

## Tata Motors (TTMT) - SELL

### Company Update

Current Market Price (CMP) <b>Rs.673</b>	Fair Value (FV) <b>Rs.650</b>
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### Rationale:

- We recently interacted with senior management of Tata Motors.
- Near-term headwinds persist for JLR, immediate focus on restarting production.
- JLR demand: US volumes remain resilient, China is stable at lower levels, and Europe is showing early recovery signs.
- Domestic PV: Company expects margins to improve, with medium-term ambitions of achieving a 20% market share and double-digit EBITDA margins.
- Iveco business will benefit from synergies with the India business from cost, revenue and capex perspective.
- We value the stock on SoTP basis.

### Positives:

- Domestic PV: Bookings have risen by 25-30% yoy (pre-Shraddh level), outpacing industry growth of 20%.
- After the subdued H1FY26, the company expects domestic CV segment volume growth to accelerate to double-digit in H2FY26E.
- Domestic CV: Demand acceleration is expected in SCV and I&LCV segments.

### Negatives:

- Domestic PV: The company expects limited recovery in hatchback segment.
- We expect earnings per share to decline by 20.2% in FY26E to Rs48.8.

(JLR: Jaguar Land Rover; PV: Passenger Vehicle; EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization; SoTP: Sum-of-the-Parts; CV: Commercial Vehicle; SCV: Small Commercial Vehicle; I&LCV: Intermediate and Light Commercial Vehicle)



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: [shrikant.chouhan@kotak.com](mailto:shrikant.chouhan@kotak.com)). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months



RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	<b>Not Rated.</b> Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	<b>Not Available or Not Applicable.</b> The information is not available for display or is not applicable
NM	–	<b>Not Meaningful.</b> The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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