

Powered by the Sharekhan 3R Research Philosophy

3R MATRIX

	+	=	-
Right Sector (RS)	✓	■	■
Right Quality (RQ)	✓	■	■
Right Valuation (RV)	✓	■	■

+ Positive = Neutral - Negative

Reco/View

Reco: **Buy**CMP: **Rs. 262**Price Target: **Rs. 328**

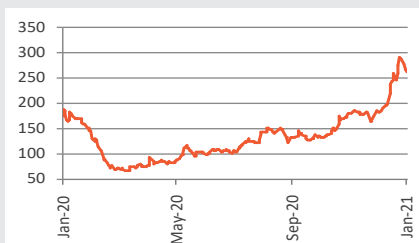
Company details

Market cap:	Rs. 86,418 cr
52-week high/low:	Rs. 307 / 64
NSE volume: (No of shares)	811.8 lakh
BSE code:	500570
NSE code:	TATAMOTORS
Free float: (No of shares)	266.5 cr

Shareholding (%)

Promoters	42.4
FII	15.6
DII	12.7
Others	29.3

Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	43.2	94.8	158.2	49.1
Relative to Sensex	46.0	78.9	136.2	37.7

Sharekhan Research, Bloomberg

Automobiles

Sharekhan code: TATAMOTORS

Result Update

Summary

- We recommend a Buy on Tata Motors with a PT of Rs. 328, considering resilient numbers in Q3FY21, all-round strong performance, robust FCF for JLR and standalone businesses, sharp fall in debt and better earnings visibility.
- Q3FY21 consolidated PAT improved by a stellar 91.4% y-o-y, driven by a rich product mix, better-than-expected rise in gross margins and strong cost-control measures in JLR and standalone businesses.
- We expect TAMO's earnings to get positive in FY2022E and 38.1% in FY2023E, driven by a 15.2% revenue CAGR during FY2021E-FY2023E and a 140-bps improvement in EBITDA margin.
- Stock trades at an attractive at P/E multiple of 10.3x and EV/EBITDA multiple of 3x its FY2023E estimates.

We recommend a Buy rating on Tata Motors Limited (TAMO) with a price target (PT) of Rs. 328, considering resilient operational numbers in Q3FY21, robust FCF for JLR and standalone businesses led by all-round strong performance, falling debt and better earnings visibility. Q3FY2021 results saw a strong turnaround in operational performance in all three key automotive businesses - Jaguar Land Rover (JLR), passenger vehicles and commercial vehicles. The company also generated free cash flows (FCF) of Rs. 7,900 crore from its automotive businesses and reduced net debt by Rs. 7,000 crore to Rs. 54,654 crore in Q3FY2021. We expect operational performance to continue in the medium term, with a recovery in all verticals of the automotive businesses. The outlook for the JLR business is positive, aided by macro-environment improving in Europe, UK, America and China. The rolling out of COVID-19 vaccination programmes in many countries are keeping overall outlook positive for the coming months following the respective approval of various vaccines. Moreover, the management remained encouraged by the Brexit trade deal agreed between UK and European Union. The outlook for domestic commercial vehicle (CV) business is at the cusp of a sharp cyclical rebound, with notable demand arising from infrastructure, mining and e-Commerce activities. The passenger vehicle business has improved significantly on back strong sales momentum with the "New Forever" portfolio. During 9MFY21, the company gained market share of 300 bps in the PV segment from FY2020 levels, led by launch of New Altroz hatchback during Q4FY2020. The management is committed towards reaching zero debt for its automotive business division. The company had highlighted three key strategies for becoming a zero-debt company – FCF generation through higher sales and profitability, divestment of non-core businesses and equity top-up for remaining debt. A strong result turnaround in key businesses during Q3FY2021 has a strong reason to believe that the company is on the right track towards achieving the zero debt level. JLR has generated FCF of GBP 562 million in Q3FY2021 expects to remain FCF positive led by recovery in China, working capital improvements and savings from lower warranty costs, and minimized overhead cost. The operational performance of TAMO's standalone business witnessed strong improvement, with reported EBITDA at Rs 850 crore in Q3FY2021, versus a loss of Rs 53 crore in Q3FY2020. The turnaround at EBITDA level was possible due to 86% y-o-y surge in passenger vehicle volumes control measures and operating leverage benefits. The outlook of domestic commercial vehicle (CV) business is at the cusp of a sharp cyclical rebound, with the notable demand arising from infrastructure, mining and e-commerce activities. We expect all-round improvement in the company's business and recommend a Buy rating on the stock.

Our Call

Valuation - Maintain Buy with a PT of Rs. 328: TAMO is witnessing an improvement on all business verticals - JLR, commercial vehicle and passenger vehicle businesses. We expect TAMO to benefit from improving macro-environment in India and globally. The company is generating strong FCF, which will help it to pursue on its business plans and reduce high debts. We expect TAMO's earnings to get positive in FY2022E and 38.1% in FY2023E, driven by a 15.2% revenue CAGR during FY2021E-FY2023E and a 140-bps improvement in EBITDA margin. Our SOTP-based valuation provides a price target of Rs. 328 for TAMO. at P/E multiple of 10.3x and EV/EBITDA multiple of 3x its FY2023E estimates. We recommend a Buy on the stock.

Key Risks

Tata Motors has business dependent upon cyclical industries – commercial vehicles and passenger vehicles. Also, it has business presence across the globe. Any slowdown or cyclical downturn in any of the locations, where it has strong presence, can impact its business and profitability.

Valuation (Consolidated)

Particulars	Rs cr				
	FY19	FY20	FY21E	FY22E	FY23E
Net Sales	3,01,938	2,61,068	2,52,581	3,12,628	3,34,983
Growth (%)	3.6	-13.5	-3.3	23.8	7.2
EBIDTA	24,664	19,726	28,874	38,646	43,015
OPM (%)	8.2	7.6	11.4	12.4	12.8
PAT	(1,834)	(10,156)	(3,598)	7,081	9,776
Growth (%)	NA	NA	NA	NA	38.1
FD EPS (Rs)	-5.4	-26.5	-9.4	18.5	25.5
P/E (x)	NA	NA	NA	14.2	10.3
P/B (x)	1.7	2.0	1.6	1.4	1.3
EV/EBIDTA (x)	6.4	10.1	4.8	3.4	3.0
RoE (%)	-3.0	-20.3	-5.0	10.5	12.9
RoCE (%)	1.9	-0.2	7.7	5.9	7.1

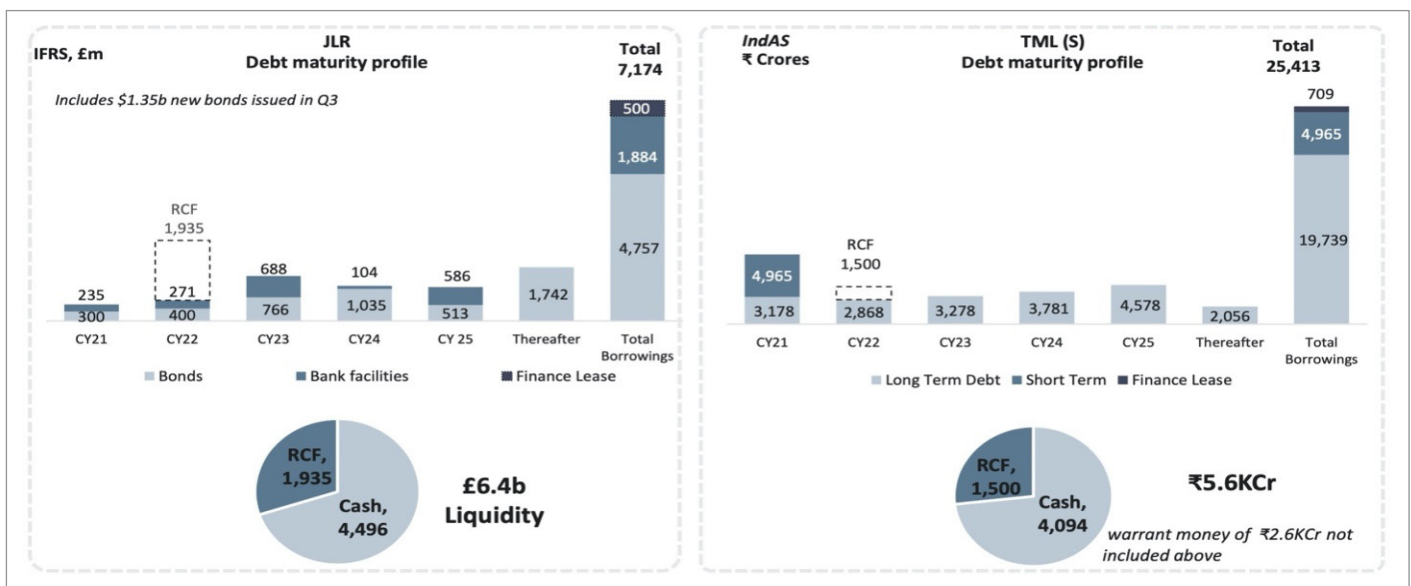
Source: Company; Sharekhan estimates

Note: We now convert Tata Motors Limited into a Stock Update; It was earlier a 'Viewpoint' under our coverage

A 'Positive' view: We recommend a Buy rating on Tata Motors Limited (TAMO) with a price target (PT) of Rs. 328, considering resilient operational numbers in Q3FY21, robust FCF for JLR and standalone businesses led by all-round strong performance, falling debt and better earnings visibility. Q3FY2021 results saw a strong turnaround in operational performance in all three key automotive businesses - Jaguar Land Rover (JLR), passenger vehicles and commercial vehicles. The company also generated free cash flows (FCF) of Rs. 7,900 crore from its automotive businesses and reduced net debt by Rs. 7,000 crore to Rs. 54,654 crore in Q3FY2021. We expect operational performance to continue in the medium term, with a recovery in all verticals of the automotive businesses. The outlook for the JLR business is positive, aided by macro-environment improving in Europe, UK, America and China. The rolling out of COVID-19 vaccination programmes in many countries are keeping overall outlook positive for the coming months following the respective approval of various vaccines. Moreover, the management remained encouraged by the Brexit trade deal agreed between UK and European Union. The Brexit deal has avoided the risk of tariffs on automotive parts and finished vehicles, though there will be increased custom administration requirements. The outlook for domestic commercial vehicle (CV) business is at the cusp of a sharp cyclical rebound, with notable demand arising from infrastructure, mining and e-Commerce activities. The passenger vehicle business has improved significantly on back strong sales momentum with the "New Forever" portfolio. During 9MFY21, the company gained market share of 300 bps in the PV segment from FY2020 levels, led by launch of New Altroz hatchback during Q4FY2020. A strong result turnaround in key businesses during Q3FY2021 has a strong reason to believe that the company is on the right track towards achieving the zero debt level. JLR has generated FCF of GBP 562 million in Q3FY2021 expects to remain FCF positive led by recovery in China, working capital improvements and savings from lower warranty costs, and minimized overhead cost. The operational performance of TAMO's standalone business witnessed strong improvement, with reported EBITDA at Rs 850 crore in Q3FY2021, versus a loss of Rs 53 crore in Q3FY2020. The turnaround at EBITDA level was possible due to 86% y-o-y surge in passenger vehicle volumes control measures and operating leverage benefits. The outlook of domestic commercial vehicle (CV) business is at the cusp of a sharp cyclical rebound, with the notable demand arising from infrastructure, mining and e-commerce activities. TAMO's passenger vehicle business has transformed significantly on back strong sales momentum with the "New Forever" portfolio. During 9MFY21, the company gained 300 bps market share in the PV segment from FY2020 levels led by launch of New Altroz hatchback during Q4FY2020. We expect all-round improvement in the company's business and recommend a Buy rating on the stock.

Zero debt company: The management is committed to make its automotive business division completely debt-free. The company had highlighted three key strategies for the same – FCF generation through higher sales and profitability, divestment of non-core businesses and equity top-up for the remaining debt. A strong turnaround in key businesses during Q3FY2021 has a strong reason to believe that the company is on the right track towards achieving the zero debt level.

Strong liquidity to manage debt

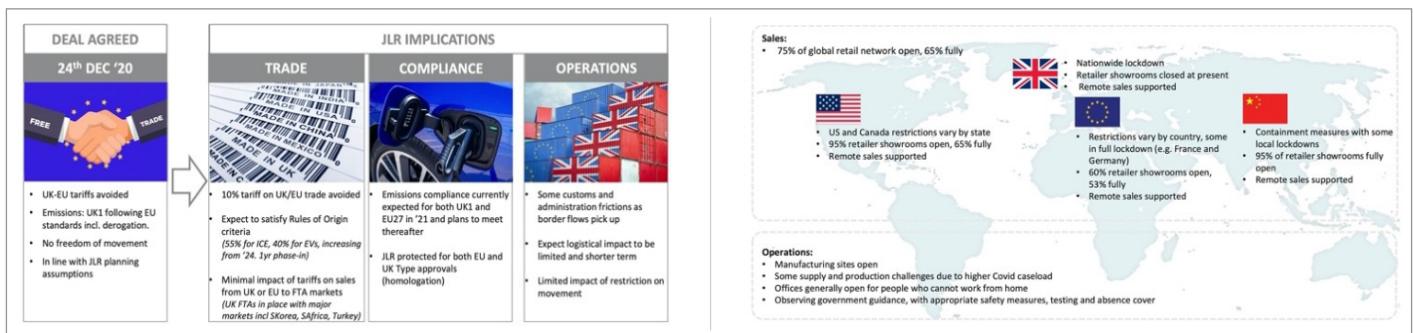


Source: Company, Sharekhan Research

Resilient operational performance in Q3FY2021 results: Tata Motors Limited (TAMO) reported resilient operational performance in Q3FY2021, with adjusted earnings growing by 91.4% y-o-y to Rs. 3,329 crore versus Rs. 1,739 crore in Q3FY2020. The company reported an earnings loss of Rs. 319 crore. Stellar earnings growth was driven by greater-than expected gross margin expansion and strong cost-control measures in the JLR and standalone businesses. Consolidated revenues growth was 5.5% y-o-y to Rs. 75,654 crore. However, sequential revenue growth for the consolidated business was by 41.3% q-o-q driven by strong recovery in volumes for both JLR, growing 39.7% q-o-q and standalone business (CV and PV volumes) by 43.3% q-o-q. Consolidated EBITDA margins improved by 517 bps y-o-y and 463 bps q-o-q at 15.2% in Q3FY2021, on back of turnaround in the standalone businesses, led by volume recovery, cost-cutting initiatives and operating leverage benefits. The strong operational performance resulted in EBITDA growth of 59.9% y-o-y and 103.2% q-o-q at Rs 11,510 crore. The company generated 2.6x automotive FCF of Rs 7,900 crore in Q3FY2021 over its FCF in Q3FY2020. TAMO reduced its net debt by Rs. 7,000 crore in the Q3FY21 to Rs. 54,654 crore.

JLR operational performance lightens up despite the tough conditions: The Jaguar and Land Rover (JLR) business reported strong EBITDA growth of 34.3% y-o-y to GBP 924 million, driven by favourable product mix and 469 bps improvement in EBITDA margin at 15.4% in Q3FY2021. EBITDA margin for Q3FY2021 was driven by lower marketing and selling costs, manufacturing efficiencies, lower warranty cost reversal of provisions made for EU CO2 fines and improved product mix. Growth was subdued to the extent of negative impact from the rise in commodity prices and lower volumes. The fear of new waves of COVID-19 has driven the reintroduction of stringent restrictions, especially in UK and Europe, keeping up macro-challenges for JLR during Q3FY2021. However, the rolling out of vaccination programmes in many countries are keeping the overall outlook positive over the coming months following the respective approval of various vaccines. Also, the management remained encouraged by the Brexit trade deal agreed between UK and European Union. The Brexit deal has avoided the risk of tariffs on automotive parts and finished vehicles, though there will be increased customs administration requirements.

Improving macro environment for JLR

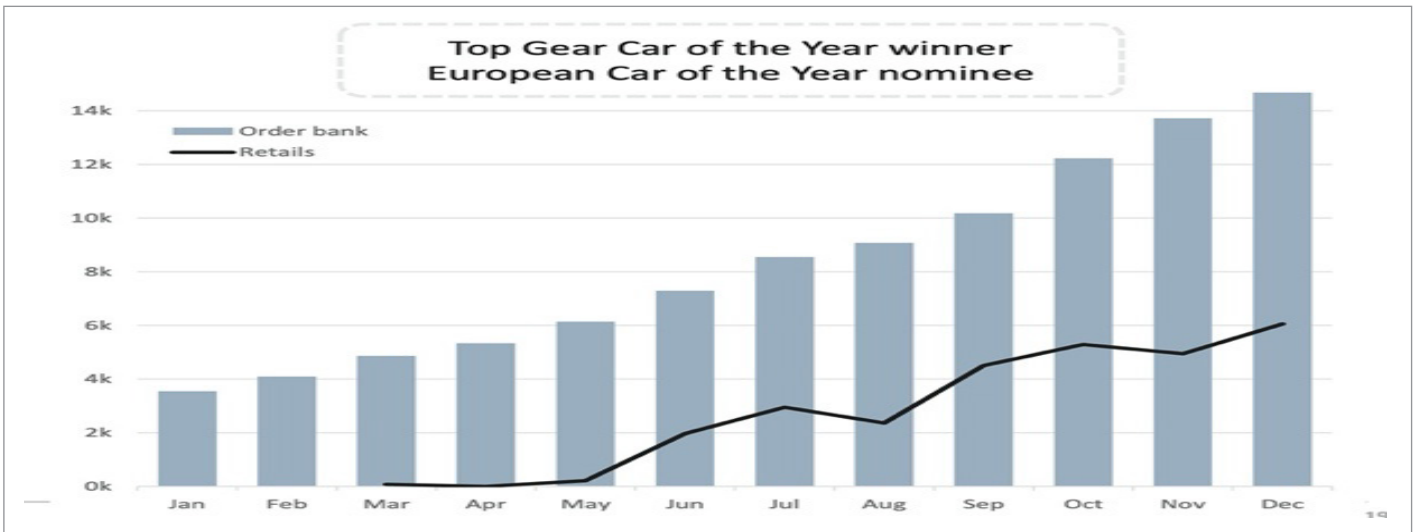


Source: Company, Sharekhan Research

Revenues recovering strong sequentially: Net revenue for the quarter recovered strongly by 37.4% q-o-q to GBP 5,982 million, primarily driven by 39.7% growth in wholesale volumes. Sequential growth in wholesales was witnessed in all regions, with North America showing a growth of 71.9% y-o-y. Revenue declined by 6.5% y-o-y, due to a 21.1% decline in volumes.

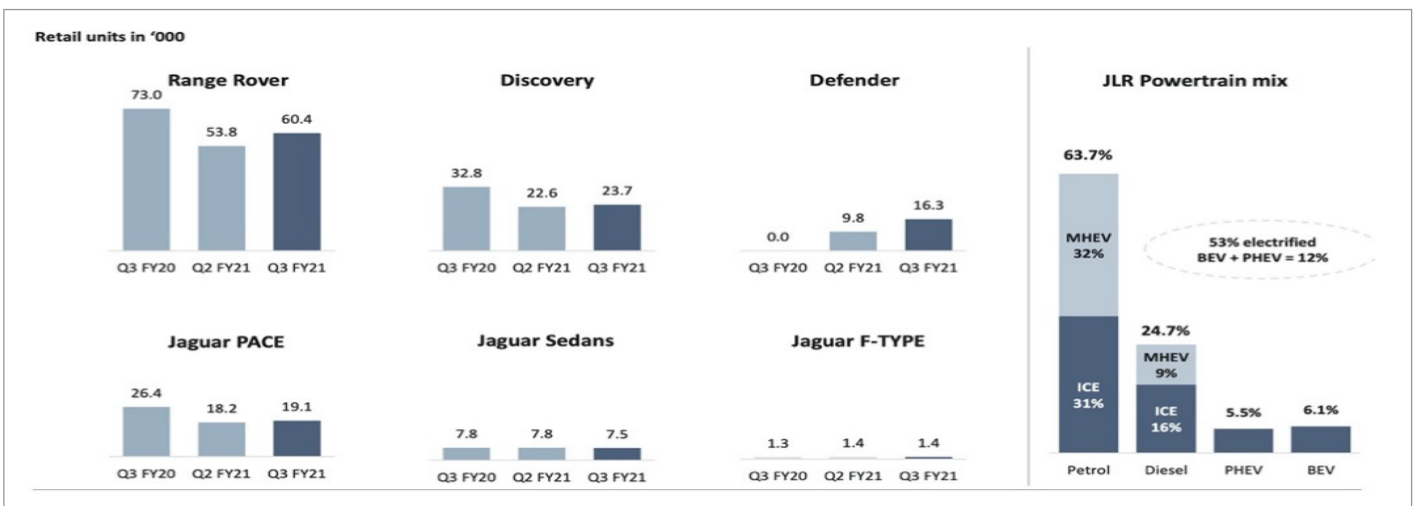
Improving product mix: Average realisation improved by 18.4% y-o-y to GBP 58,315 million in Q3FY2021, due to a higher share from China, improving geographical mix, and Land Rover sales, despite 21.1% decline in volumes. In the UK, the Jaguar brand sales were down 45.8% y-o-y at 16,733 units, while Land Rover brand sales were down 13.3%. The China JV wholesales improved 10.6% y-o-y to 17,078 units. During the year, JLR launched new Defender, which was rolled in UK and Europe in May 2020; in America on June 2020; while in China in July 2020. During Q3FY2021, the company sold 16,043 units of Defender. The company continues to focus on increasing share of electrified vehicles, which currently at 53%. JLR had reserved GBP 90 million during Q2FY21 for potential EU CO2 fines, as per the NEDC target. However, higher sales of BEV, PHEV and MHEV during the Q3FY2021, the company reversed provisions of GBP 55 million.

Defender sales expected to clock monthly run-rate of 5,000-6000 units



Source: Company, Sharekhan Research

Improving share of electrified vehicles



Source: Company, Sharekhan Research

JLR reversed the provisions of GBP 55 mn provided for EU CO2 fine

	2019	2020	2021
	EU28 NEDC 158 status vs. 178 target	EU28 NEDC (transition to new target) 134 status vs 132 target <small>As a result of Covid sales impacts and PHEV, MHEV timing changes, JLR has reduced the provision for EU CO2 fines for CY20 from £90m to £35m, reflecting increased BEV, PHEV and MHEV deliveries, in the last quarter.</small>	EU27 WLTP 160 target
			UK1 WLTP 159 target
	EPA GhG 282 status vs. 274 target	EPA GhG 282 status vs. 263 target	EPA GhG 253 target
	CAFC NEDC 7.3 status vs. 6.7 target	CAFC NEDC 8.7 status vs. 6.9 target	CAFC WLTC 7.7 target

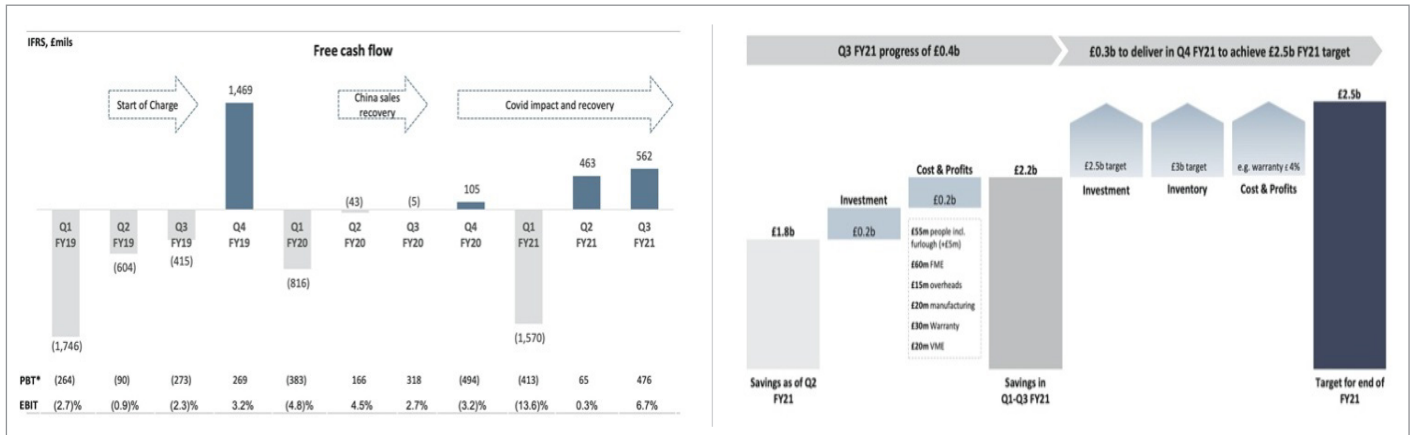
Notes:

- Status presented for 2019 and 2020 is provisional. Most recent published data is for 2018 which confirmed compliance.
- Forecast compliance will depend on JLR portfolio model mix and launch timings, market performance, Covid impact and applicable regulations.
- US/China compliance after carry forward/back and credit purchases (£6m in US and £0.4m in China for 2019, £11m and £17m for 2020)

Source: Company, Sharekhan Research

Strong FCF generation: JLR has generated FCF of GBP 562 million in Q3FY2021 though improvement in working capital cycle and profit from operations. The company expects to remain FCF positive led by recovery in China, working capital improvements and savings from lower warranty costs, and minimized overhead cost. The management remains positive on achieving its target savings of GBP 2.5 billion in FY21. During the quarter, JLR invested GBP 675m in products and technologies during the quarter.

Strong FCF generation likely to achieve its savings target



Source: Company, Sharekhan Research

Standalone business led by traction in PV: Operational performance of TAMO’s standalone business witnessed strong improvement, with reported EBITDA at Rs. 850 crore in Q3FY2021, versus a loss of Rs. 53 crore in Q3FY2020. An EBITDA turnaround was possible due to 86% y-o-y surge in passenger vehicle volumes, cost-control measures and operating leverage benefits. Gross margins improved 39 bps y-o-y and 60 bps q-o-q at 25.6%, aided by a better product mix, partially offset by a rise in raw material prices. The company reported an adjusted net loss of Rs. 585 crore in Q3FY2021 as compared to a greater loss of Rs. 1,049 crore in Q3FY2020. Higher depreciation and interest cost helped in expanding losses. In terms of segmental margins, the EBIT margin in CV segment expanded by 590 bps to 3.6%, while the EBIT margin for PV segment was negative 6% in Q3FY21 versus negative 19.8% in Q3FY20. An improvement in segmental EBIT margins was driven by operating leverage benefits and cost-control measures.

Strong recovery in volumes sequentially: TAMO’s standalone net revenue grew by 34.9% y-o-y at Rs 14,631 crore in Q3FY21, driven by 22.3% growth in volumes and 10.3% growth in average realisations. The q-o-q revenue growth was at 51.3% in Q3FY21, led 43.3% growth in volumes. CV volumes were up 21% q-o-q, aided by recovery M&HCV and ILCV with higher demand from infrastructure, mining and e-commerce sectors. The company gained 180 bps market share in M&HCV segment, while lost its market share in range of 150 bps-600 bps in ILCV, SCV, pick-up and CV passenger segments. PV volumes grew by 79% q-o-q on back strong sales momentum with the “New Forever” portfolio. During 9MFY21, company gained 300 bps market share in the PV segment from FY2020 levels led by launch of New Altroz hatch during Q4FY2020. The company’s powertrain mix stood at 81% for petrol, 17% for diesel and 2% for the EV.

Other key highlights discussed in the con-call: The company incurred capex of Rs. 550 crore in Q3FY2021 for ensuring transition towards BS-VI norms, R&D and other capital investments. The company has increased its capex for FY2021 to Rs 1,850 crore from the earlier Rs. 1,500 crore. Standalone gross debt stood at Rs 25,410 crore at the end December 2020 versus Rs 27,460 crore at the end of September 2020. The company’s promoter, Tata Group, have increased their shares in the company to 45.82% though exercising their warrants amounting to Rs. 2,600 crore. The amount will get reflected in Q4FY2021 cash balances.

Results (JLR's Q3FY2021)

(GBP mn)

Particulars	Q3FY21	Q3FY20	y-o-y (%)	Q2FY21	q-o-q (%)
Revenue	5,982	6,398	-6.5	4,352	37.5
Total Expenses	5,058	5,710	-11.4	3,908	29.4
Operating Profit	924	688	34.3	444	108.1
OPM%	15.4	10.8	469 bps	10.2	524 bps
PBT	369	177	108.5	(35)	NA
Tax	88	(54)	NA	(52)	NA
Share Of profit from Associates	(33)	(25)	NA	1	NA
Reported PAT	351	372	-5.6	117	NA

Source: Company; Sharekhan Research

Results Q3FY2021 (Standalone)

Rs cr

Particulars	Q3FY21	Q3FY20	y-o-y (%)	Q2FY21	q-o-q (%)
Revenue	14,631	10,843	34.9	9,668	51.3
Total Expenses	13,781	10,896	26.5	9,566	44.1
Operating Profit	850	(53)	NA	102	735.4
OPM%	5.8	(0.5)	629 bps	1.1	476 bps
PBT	(548)	(1,033)	NA	(1,201)	NA
Tax	38	16	NA	0	NA
Adj Net Profit	(585)	(1,049)	NA	(1,201)	NA
Reported PAT	(638)	(1,040)	NA	(1,212)	NA
Adjusted EPS (Rs)	(1.6)	(3.1)	NA	(3.3)	NA

Source: Company; Sharekhan Research

Results Q3FY2021 (Consolidated)

Rs cr

Particulars	Q3FY21	Q3FY20	y-o-y (%)	Q2FY21	q-o-q (%)
Revenue	75,654	71,676	5.5	53,530	41.3
Total Expenses	64,144	64,480	-0.5	47,865	34.0
Operating Profit	11,510	7,197	59.9	5,665	103.2
OPM%	15.2	10.0	517 bps	10.6	463 bps
PBT	4,590	1,351	239.8	(820)	NA
Tax	945	(605)	NA	(471)	NA
Share Of profit from Associates	(281)	(199)	NA	36	NA
Adj Net Profit	3,329	1,739	91.4	(319)	NA
Reported PAT	2,906	1,738	67.2	(314)	NA
Adjusted EPS (Rs)	8.7	4.5	91.4	(0.8)	NA

Source: Company; Sharekhan Research

Outlook and Valuation

■ Sector view - Positive outlook automobile industry in India and Globally

The macro-environment is improving in Europe, UK, America and China. The roll-out of COVID vaccination programmes in many countries are keeping the overall outlook positive over the coming months following the respective approval of various vaccines. Also, the Brexit trade agreed between UK and European Union, which has resolved the risk of tariffs on automotive parts and finished vehicles. The outlook of domestic commercial vehicle (CV) business is at the cusp of a sharp cyclical rebound, with the notable demand arising from infrastructure, mining and e-Commerce activities. The volumes of domestic passenger vehicles (PV) recovered strongly more than 90% of pre-COVID levels, driven by rural and semi-urban demand. The recovery in the urban areas is also picking up strongly.

■ Company outlook - Strong outlook

Tata Motors Limited (TAMO) considering its resilient operational performance in Q3FY21, all-round strong performance generating robust FCF for JLR and standalone businesses, reducing debt amply and rising earnings visibility. Q3FY2021 results have witnessed a strong turnaround in the operational performance on all its three key automotive businesses, Jaguar Land Rover (JLR), passenger vehicle business and commercial vehicle business. The company has generated free cash flow (FCF) of Rs. 7,900 crore from its automotive businesses and reduced its net debt by Rs. 7,000 crore to Rs 54,654 crore in Q3FY2021. We expect the operational performance to continue in the medium term, with the recovery in all verticals of automotive businesses. The outlook for JLR business is positive, aided by macro-environment improving in Europe, UK, America and China. The outlook of domestic commercial vehicle (CV) business is at the cusp of a sharp cyclical rebound, with the notable demand arising from infrastructure, mining and e-commerce activities. TAMO's passenger vehicle business has transformed significantly on back strong sales momentum with the "New Forever" portfolio. During 9MFY21, the company gained 300 bps market share in the PV segment from FY2020 levels led by launch of New Altroz hatch during Q4FY2020.

■ Valuation - Maintain Buy with a PT of Rs. 328

TAMO is witnessing an improvement on all business verticals - JLR, commercial vehicle and passenger vehicle businesses. We expect TAMO to benefit from improving macro-environment in India and globally. The company is generating strong FCF, which will help it to pursue on its business plans and reduce high debts. We expect TAMO's earnings to get positive in FY2022E and 38.1% in FY2023E, driven by a 15.2% revenue CAGR during FY2021E-FY2023E and a 140-bps improvement in EBITDA margin. Our SOTP-based valuation provides a price target of Rs. 328 for TAMO. at P/E multiple of 10.3x and EV/EBITDA multiple of 3x its FY2023E estimates. We recommend a Buy on the stock.

SOTP based TP of Rs 328

Particulars	Ratioante	Value (in Rs Crore)	Value per Share
Standalone business	6x EV/EBITDA	43,616.75	114
JLR UK	4x EV/EBITDA	1,24,230	324
JLR China	5x EV/EBITDA	10,069	26
Total enterprise value		1,77,916	465
Net Debt		54,654	143
Automotive Business Value		1,23,262	322
Value of Subsidiaries			6
TAMO's Equity Value			328
Current market price			262
Upside			25%

Source: Company; Sharekhan Research

One-year forward P/E (x) band



Source: Sharekhan Research

About company

Tata Motors Limited manufactures cars and commercial automotive vehicles. The Company designs, manufactures, and sells heavy, medium, and small commercial vehicles including trucks, tankers, vans, buses, ambulances and minibuses. Tata also manufactures small cars and sports utility vehicles. The Company is a leading commercial vehicle manufacturer in India. Tata Motors acquired Jaguar and Land Rover Brands in 2008 and the Jaguar and Land Rover brands merged to form one unified company in 2013.

Investment theme

We are positive on Tata Motors Limited (TAMO) considering resilient operational numbers in Q3FY21, robust FCF for JLR and standalone businesses led by all-round strong performance, falling debt and better earnings visibility. Q3FY2021 results saw a strong turnaround in operational performance in all three key automotive businesses - Jaguar Land Rover (JLR), passenger vehicles and commercial vehicles. The company also generated free cash flows (FCF) of Rs. 7,900 crore from its automotive businesses and reduced net debt by Rs. 7,000 crore to Rs. 54,654 crore in Q3FY2021. We expect operational performance to continue in the medium term, with a recovery in all verticals of the automotive businesses. The outlook for the JLR business is positive, aided by macro-environment improving in Europe, UK, America and China. The outlook of domestic commercial vehicle (CV) business is at the cusp of a sharp cyclical rebound, with the notable demand arising from infrastructure, mining and e-commerce activities. TAMO's passenger vehicle business has transformed significantly on back strong sales momentum with the "New Forever" portfolio. During 9MFY21, the company gained 300 bps market share in the PV segment from FY2020 levels led by launch of New Altroz hatch during Q4FY2020. TAMO's management is committed towards reaching zero debt for its automotive business division. The company had highlighted three key strategies for becoming a zero company – FCF generation through higher sales and profitability, divestment of non-core businesses and equity top-up for the remaining debt. The strong result turnaround in key businesses during Q3FY2021 has a strong reason to believe that the company is on the right track towards achieving the zero debt level. We expect all-round improvement in the company's business and recommend Buy on the stock.

Key risks

Tata Motors has business dependent upon cyclical industries – commercial vehicles and passenger vehicles. Also, it has business presence across the globe. Any slowdown or cyclical downturn in any of the locations, where it has strong presence, can impact its business and profitability.

Additional Data

Key management personnel

Mr. Guenter Butschek	CEO and Managing Director
Thierry Bolloré	CEO, Jaguar & Land Rover
Mr. P B Balaji	Group Chief Financial Officer
Naveen Chauhan	Head- Sales and After sales

Source: Company

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Tata Sons Private Limited	39.52
2	Tata Industries Limited	2.34
3	Tata Investment Corporation Limited	0.36
4	Citibank N.A. New York Nyadr Department	11.46
5	Life Insurance Corporation Of India	4.77
6	Jhunjhunwala Rakesh Radheshyam	1.30
7	SBI Arbitrage Opportunities Fund	1.10
8	Alternate Investment Funds	0.14
9	Ewart Investments Limited	0.10
10	Tata Chemicals Ltd	0.06

Source: Bloomberg

Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

Understanding the Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Sharekhan Research

Sharekhan

by BNP PARIBAS

Know more about our products and services

For Private Circulation only

Disclaimer: This document has been prepared by Sharekhan Ltd. (SHAREKHAN) and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation and any review, retransmission, or any other use is strictly prohibited. This Document is subject to changes without prior notice. This document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable and SHAREKHAN has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject SHAREKHAN and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

The analyst certifies that the analyst has not dealt or traded directly or indirectly in securities of the company and that all of the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of SHAREKHAN. The analyst further certifies that neither he or its associates or his relatives has any direct or indirect financial interest nor have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report nor have any material conflict of interest nor has served as officer, director or employee or engaged in market making activity of the company. Further, the analyst has also not been a part of the team which has managed or co-managed the public offerings of the company and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Limited or its associates or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from third party in the past twelve months in connection with the research report.

Either SHAREKHAN or its affiliates or its directors or employees / representatives / clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-61150000; email id: compliance@sharekhan.com;

For any queries or grievances kindly email igc@sharekhan.com or contact: myaccount@sharekhan.com

Registered Office: Sharekhan Limited, 10th Floor, Beta Building, Lodha iThink Techno Campus, Off. JVLR, Opp. Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400042, Maharashtra. Tel: 022 - 61150000. Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE / MSEI (CASH / F&O / CD) / MCX - Commodity: INZ000171337; DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669; Research Analyst: INH000006183;

Disclaimer: Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com; Investment in securities market are subject to market risks, read all the related documents carefully before investing.