

Tata Motors

BSE SENSEX 76,490
S&P CNX 23,259

CMP: INR975 **TP: INR955 (-2%)** **Neutral**

TATA MOTORS

Stock Info

Bloomberg	TTMT IN
Equity Shares (m)	3324
M.Cap.(INRb)/(USDb)	3574.3 / 42.8
52-Week Range (INR)	1066 / 557
1, 6, 12 Rel. Per (%)	-12/26/48
12M Avg Val (INR M)	9432
Free float (%)	53.6

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Net Sales	4,379	4,664	5,086
EBITDA	596.1	636.2	699.7
Adj. PAT	224.9	214.0	248.1
Adj. EPS (INR)	58.7	58.2	67.5
EPS Gr. (%)	2,628	-1	16
BV/Sh. (INR)	221.6	284.9	348.2

Ratios

Net D/E (x)	0.2	0.0	-0.2
RoE (%)	34.5	22.6	21.3
RoCE (%)	18.7	15.5	15.3
Payout (%)	10.3	7.2	6.2

Valuations

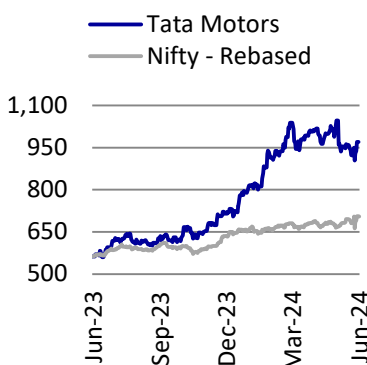
P/E (x)	16.8	17.0	14.6
P/BV (x)	4.5	3.5	2.8
EV/EBITDA (x)	6.8	5.9	4.9
Div. Yield (%)	0.6	0.4	0.4

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	46.4	46.4	46.4
DII	16.1	17.4	17.8
FII	19.2	18.6	16.9
Others	18.3	17.6	18.9

FII Includes depository receipts

Stock Performance (1-year)



Well placed to capitalize on emerging trends

Aims to outperform across segments in India business

TTMT's India Investor Day 2024 highlighted the clear targets that it has set out for individual business segments, which include: 1) CV business: target for FCF of 6-8% of revenue, resulting in strong ROCE, by growing ahead of the industry and achieving strong double digit EBITDA margin 2) PV ICE business: positive and growing cash flows by improving market share to 16% by FY27 and target for double digit EBITDA margin 3) EV business: achieve EBITDA break-even by FY26. While TTMT's India business has already become net debt free in FY24, it has set a target for JLR to become net debt free by FY25. Now, TTMT's individual businesses are self-sustaining and investment spending is well funded.

While there is no doubt that TTMT has delivered an extremely robust performance across its key segments in FY24, there are clear headwinds ahead that could hurt its performance, especially at JLR. The stock trades at 17x/14.6x FY25E/FY26E consolidated EPS and 5.9x/4.9x EV/EBITDA. Reiterate Neutral with our FY26E SOTP-based TP of INR955. Key takeaways are as follows:

- **Update on Demerger process:** The demerger of CV and PV businesses into separate entities is a logical progression, as per management, given- i) Both CV and PV businesses have grown sizably in past few years and can now stand on their own feet, ii) Limited synergies exist between the CV and PV businesses. However, significant synergies can be leveraged across PVs, EVs, and JLR in the realms of EV technology, autonomous vehicles, and vehicle software, iii) Demerger shall further empower the respective business to pursue respective synergies, iv) lead to superior experience for customers and enhanced value for shareholder. NCLT scheme to be placed before the board for approval. Post board approval, up to 12 months to complete necessary shareholder, creditor and regulatory approval.

TTMT aims to outperform underlying industry growth across segments

- **Commercial Vehicle (CV) business:** It aims to- i) gradually increase market share especially in SCVs along with market leading revenue growth, ii) strong double-digit EBITDA margin iii) focus on reducing business volatility by ramping up non-vehicle business and iv) target for FCF of 6-8% of revenue, resulting in strong ROCE.
- **Passenger Vehicle (PV) business:** It aims for- i) volume growth well ahead of the market and achieve market share of 16% by FY27 and 18-20% by FY30, from 14% in FY24, ii) double digit EBITDA margin and iii) positive and growing cash flows.
- **EV business:** It aims to- i) maintain leadership in EVs and achieve over 30% EV mix of its PV volumes by FY30, ii) achieve EBITDA breakeven by FY26.

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CVs – Focus to improve market share and target double digit margin

- **Replacement and scrappage could be the demand drivers:** The domestic CV industry is expected to maintain its long-term growth trajectory. The industry has fully absorbed the impact of previous disruptions and changes. TTMT believes replacement demand and scrappage should be the next demand drivers for the industry, along with the strong infrastructure push by the government.
- **Scope for better profitability:** i) **Domestic CV** – The company is progressing toward profitable growth, with 60-70% of its products featuring new content that offers opportunities for optimization. There is also room to revisit and reduce its fixed costs. Over the past 3-4 years, the company has successfully reduced headcount by 10%. ii) **EVs** – There is potential to enhance profitability as battery prices continue to decrease.
- **Higher focus on non-vehicle business:** The non-vehicle segment currently contributes to the early to mid-teens percentage of the overall CV business revenue of ~INR790b. In the medium term, the goal is to increase this contribution to 19%. On a global scale, CV OEMs tend to achieve higher profitability in downstream business operations.
- **CNG penetration to increase:** Three years ago, CNG adoption increased, but then it suddenly declined as the price of CNG rose. However, it is still lower than diesel prices. If CNG comes under the GST regime, diesel and petrol will also be included. TTMT believes that the government will maintain the price difference between diesel, petrol, and CNG.
- **Spending on alternative fuels:** About 30-35% of TTMT's capex is dedicated to alternative fuels. This year, it will increase to 45-50% as the company aims to introduce these technologies in a robust manner, ensuring they are viable for customers. It is already investing in LPG and seeing a huge scope, comparing with China where penetration of LNG was ~30% last year.
- **Increasing preference for EVs:** Previously, there was a trend of shifting from 3W CVs to 4W CVs. With the transition to BS6, the cost of diesel 4Ws has increased. In the BS6 era, 3Ws are becoming more attractive again, particularly e-3Ws rather than ICE 3Ws. The e4W segment has also become appealing due to a better total cost of ownership (TCO), as they offer greater flexibility to handle higher volumes and loads.
- **Feedback on Ace EV:** There have been no complaints about the product, with range anxiety being the only concern. Even when overloaded, the efficiency remains unaffected. Additionally, about 40% of customers are retail buyers.
- **TML Smart Mobility market share:** TML has a cumulative market share of 34% and a standalone market share of 51% in FY24.
- **Capacity:** TTMT does not expect capacity issues for at least the next two years. Jamshedpur facility, primarily for heavy-duty trucks, operates at over 80% utilization. If additional capacity is needed, it can be supplemented by the Lucknow and Pune facilities. The SCV segment is operating at 50-60% utilization. For buses, there are no issues with chassis production and for bus body, there were issues with bus body builders, prompting an increase in capacity. Now, the company is well-positioned to meet demand.

PVs - Aims to achieve market share of 18-20% by FY30

- **Aims to expand its addressable market:** TTMT expects the Indian PV industry to reach 6m units by FY30, translating into a 6-7% CAGR. The current addressable market for TTMT is just 53%, with a 26% market share in its addressable markets. TTMT aims to expand its addressable market to 80% of the TIV with new model launches. The introduction of the Curvv and Sierra will help capture the mid-SUV segment. The company strives to achieve over 25% market share across its entire addressable market.
- **Targets 18-20% market share in PV industry over next 5-6 years:** TTMT's market share in the PV industry stood at 14% in FY24. It aims to take it to 16% by FY27 (led by introduction of Curvv and Sierra) and 18-20% by FY30 (led by introduction of new nameplates), further supported by powertrain shift toward EVs and CNG.
- **TTMT expanded its capacity by operationalizing the Sanand-2 facility.**
 - The factory was retooled in 12 months and began production in Jan'24. It is currently producing 6-7 units per month, with an expected increase to 13-14k units soon.
 - The Sanand-2 facility provides an annual capacity of 300k units, expandable to 420k units, bringing our overall capacity to over 1m units.
 - The plant features high levels of digitization and automation, enabling advanced manufacturing for both current and upcoming models. It will leverage synergies with its adjacent facility and the nearby vendor park.
- **Salience of emission-friendly powertrains (i.e., CNG & EVs) to increase substantially:** The share of EV/CNG in overall industry volume is expected to increase to 20%/25% by FY30 from 2%/15% in FY24. On the other hand, the share of petrol-based fuel/diesel is expected to decline to 50%/5% by FY30 from 65%/18% in FY24.
- **Penetration for alternate fuel has increased for TTMT:** The penetration of CNG and EV for TTMT has increased from 8%/9% in FY23 to 16%/13% in FY24. It will capitalize on the powertrain shifts in the industry. TTMT's market share for EV and CNG stood at 73% and 23%, respectively.
- **TTMT has guided for capex of 6-8% of revenue and will maintain it for the next 4-5 years,** with most of it going toward EVs. It cumulatively plans to invest INR160-180b in EVs in the next six years.
- **Increase in first-time buyers led by Tiago EV and Punch EV:** Upon its launch, Tiago received 10k bookings on the first day, with first-time buyers constituting 18-20% of the customer base. Tiago also attracted a significant number of second-time buyers. Punch, priced under INR1.5m, offers a higher range and is positioned as a comprehensive household vehicle. Women buyers account for 22% of purchases, compared to 11% for ICE cars.
- **Increase per-charge range:** The first Nexon had a range of 220km, which has now been improved to 320km. The company aims to achieve a range of 400km, still below the 600km range seen in EVs in the US.

Electrification- Moving toward achieving self-reliance

- **EV business target:** It endeavors to- i) maintain leadership in EVs and achieve over 30% EV mix of its overall PV volumes by FY30, ii) achieve EBITDA breakeven by FY26
- **Charging infrastructure:** TTMT's charging network has recently doubled in size. The majority of its expansion efforts are focused on reinforcing existing infrastructure with additional chargers. In new locations, it ensures the capacity to charge 6-7 cars simultaneously. Some states have introduced EV-friendly policies, which will facilitate its initiatives.
- **Agratas:** Originally it had planned to launch in India by 2024, but the timeline has been delayed. However, the current circumstances present an opportunity as raw material costs are lower and the global EV market is subdued. Therefore, it may consider starting the project by 2026.
- **Batter landscape:** The battery RM landscape is currently dominated by China, accounting for ~70% of production. However, India faces a challenge in sourcing critical components such as cathode and anode materials domestically. Cathode manufacturing, in particular, presents a significant opportunity, and Tata Group is keen to explore this avenue.
- **It is focusing on producing lithium iron phosphate (LFP) cathodes** to cater to the expanding LFP market. Despite the proliferation of battery companies, there is a scarcity of cathode manufacturers, exacerbated by limited raw material sources. Coupled with weak demand for EVs, this has led to a sharp decline in raw material prices. It is anticipated that raw material costs will continue to decrease in the near to mid-term.
- **Auto components:** TTMT has made significant progress in achieving self-sufficiency in its sourcing. Apart from cells and semiconductors, its supply chain is fully localized. By FY25, it aims to design cells in-house. Its drive train integrates motor, inverter, and reducer functionalities into a single unit. It is finalizing agreements for inverters, excluding software. It is also developing electric compressors with 50% localization and home chargers with Tata Tech. TCS is aiding in the development of fast chargers, expected by Nov'24. With its JV, TTMT is advancing in battery packs and motor production, establishing self-reliance in EVs.

Valuation & view

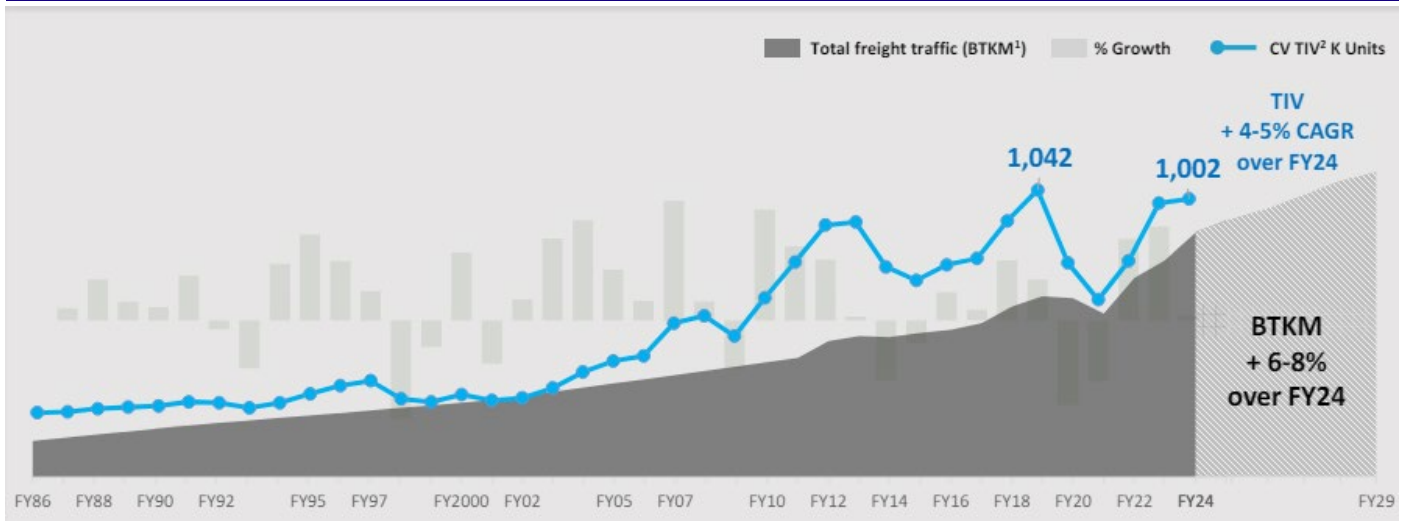
- We expect JLR margins to remain stable over FY24-26, given: 1) rising cost pressure as it invests in demand generation, 2) normalizing mix, and 3) EV ramp-up, which is likely to be margin-dilutive. Even in India business, both CV and PV businesses are seeing moderation in demand. We have factored in flat margins for India business over our forecast period.
- While there is no doubt that TTMT delivered an extremely robust performance across its key segments in FY24, the above-mentioned headwinds could hurt its performance going ahead. The stock trades at 17x/14.6x FY25E/FY26E consolidated EPS and 5.9x/4.9x EV/EBITDA. Reiterate Neutral with our FY26E SOTP-based TP of INR955.

Exhibit 1: Business aims to deliver market-beating growth with strong free cash flows

Area	CV	PV	EV
Market Shares / Growth	Gradually increasing shares; Market beating revenue growth	Volume growth well ahead of market 16% market share by FY27 18-20% in another 2-3 years	Continued leadership Penetration of EV – 30%+ by FY30
EBITDA	Strong double-digit EBITDA	Double Digit EBITDA	Breakeven EBITDA (FY26)
Capex	2-4% of Revenue	~6-8% Revenue	As necessary (₹ 16KCr- ₹ 18KCr between FY25- FY30)
Cash / Returns	FCF 6%-8% of revenue, Strong ROCE Reduced volatility	Positive & growing cash flows	Near term – Negative (funded); Med term – Neutral

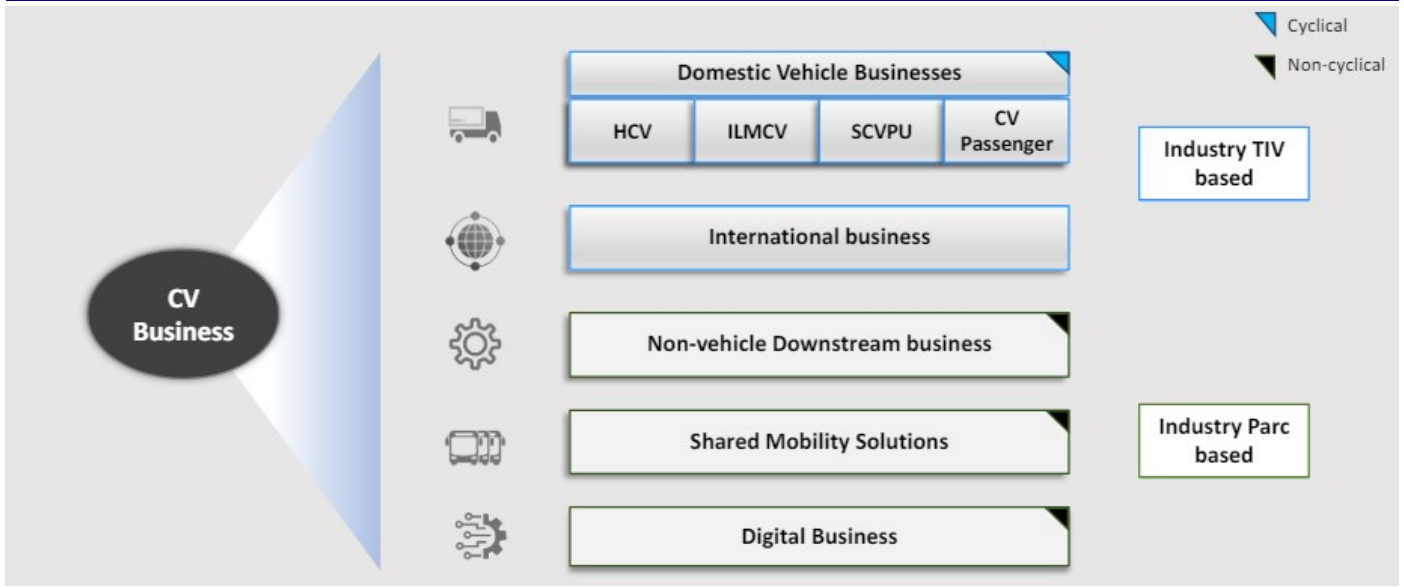
Source: Company, MOFSL

Exhibit 2: Domestic CV industry to continue on its long-term growth trajectory






Source: Company, MOFSL

Exhibit 3: CVs – Business organized around 8 verticals to drive sharper focus on delivering superior value to customers



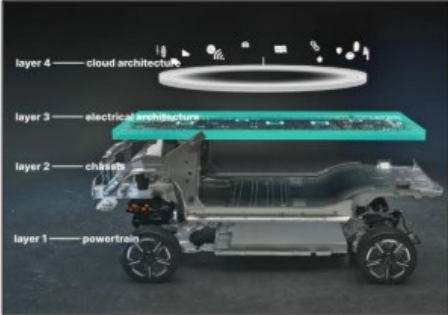

Source: Company, MOFSL

Exhibit 4: CVs – Digital business: Deploying smart logistics solutions at scale through platform integration

<p>FleetEdge</p>  <p>>600 k # vehicles on platform</p> <ul style="list-style-type: none"> • Improve width & depth of engagement on platform • Leverage partnerships to provide solutions that improve ease of operating vehicles • Integration of Fleet Edge and Freight Tiger platform solutions 	<p>E-Dukaan</p>  <p>3.5 X Revenue growth in FY24</p> <ul style="list-style-type: none"> • 45% Digital contribution in retail net sale • More than 5k Fleet owners and 20k Retailers already onboarded • Expanding reach to retail customers and mechanics 	<p>Fleet Verse</p>  <p>~24 K Platform Assisted Retails (# in FY24)</p> <ul style="list-style-type: none"> • Superior customer experience with convenience of accessing platform as native mobile journey • Integration of finance journey thereby improving TAT and efficiency
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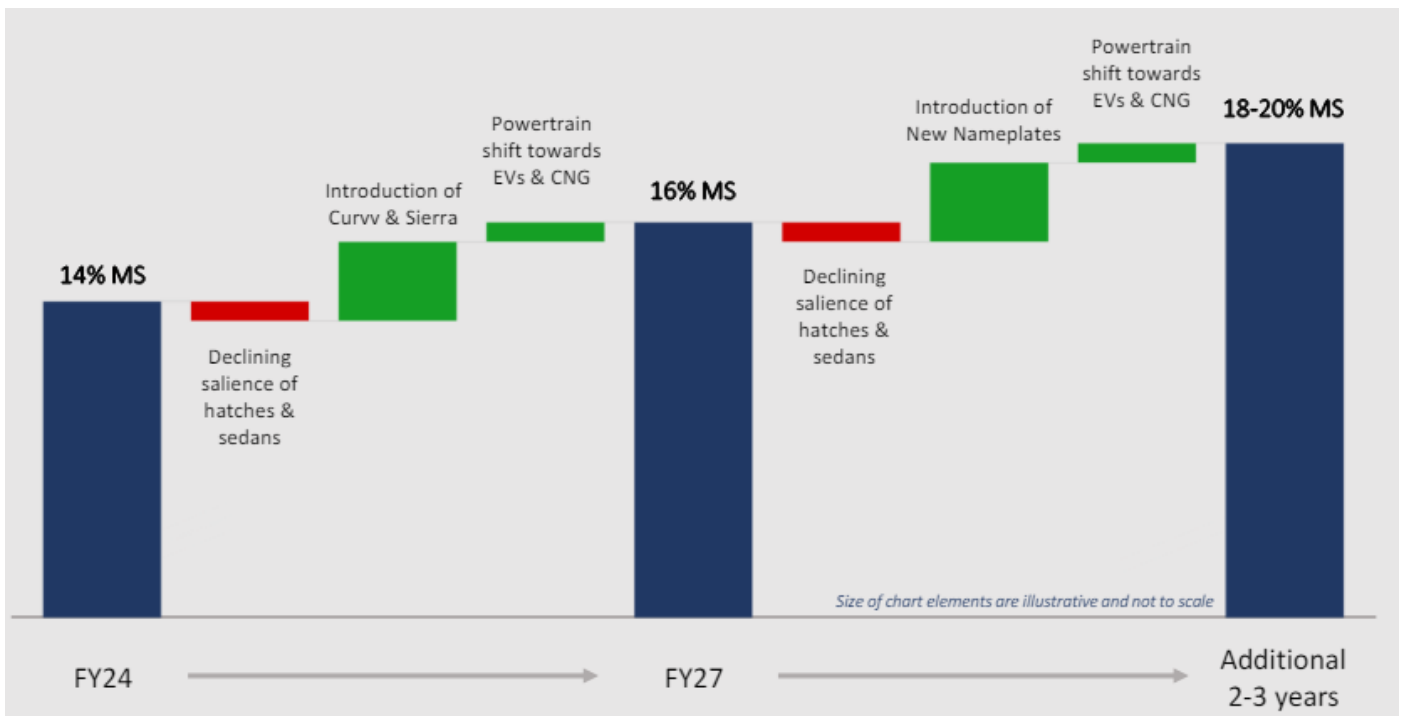
Source: Company, MOFSL

Exhibit 5: Electric PV – Took strong actions to drive holistic market growth for EVs

Pure-EV Architecture	Dedicated EV Channel	Charging Ecosystem Partnerships
		
<ul style="list-style-type: none"> Acti.ev Pure-EV architecture will underpin next generation of Tata.ev products Enables higher range, class-leading space efficiencies & superior driving performance 	<ul style="list-style-type: none"> EV-exclusive stores to provide greater retail focus to EVs and differentiated CX Aligned to key brand pillars of Sustainability, Technology and Community 	<ul style="list-style-type: none"> Open collaboration initiated with charging players, resulting in 2x growth rate in H2 FY24 MoUs signed with 8 key CPOs and OMCs for 22,000 public chargers in next 12-18 months

Source: Company, MOFSL

Exhibit 6: TTMT PV business - Aspirational for 18-20% market share by FY30 from ~14% in FY24



Source: Company, MOFSL

Exhibit 7: Continue to drive synergies with Tata group companies

<p style="text-align: center;">JLR</p> <p>EMA platform sharing for the development of Avinya, accelerating our entry into the premium pure EV segment</p>	<p style="text-align: center;">AGRATAS</p> <p>Battery security and cost benefits, which will be a key competitive differentiator in EV space</p>
<p style="text-align: center;">TATA AUTOCOMP SYSTEMS <i>Enabling Mobility Solutions</i></p> <p>Localization of key EV components to provide greater agility and lower costs, and potential govt. incentives</p>	<p style="text-align: center;">TATA POWER</p> <p>Home charging & public charging infrastructure solutions and partnership in terms of rooftop solar</p>

Source: Company, MOFSL

Story in charts

Exhibit 8: Volume growth trajectory for JLR

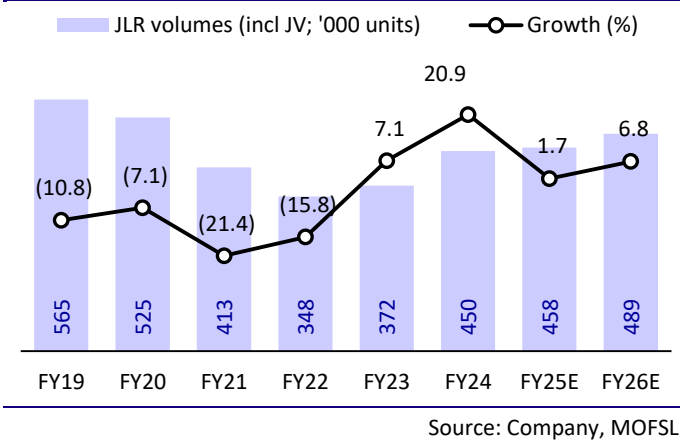


Exhibit 9: EBITDA and EBITDA margin trends for JLR

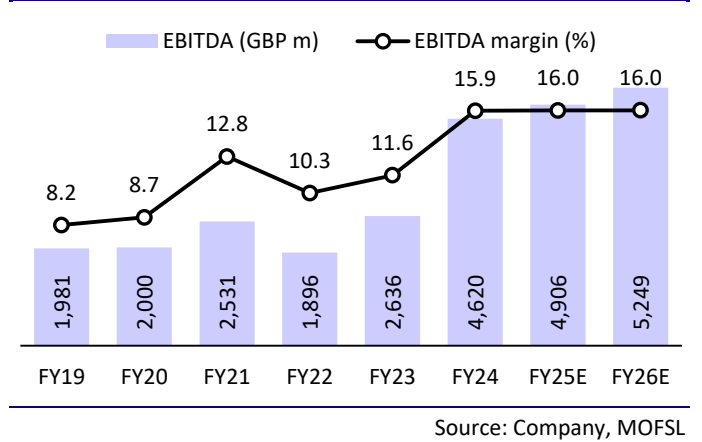


Exhibit 10: CFO/capex/FCF trends for JLR (GBP m)

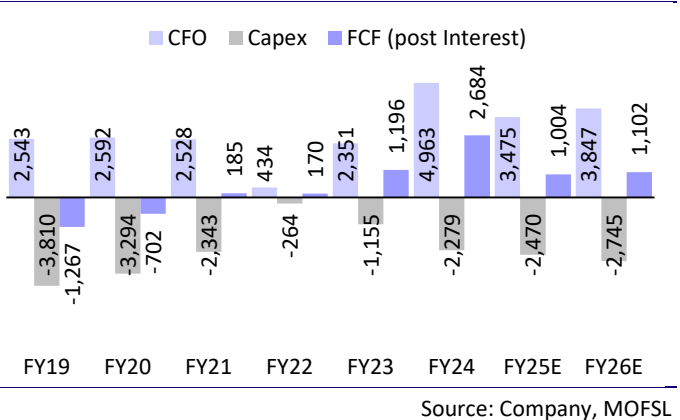


Exhibit 11: India business growth trajectory over FY19-26E

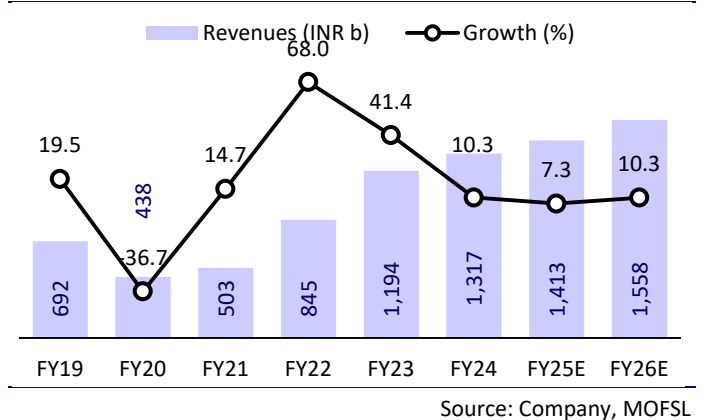


Exhibit 12: India EBITDA and margin trends

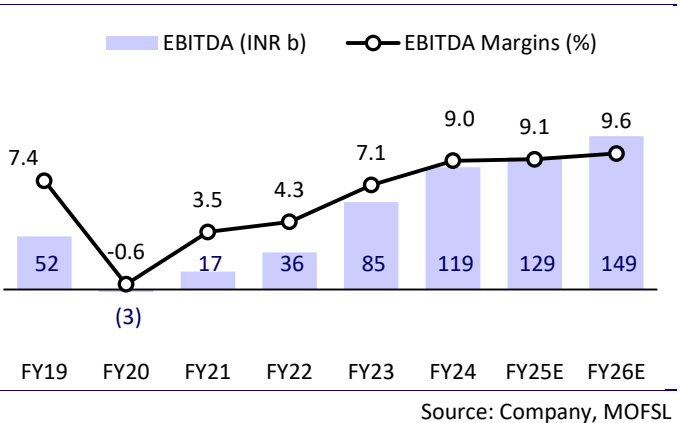
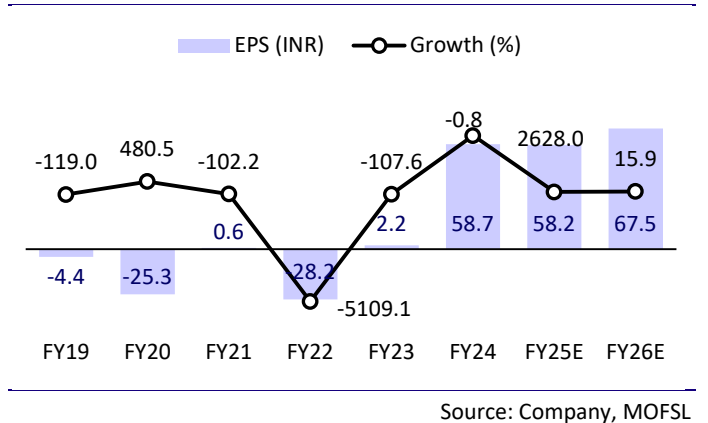


Exhibit 13: Consolidated earnings trajectory



Key operating metrics

Snapshot of Revenue model

000 units	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
JLR									
Jaguar	176	177	144	90	68	63	71	69	73
Growth (%)	-1.4	0.7	-18.7	-37.3	-24.4	-7.9	12.3	-3.0	5.7
% of Total JLR Vols	27.8	31.4	27.5	21.9	19.7	16.9	15.7	15.0	14.8
Land Rover	457	388	381	322	279	309	379	389	416
Growth (%)	8.3	-15.2	-1.7	-15.4	-13.4	10.7	22.6	2.6	7.0
% of Total JLR Vols	72.2	68.6	72.5	78.1	80.3	83.1	84.3	85.0	85.2
Total JLR Volumes (incl JV)	634	565	525	413	348	372	450	458	489
Growth (%)	5.4	-10.8	-7.1	-21.4	-15.8	7.1	20.9	1.7	6.8
ASP (GBP '000/unit)	47	48	48	57	62	71	72	75	75
Growth (%)	3.9	0.8	1.3	17.5	9.7	14.0	1.8	3.7	0.0
Net JLR Sales (GBP b)	26	24	23	20	18	23	29	31	33
Growth (%)	5.9	-6.1	-5.1	-14.2	-7.2	24.5	27.1	6.1	6.9
INDIA									
MH&CVs	192	225	124	90	145	179	181	192	206
Growth (%)	9.2	17.1	-44.7	-27.6	60.3	23.6	1.4	5.9	7.6
LCVs	236	273	216	173	210	235	215	226	240
Growth (%)	24.1	15.7	-20.8	-20.2	21.4	12.1	-8.6	5.3	6.2
Total CVs	428	498	341	263	354	413	396	418	446
Growth (%)	17.0	16.3	-31.6	-22.9	34.7	16.8	-4.3	5.5	6.8
Total PVs	190	211	133	223	372	541	573	585	628
Growth (%)	20.8	11.2	-37.3	67.8	67.2	45.4	6.0	2.0	7.4
Total Volumes	618	709	473	485	726	955	969	1,003	1,075
Growth (%)	18.1	14.7	-33.3	2.5	49.6	31.4	1.6	3.5	7.2
ASP (INR 000/unit)	936	976	926	1,036	1,163	1,251	1,359	1,409	1,449
Net India business Sales (INR b)	579	692	438	503	845	1,194	1,317	1,413	1,558
Growth (%)	30.6	19.5	-36.7	14.7	68.0	41.4	10.3	7.3	10.3

Financials and valuations

Income Statement (Consolidated)								(INR b)	
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	
Total Income	3,019.4	2,610.7	2,497.9	2,784.5	3,459.7	4,379.3	4,664.3	5,085.5	
Change (%)	3.6	-13.5	-4.3	11.5	24.2	26.6	6.5	9.0	
EBITDA	255.7	197.3	305.6	248.1	318.3	596.1	636.2	699.7	
% of Net Sales	8.5	7.6	12.2	8.9	9.2	13.6	13.6	13.8	
Depreciation	235.9	214.3	235.5	248.4	248.6	272.7	297.0	324.5	
EBIT	19.8	-17.0	70.1	-0.2	69.7	323.4	339.1	375.1	
Product Dev. Exp.	42.2	41.9	52.3	92.1	106.6	109.6	125.0	130.7	
Interest	57.6	72.4	81.0	93.3	102.4	100.3	96.2	100.0	
Other Income	29.7	29.7	26.4	30.5	46.3	59.5	61.0	63.6	
EO Exp/(Inc)	296.5	28.7	137.6	6.3	-15.9	-78.1	0.0	0.0	
Forex Gain/ (Loss)	-9.1	-17.4	17.3	-0.8	1.0	-0.2	-16.7	-6.4	
PBT	-313.7	-105.8	-104.7	-70.0	30.6	360.4	287.2	332.3	
Effective Rate (%)	7.8	-3.7	-24.3	-60.4	23.0	13.7	26.3	26.2	
Reported PAT	-289.3	-109.8	-130.2	-112.3	23.5	311.1	211.5	245.1	
Change (%)	-524.7	-62.1	18.6	-13.7	-120.9	1,221.7	-32.0	15.9	
Minority Interest	-1.02	-0.96	-0.56	-1.3	-2.8	-4.1	-4.5	-5.1	
Share of profit of associate	2.10	-10.00	-3.79	-0.7	3.4	7.0	7.0	8.1	
Net Profit	-288.3	-120.7	-134.5	-114.4	24.1	314.0	214.0	248.1	
Adj. PAT	-14.8	-90.9	2.2	-108.1	8.2	224.9	214.0	248.1	
Change (%)	-119.0	515.0	-102.4	-5,109.7	-107.6	2,629.7	-4.8	15.9	

Balance Sheet (Cons.)								(INR b)	
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	
Sources of Funds									
Share Capital	6.8	7.2	7.7	7.7	7.7	7.7	7.4	7.4	
Reserves	595.0	623.6	544.8	438.0	445.6	841.5	1,040.1	1,272.8	
Net Worth	601.8	630.8	552.5	445.6	453.2	849.2	1,047.5	1,280.2	
Loans	911.2	996.8	1,147.8	1,396.8	1,256.6	985.0	985.0	985.0	
Deferred Tax	-36.6	-35.2	-29.6	-23.1	-37.8	-119.6	-119.6	-119.6	
Capital Employed	1,481.7	1,600.5	1,686.3	1,862.0	1,744.8	1,796.4	1,999.2	2,237.0	
Gross Fixed Assets	2,317.7	2,698.0	3,128.9	3,232.9	3,303.0	3,336.2	3,778.4	4,145.7	
Less: Depreciation	1,212.8	1,434.7	1,749.8	1,852.4	1,990.6	2,132.0	2,429.0	2,753.6	
Net Fixed Assets	1,104.9	1,263.3	1,379.0	1,380.5	1,312.4	1,204.3	1,349.4	1,392.2	
Capital WIP	318.8	356.2	209.6	102.5	142.7	357.0	250.0	250.0	
Goodwill	7.5	7.8	8.0	8.1	8.4	8.6	8.6	8.6	
Investments	157.7	163.1	246.2	293.8	263.8	229.7	276.7	354.8	
Curr.Assets	1,431.5	1,376.3	1,543.1	1,482.6	1,581.6	1,776.1	2,095.2	2,391.0	
Inventory	390.1	374.6	360.9	352.4	407.6	477.9	575.1	627.0	
Sundry Debtors	190.0	111.7	126.8	124.4	157.4	169.5	204.5	222.9	
Cash & Bank Bal.	326.5	337.3	467.9	406.7	370.2	458.1	610.1	800.5	
Loans & Advances	512.9	539.7	568.8	584.5	628.4	641.6	671.6	701.6	
Current Liab. & Prov.	1,538.8	1,566.1	1,699.7	1,405.5	1,564.1	1,779.3	1,980.8	2,159.6	
Sundry Creditors	716.9	664.0	681.8	599.7	720.6	880.4	958.4	1,045.0	
Other Liabilities	601.3	651.5	753.4	568.6	593.5	610.6	702.8	766.3	
Net Current Assets	-107.2	-189.8	-156.6	77.1	17.5	-3.2	114.5	231.4	
Appl. of Funds	1,481.7	1,600.5	1,686.3	1,862.0	1,744.8	1,796.4	1,999.2	2,237.0	

Financials and valuation

Ratios (Con.)

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
Basic (INR)								
EPS	-4.4	-25.3	0.6	-28.2	2.2	58.7	58.2	67.5
EPS Fully Diluted	-4.4	-25.3	0.6	-28.2	2.2	58.7	58.2	67.5
EPS Growth (%)	NA	NA	NA	NA	NA	-	-0.8	15.9
Cash EPS	65.1	34.3	62.1	36.6	67.1	129.8	139.0	155.7
Book Value (Rs/Share)	177.2	175.3	144.3	116.4	118.3	221.6	284.9	348.2
DPS	0.0	0.0	0.0	0.0	2.0	6.0	4.2	4.2
Payout (Incl. Div. Tax) %	0.0	0.0	0.0	0.0	93.6	10.3	7.2	6.2
Valuation (x)								
Consolidated P/E	-226.7	-39.1	1,751.3	-35.0	459.0	16.8	17.0	14.6
EV/EBITDA	14.8	20.5	13.8	18.0	13.8	6.8	5.9	4.9
EV/Sales	1.3	1.6	1.7	1.6	1.3	0.9	0.8	0.7
Price to Book Value	5.6	5.6	6.8	8.5	8.3	4.5	3.5	2.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.2	0.6	0.4	0.4
Profitability Ratios (%)								
RoE	-1.9	-14.8	0.4	-21.7	1.8	34.5	22.6	21.3
RoCE (Post-tax)	2.8	0.9	7.3	2.7	5.0	18.7	15.5	15.3
RoIC	2.5	-2.5	11.6	0.0	5.3	32.5	31.0	32.7
Turnover Ratios								
Debtors (Days)	23	16	19	16	17	14	16	16
Inventory (Days)	47	52	53	46	43	40	45	45
Creditors (Days)	87	93	100	79	76	73	75	75
Asset Turnover (x)	2.0	1.6	1.5	1.5	2.0	2.4	2.3	2.3
Leverage Ratio								
Net Auto Debt/Equity (x)	0.5	0.8	0.7	1.1	1.0	0.2	0.0	-0.2

Cash Flow Statement

(INR b)

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
OP/(Loss) before Tax	-287.2	-119.8	-134.0	-113.1	26.9	318.1	214.0	248.1
Int/Div. Received	-4.4	-11.9	-5.1	-6.6	-13.0	-26.6	61.0	63.6
Depreciation	235.9	214.3	235.5	248.4	248.6	272.7	297.0	324.5
Direct Taxes Paid	-26.6	-17.5	-21.0	-19.1	-31.8	-45.2	-75.7	-87.2
(Inc)/Dec in WC	-72.1	50.6	-0.9	-104.7	-31.3	73.3	34.4	73.5
Other Items	65.0	125.1	234.0	144.3	138.5	8.7	4.5	5.1
CF from Op Activity	-89.5	240.8	308.5	149.1	338.0	601.0	535.2	627.6
Extra-ordinary Items	278.4	25.5	-18.5	-6.3	15.9	78.1	0.0	0.0
CF after EO Items	188.9	266.3	290.0	142.8	353.9	679.2	535.2	627.6
(Inc)/Dec in FA+CWIP	-352.4	-295.3	-198.5	-149.4	-178.1	-311.8	-335.2	-367.3
Free Cash Flow	-163.5	-29.0	91.5	-6.6	175.8	367.3	200.1	260.3
(Pur)/Sale of Invest.	143.6	-35.8	-58.2	104.9	23.9	84.0	-47.0	-78.1
CF from Inv Activity	-208.8	-331.1	-256.7	-44.4	-154.2	-227.8	-382.2	-445.4
Issue of Shares	0.0	38.9	26.0	37.7	37.7	0.8	-0.3	0.0
Inc/(Dec) in Debt	159.3	70.8	154.5	22.0	-205.4	-274.7	0.0	0.0
Interest Paid	-70.1	-75.2	-81.2	-92.5	-93.4	-93.3	-96.2	-100.0
Dividends Paid	-0.9	-0.6	-0.3	-1.0	-1.4	-2.9	-15.4	-15.4
CF from Fin Activity	88.3	33.9	99.0	-33.8	-262.4	-370.1	-111.9	-115.4
Inc/(Dec) in Cash	68.4	-30.9	132.3	64.6	-62.7	81.3	41.1	66.8
Add: Beginning Bal.	147.2	215.6	184.7	317.0	381.6	318.9	400.1	441.3
Closing Balance	215.6	184.7	317.0	381.6	318.9	400.1	441.3	508.1

E: MOFSL Estimates

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