

## Performs well, ride for robust profitability at JLR...

**About the stock:** Tata Motors (TML) is an auto OEM from the house of Tata's, operating in domestic (PV, CV) and global markets (Jaguar Land Rover i.e., JLR)

- JLR is a luxury car brand which includes two prominent names i.e., Jaguar (models like I-pace, etc.) & Land Rover (Defender, Range Rover, etc.)
- FY23 consolidated sales mix- JLR ~65%, India CV ~20%, India PV ~14%.
- TML India is a leader in domestic CV space with ~40% market share while is the third largest player in the PV segment with ~14% market share (FY23)

### Investment Thesis

- JLR all set for record profitability and cash generation in FY24:** JLR is the overseas luxury PV arm at TML and has been subject to volatile earnings and cash flow generation. With indigenous working on the product side, cost initiatives and consequent lowering of breakeven levels, JLR is onto path of healthy profitability with EBITDA margins in Q4FY23 at 14.6%. With present orderbook tilted in favour of higher profitable models and adequate price action in place, we expect EBITDA margins to improve to 15%+ levels going forward. Amidst healthy pending orderbook, JLR has guided for >4 lakh wholesale volumes for FY24E with FCF generation guidance pegged at >₹2 billion amid capex outlay of ₹3 billion thereby aiming to reduce its net debt from ~₹3 billion to <₹1 billion. This is a substantially positive for TML.
- Domestic business positives retained, to build further strength:** TML is the leader in domestic CV space and is benefitting from cyclical upswing in the segment amid robust infrastructure spending by the government. It is well poised for profitable growth with capabilities showcased across powertrains (ICE, CNG, Electric, Hydrogen, etc.) and guidance for double digit EBITDA margins amid pricing discipline in the industry. On the PV side, it has catapulted itself to be among the top 3 OEMs with its forever range of products. On the EV side, it plans to build upon its leadership position in E-PV space (market share 76% as of Q1FY24) with target to sell ~1 lakh E-PVs in FY24 and is also a prominent player winning orders in CESL E-bus tenders
- Aiming auto net debt free B/S by FY25E:** TML is aiming to be auto net debt free by FY25 (~₹43,700 crore as of FY23) amidst healthy CFO generation and calibrated capex spends, given the impending need to accelerate spending towards electrification (JLR to spend ₹15 billion over next 5 years). Deleveraging B/S is structurally positive & should drive re-rating of the stock.

### Rating and Target Price

- We assign **BUY** rating on TML tracking guidance of record profitability and cash flow generation at JLR for FY24E, strong intent to become net debt free (auto) by FY25E & market share gain aspirations across product categories.
- Our **target price for TML is ₹810** on SOTP basis (10x, 2x FY25E EV/EBITDA to India, JLR; ₹200 value to Indian EV business & stake in Tata Technologies)

### Key Financial Summary

Key Financials	FY19	FY20	FY21	FY22	FY23	5 year CAGR (FY18-23)	FY24E	FY25E	2 year CAGR (FY23-25E)
Net Sales	3,01,938.4	2,61,068.0	2,49,794.8	2,78,453.6	3,45,967.0	3.3%	4,47,675.8	4,95,268.0	19.6%
EBITDA	29,794.8	23,914.1	35,782.0	34,022.7	42,491.5	2.2%	64,928.7	72,449.0	30.6%
EBITDA Margins (%)	9.9	9.2	14.3	12.2	12.3		14.5	14.6	
Net Profit	(28,724.2)	(11,975.4)	(13,451.3)	(11,441.5)	2,414.3	NM	15,982.3	19,742.8	LP
EPS (₹)	(79.8)	(33.3)	(35.1)	(29.9)	6.3		43.5	53.7	
P/E	(8.1)	(19.4)	(18.4)	(21.6)	102.3		14.8	12.0	
RoNW (%)	(47.3)	(18.7)	(23.8)	(23.4)	4.6		23.8	23.2	
RoCE (%)	3.7	1.3	6.3	4.8	9.8		22.5	25.5	

Source: Company, ICICI Direct Research

### TATA MOTORS Connecting Aspirations

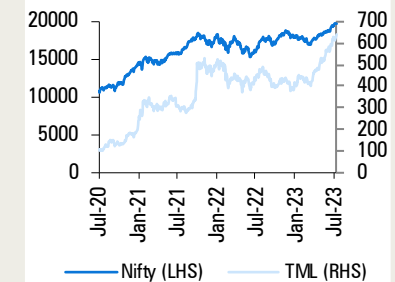
#### Particulars

Particular	₹ crore
Market Capitalization	2,37,183
Total Debt (FY23)	1,25,660
Cash and Invt (FY23)	55,854
EV	3,06,989
52 week H/L (₹)	665 / 375
Equity capital (₹ crore)	766.0
Face value (₹)	2.0

#### Shareholding pattern

	Sep-22	Dec-22	Mar-23	Jun-23
Promote	46.4	46.4	46.4	46.4
FII	14.1	13.9	15.3	17.7
DII	14.8	15.2	17.7	17.4
Other	24.7	24.5	20.6	18.5

#### Price Chart



#### Recent event & key risks

- Posts healthy Q1FY24 Results.
- Key Risk:** (i) slower than anticipated volume recovery across Indian operations and JLR, (ii) lower than built in cash flow generation and consequent reduction in debt on B/S.

#### Research Analyst

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## Company Background

- Tata Motors is a formidable auto OEM player with prominent presence in domestic Commercial Vehicle (M&HCV Trucks, Bus and LCV) and Passenger Vehicle Space (PC, SUV). As of FY23, its wholesale market share in the CV space is pegged at ~40% while its market share in the PV segment is placed at ~14%. Notably its market share in UV space is pegged at ~18%

Exhibit 1: Tata Motors India – Product Profile



Source: Company, ICICI Direct Research

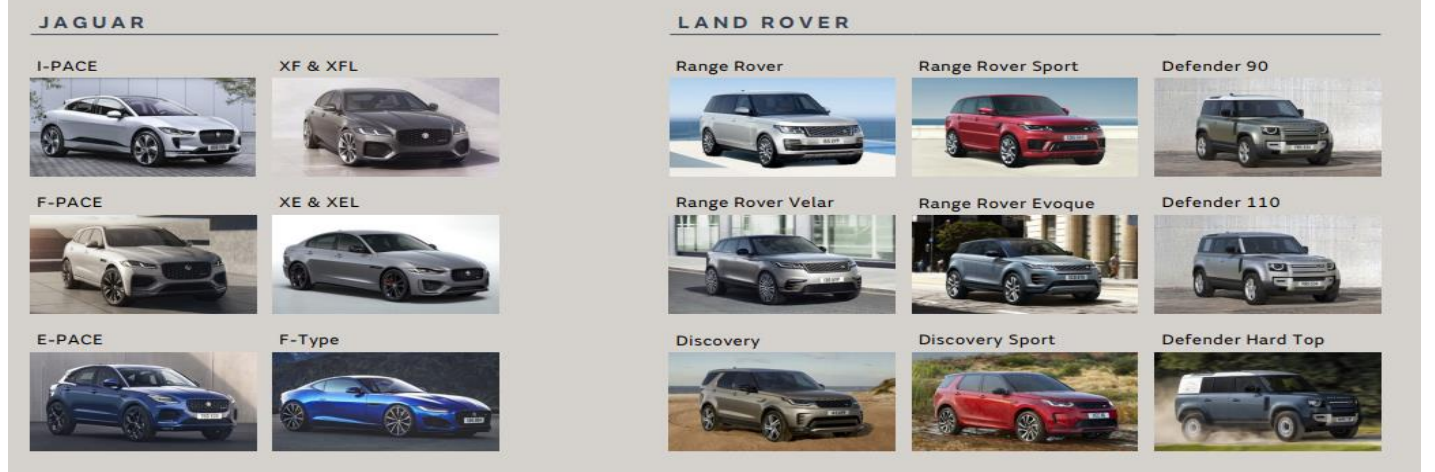
Exhibit 2: Tata Motors India Volume Details (Commercial Vehicle and Passenger Vehicle segment)

Particular	Domestic			Exports			Total			% of sales mix		Domestic MS %
	FY23	FY22	YoY %	FY23	FY22	YoY %	FY23	FY22	YoY %	FY23	FY22	
<b>I. Passenger cars</b>	<b>1,81,391</b>	<b>1,44,221</b>	<b>25.8</b>	<b>331</b>	<b>449</b>	<b>(26.3)</b>	<b>1,81,722</b>	<b>1,44,670</b>	<b>25.6</b>	<b>19.0</b>	<b>19.8</b>	<b>10.4</b>
Compact	1,81,391	1,44,221	25.8	331	449	(26.3)	1,81,722	1,44,670	25.6	19.0	19.8	
<i>Altroz</i>	57,819	62,247	(7.1)	1	38	(97.4)	57,820	62,285	(7.2)	6.1	8.5	
<i>Tiago</i>	77,399	58,089	33.2	31	287	(89.2)	77,430	58,376	32.6	8.1	8.0	
<i>Tigor</i>	46,173	23,885	93.3	299	124	141.1	46,472	24,009	93.6	4.9	3.3	
<b>II. Utility Vehicles</b>	<b>3,57,249</b>	<b>2,26,151</b>	<b>58.0</b>	<b>2,116</b>	<b>1,355</b>	<b>56.2</b>	<b>3,59,365</b>	<b>2,27,506</b>	<b>58.0</b>	<b>37.6</b>	<b>31.2</b>	<b>17.8</b>
< 4m	3,05,957	1,76,846	73.0	2,100	1,262	66.4	3,08,057	1,78,108	73.0	32.3	24.4	
<i>Nexon</i>	1,72,138	1,24,130	38.7	2,098	1,262	66.2	1,74,236	1,25,392	39.0	18.3	17.2	
<i>Punch</i>	1,33,819	52,716	153.8	2	-	NA	1,33,821	52,716	153.9	14.0	7.2	
4.4-4.7m	51,292	49,305	4.0	16	88	(81.8)	51,308	49,393	3.9	5.4	6.8	
<i>Harrier</i>	30,635	29,093	5.3	10	33	(69.7)	30,645	29,126	5.2	3.2	4.0	
<i>Safari</i>	20,657	20,212	2.2	6	55	(89.1)	20,663	20,267	2.0	2.2	2.8	
>4.7m	-	-	NA	-	5	(100.0)	-	5	(100.0)	-	0.0	
<i>Hexa</i>	-	-	NA	-	5	(100.0)	-	5	(100.0)	-	0.0	
<b>III. Vans</b>	<b>5,751</b>	<b>2,766</b>	<b>107.9</b>	<b>110</b>	<b>191</b>	<b>(42.4)</b>	<b>5,861</b>	<b>2,957</b>	<b>98.2</b>	<b>0.6</b>	<b>0.4</b>	<b>4.1</b>
Hard tops	5,665	2,766	104.8	35	5	600.0	5,700	2,771	105.7	0.6	0.4	
<i>Magic Express</i>	5,665	2,766	104.8	35	5	600.0	5,700	2,771	105.7	0.6	0.4	
Soft tops	86	-	NA	75	186	(59.7)	161	186	(13.4)	0.0	0.0	
<i>Magic Iris</i>	86	-	NA	75	186	(59.7)	161	186	(13.4)	0.0	0.0	
<b>A. Total PV (I + II + III)</b>	<b>5,44,391</b>	<b>3,73,138</b>	<b>45.9</b>	<b>2,557</b>	<b>1,995</b>	<b>28.2</b>	<b>5,46,948</b>	<b>3,75,133</b>	<b>45.8</b>	<b>57.3</b>	<b>51.4</b>	<b>14.0</b>
<b>IV. M&amp;HCV</b>	<b>1,70,460</b>	<b>1,28,333</b>	<b>32.8</b>	<b>8,071</b>	<b>16,167</b>	<b>(50.1)</b>	<b>1,78,531</b>	<b>1,44,500</b>	<b>23.6</b>	<b>18.7</b>	<b>19.8</b>	
<i>Passenger</i>	11,452	4,523	153.2	1,921	1,802	6.6	13,373.0	6,325.0	111.4	1.4	0.9	29.8
<i>Goods</i>	1,59,008	1,23,810	28.4	6,150	14,365	(57.2)	1,65,158	1,38,175	19.5	17.3	19.0	49.6
<b>V. LCV</b>	<b>2,17,106</b>	<b>1,91,083</b>	<b>13.6</b>	<b>12,041</b>	<b>18,432</b>	<b>(34.7)</b>	<b>2,29,147</b>	<b>2,09,515</b>	<b>9.4</b>	<b>24.0</b>	<b>28.7</b>	
<i>Passenger</i>	17,424	7,331	137.7	1,109	1,160	(4.4)	18,533	8,491	118.3	1.9	1.2	39.3
<i>Goods</i>	1,99,682	1,83,752	8.7	10,932	17,272	(36.7)	2,10,614	2,01,024	4.8	22.1	27.6	35.7
<b>B. Total CV (IV + V)</b>	<b>3,87,566</b>	<b>3,19,416</b>	<b>21.3</b>	<b>20,112</b>	<b>34,599</b>	<b>(41.9)</b>	<b>4,07,678</b>	<b>3,54,015</b>	<b>15.2</b>	<b>42.7</b>	<b>48.6</b>	<b>40.3</b>
<b>C. Total sales (A + B)</b>	<b>9,31,957</b>	<b>6,92,554</b>	<b>34.6</b>	<b>22,669</b>	<b>36,594</b>	<b>(38.1)</b>	<b>9,54,626</b>	<b>7,29,148</b>	<b>30.9</b>	<b>100.0</b>	<b>100.0</b>	

Source: Company, ICICI Direct Research

- It is also present in the global luxury passenger vehicle segment though its subsidiary i.e., Jaguar Land Rover (JLR) with volumes in last fiscal year placed at 3.72 lakh units (Land Rover: 3.1 lakh units, Jaguar: 0.6 lakh units).

Exhibit 3: JLR Product Profile



Source: Company, ICICI Direct Research

Exhibit 4: JLR Volume Details (incl. C-JLR)

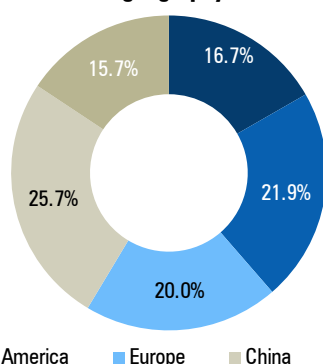
Particulars	Total			% of sales mix	
	FY23	FY22	YoY %	FY23	FY22
<b>I. Jaguar</b>	<b>63,001</b>	<b>68,405</b>	<b>(7.9)</b>	<b>16.9</b>	<b>19.7</b>
XE	11,622	12,570	(7.5)	3.1	3.6
XF	11,067	10,861	1.9	3.0	3.1
XJ	15	32	(53.1)	0.0	0.0
E - Pace	6,116	11,890	(48.6)	1.6	3.4
F - Pace	23,525	20,358	15.6	6.3	5.9
I-Pace	6,290	8,808	(28.6)	1.7	2.5
F TYPE	4,366	3,886	12.4	1.2	1.1
<b>II. Land Rover</b>	<b>3,09,216</b>	<b>2,79,245</b>	<b>10.7</b>	<b>83.1</b>	<b>80.3</b>
Defender	86,518	58,442	48.0	23.2	16.8
Discovery Sport	35,228	43,286	(18.6)	9.5	12.5
Discovery	13,305	15,621	(14.8)	3.6	4.5
Range Rover Sport	37,430	46,479	(19.5)	10.1	13.4
Range Rover	54,378	33,520	62.2	14.6	9.6
Range Rover Velar	29,068	29,847	(2.6)	7.8	8.6
Range Rover Evoque	53,289	52,050	2.4	14.3	15.0
<b>C. Total Sales (A + B)</b>	<b>3,72,217</b>	<b>3,47,650</b>	<b>7.1</b>	<b>100.0</b>	<b>100.0</b>

Source: Company, ICICI Direct Research

Within its total sales volume mix, Land Rover is at majority with 83% share in the volume mix with absolute volumes pegged at 3.1 lakh units. Jaguar brand at JLR constituted 17% share in overall volume mix with absolute volumes pegged at 0.6 lakh units.

Exhibit 5: JLR Geography mix (incl. C-JLR)

JLR FY23 geography mix



In terms of geographical mix, China has emerged as the largest market for JLR with its share in total volumes pegged at ~26%, followed by North America at ~22%, Europe at ~20%, UK at ~17% and Rest of the World as ~16%

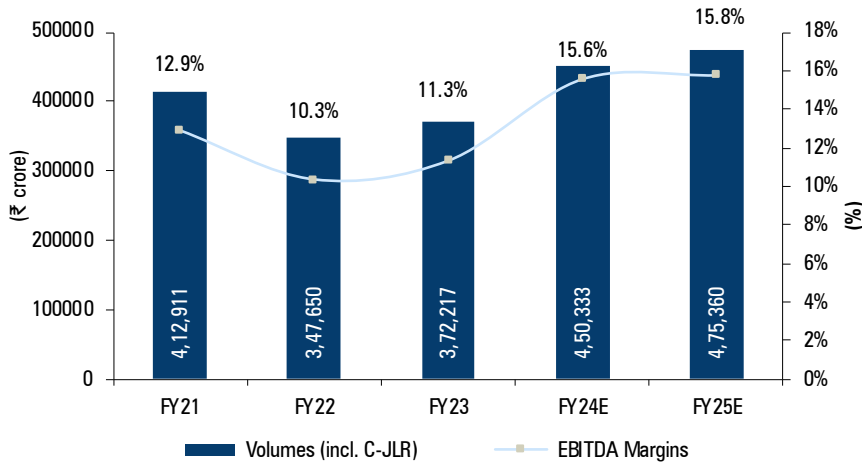
Source: Company, ICICI Direct Research

## Investment Rationale

### 1. JLR set to post record profitability in FY24E

Volumes, earnings and cash flow generation at JLR has been volatile in the past. The company however through indigenous improvement in its product portfolio, cost control and efficiencies has successfully turned around its operations and is now geared up for profitable growth going forward. On a lower base, we expect volumes at JLR to grow at a CAGR of 13% to 4.75 lakh units by FY25 vs. 3.72 lakh units in FY23. EBITDA margins are seen improving from 11.3% to 15.8% in similar timeframe. JLR has also guided for robust cash flow generation, with FCF guidance for FY24E pegged at >£2 billion amid ~£3 billion capex spend (accelerated spending on electrification) and consequent debt reduction from ~£3 billion to <£1 billion.

Exhibit 6: JLR Volumes (incl. C-JLR) and EBITDA margin trend



Source: Company, ICICI Direct Research

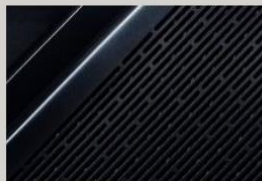
Exhibit 7: JLR – Accelerated capex plans; to be future ready

#### An exciting update on our Reimagine future

Planning to invest £15 billion over 5 years



Pre-order books to open for BEV Range Rover from this autumn



EMA (Electrified Modular Architecture) platform to be all BEV with first model in 2025



First of three reimagined Jaguar BEV models, a 4 door GT, to be revealed in 2024



Investment of £15b over 5 years as electrification accelerates



Halewood to become an all electric manufacturing facility for EMA



House of Brands to amplify Range Rover, Defender, Discovery & Jaguar

JLR envisages to spend £15 billion over next 5 years primarily on electrification as well as new technologies with aim to be future ready

Source: Company, ICICI Direct Research

Exhibit 8: JLR Financial targets – near to medium term

REVENUE	>£28bn in FY24; >£30bn in FY26
EBIT MARGIN	>6% in FY24; >10% by FY26
INVESTMENT	Target of c.£3bn p.a.
FREE CASH FLOW	£2bn in FY24 Continuing to be significantly positive thereafter
NET DEBT ZERO	Net cash from FY25

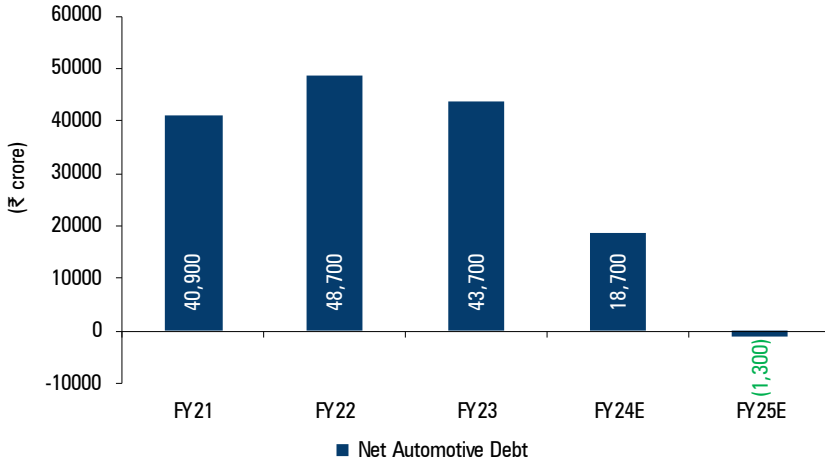
Source: Company, ICICI Direct Research



## 2. Company to turn auto net debt free in FY25E; key re-rating trigger

Auto OEMs are generally known to have debt free B/S however Tata Motors by virtue of acquiring JLR in the past & muted profitability had inherited a lot of debt on its balance sheet which look aggravated given the losses at the PAT level over FY19-22 and consequent erosion of Networth. Going forward with guidance of strong CFO and FCF generation especially at JLR, we expect TML to turn net cash positive (auto) by FY25E, which should drive re-rating making it more analogous with listed OEM's

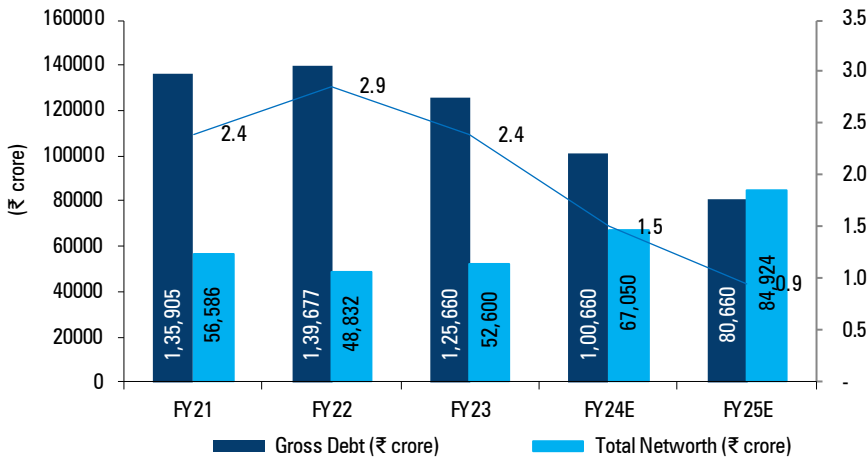
Exhibit 9: Net Debt (auto) trend



Net debt (auto) is expected to decline from ₹43,700 crore as of FY23 to ₹-1,300 crore (cash surplus) by FY25E

Source: Company, ICICI Direct Research

Exhibit 10: Gross Debt, Equity Trend at TML (Consolidated)



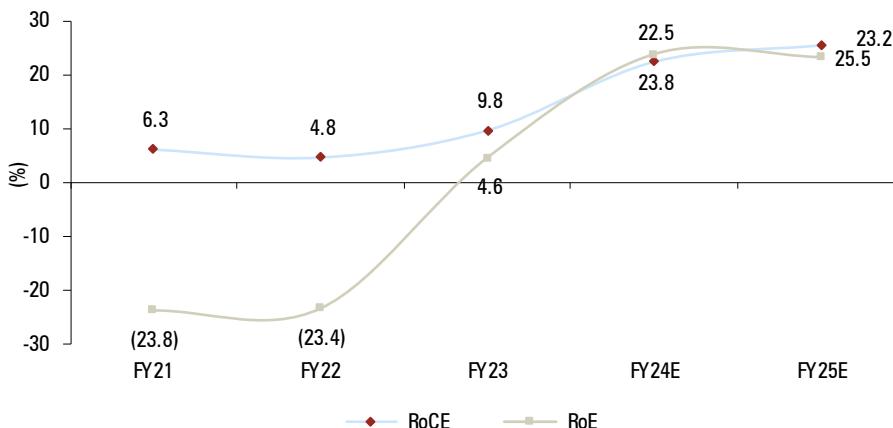
On consolidated basis, at TML, Debt: Equity is expected to substantially improve from 2.4x levels in FY23 to <1x by FY25E

Source: Company, ICICI Direct Research

## 3. Return ratios to healthy investment grade i.e., 20%+ starting FY24E

With capital structure repaired, TML will turn highly capital efficient with its return ratios profile improving to 20%+ levels, supporting our thesis of valuation re-rating.

Exhibit 11: Return ratios trend



RoCE is seen climbing to 25% mark by FY25E

Source: Company, ICICI Direct Research

#### 4. Promoters supporting EV foray through battery plant in UK & India

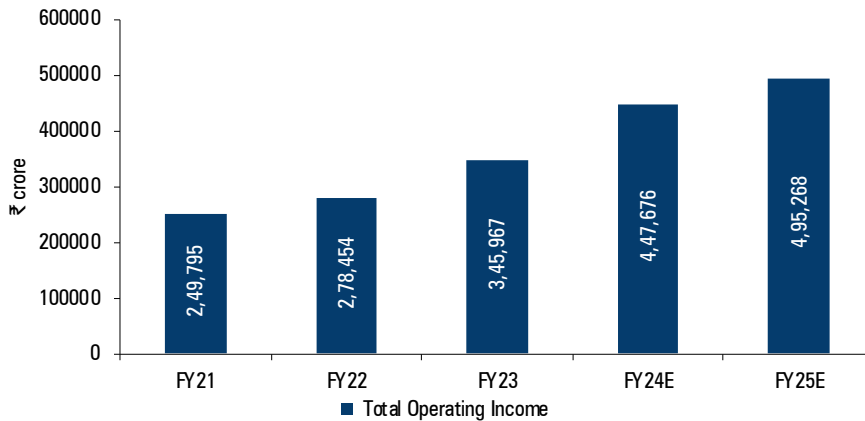
TML is at forefront of EV transition with market leadership in domestic E-PV space with >70% market share and is also a prominent player winning orders in E-buses segment under tenders issued by CESL. JLR too has ambitious EV plans with Jaguar brand to go all electric by 2025 and 1<sup>st</sup> Range Rover BEV slated to launch in CY24E. Amidst tangible efforts from the TML front, it is comforting to see promoter i.e., Tata Sons supporting TML's EV forays through dedicated EV battery plants.

In the recent past, Tata Sons has announced plans to build a 40GW battery cell gigafactory in United Kingdom (UK) at an investment outlay of over £4 billion (₹>40,000 crore). JLR will be the anchor customer for the same, with supplies commencing from 2026. This is over and above its capex commitment in the similar domain in India (US\$ 1.6 billion, 20 GW battery capacity).

*With battery plants owned by Tata Sons, TML will get assured battery supplies thereby making it easy to manage its supply chain at competitive prices*

#### 5. Healthy Financials: Sales to grow high double digit; PAT notably positive

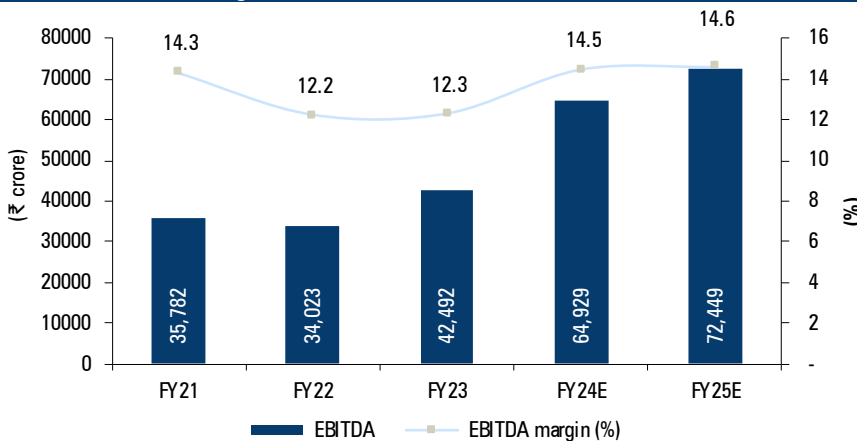
Exhibit 12: Trend in top line (consolidated)



Source: Company, ICICI Direct Research

*On the consolidated basis, we expect net sales to grow at ~20% CAGR over FY23-25E on the back of ~9.3% total volume CAGR in the aforesaid period*

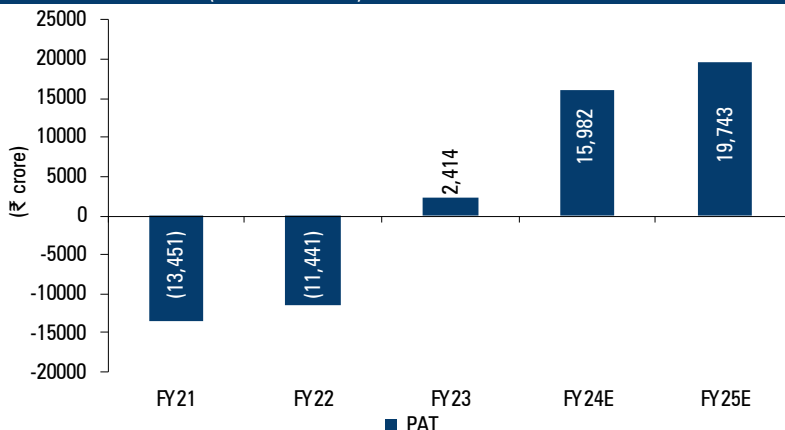
Exhibit 13: Trend in margins (consolidated)



Source: Company, ICICI Direct Research

*On the consolidated basis, margins are expected to rise to 14%+ band over FY24E, 25E on the back of higher ASP's, cost controls, lowered breakeven levels and higher operating leverage. ~76% of orderbook at JLR is for most profitable models*

Exhibit 14: PAT trend (consolidated)



Source: Company, ICICI Direct Research

*We expect consolidated PAT of ₹19,743 crores in FY25E. With dividend being declared for FY23 (₹2/share), we expect the same to continue in FY24E (₹4/share) & FY25E (₹5/share)*

## Valuation and Outlook

- We have a positive view on Tata Motors and place it as our conviction BUY in the large cap category from the auto space.
- We like Tata Motors tracking guidance of record profitability and cash flow generation at JLR for FY24E, strong intent to become net debt free (auto) by FY25E & market share gain aspirations across product categories.
- Our target price for TML is ₹810 on SOTP basis (10x, 2x FY25E EV/EBITDA to India, JLR; ₹200 value to Indian EV business & stake in Tata Technologies)

### Exhibit 15: SOTP valuation

Particulars	Parameters	FY25E EBITDA (₹ crore)	EV/EBITDA Multiple (x)	Resultant EV (₹ crore)
Tata Motors India business (CV, PV, Ex-Electric-PV)	FY25E EV/EBITDA	14,309	10.0	1,43,087
JLR	FY25E EV/EBITDA	52,808	2.0	1,07,728
India EV business (PV)	~11% stake sale @ ₹7,500 cr	NA	NA	60,682
Tata Technologies Stake Valuation	55% stake @ ₹ 25,000 crore	NA	NA	13,750
Other Investments	2x P/B on FY23	4,191	2.0	8,382
<b>Total Enterprise Value (EV)</b>				<b>3,33,629</b>
<b>Net Debt</b>	<b>FY25E</b>			<b>35,907</b>
<b>Resultant Equity Value (target market cap)</b>				<b>2,97,721</b>
<b>Target Price per share (₹/share)</b>				<b>810</b>

Source: ICICI Direct Research

## Risks and Concerns

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### **Slower than anticipated volume growth across Indian CV, PV and JLR**

Over FY23-25E, we have built in 13% volume CAGR across JLR and 8% volume CAGR across Tata Motors Indian operations with our blended volume CAGR pegged at 9.3%. Any lower than anticipated volume growth over the next 2 years will materially impact our financial estimates and is negative for our target price calculation.

### **Slower than anticipated margin recovery across segments**

We have built in consolidated EBITDA margins of 14.5% and 14.6% respectively for FY24E and FY25E amidst stable commodity pricing outlook and adequate price hikes undertaken by the company in response to rise in input costs. Any adverse commodity price movement and lacklustre demand conditions will limit the company's ability to take further price hikes and will impact its profitability. Any lower than anticipated margin profile is negative for our target price calculation.

### **Delay in debt reduction plans over FY24E, 25E**

At TML, over FY23-25E, we have built in ~₹45,000 crore debt reduction on consolidated basis gaining confidence from FCF targets shared by JLR as well as stake sale in Tata Technologies (subsidiary). Any delay in such debt repayment is negative for our target price calculation given that we value TML on EV/EBITDA basis.



## Financial Summary (Consolidated)

Exhibit 16: Profit and loss statement				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
<b>Total operating Income</b>	<b>2,78,454</b>	<b>3,45,967</b>	<b>4,47,676</b>	<b>4,95,268</b>
Growth (%)	11.5	24.2	29.4	10.6
Raw Material Expenses	1,80,886	2,26,470	2,87,492	3,13,991
Employee Expenses	30,809	33,655	39,667	41,437
Marketing Expenses	47,134	61,786	80,524	94,632
Capitalised Expenses	-14,397	-18,435	-24,936	-27,240
Total Operating Expenditure	2,44,431	3,03,475	3,82,747	4,22,819
<b>EBITDA</b>	<b>34,023</b>	<b>42,492</b>	<b>64,929</b>	<b>72,449</b>
Growth (%)	-4.9	24.9	52.8	11.6
Product development Exp	9210	10662	12537	15993
Depreciation	24836	24860	26861	29716
Interest	9312	10225	8487	6346
Other Income	3054	4633	5181	5326
<b>PBT</b>	<b>2,836</b>	<b>12,129</b>	<b>34,421</b>	<b>41,712</b>
Minority Interest	133	276	391	431
Total Tax	4231	704	5702	6430
<b>Reported PAT</b>	<b>(11,441)</b>	<b>2,414</b>	<b>15,982</b>	<b>19,743</b>
Growth (%)	LP	-121.1	562.0	23.5
<b>EPS (₹)</b>	<b>(29.9)</b>	<b>6.3</b>	<b>43.5</b>	<b>53.7</b>

Source: Company, ICICI Direct Research

Exhibit 17: Cash flow statement				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
Profit after Tax	(11,441.5)	2,414.3	15,982.3	19,742.8
Add: Depreciation	24,836	24,860	26,861	29,716
(Inc)/dec in Current Assets	-2,789	-12,075	-15,806	-9,676
(Inc)/(dec) in CL and Provisions	-6,188	9,223	30,877	14,975
Others	9,312	10,225	8,487	6,346
<b>CF from operating activities</b>	<b>13,729</b>	<b>34,647</b>	<b>66,401</b>	<b>61,104</b>
(Inc)/dec in Investments	-4,759	3,000	6,750	4,750
(Inc)/dec in Fixed Assets	-14,267	-22,075	-33,000	-35,000
Others	1,026	3,662	-2,599	-4,273
<b>CF from investing activities</b>	<b>(18,000)</b>	<b>(15,412)</b>	<b>(28,849)</b>	<b>(34,523)</b>
Issue/(Buy back) of Equity	0	0	0	-31
(Inc)/(dec) in loan funds	3,772	-14,017	-25,000	-20,000
Dividend paid & dividend tax	0	0	0	0
(Inc)/(dec) in Sec. premium	0	0	0	0
Others (incl finance costs)	-5,624	-8,873	-10,019	-8,185
<b>CF from financing activities</b>	<b>(1,852)</b>	<b>(22,889)</b>	<b>(35,019)</b>	<b>(28,215)</b>
Net Cash flow	-6,123	-3,654	2,533	-1,634
Opening Cash	46,792	40,669	37,016	39,549
<b>Closing Cash</b>	<b>40,669</b>	<b>37,016</b>	<b>39,549</b>	<b>37,915</b>

Source: Company, ICICI Direct Research

Exhibit 18: Balance Sheet				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
<b>Liabilities</b>				
Equity Capital	766	766	766	735
Reserve and Surplus	43,795	44,556	59,007	76,911
Others	4,271	7,278	7,278	7,278
<b>Total Shareholders funds</b>	<b>48,832</b>	<b>52,600</b>	<b>67,050</b>	<b>84,924</b>
Total Debt	1,39,677	1,25,660	1,00,660	80,660
Deferred Tax Liability	1,558	1,407	1,821	2,014
Long term provisions	12,956	13,197	14,838	13,939
Minority Interest / Others	19,641	26,040	29,218	29,848
<b>Total Liabilities</b>	<b>2,22,665</b>	<b>2,18,903</b>	<b>2,13,587</b>	<b>2,11,385</b>
<b>Assets</b>				
Gross Block	3,71,683	3,89,734	4,20,234	4,54,734
Less: Acc Depreciation	2,33,635	2,58,495	2,85,356	3,15,072
Net Block	1,38,048	1,31,239	1,34,879	1,39,663
Capital WIP	10,251	14,275	16,775	17,275
<b>Total Fixed Assets</b>	<b>1,48,299</b>	<b>1,45,514</b>	<b>1,51,653</b>	<b>1,56,937</b>
Investments	29,380	26,379	19,629	14,879
Inventory	35,240	40,755	49,060	54,276
Debtors	12,442	15,738	18,398	20,353
Loans and Advances	1,672	2,303	2,980	3,297
<b>Cash</b>	<b>40,669</b>	<b>37,016</b>	<b>39,549</b>	<b>37,915</b>
Total Current Assets	1,24,268	1,32,690	1,51,029	1,59,071
Creditors	59,970	72,056	91,988	1,01,767
Provisions	10,766	11,811	15,078	16,681
Total Current Liabilities	1,07,955	1,17,178	1,48,055	1,63,030
<b>Net Current Assets</b>	<b>16,313</b>	<b>15,512</b>	<b>2,974</b>	<b>(3,959)</b>
Deferred Tax Asset	3,871	5,185	6,709	7,422
<b>Application of Funds</b>	<b>2,22,665</b>	<b>2,18,903</b>	<b>2,13,587</b>	<b>2,11,385</b>

Source: Company, ICICI Direct Research

Exhibit 19: Key ratios				
(Year-end March)	FY22	FY23	FY24E	FY25E
<b>Per share data (₹)</b>				
EPS	-29.9	6.3	43.5	53.7
Cash EPS	35.0	71.2	111.9	134.5
BV	127.5	137.4	175.1	230.9
DPS	0.0	2.0	4.0	5.0
Cash Per Share	165.5	145.9	134.2	121.7
<b>Operating Ratios</b>				
EBITDA Margin (%)	12.2	12.3	14.5	14.6
PBT / Net sales (%)	3.3	5.1	8.5	8.6
PAT Margin (%)	-4.1	-7.0	-1.2	3.3
Inventory days	46.2	43.0	40.0	40.0
Debtor days	16.3	16.6	15.0	15.0
Creditor days	78.6	76.0	75.0	75.0
<b>Return Ratios (%)</b>				
RoE	-23.4	4.6	23.8	23.2
RoCE	4.8	9.8	22.5	25.5
RoC	7.9	16.1	37.6	40.5
<b>Valuation Ratios (x)</b>				
P/E	-21.6	102.3	14.8	12.0
EV / EBITDA	9.2	7.2	4.4	3.8
EV / Net Sales	1.1	0.9	0.6	0.6
Market Cap / Sales	0.9	0.7	0.5	0.5
Price to Book Value	5.1	4.7	3.7	2.8
<b>Solvency Ratios</b>				
Debt/EBITDA	4.1	3.0	1.6	1.1
Debt / Equity	2.9	2.4	1.5	0.9
Current Ratio	0.6	0.6	0.6	0.6
<b>Quick Ratio</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>

Source: Company, ICICI Direct Research

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