2.81	0.69

A: Audited; UA: Unaudited

*For arriving at Adjusted overall gearing and Adjusted Net Auto Debt / PBILDT, CARE has excluded the net worth and debt, respectively, of TMF Holdings Limited (TMF). TMF is the holding company of Tata Motors Finance Limited (TMFL) and Tata Motors Finance Solutions Limited (TMFSL) which are Non-Banking Financial Companies (NBFCs) involved in the activity of captive financing of its vehicles.

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT	-	-	-	April 2024	3,500.00	CARE AA-; Negative
Fund-based - ST	-	-	-	-	1,000.00	CARE A1+
Debentures-Non Convertible Debentures	Provided below	-	-	Provided below	7,900.00	CARE AA-; Negative
Commercial Paper	Provided below	-	-	7-364 days Maturities provide below	6,000.00	CARE A1+

Details of Non-convertible Debentures

Name of the instrument	ISIN	Date of issue	Interest rate	Maturity date	Amount (Rs.cr)	Rating and outlook
Non-convertible debentures	INE155A08191	August 20, 2014	9.81%	August 20, 2024	300.00	CARE AA-/Negative
Non-convertible debentures	INE155A08209	September 12, 2014	9.77%	September 12, 2024	200.00	CARE AA-/Negative
Non-convertible debentures	INE155A08225	October 1, 2014	9.73%	October 1, 2020	400.00	CARE AA-/Negative
Non-convertible debentures	INE155A08233	October 29, 2014	9.60%	October 29, 2022	400.00	CARE AA-/Negative
Non-convertible debentures	INE155A08241	November 10, 2014	9.35%	November 10, 2023	400.00	CARE AA-/Negative
Non-convertible debentures	INE155A08258	December 11, 2014	9.02%	December 10, 2021	300.00	CARE AA-/Negative
Non-convertible debentures	INE155A08282	May 26, 2016	8.40%	May 26, 2021	300.00	CARE AA-/Negative
Non-convertible debentures	INE155A08316	October 20, 2016	7.50%	October 20, 2021	300.00	CARE AA-/Negative
Non-convertible debentures	INE155A08324	March 3, 2017	7.71%	March 3, 2022	500.00	CARE AA-/Negative
Non-convertible debentures	INE155A08332	March 27, 2017	7.84%	September 27, 2021	500.00	CARE AA-/Negative
Non-convertible debentures	INE155A08340	June 22, 2017	7.50%	June 22, 2022	500.00	CARE AA-/Negative
Non-convertible debentures	INE155A08365	July 28, 2017	7.40%	June 29, 2021	500.00	CARE AA-/Negative
Non-convertible debentures	INE155A08381	November 15, 2019	9.27%	June 30, 2023	200.00	CARE AA-/Negative
Non-convertible debentures	INE155A08373	November 15, 2019	9.31%	September 29, 2023	200.00	CARE AA-/Negative
Non-convertible debentures	INE155A08399	November 15, 2019	9.54%	June 28, 2024	100.00	CARE AA-/Negative
Non-convertible debentures	INE155A08407	February 26, 2020	8.50%	December 30, 2026	250.00	CARE AA-/Negative
Non-convertible debentures	INE155A08415	February 26, 2020	8.50%	January 29, 2027	250.00	CARE AA-/Negative
Non-convertible debentures	INE155A07284	May 22, 2020	8.80%	May 26, 2023	1,000.00	CARE AA-/Negative
Non-convertible debentures	Proposed	-	-	-	1,300.00	CARE AA-/Negative
	Total				7,900.00	

Details of Commercial Paper issue

Name of the instrument	ISIN	Date of issue	Coupon rate	Maturity Date	Amount (Rs. cr)	Rating and Outlook
Commercial Paper	INE155A14QX5	01-Nov-19	7.50%	25-Sep-20	125.00	CARE A1+
Commercial Paper	INE155A14QX5	01-Nov-19	7.50%	25-Sep-20	125.00	CARE A1+
Commercial Paper	INE155A14QY3	08-Nov-19	7.55%	06-Nov-20	350.00	CARE A1+
Commercial Paper	INE155A14RG8	24-Apr-20	7.60%	26-Aug-20	300.00	CARE A1+
Commercial Paper	INE155A14RF0	24-Apr-20	7.60%	25-Aug-20	150.00	CARE A1+
Commercial Paper	INE155A14RH6	24-Apr-20	7.60%	09-Sep-20	350.00	CARE A1+
Commercial Paper	INE155A14RI4	30-Apr-20	8.10%	26-Mar-21	300.00	CARE A1+
Commercial Paper	INE155A14RJ2	30-Apr-20	8.00%	26-Feb-21	300.00	CARE A1+
Commercial Paper	INE155A14RK0	04-May-20	7.85%	30-Dec-20	300.00	CARE A1+
Commercial Paper	INE155A14RL8	04-May-20	7.75%	29-Oct-20	300.00	CARE A1+
Commercial Paper	INE155A14RM6	04-May-20	7.80%	27-Nov-20	300.00	CARE A1+

Name of the instrument	ISIN	Date of issue	Coupon rate	Maturity Date	Amount (Rs. cr)	Rating and Outlook
Commercial Paper	INE155A14RN4	18-May-20	6.40%	14-Aug-20	200.00	CARE A1+
Commercial Paper	INE155A14RO2	22-May-20	7.99%	25-Jan-21	300.00	CARE A1+
Commercial Paper	INE155A14RP9	22-May-20	8.05%	24-Mar-21	200.00	CARE A1+
Commercial Paper	INE155A14RQ7	03-Jun-20	5.55%	02-Sep-20	200.00	CARE A1+
Commercial Paper	INE155A14RS3	12-Jun-20	5.55%	10-Sep-20	100.00	CARE A1+
Commercial Paper	INE155A14RR5	19-Jun-20	5.55%	17-Sep-20	300.00	CARE A1+
Commercial Paper	INE155A14RT1	26-Jun-20	7.10%	30-Apr-21	200.00	CARE A1+
Commercial Paper	INE155A14RU9	26-Jun-20	7.10%	31-May-21	200.00	CARE A1+
Commercial Paper	INE155A14RV7	29-Jun-20	5.55%	24-Sep-20	100.00	CARE A1+
Commercial Paper		Proposed	-	-	1,300.00	CARE A1+
	Total				6,000.00	

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (07-Sep-18)	1)CARE AA+; Stable (04-Oct-17)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (07-Sep-18)	1)CARE AA+; Stable (04-Oct-17)
3.	Debentures-Non Convertible Debentures	LT	1500.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19) 2)CARE AA+; Stable (07-Sep-18)	1)CARE AA+; Stable (04-Oct-17)
4.	Debentures-Non Convertible Debentures	LT	2500.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19) 2)CARE AA+; Stable (07-Sep-18)	1)CARE AA+; Stable (04-Oct-17)
5.	Fund-based - LT-Working Capital Limits	LT	3500.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19) 2)CARE AA+; Stable (07-Sep-18)	1)CARE AA+; Stable (08-Mar-18) 2)CARE AA+; Stable (04-Oct-17)
6.	Debentures-Non Convertible Debentures	LT	650.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19) 2)CARE AA+; Stable (07-Sep-18)	1)CARE AA+; Stable (04-Oct-17)
7.	Debentures-Non Convertible Debentures	LT	250.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19) 2)CARE AA+; Stable (07-Sep-18)	1)CARE AA+; Stable (04-Oct-17)
8.	Debentures-Non Convertible Debentures	LT	300.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19)	1)CARE AA+; Stable (04-Oct-17)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
							2)CARE AA+; Stable (07-Sep-18)	
9.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19) 2)CARE AA+; Stable (07-Sep-18)	1)CARE AA+; Stable (04-Oct-17)
10.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19) 2)CARE AA+; Stable (07-Sep-18)	1)CARE AA+; Stable (04-Oct-17) 2)CARE AA+; Stable (01-Aug-17) 3)CARE AA+; Stable (04-Jul-17)
11.	Debentures-Non Convertible Debentures	LT	1000.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19) 2)CARE AA+; Stable (07-Sep-18)	1)CARE AA+; Stable (04-Oct-17) 2)CARE AA+; Stable (01-Aug-17) 3)CARE AA+ (04-Jul-17)
12.	Commercial Paper	ST	6000.00	CARE A1+	-	1)CARE A1+ (19-Aug-19)	1)CARE A1+ (18-Feb-19) 2)CARE A1+ (07-Sep-18)	1)CARE A1+ (04-Oct-17)
13.	Debentures-Non Convertible Debentures	LT	700.00	CARE AA-; Negative	-	1)CARE AA-; Negative (19-Aug-19)	1)CARE AA; Stable (18-Feb-19) 2)CARE AA+; Stable (07-Sep-18)	-
14.	Fund-based - ST-Working Capital Limits	ST	1000.00	CARE A1+	-	1)CARE A1+ (19-Aug-19)	1)CARE A1+ (18-Feb-19) 2)CARE A1+ (07-Sep-18)	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not available

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Commercial Paper	Simple
2.	Debentures-Non Convertible Debentures	Simple
3.	Fund-based - LT-Working Capital Limits	Simple
4.	Fund-based - ST-Working Capital Limits	Simple

Annexure 5: List of subsidiaries which are consolidated

Sr. No	Name of the subsidiary	% holding in Subsidiary
	<u>Direct subsidiaries</u>	
1	TML Business Services Limited (erstwhile Concorde Motors (India) Limited)	100.00%
2	Tata Motors Insurance Broking and Advisory Services Limited	100.00%
3	Tata Motors European Technical Centre PLC	100.00%
4	Tata Technologies Limited	72.48%
5	TMF Holdings Limited	100.00%
6	Tata Marcopolo Motors Limited	51.00%
7	TML Holdings Pte Ltd	100.00%
8	TML Distribution Company Limited	100.00%
9	Tata Hispano Motors Carrocera S.A.	100.00%
10	Tata Hispano Motors Carroceries Maghreb SA	100.00%
11	Trilix S.r.l	100.00%
12	Tata Precision Industries Pte Ltd	78.39%
13	Brabo Robotics and Automation Limited (Incorporated w.e.f July 17, 2019)	100.00%
	<u>Indirect subsidiaries</u>	
14	Tata Daewoo Commercial Vehicle Company Limited	100.00%
15	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	100.00%
16	Tata Motors (Thailand) Ltd	91.17%
17	Tata Motors (SA)(Proprietary) Ltd	60.00%
18	PT Tata Motors Indonesia	100.00%
19	Tata Technologies (Thailand) Limited	72.48%
20	Tata Technologies Pte Limited	72.48%
21	INCAT International Plc	72.48%
22	Tata Technologies Europe Limited	72.48%
23	Escenda Engineering AB	72.48%
24	INCAT GmbH	72.48%
25	Tata Technologies Inc.	72.48%
26	Tata Technologies de Mexico, S.A. de C.V.	72.48%
27	Cambric Limited	72.48%
28	Cambric GmbH	72.48%
29	Tata Technologies SRL Romania	72.48%
30	Tata Manufacturing Technologies (Shanghai) Limited	72.48%
31	Jaguar Land Rover Automotive Plc	100.00%
32	Jaguar Land Rover Limited	100.00%
33	Jaguar Land Rover Austria GmbH	100.00%
34	Jaguar Land Rover Belux NV	100.00%
35	Jaguar Land Rover Japan Limited	100.00%
36	Jaguar Cars South Africa (Pty) Limited	100.00%
37	JLR Nominee Company Limited	100.00%
38	The Daimler Motor Company Limited	100.00%
39	Daimler Transport Vehicles Limited	100.00%
40	S.S. Cars Limited	100.00%
41	The Lanchester Motor Company Limited	100.00%
42	Jaguar Land Rover Deutschland GmbH	100.00%
43	Jaguar Land Rover Classic Deutschland GmbH	100.00%
44	Jaguar Land Rover Holdings Limited	100.00%
45	Jaguar Land Rover North America LLC	100.00%

Sr. No	Name of the subsidiary	% holding in Subsidiary
46	Land Rover Ireland Limited	100.00%
47	Jaguar Land Rover Nederland BV	100.00%
48	Jaguar Land Rover Portugal - Veiculos e Pecas, Lda.	100.00%
49	Jaguar Land Rover Australia Pty Limited	100.00%
50	Jaguar Land Rover Italia Spa	100.00%
51	Jaguar Land Rover Espana SL	100.00%
52	Jaguar Land Rover Korea Company Limited	100.00%
53	Jaguar Land Rover (China) Investment Co. Limited	100.00%
54	Jaguar Land Rover Canada ULC	100.00%
55	Jaguar Land Rover France, SAS	100.00%
56	Jaguar Land Rover (South Africa) (Pty) Limited	100.00%
57	Jaguar e Land Rover Brasil industria e Comercio de Veiculos LTDA	100.00%
58	Limited Liability Company "Jaguar Land Rover" (Russia)	100.00%
59	Jaguar Land Rover (South Africa) Holdings Limited	100.00%
60	Jaguar Land Rover India Limited	100.00%
61	Jaguar Cars Limited	100.00%
62	Land Rover Exports Limited	100.00%
63	Jaguar Land Rover Pension Trustees Limited	100.00%
64	Jaguar Racing Limited	100.00%
65	InMotion Ventures Limited	100.00%
66	Lenny Insurance Limited (Name changed from InMotion Ventures 1 Limited w.e.f. September 6, 2019)	100.00%
67	InMotion Ventures 2 Limited	100.00%
68	InMotion Ventures 3 Limited	100.00%
69	InMotion Ventures 4 Limited	100.00%
70	Shanghai Jaguar Land Rover Automotive Services Company Limited	100.00%
71	Jaguar Land Rover Slovakia s.r.o	100.00%
72	Jaguar Land Rover Singapore Pte. Ltd	100.00%
73	Jaguar Land Rover Columbia S.A.S	100.00%
74	PT Tata Motors Distribusi Indonesia	100.00%
75	Tata Motors Finance Solutions Limited	100.00%
76	Tata Motors Finance Limited	100.00%
77	TMNL Motor Services Nigeria Limited	100.00%
78	Jaguar Land Rover Ireland (Services) Limited	100.00%
79	Spark44 (JV) Limited	50.50%
80	Spark44 Pty. Ltd.	50.50%
81	Spark44 GMBH	50.50%
82	Spark44 LLC	50.50%
83	Spark44 Shanghai Limited	50.50%
84	Spark44 DMCC	50.50%
85	Spark44 Demand Creation Partners Limited	50.50%
86	Spark44 Limited (London & Birmingham)	50.50%
87	Spark44 Pte Ltd	50.50%
88	Spark44 Communication SL	50.50%
89	Spark44 SRL	50.50%
90	Spark44 Seoul Limited	50.50%
91	Spark44 Japan KK	50.50%
92	Spark44 Canada Inc	50.50%
93	Spark44 South Africa (Pty) Limited	50.50%

Sr. No	Name of the subsidiary	% holding in Subsidiary
94	Spark44 Colombia S.A.S.	50.50%
95	Spark44 Taiwan Limited	50.50%
96	Jaguar Land Rover Taiwan Company Limited	100.00%
97	Jaguar Land Rover Servicios Mexico,S.A. de C.V.	100.00%
98	Jaguar Land Rover Mexico,S.A.P.I. de C.V.	100.00%
99	Jaguar Land Rover Hungary KFT	100.00%
100	Jaguar Land Rover Classic USA LLC	100.00%
101	Jaguar Land Rover Ventures Limited (Incorporated w.e.f. May 16, 2019)	100.00%
102	Bowler Motors Limited (Name changed from Jaguar Land Rover Auto Ventures L)	100.00%
103	Jaguar Land Rover (Ningbo) Trading Co. Limited (Incorporated w.e.f. November 4, 2019)	100.00%
	<u>Jointly controlled companies</u>	
	<u>Joint Operations</u>	
1	Fiat India Automobiles Private Limited	50.00%
2	Tata Cummins Private Limited	50.00%
	<u>Joint Ventures</u>	
3	Tata HAL Technologies Limited	36.24%
4	Chery Jaguar Land Rover Automotive Company Limited	50.00%
5	JT Special Vehicles Pvt. Limited	50.00%
6	Loginomic Tech Solutions Private Limited (“TruckEasy”)	26.00%
	<u>Associate companies</u>	
1	Automobile Corporation of Goa Limited	49.77%
2	Nita Company Limited	40.00%
3	Tata Hitachi Construction Machinery Company Private Limited	39.99%
4	Tata Precision Industries (India) Limited	39.19%
5	Tata AutoComp Systems Limited	26.00%
6	Jaguar Cars Finance Limited	49.90%
7	Cloud Car Inc	26.30%
8	Synaptiv Limited	37.50%
9	DriveClubService Pte. Ltd	25.07%

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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