August 05, 2019

Tata Motors Limited: Ratings downgraded to [ICRA]AA-(Negative)/[ICRA]A1+

Summary of rating action

Instrument*	Previous Rated Amount (Rs. Crore)	Current Rated Amount(Rs. Crore)	Rating Action
Non-convertible Debenture Programme	2,250.0	2,250.0	Revised to [ICRA]AA- (Negative) from [ICRA]AA (Negative)
Long-term Loans	1,000.0	1,000.0	Revised to [ICRA]AA- (Negative) from [ICRA]AA (Negative)
Long-term, Fund-based Facilities	8,000.0	8,000.0	Revised to [ICRA]AA- (Negative) from [ICRA]AA (Negative)
Commercial Paper Programme	4,200.0	4,200.0	[ICRA]A1+ reaffirmed
Short-term Debt Programme	800.0	800.0	[ICRA]A1+ reaffirmed
Long-term / Short-term, Non-fund Based Facilities	6,000.0	6,000.0	Revised to [ICRA]AA- (Negative) from [ICRA]AA (Negative) / [ICRA]A1+ reaffirmed
Total	**22,250.0**	**22,250.0**	

* Instrument Details are provided in Annexure-1

Rationale

The revision in the rating reflects the continued deterioration in the financial profile of Jaguar Land Rover PLC (JLR), Tata Motors Limited's (TML) wholly-owned subsidiary, amid headwinds in China and Europe (including the UK) markets. Brexit related uncertainty is expected to continue to pressurise JLR's sales volumes going forward. These near term pressures could result in a further weakening of JLR's sales volumes and thus profitability. Due to the negative operating leverage, weakened geographical mix, and higher variable marketing expenses (VME), JLR's profitability has been impacted in Q1 FY2020, with its operating profit margin (OPM) declining to 4.2%, as against 6.2% in Q1 FY2019. Along with incremental investments towards product development, this has resulted in an increase in net debt to £ 1604 million (excluding the IFRS impact of GBP 534 billion) as on June 30, 2019, as against £ 736 million as on March 31, 2019, and hence weakening in credit profile as compared to earlier anticipated levels. Developments related to Brexit and its potential impact on JLR will remain a key rating monitorable. Furthermore, TML's domestic passenger vehicle (PV) and commercial vehicle (CV) businesses have also witnessed industry wide headwinds during the current year. Coupled with increased working capital requirements, the decline in profit margins (OPM declined to 6.7% in Q1 FY2020, as against 8.4% in Q1 FY2019) has resulted in an increase in net debt for TML (standalone including joint operations) to Rs. 21,718 crore as on June 30, 2019 from Rs. 15,658 crore as on March 31, 2019. TML (consolidated) reported a net loss of Rs. 3,679.7 crore in Q1 FY2020, as against a net loss of Rs. 1,862.6 crore in Q1 FY2019.

The ratings continue to reflect the management's commitment to deleveraging the balance sheet by rationalising its investments and costs in JLR as also divesting some of its non-core investments and trimming overall working capital cycle. The benefits of these initiatives have yet to flow in. TML's credit profile continues to benefit from being part of the Tata Group, comfortable capital structure and strong liquidity position, aided by large cash and liquid investments.

The CV business accounts for about 77% of TML's standalone revenues followed by the PV business, exposing standalone operations to the cyclicality in the CV business. On the back of new product launches, TML's CV market share increased to 44.4% during FY2019 from 43.9% during FY2018. However, it witnessed a moderation to 43.1% during Q1 FY2020.

With the launch of new models, TML's management is confident of outperforming the industry and gaining further market share over the medium term.

TML's PV business has gained some traction since FY2018 with the launch of its compact sedan, Tigor, in March 2017, the Nexon, the compact sports utility vehicle (SUV) in September 2017, and the Harrier, SUV in January 2019. This resulted in an improvement in TML's PV market share to 6.7% in FY2019 from 5.7% in FY2018. However, it witnessed a moderation to 5.9% in Q1 FY2020 due to 30.1% decline in wholesale despatches on inventory corrections, while the retail volume decline was a modest 7.4%. Furthermore, with increasing sales volumes, TML's PV business achieved EBITDA breakeven during Q2 FY2019 and has remained EBITDA positive since then. Even during Q1 FY2020, despite the de-growth in volumes, TML's PV business has witnessed an OPM of 1.2%, as against a loss of 0.7% in Q1 FY2019. TML has planned three new product launches over CY2019–CY2020. With expected ramp up in TML's PV production, its OPM is expected to improve further. This is a key rating sensitivity.

TML's standalone cash flows in the past have benefitted from sizeable dividend inflow from JLR. TML had earlier raised debt of over Rs. 7,500 crore in its Singapore subsidiary, TML Holdings Pte Limited (TMHL), which is the holding company for JLR. Of the dividend payout from JLR, TMHL retains a part for its own funds requirement to honour its debt repayment obligations and upstreams the balance to TML. JLR had indicated a policy of paying dividend to the extent of 25% of its profit after tax (PAT), going forward. Given the net loss in FY2019, JLR has not declared any dividend, thereby impacting TML's (standalone) cash flows for FY2020. Furthermore, with the profitability of JLR expected to remain low going forward, the quantum of dividend pay-out would thus be lower than in the past. However, ICRA takes comfort from the fact that TMHL does not have any principal repayments due till CY2021. The ratings also factor in TML's incremental equity infusion of Rs. 600 crore in Tata Motors Finance Limited (TMFL) in FY2019 and another Rs. 600 crore infusion expected in FY2020. Despite these, the management expects TML (standalone) debt levels to reduce, going forward, on the back of improved operating performance and working capital management.

At the consolidated level, TML derives about 74% of its revenues and 64% of its operating profits from JLR, which has witnessed YoY de-growth of 9.9% in its wholesale sales volume during Q1 FY2020, post a YoY de-growth of 10.8% in FY2019. The de-growth has been contributed by a sharp 26.8% decline in China due to slowdown in the Chinese PV market, 3.1% decline in Europe (excluding UK) due to shift away from the diesel vehicles where JLR has sizeable presence, and 5.7% decline in US sales volume due to overall industry slowdown, while UK witnessed a YoY growth of 14.8%. While the Chinese market has witnessed sequential recovery in volume over last few months, the company's ability to sustain its volume guidance and restore its profitability remains a key monitorable. Over the years, the launch of successful models such as Evoque, XE, F-PACE and Velar has helped JLR expand its product portfolio and ease dependence on relatively few models. However, its product portfolio remains modest as compared to other established luxury car original equipment manufacturers (OEMs) globally. Nonetheless, JLR has new products lined up for launch over the next three years, including the all new Evoque launched in both mild and PHEV options and the Defender to be launched in CY2019. Furthermore, the company is investing in development of hybrid or electric vehicles (EV), and has indicated having a hybrid or EV variant for all its products by CY2020. While JLR has demonstrated its ability to successfully launch new models and gain market share, the success of new models currently under development will also be critical for it to sustain its financial profile.

During Q3 FY2019, JLR undertook a one-time impairment of its capitalised assets amounting to £ 3.1 billion. JLR has laid down a turnaround strategy, which aims at total cash flow improvement of £ 2.5 billion by March 2020, which includes among others reduction in its capital expenditure and investment plans, streamlining working capital management and reduction in workforce. As on June 30, 2019, the company has achieved savings of £ 1.7 billion, and the management expects exceeding the target by March 2020. Along with improvement in the sales volume of the company, this is a key rating sensitivity. While ICRA notes some improvement in Q1 FY2020, JLR's free cash flows are expected to remain negative over the medium term, resulting in high debt levels. Accordingly, TML's consolidated borrowing levels are expected to remain high in the medium term. ICRA takes comfort from the management indication of maintaining the overall borrowings at prudent levels.

Outlook: Negative

The Negative outlook reflects ICRA's expectations of a further deterioration in the credit profile of TML, primarily due to weakening of JLR's credit metrics amid rising pressures on its sales volumes. The ratings may be downgraded if there is further weakening of JLR's performance or weakening of performance at TML standalone level. The outlook may be revised to Stable if the credit profile of TML improves due to turnaround of JLR operations against a backdrop of improved operating leverage at TML (standalone) and deleveraging measures to be undertaken by the management.

Key rating drivers

Credit strengths

Leading market position in CV business in India, supported by strong and diversified portfolio, high brand equity and well entrenched market reach – In the domestic CV industry, TML has one of the most diversified product portfolios with a presence spanning across light, medium and heavy duty segments. On the back of new product launches, TML's CV market share increased to 44.4% during FY2019 from 43.9% during FY2018, though witnessed a moderation to 43.1% during Q1 FY2020. With the launch of new models, TML's management is confident of outperforming the industry and further gaining market share over the medium term.

Turnaround of TML's PV business; achieved EBITDA breakeven during Q2 FY2019 – TML gained traction in its domestic PV business with the launch of its mass market hatchback Tiago in April 2016, followed by flagship UV, Hexa, in January 2017; the Tigor, the compact sedan, in March 2017; and Nexon, the compact SUV in September 2017, resulting in an improvement in TML's PV market share to 6.7% in FY2019 from 5.7% in FY2018. However, it witnessed moderation in its market share to 5.9% in Q1 FY2020 due to inventory destocking at dealerships. With increasing sales volumes, TML's PV business achieved EBITDA breakeven during Q2 FY2019 and has remained EBITDA positive since then. Even during Q1 FY2020, despite the de-growth in volumes, TML's PV business has witnessed an OPM of 1.2%, as against a loss of 0.7% in Q1 FY2019. TML has planned some new product launches over CY2019–CY2020. With expected ramp up in TML's PV production, its OPM is expected to improve further. This is a key rating sensitivity.

Business profile to further strengthen over the medium term, aided by JLR's ongoing investments in product portfolio –JLR has new products lined up for launch over the next three years, including the all new Evoque launched in both mild and PHEV options and the Defender to be launched in CY2019. Furthermore, the company is investing in development of hybrid or EVs, and has indicated having a hybrid or EV variant for all its products by CY2020. While JLR has demonstrated its ability to successfully launch new models and gain market share, the success of new models currently under development will also be critical for it to sustain its financial profile.

Experienced management team and strong financial flexibility as a part of the Tata Group – By virtue of being a part of the Tata Group, TML enjoys strong financial flexibility.

Credit challenges

JLR's credit metrics have weakened amid rising headwinds in China and Europe markets; near-term pressures to continue – JLR witnessed YoY de-growth of 9.9% in its wholesale sales volume during Q1 FY2020, following a YoY de-growth of 10.8% in FY2019. The de-growth has been contributed by a sharp 26.8% decline in China due to slowdown in underlying market and inventory rationalisation at dealerships, 3.1% decline in Europe (excluding UK) due to shift away from the diesel vehicles where JLR has sizeable presence, and 5.7% decline in US sales volume due to overall industry slowdown, while UK witnessed a YoY growth of 14.8%. While Chinese market has witnessed sequential recovery in volume over last few months, the company's ability to sustain its volume guidance and restore its profitability remains a key monitorable. Due to the negative operating leverage, weakened geographical mix, and higher VME, JLR's profitability has been impacted in Q1 FY2020, with its OPM declining to 4.2%, as against 6.2% in Q1 FY2019. These headwinds are expected to continue in the near term, thereby resulting in a further moderation in its sales volumes and thus profitability.

The sizeable investments in JLR have resulted in an increase in net debt; however, credit metrics are expected to remain comfortable – Along with incremental investments towards product development, the decline in profitability in Q1 FY2020 has resulted in an increase in JLR's net debt to £ 1604 million (excluding the IFRS impact of GBP 534 billion) as on June 30, 2019, as against £ 736 million as on March 31, 2019, and hence weakening in credit profile as compared to earlier anticipated levels. JLR has undertaken a one-time impairment of its capitalised assets amounting to £ 3.1 billion during Q3 FY2019. JLR has laid down a turnaround strategy, which aims at total cash flow improvement of £ 2.5 billion by March 2020, which includes among others reduction in its capital expenditure and investment plans, streamlining working capital management and reduction in workforce. As on June 30, 2019, the company has achieved savings of £ 1.7 billion, and the management expects exceeding the target by March 2020. Along with improvement in the sales volume of the company, this is a key rating sensitivity. While ICRA notes some improvement in Q1 FY2020, JLR's free cash flows are expected to remain negative over the medium term, resulting in high debt levels. Accordingly, TML's consolidated borrowing levels are expected to remain high in the medium term. ICRA takes comfort from TML's management's commitment to deleverage the balance sheet by divesting some of its non-core investments and trim the overall working capital cycle.

Liquidity position:

With expected improvement in performance and thus improved cash accruals partially offset by reduced or nil divided from JLR, TML's (standalone) liquidity is expected to remain healthy. This is further supported by its commitment to maintain cash and liquid investments of ~Rs. 2,000 crore and committed undrawn credit facilities of Rs. 1,500 crore as on June 30, 2019. Furthermore, the materialisation of the management indicated stake divestments should further strengthen the liquidity profile of TML.

JLR's liquidity profile has weakened due to the ongoing pressure on profitability, resulting in a net debt of £ 1604 million as on June 30, 2019, as against net debt of £ 736 million as on March 31, 2019. However, its liquidity continues to be supported by its committed undrawn credit facilities of £ 1935 million as on June 2019.

On a consolidated basis, of the total debt as on March 31, 2019, ~33% is maturing in the next one year (includes current portion of long-term debt, short term loans and working capital facilities). Unencumbered cash and cash equivalents of Rs. 42,570 crore represent ~1.21 times the debt maturities falling due in the next one year. Furthermore, undrawn committed bank facilities of Rs. 368 billion held at various operating entities further strengthen TML's consolidated liquidity profile.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Rating Methodology for Commercial Vehicle Industry Rating Methodology for Passenger Vehicle Manufacturers Corporate Credit Rating Methodology
Parent / Group Support	Parent Company: Tata Sons Limited We expect TML's parent, Tata Sons (rated [ICRA]AAA (Stable) / [ICRA]A1+), to be willing to extend financial support to TML, should there be a need. Both TML and Tata Sons also share a common name, which in ICRA's opinion would persuade Tata Sons to provide financial support to TML to protect its reputation from the consequences of a Group entity's distress
Consolidation / Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of TML. However, the following entities have been excluded from the consolidated financials to make a distinction between the manufacturing business and the financial services business. The entities are: TMF Holdings Limited, Tata Motors Finance Solutions Limited and Tata Motors Finance Limited. However, the analysis of TML does take into account the ongoing and future funding support likely to be extended by it to the above entities. Such funding support is assessed based on factors such as expected growth in the financial services business, expected losses for which support from TML might be required, and capital adequacy and solvency ratio requirements.

About the company:

Incorporated in 1945, Tata Motors Limited is India's largest automobile company and the market leader in the domestic CV industry and one of the top five manufacturers of PVs in India. In the domestic CV industry, TML has one of the most diversified product portfolios with a presence spanning across light, medium and heavy duty segments of the CV industry. The company's product portfolio in the PV segment also spans passenger cars, UVs and multi-purpose vehicles (MPVs).

In June 2008, TML acquired Jaguar Land Rover from Ford Motor Company for US$ 2.3 billion. Following the acquisition, TML's business profile underwent a significant change from being a predominantly India-centric OEM to one with presence in the premium and luxury segment cars and SUVs across multiple markets in Europe, North America, China, Russia and Brazil. Apart from JLR, which is wholly-owned by TML and contributed ~74% to its consolidated turnover in FY2019, the company has also historically expanded its operations in India as well as overseas through strategic alliances and mergers and acquisitions. Some of its key subsidiaries include Tata Motors Finance Limited (vehicle financing subsidiary), Tata Technologies Limited (a software firm engaged in providing IT solutions to the automotive industry), Tata Daewoo Commercial Vehicles Company Limited (CV operations in South Korea) and TML Drivelines Limited (its captive auto component manufacturer). The company also operates a joint venture (JVs) with Marcopolo (for building bodies for buses and coaches) and Fiat (for PVs, engines and transmissions).

TML has six manufacturing plants in India at Pune (Maharashtra), Lucknow (Uttar Pradesh), Jamshedpur (Jharkhand), Pantnagar (Uttaranchal), Dharwad (Karnataka) and Sanand (Gujarat). In addition, the company's key subsidiary, JLR, operates three manufacturing facilities and two design centres in the UK, and has also recently commenced manufacturing operations at Slovakia. In FY2013, JLR also formed a 50-50 JV with China-based Chery Automobiles to set up a manufacturing facility in China, which commenced operations from H2 FY2015. Moreover, as a Group, TML operates assembly operations at multiple locations around the globally through its subsidiaries and JVs.

Key financial indicators (audited)

	Standalone		Consolidated	
	FY2018	FY2019	FY2018	FY2019
Operating Income (Rs. crore)	58,831.4	69,824.1	294,619.2	303732.8
PAT (Rs. crore)	-1,034.9	2,020.6	6,813.1	-28933.7
OPBDIT/ OI (%)	7.3%	8.6%	11.4%	9.0%
RoCE (%)	2.4%	12.4%	12.7%	-18.2%
Total Debt/ TNW (times)	0.9	0.8	0.9	1.8
Total Debt/ OPBDIT (times)	4.3	3.1	2.7	3.9
Interest Coverage (times)	2.5	3.4	7.2	4.7

Source: Tata Motors Limited

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)*	Rating (FY2020) Date & Rating	Chronology of Rating History for the past 3 years Date & Rating in FY2019			Date & Rating in FY2018		Date & Rating in FY2017
					August 2019	February 2019	October 2018	July 2018	January 2018	October 2017	December 2016
1	Commercial Paper Programme	Short-term	4,200.0	1,183.9	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Short-term Debt Programme	Short-term	800.0	0.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Non-convertible Debenture Programme	Long-term	2,250.0	1,800.0	[ICRA]AA- (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)
4	Term Loan	Long-term	1,000.0	0.0	[ICRA]AA- (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)
5	Fund-based Facilities	Long-term	8,000.0	-	[ICRA]AA- (Negative)	[ICRA]AA (Negative)	[ICRA]AA (Stable)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)
5	Non-fund Based Facilities	Long-term / Short-term	6,000.0	-	[ICRA]AA- (Negative) / [ICRA]A1+	[ICRA]AA (Negative) / [ICRA]A1+	[ICRA]AA (Stable) / [ICRA]A1+	[ICRA]AA (Positive) / [ICRA]A1+	[ICRA]AA (Positive) / [ICRA]A1+	[ICRA]AA (Positive) / [ICRA]A1+	[ICRA]AA (Positive) / [ICRA]A1+
6	Non-fund Based Facilities	Short-term	Nil	-	-	-	-	-	-	[ICRA]A1+	[ICRA]A1+

*As on June 30, 2019

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE155A14NZ7	CP	11-Jun-18	NA	12-Mar-19	100.0	[ICRA]A1+
INE155A14NZ7	CP	11-Jun-18	NA	12-Mar-19	200.0	[ICRA]A1+
INE155A14OB6	CP	20-Jun-18	NA	10-Dec-18	75.0	[ICRA]A1+
INE155A14OB6	CP	20-Jun-18	NA	10-Dec-18	25.0	[ICRA]A1+
INE155A14OB6	CP	20-Jun-18	NA	10-Dec-18	25.0	[ICRA]A1+
INE155A14OD2	CP	28-Jun-18	NA	20-Mar-19	100.0	[ICRA]A1+
INE155A14OF7	CP	03-Jul-18	NA	27-Dec-18	200.0	[ICRA]A1+
INE155A14OG5	CP	05-Jul-18	NA	26-Dec-18	125.0	[ICRA]A1+
INE155A14OG5	CP	05-Jul-18	NA	26-Dec-18	75.0	[ICRA]A1+
INE155A14OH3	CP	06-Jul-18	NA	01-Oct-18	100.0	[ICRA]A1+
INE155A14OI1	CP	11-Jul-18	NA	10-Oct-18	200.0	[ICRA]A1+
INE155A14OJ9	CP	13-Jul-18	NA	12-Oct-18	200.0	[ICRA]A1+
INE155A14OK7	CP	20-Jul-18	NA	19-Oct-18	200.0	[ICRA]A1+
INE155A14OL5	CP	08-Aug-18	NA	06-Nov-18	150.0	[ICRA]A1+
INE155A14OL5	CP	08-Aug-18	NA	06-Nov-18	50.0	[ICRA]A1+
INE155A14OM3	CP	10-Aug-18	NA	09-Nov-18	150.0	[ICRA]A1+
INE155A14ON1	CP	13-Aug-18	NA	12-Nov-18	50.0	[ICRA]A1+
INE155A14OO9	CP	16-Aug-18	NA	30-Oct-18	200.0	[ICRA]A1+
INE155A14OP6	CP	31-Aug-18	NA	29-Nov-18	200.0	[ICRA]A1+
INE155A14OQ4	CP	04-Sep-18	NA	03-Dec-18	200.0	[ICRA]A1+
INE155A14OR2	CP	07-Sep-18	NA	04-Dec-18	35.0	[ICRA]A1+
-	CP	Yet to be issued			1540.0	[ICRA]A1+
-	Short-term Debt Programme	Yet to be issued			800.0	[ICRA]A1+
INE155A07219	NCD	02-Mar-10	9.95%	02-Mar-20	200.0	[ICRA]AA- (Negative)
INE155A08043	NCD	07-May-10	9.90%	07-May-20	150.0	[ICRA]AA- (Negative)
INE155A08050	NCD	24-May-10	9.75%	24-May-20	100.0	[ICRA]AA- (Negative)
INE155A08068	NCD	18-Jun-10	9.70%	18-Jun-20	150.0	[ICRA]AA- (Negative)
INE155A08191	NCD	20-Aug-14	9.81%	20-Aug-24	300.0	[ICRA]AA- (Negative)
INE155A08209	NCD	12-Sep-14	9.77%	12-Sep-24	200.0	[ICRA]AA- (Negative)
INE155A08241	NCD	10-Nov-14	9.35%	10-Nov-23	400.0	[ICRA]AA- (Negative)
INE155A08258	NCD	11-Dec-14	9.02%	10-Dec-21	300.0	[ICRA]AA- (Negative)
-	NCD	Yet to be issued			450.0	
-	Proposed Term Loan	-	-	-	1,000.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	3,120.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	100.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	480.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	400.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	200.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	375.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	250.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	800.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	300.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	100.0	[ICRA]AA- (Negative)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Fund-based Facility	-	-	-	250.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	250.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	375.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Fund-based Facility	-	-	-	50.0	[ICRA]AA- (Negative)
-	Unallocated Fund-based Facility	-	-	-	150.0	[ICRA]AA- (Negative)
-	Non-fund Based Facility	-	-	-	1,600.0	[ICRA]AA- (Negative) / [ICRA]A1+
-	Non-fund Based Facility	-	-	-	4,400.0	[ICRA]AA- (Negative) / [ICRA]A1+

Source: Tata Motors Limited

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership*	Consolidation Approach
Direct Subsidiaries		
Concorde Motors (India) Limited	100.00%	Full Consolidation
Tata Motors Insurance Broking & Advisory Services Limited	100.00%	Full Consolidation
Tata Motors European Technical Centre PLC	100.00%	Full Consolidation
Tata Technologies Limited	72.28%	Full Consolidation
TMF Holdings Limited	100.00%	Full Consolidation
Tata Marcopolo Motors Limited	51.00%	Full Consolidation
TML Holdings Pte. Limited	100.00%	Full Consolidation
TML Distribution Company Limited	100.00%	Full Consolidation
Tata Hispano Motors Carrocera S.A.	100.00%	Full Consolidation
Tata Hispano Motors Carrocerries Maghreb SA	100.00%	Full Consolidation
Trilix S.r.l	100.0%	Full Consolidation
Tata Precision Industries Pte. Limited	78.39%	Full Consolidation
Indirect subsidiaries		
Tata Daewoo Commercial Vehicle Company Limited	100.00%	Full Consolidation
Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	100.00%	Full Consolidation
Tata Motors (Thailand) Limited	95.87%	Full Consolidation
Tata Motors (SA) (Proprietary) Limited	60.00%	Full Consolidation
PT Tata Motors Indonesia	100.00%	Full Consolidation
Tata Technologies (Thailand) Limited	72.28%	Full Consolidation
Tata Technologies Pte Limited	72.28%	Full Consolidation
INCAT International Plc.	72.28%	Full Consolidation
Tata Technologies Europe Limited	72.28%	Full Consolidation
Escenda Engineering AB	72.28%	Full Consolidation
INCAT GmbH.	72.28%	Full Consolidation

Company Name	Ownership*	Consolidation Approach
Tata Technologies Inc.	72.34%	Full Consolidation
Tata Technologies de Mexico, S.A. de C.V.	72.34%	Full Consolidation
Cambric Limited	72.31%	Full Consolidation
Cambric GmbH	72.34%	Full Consolidation
Tata Technologies SRL Romania	72.31%	Full Consolidation
Tata Manufacturing Technologies (Shanghai) Limited	72.28%	Full Consolidation
Jaguar Land Rover Automotive Plc	100.00%	Full Consolidation
Jaguar Land Rover Limited	100.00%	Full Consolidation
Jaguar Land Rover Austria GmbH	100.00%	Full Consolidation
Jaguar Land Rover Belux NV	100.00%	Full Consolidation
Jaguar Land Rover Japan Limited	100.00%	Full Consolidation
Jaguar Cars South Africa (Pty) Limited	100.00%	Full Consolidation
JLR Nominee Company Limited	100.00%	Full Consolidation
The Daimler Motor Company Limited	100.00%	Full Consolidation
Daimler Transport Vehicles Limited	100.00%	Full Consolidation
S.S. Cars Limited	100.00%	Full Consolidation
The Lanchester Motor Company Limited	100.00%	Full Consolidation
Jaguar Land Rover Deutschland GmbH	100.00%	Full Consolidation
Jaguar Land Rover Classic Deutschland GmbH	100.00%	Full Consolidation
Jaguar Land Rover Holdings Limited	100.00%	Full Consolidation
Jaguar Land Rover North America LLC	100.00%	Full Consolidation
Land Rover Ireland Limited	100.00%	Full Consolidation
Jaguar Land Rover Nederland BV	100.00%	Full Consolidation
Jaguar Land Rover Portugal - Veiculos e Pecas, Lda.	100.00%	Full Consolidation
Jaguar Land Rover Australia Pty Limited	100.00%	Full Consolidation
Jaguar Land Rover Italia Spa	100.00%	Full Consolidation
Jaguar Land Rover Espana SL	100.00%	Full Consolidation
Jaguar Land Rover Korea Company Limited	100.00%	Full Consolidation
Jaguar Land Rover (China) Investment Co. Limited	100.00%	Full Consolidation
Jaguar Land Rover Canada ULC	100.00%	Full Consolidation
Jaguar Land Rover France, SAS	100.00%	Full Consolidation
Jaguar Land Rover (South Africa) (pty) Limited	100.00%	Full Consolidation
Jaguar e Land Rover Brasil industria e Comercio de Veiculos LTDA	100.00%	Full Consolidation
Limited Liability Company "Jaguar Land Rover" (Russia)	100.00%	Full Consolidation
Jaguar Land Rover (South Africa) Holdings Limited	100.00%	Full Consolidation
Jaguar Land Rover India Limited	100.00%	Full Consolidation
Jaguar Cars Limited	100.00%	Full Consolidation
Land Rover Exports Limited	100.00%	Full Consolidation
Jaguar Land Rover Pension Trustees Limited	100.00%	Full Consolidation
Jaguar Racing Limited	100.00%	Full Consolidation
InMotion Ventures Limited	100.00%	Full Consolidation
InMotion Ventures 1 Limited	100.00%	Full Consolidation
InMotion Ventures 2 Limited	100.00%	Full Consolidation
InMotion Ventures 3 Limited	100.00%	Full Consolidation
InMotion Ventures 4 Limited	100.00%	Full Consolidation
Shanghai Jaguar Land Rover Automotive Services Company Limited	100.00%	Full Consolidation
Jaguar Land Rover Slovakia S.R.O.	100.00%	Full Consolidation
Jaguar Land Rover Singapore Pte. Ltd	100.00%	Full Consolidation

Company Name	Ownership*	Consolidation Approach
Jaguar Land Rover Columbia S.A.S	100.00%	Full Consolidation
PT Tata Motors Distribusi Indonesia	100.00%	Full Consolidation
TMNL Motor Services Nigeria Limited	100.00%	Full Consolidation
Jaguar Land Rover Ireland (Services) Limited	100.00%	Full Consolidation
Spark44 (JV) Limited	50.50%	Full Consolidation
Spark44 Pty. Ltd.	50.50%	Full Consolidation
Spark44 GMBH	50.50%	Full Consolidation
Spark44 LLC	50.50%	Full Consolidation
Spark44 Limited	50.50%	Full Consolidation
Spark44 DMCC	50.50%	Full Consolidation
Spark44 Demand Creation Partners Limited	50.50%	Full Consolidation
Spark44 Limited	50.50%	Full Consolidation
Spark44 Pte Ltd	50.50%	Full Consolidation
Spark44 Communication SL	50.50%	Full Consolidation
Spark44 SRL	50.50%	Full Consolidation
Spark44 Limited	50.50%	Full Consolidation
Spark44 Japan KK	50.50%	Full Consolidation
Spark44 Canada Inc	50.50%	Full Consolidation
Spark44 South Africa (Pty) Limited	50.50%	Full Consolidation
Spark44 Colombia S.A.S.	50.50%	Full Consolidation
Spark 44 Taiwan Limited	50.50%	Full Consolidation
Jaguar Land Rover Taiwan Company Limited	100.00%	Full Consolidation
Jaguar Land Rover Servicios Mexico,S.A. de C.V.	100.00%	Full Consolidation
Jaguar Land Rover Mexico,S.A.P.I. de C.V.	100.00%	Full Consolidation
Jaguar Land Rover Hungary KFT	100.00%	Full Consolidation
Jaguar Land Rover Classic USA LLC	100.00%	Full Consolidation
Name of the jointly controlled company		
Joint operations		
Fiat India Automobiles Private Limited	50.00%	Proportionate Consolidation
Tata Cummins Private Limited	50.00%	Proportionate Consolidation
Joint Ventures		
Tata HAL Technologies Limited	36.14%	Equity Method
Chery Jaguar Land Rover Automotive Company Limited	50.00%	Equity Method
JT Special Vehicles Pvt. Limited	50.00%	Equity Method
Name of the associate company		
Automobile Corporation of Goa Limited	47.19%	Equity Method
Nita Company Limited	40.00%	Equity Method
Tata Hitachi Construction Machinery Company Private Limited	39.99%	Equity Method
Tata Precision Industries (India) Limited	39.19%	Equity Method
Tata AutoComp Systems Limited	26.00%	Equity Method
Jaguar Cars Finance Limited	49.90%	Equity Method
Cloud Car Inc	26.30%	Equity Method
Synaptiv Limited	37.50%	Equity Method

Company Name	Ownership*	Consolidation Approach
DriveClubService Pte. Ltd.	25.07%	Equity Method
Loginomic Tech Solutions Private Limited	26.00%	Equity Method

**As on March 31, 2019*

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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