

# Tata Motors CV arm lists after demerger, jumps 27%

**Aroosa Ahmed**  
Mumbai

Tata Motors' (formerly Tata Motors Commercial Vehicle) shares were listed today on the bourses, after the scheme of arrangement which took effect from October 1. The shares opened 29 per cent higher than its discovered price and ended the day 27 per cent higher at ₹330 on the NSE.

"It is a defining moment in Tata Motors, the combined Tata Motors journey. Tata Motors has always been considered one of the top companies within the group. To do any structural changes to that iconic company is always difficult for two reasons. First, the people in the company believe this is a good, solid company, and we should not touch it. Second, there is also a group-wide perspective that it's one iconic company. Third, there are a billion people who love the Tata Group and have a billion views.

## PV PIGGYBACK ON CV

"However, it was clear to me eight to nine years ago that this company had to have a different path. We have had ups and downs and had to go through a major transformation journey, which we did. The fact of the matter is that Tata Motors' commercial vehicles were always profitable, and Tata Motors' passenger cars were not so. There was always support for Tata Motors' passenger cars from the performance of Tata Motors' commercial vehicles," said N Chandrasekaran, Chairperson, Tata Motors at the listing.

Chandrasekaran pointed out that the commercial vehicle business has a different set of investors, customers and dealer partners and a changed business pathway.

"Cash flows were coming from commercial vehicles and



N Chandrasekaran,  
Chairperson, Tata Motors

were subsumed in the capital expenditure of Tata Motors' passenger vehicles. So, we had to ensure that both companies were fit, and directionally, both needed to become very strong. Both companies have different business models, they have different platforms, customer segments, dealer partners and investors. They have the right to pursue different ambitions. That is the journey we are on; however, halfway through, we hit Covid and had to slow pedal a bit, but picked up momentum post-Covid," he said.

"Tata Motors Commercial Vehicles business is being listed with approximately seven million shareholders, the same extensive retail shareholder base as pre-demerger. It is therefore likely setting a record in India, and this scale underscores our responsibility to uphold strong shareholder management and governance from day one," said Girish Wagh, MD & CEO.

"Internationally, we are scaling with deeper partnerships and expanding our footprint across Africa, the Middle East, and Asia. Our downstream businesses that include parts and services, smart mobility, and digital are gaining traction and creating recurring revenue streams," he added.

As the business is listed in a new entity, it is working on introducing the latest technologies available in the commercial vehicle segment in the country.