May 15, 2025

# Tata Motors Finance Limited (erstwhile Tata Motors Finance Solutions Limited): Ratings withdrawn

## Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|---|---|---|---|
| **Non-convertible debenture** | 5,209.00 | 0.00 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| **Subordinated debt** | 1,515.10 | 0.00 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| **Perpetual debt** | 1,190.00 | 0.00 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| **Long-term/Short-term fund-based/Non-fund based bank lines** | 37,500.00 | 0.00 | [ICRA]AA+; Rating Watch with Positive Implications/[ICRA]A1+; ratings withdrawn |
| **Commercial paper programme** | 10,500.00 | 0.00 | [ICRA]A1+; withdrawn |
| **Total** | **55,914.10** | **0.00** | |

**Instrument details are provided in Annexure I; Rated limits to be transferred to Tata Capital Limited (TCL); Rs. 193.5-crore perpetual debt and Rs. 85-crore subordinated debt withdrawn as amount fully redeemed on maturity*

## Rationale

ICRA has withdrawn the ratings assigned to Tata Motors Finance Limited (TMFL; erstwhile Tata Motors Finance Solutions Limited) in accordance with ICRA's policy on the withdrawal of credit ratings on account of the merger with Tata Capital Limited (TCL) which became effective from May 8, 2025.

The key rating drivers, liquidity position, rating sensitivities, and key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: Click here

## Analytical approach

| Analytical approach | Comments |
|---|---|
| **Applicable rating methodologies** | ICRA's Credit Rating Methodology for Non-banking Finance Companies<br>Policy on Withdrawal of Credit Ratings |
| **Parent/Group support** | - |
| **Consolidation/Standalone** | - |

## About the company

Tata Motors Finance Limited (erstwhile Tata Motors Finance Solutions Limited) was a non-banking financial company (NBFC) and a 100% subsidiary of TMF Holdings Limited (TMFHL) before its merger with Tata Capital Limited, effective May 8, 2025, after which it ceased to exist as a separate entity. It was a captive financier of commercial vehicles (CVs) and cars for Tata Motors Limited's (TML) customers and channel partners, provided used vehicle financing for TML's vehicles and other original equipment manufacturers (OEMs) and had a corporate lending business as well. Following the demerger in FY2024, the NBFC business of TMF Business Services Limited (previously known as Tata Motors Finance Limited) was transferred to TMFL and the operating lease business was retained in TMFL, which was later renamed TMF Business Services Limited.

On a standalone basis, TMFL reported a net loss of Rs. 44 crore in 9M FY2025 on an asset base of Rs. 36,716 crore as on December 31, 2024 against a net profit of Rs. 52 crore in FY2024 on an asset base of Rs. 38,567 crore as on March 31, 2024.

The company reported gross and net stage 3 of 7.4% and 4.5%, respectively, as on December 31, 2024 compared with 6.1% and 3.4%, respectively, as on March 31, 2024.

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information:**

A member of the board of directors of ICRA Limited is also an Independent Director on TMFL's board. This director was not involved in any of the discussions and processes related to the rating(s) of the instrument(s) mentioned herein.

## Rating history for past three years

| | Current (FY2026) | | | Chronology of rating history for the past 3 years | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | FY2025 | | FY2024 | | FY2023 | |
| **Instrument** | **Type** | **Amount rated (Rs. crore)** | **15-MAY-2025** | **Date** | **Rating** | **Date** | **Rating** | **Date** | **Rating** |
| **Long-term/Short-term fund based/Non-fund based-others** | Long term/Short term | 0.00 | [ICRA]AA+; Rating Watch with Positive Implications/[ICRA]A1+; withdrawn | 13-Jun-2024 | [ICRA]AA; Rating Watch with Positive Implications/[ICRA]A1+ | 30-JUN-2023 | [ICRA]AA-(Positive)/ [ICRA]A1+ | - | - |
| | | | | 05-JUL-2024 | [ICRA]AA+; Rating Watch with Positive Implications/[ICRA]A1+ | 14-JUL-2023 | [ICRA]AA (Stable)/ [ICRA]A1+ | - | - |
| **Commercial paper** | Short term | 0.00 | [ICRA]A1+; withdrawn | 13-JUN-2024 | [ICRA]A1+ | 30-JUN-2023 | [ICRA]A1+ | 21-OCT-2022 | [ICRA]A1+ |
| | | | | 05-JUL-2024 | [ICRA]A1+ | 14-JUL-2023 | [ICRA]A1+ | 30-DEC-2022 | [ICRA]A1+ |
| | | | | - | - | - | - | 06-MAR-2023 | [ICRA]A1+ |
| **Non-convertible debenture** | Long term | 0.00 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn | 13-JUN-2024 | [ICRA]AA; Rating Watch with Positive Implications | 30-JUN-2023 | [ICRA]AA-(Positive) | - | - |
| | | | | 05-JUL-2024 | [ICRA]AA+; Rating Watch with Positive Implications | 14-JUL-2023 | [ICRA]AA (Stable) | - | - |
| **Perpetual debt** | Long term | 0.00 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn | 13-JUN-2024 | [ICRA]A+; Rating Watch with Positive Implications | 30-JUN-2023 | [ICRA]A (Positive) | 21-OCT-2022 | [ICRA]A (Stable) |
| | | | | 05-JUL-2024 | [ICRA]AA-; Rating Watch with Positive Implications | 30-JUN-2023 | [ICRA]A (Positive) | 30-DEC-2022 | [ICRA]A (Stable) |
| | | | | - | - | 14-JUL-2023 | [ICRA]A+ (Stable) | 06-MAR-2023 | [ICRA]A (Positive) |
| **Subordinated debt** | Long term | 0.00 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn | 13-JUN-2024 | [ICRA]AA; Rating Watch with Positive Implications | 30-JUN-2023 | [ICRA]AA-(Positive) | 21-OCT-2022 | [ICRA]AA-(Stable) |

| | Current (FY2026) | | | Chronology of rating history for the past 3 years | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | FY2025 | | FY2024 | | FY2023 | |
| Instrument | Type | Amount rated (Rs. crore) | 15-MAY-2025 | Date | Rating | Date | Rating | Date | Rating |
| | | | | 05-JUL-2024 | [ICRA]AA+; Rating Watch with Positive Implications | 30-JUN-2023 | [ICRA]AA- (Positive) | 30-DEC-2022 | [ICRA]AA- (Stable) |
| | | | | - | - | 14-JUL-2023 | [ICRA]AA (Stable) | 06-MAR-2023 | [ICRA]AA- (Positive) |

*Source: Company, ICRA Research*

## Complexity level of the rated instrument

| Instrument | Complexity indicator |
|---|---|
| **Perpetual debt** | Moderately Complex |
| **Subordinated debt** | Simple |
| **Non-convertible debenture** | Simple |
| **Long-term/Short-term fund-based/Non-fund based bank facilities** | Simple |
| **Commercial paper** | Very Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

## Annexure I: Instrument details as on March 31, 2025

| ISIN | Instrument name | Date of issuance /Sanction | Coupon rate | Maturity date | Amount rated (Rs. crore) | Current rating and outlook |
|---|---|---|---|---|---|---|
| NA^ | Non-convertible debentures | Proposed | NA | NA | 5,209 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE909H08196* | Subordinated debt | 12-Sep-2014 | 10.60% | 12-Sep-2024 | 25 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE909H08204* | Subordinated debt | 26-Sep-2014 | 10.35% | 26-Sep-2024 | 60 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE909H08212 | Subordinated debt | 19-Dec-2014 | 9.70% | 19-Dec-2024 | 150 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE601U08010 | Subordinated debt | 13-Nov-2017 | 8.35% | 13-Nov-2027 | 50 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE601U08028 | Subordinated debt | 28-Mar-2018 | 9.00% | 28-Mar-2028 | 200 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE601U08036 | Subordinated debt | 31-Aug-2018 | 10.00% | 31-Aug-2028 | 100 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE601U08051 | Subordinated debt | 29-Mar-2019 | 10.00% | 29-Mar-2029 | 150 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE601U08069 | Subordinated debt | 30-Apr-2019 | 10.25% | 30-Apr-2029 | 100 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE601U08077 | Subordinated debt | 31-May-2019 | 9.95% | 31-May-2029 | 200 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| NA^ | Subordinated debt | Proposed | NA | NA | 480.1 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn |
| INE909H08188* | Perpetual debt | 5-Sep-2014 | 11.10% | Perpetual | 50.3 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08085 | Perpetual debt | 18-Jun-2019 | 11.50% | Perpetual | 100 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08093* | Perpetual debt | 1-Nov-2019 | 11.50% | Perpetual | 60 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08101 | Perpetual debt | 21-Nov-2019 | 11.50% | Perpetual | 45 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08119 | Perpetual debt | 18-Dec-2019 | 11.50% | Perpetual | 45 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08127 | Perpetual debt | 14-Jul-2020 | 10.50% | Perpetual | 15 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08135 | Perpetual debt | 9-Sep-2020 | 10.25% | Perpetual | 43 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08143 | Perpetual debt | 24-Sep-2020 | 10.25% | Perpetual | 100 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08150* | Perpetual debt | 11-Nov-2020 | 9.75% | Perpetual | 85 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08168 | Perpetual debt | 3-Dec-2020 | 9.75% | Perpetual | 100 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08176 | Perpetual debt | 21-Dec-2020 | 9.60% | Perpetual | 60 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08184 | Perpetual debt | 19-Jan-2021 | 9.55% | Perpetual | 100 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| INE601U08192 | Perpetual debt | 02-Mar-2021 | 9.55% | Perpetual | 210 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| NA^ | Perpetual debt | Proposed | NA | NA | 176.7 | [ICRA]AA-; Rating Watch with Positive Implications; withdrawn |
| NA | Long-term/Short-term fund-based/ Non-fund based bank facilities | NA | NA | NA | 37,500 | [ICRA]AA+; Rating Watch with Positive Implications; withdrawn / [ICRA]A1+; withdrawn |
| INE477S14CW7* | Commercial paper | 22-Jan-2025 | NA | 23-Apr-2025 | 850 | [ICRA]A1+; withdrawn |
| INE477S14CX5* | Commercial paper | 06-Feb-2025 | NA | 07-May-2025 | 500 | [ICRA]A1+; withdrawn |

| ISIN | Instrument name | Date of issuance /Sanction | Coupon rate | Maturity date | Amount rated (Rs. crore) | Current rating and outlook |
|---|---|---|---|---|---|---|
| INE477S14CY3 | Commercial paper | 18-Feb-2025 | NA | 20-May-2025 | 875 | [ICRA]A1+; withdrawn |
| INE477S14CZ0 | Commercial paper | 20-Feb-2025 | NA | 21-May-2025 | 650 | [ICRA]A1+; withdrawn |
| INE477S14DA1 | Commercial paper | 21-Feb-2025 | NA | 22-May-2025 | 50 | [ICRA]A1+; withdrawn |
| INE477S14DC7 | Commercial paper | 25-Feb-2025 | NA | 26-May-2025 | 250 | [ICRA]A1+; withdrawn |
| INE477S14DB9 | Commercial paper | 25-Feb-2025 | NA | 27-May-2025 | 100 | [ICRA]A1+; withdrawn |
| INE477S14DE3 | Commercial paper | 27-Feb-2025 | NA | 28-May-2025 | 550 | [ICRA]A1+; withdrawn |
| INE477S14DD5 | Commercial paper | 28-Feb-2025 | NA | 29-May-2025 | 200 | [ICRA]A1+; withdrawn |
| INE477S14DF0 | Commercial paper | 19-Mar-2025 | NA | 17-Jun-2025 | 500 | [ICRA]A1+; withdrawn |
| INE477S14DG8 | Commercial paper | 24-Mar-2025 | NA | 19-Mar-2026 | 500 | [ICRA]A1+; withdrawn |
| NA^ | Commercial paper | NA | NA | 7-365 days | 5,475 | [ICRA]A1+; withdrawn |

*Source: Company; ^ Yet to be placed; * Fully redeemed and withdrawn*

*Please click here to view details of lender-wise facilities rated by ICRA*

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

## ANALYST CONTACTS

**Karthik Srinivasan**
+91 22 6114 3444
karthiks@icraindia.com

**A M Karthik**
+91 44 4596 4308
a.karthik@icraindia.com

**Sandeep Sharma**
+91 22 6114 3419
sandeep.sharma@icraindia.com

**Rajat Kher**
+91 124 4545 833
rajat.kher@icraindia.com

**Atharva Pednekar**
+91 22 6169 3361
atharva.pednekar@icraindia.com

## RELATIONSHIP CONTACT

**L. Shivakumar**
+91 22 6114 3406
shivakumar@icraindia.com

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**
Tel: +91 124 4545 860
communications@icraindia.com

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

## 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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

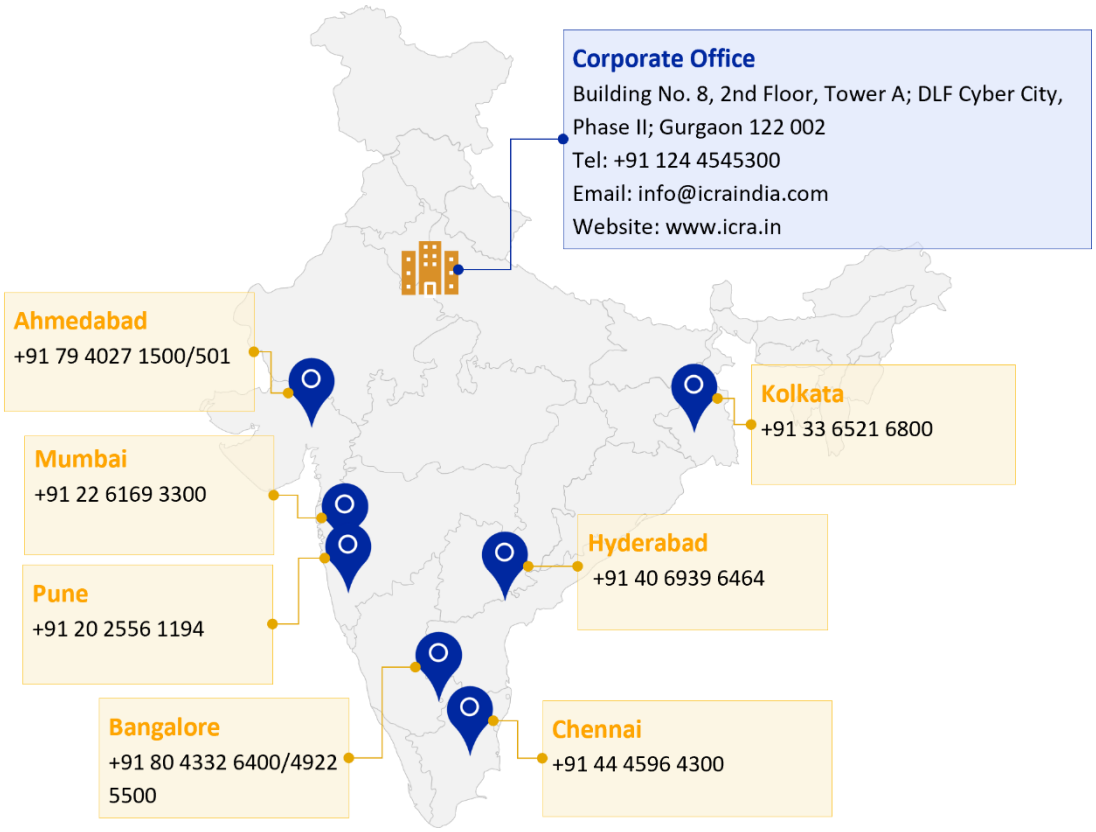
For more information, visit www.icra.in

# ICRA Limited

## Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

## Branches

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