Dated: 18 June 2026

Tata Motors PV (TMPV) - SELL

Company Update

Current Market Price (CMP)	Fair Value (FV)
Rs.361	**Rs.310**

Rationale:

- JLR Analyst Meet: Muted FY27E guidance; multiple headwinds persist.
- Revenue guidance is GBP2,600 cr in FY27 (versus GBP2,300 cr in FY26).
- FY27 EBIT margin guidance is 4% (versus 0.8% in FY26).
- Breakeven FCF in FY27 (versus negative FCF of GBP220 cr in FY26).
- FY27 Investment spends to be GBP370 cr (versus GBP360 cr in FY26).
- Company expects to drive growth through differentiated brands, hyper North America focus and customer personalization.
- While the worst is behind for JLR, there remain multiple challenges in FY27E; the Middle East tensions, commodity headwinds, China and electrification.
- We maintain our FV at Rs310 (unchanged) based on the SoTP methodology.

Positives:

- Company reaffirmed its commitment to the Reimagine strategy to drive growth through desirability (House of Brands), with North America as the key focus market.
- Over the next two years, the focus would be on reducing the breakeven to 300k units, with savings of GBP170 cr.

Negatives:

- In FY26, the company revenues declined (-21% yoy), with an EBIT margin of 0.7% and FCF of negative GBP220 cr.
- We have cut Tata Motors' consolidated EBITDA estimates for FY27E by 4% on lower EBITDA margin assumptions for JLR.

(FCF: Free Cash Flow; EBIT: Earnings Before Interest and Tax; SoTP: Sum-of-the-Parts; EBITDA: Earnings Before Interest, Tax, Depreciation and Tax; GBP: Great Britain Pound; JLR: Jaguar Land Rover)

Holding Period: 12 months

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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 – **Not Rated.** 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 – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** 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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