

May 13, 2022

## Q4FY22 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	600		656	
Sales (Rs. m)	2,872,141	3,327,926	2,872,977	3,322,776
% Chng.	-	0.2		
EBITDA (Rs. m)	386,568	464,533	402,687	483,056
% Chng.	(4.0)	(3.8)		
EPS (Rs.)	9.7	24.7	13.2	24.9
% Chng.	(26.4)	(0.7)		

### Key Financials - Consolidated

Y/e Mar	FY21	FY22	FY23E	FY24E
Sales (Rs. bn)	2,498	2,785	2,872	3,328
EBITDA (Rs. bn)	358	340	387	465
Margin (%)	14.3	12.2	13.5	14.0
PAT (Rs. bn)	36	(104)	37	95
EPS (Rs.)	9.5	(27.2)	9.7	24.7
Gr. (%)	(137.7)	(385.8)	(135.7)	154.1
DPS (Rs.)	-	-	1.0	2.0
Yield (%)	-	-	0.3	0.5
RoE (%)	6.2	(20.9)	8.1	18.4
RoCE (%)	4.1	0.0	4.4	8.0
EV/Sales (x)	0.8	0.8	0.8	0.7
EV/EBITDA (x)	5.5	6.6	5.8	4.7
PE (x)	39.1	(13.7)	38.3	15.1
P/BV (x)	2.6	3.2	3.0	2.6

### Key Data

TAMO.BO | TTMT IN

52-W High / Low	Rs.537 / Rs.268
Sensex / Nifty	52,930 / 15,808
Market Cap	Rs.1,329bn/ \$ 17,170m
Shares Outstanding	3,321m
3M Avg. Daily Value	Rs.11645.97m

### Shareholding Pattern (%)

Promoter's	46.40
Foreign	14.45
Domestic Institution	14.38
Public & Others	24.77
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(15.1)	(26.6)	14.2
Relative	(6.0)	(15.8)	5.1

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## Short-term pain, long-term gain

### Quick Pointers:

- Consolidated margins of 14.6% (+210bps QoQ) surprised positively despite commodity price pressure.
- Record order book of 168k units at JLR of which 46k for New Range Rover.

**Tata Motors' consolidated EBITDA margin at 14.6% (+210bps QoQ) surprised positively, led by cost controls. Though chip supply at JLR improved QoQ, there still remain certain constraints led by lockdowns in China. 1QFY23 is expected to witness pressure led by chip shortage, inflation burden and Range Rover changeover. However, over FY23 new products (Range Rover deliveries from 2QFY23), demand momentum (as lockdowns in China moderate) and price pass-ons (as commodity prices to remain elevated) will improve profitability, in our view. JLR's order book stands at record 168k units (46k for New Range Rover). For standalone operations, Tata Motors has been able to gain market share across segments; PV market share at 12% vs 8% in FY21, CV at 45% (+250bps from FY21) and EV at ~87%.**

**We maintain our positive stance on Tata Motors as the (1) PV segment will likely gain further market share led by revamped portfolio, customer preference for SUVs and rising EV penetration (2) CV volumes will continue to benefit from cyclical upturn, improving fleet utilization and freight rates (3) revival in JLR and strong order book to benefit and drive FCF generation. Our EBITDA margin estimate contract by ~60bps for FY23/24 to factor inflation headwinds. Maintain 'BUY' with revised SOTP based FY24TP of Rs 600 at 11.5x EV/EBITDA for standalone operations, 2.5x EV/EBITDA for JLR and 9x for PV business (on improved market positioning vs 8x earlier).**

- 3QFY22 financials: (1) Standalone:** Revenue at Rs 173.38bn grew 29/40% YoY/QoQ, led by both CV volume recovery (+12/20%) and higher realizations (+15/17%). EBITDA margin came in at 8% (-200/+450bps YoY/QoQ) supported by cost controls **(2) JLR:** Volumes improved 11% QoQ to 76.5k units. Realizations came in at GBP 62.2k (+17/-9% YoY/QoQ). EBITDAM at 12.6% (-275/+60bps) **(3) Consolidated:** Revenue at Rs 784bn grew 9% YoY. EBITDA margins at 14.6% surprised positively (-190/+210bps YoY/QoQ). Exceptional expenses of Rs 7.3bn (Rs 3bn towards cost of slump sale of PV undertaking, Rs 4.28bn provision for Russian market). Adjusted loss of Rs 3bn.
- Key takeaways: (1) Near-term outlook** remains challenging with supply constraints, COVID-led lockdowns in China and inflationary pressure. In FY22, chip shortage & lockdowns led to a volume decline of ~15% YoY at JLR. However, over FY23 volumes are expected to improve led by 168k units of current order book and sale of New Range Rover (46k bookings) from 2QFY23. Company plans to mitigate inflation linked cost (20% of overall cost) through 'Refocus program' (savings of GBP 1.5bn in FY22). **(2) CV segment:** Tata Motors managed to gain market share across all CV segments. CV market share stood at 44.9% in FY22 (+250bps from FY21). Segmental EBITDA at 5.9% (-290 bps YoY) impacted due to commodity headwinds. Demand for CNG trucks continues to rise. **(3) PV business:** PV market share has improved to 12% at the end of FY22 vs 8% in FY21 led by revamped portfolio (especially in the SUV space) and rising EV penetration (EV market share stands ~87% in FY22 vs 71% in FY21). PV margins expanded 370bps QoQ.

**Exhibit 1: SOTP valuation**

Value/sh	Multiple	FY24
Standalone	11.5x EV/EBITDA	179
JLR	2.5x EV/EBITDA	167
China JV	8x P/E	19
Tata Motors finance	1x P/BV	13
EV Co		158
PV subsidiary	9x EV/EBITDA	64
<b>SOTP derived value</b>		<b>600</b>

Source: PL

**Exhibit 2: Q4FY22 Result Overview - Consolidated (Rs m)**

Y/e March	4QFY22	4QFY21	YoY gr.	3QFY22	QoQ gr.	FY22	FY21	YoY gr.
<b>Net Revenues</b>	<b>7,84,391</b>	<b>8,86,279</b>	<b>-11.5%</b>	<b>7,22,293</b>	<b>8.6%</b>	<b>27,84,536</b>	<b>24,97,948</b>	<b>11.5%</b>
Raw Materials	5,11,964	5,69,932	-10.2%	4,60,488	11.2%	18,08,858	15,82,915	14.3%
<i>% of Net Sales</i>	<i>65.3%</i>	<i>64.3%</i>		<i>63.8%</i>		<i>65.0%</i>	<i>63.4%</i>	
Personnel	80,294	79,830	0.6%	76,510	4.9%	3,08,085	2,76,485	11.4%
<i>% of Net Sales</i>	<i>10.2%</i>	<i>9.0%</i>		<i>10.6%</i>		<i>11.1%</i>	<i>11.1%</i>	
Manufacturing & Other Exp	77,336	90,347	-14.4%	94,727	-18.4%	3,27,510	2,80,728	16.7%
<i>% of Net Sales</i>	<i>9.9%</i>	<i>10.2%</i>		<i>13.1%</i>		<i>11.8%</i>	<i>11.2%</i>	
Total Expenditure	6,69,595	7,40,109	-9.5%	6,31,725	6.0%	24,44,454	21,40,128	14.2%
<b>EBITDA</b>	<b>1,14,796</b>	<b>1,46,170</b>	<b>-21.5%</b>	<b>90,568</b>	<b>26.8%</b>	<b>3,40,083</b>	<b>3,57,819</b>	<b>-5.0%</b>
<i>EBITDA Margin (%)</i>	<i>14.6%</i>	<i>16.5%</i>		<i>12.5%</i>		<i>12.2%</i>	<i>14.3%</i>	
Depreciation	91,846	80,893	13.5%	83,707	9.7%	3,40,452	2,87,733	18.3%
<b>EBIT</b>	<b>22,950</b>	<b>65,277</b>	<b>-64.8%</b>	<b>6,861</b>	<b>234.5%</b>	<b>-369</b>	<b>70,086</b>	<b>NA</b>
Interest Expenses	23,805	21,448	11.0%	24,007	-0.8%	93,119	80,972	15.0%
Non-operating income	9,026	6,914	30.5%	7,026	28.5%	30,536	26,432	15.5%
Forex gain	-4,443	6,289	NA	3,138	NA	-787	17,322	NA
Exceptional gain/(loss)	-7,138	-1,33,465	NA	862	NA	-6,296	-1,37,610	NA
<b>PBT</b>	<b>-3,411</b>	<b>-76,433</b>	<b>NA</b>	<b>-6,121</b>	<b>NA</b>	<b>-70,034</b>	<b>-1,04,743</b>	<b>NA</b>
Tax-Total	7,582	-1,324	NA	7,261	4.4%	42,313	25,418	66.5%
<i>Tax Rate (%) - Total</i>	<i>-222.3%</i>	<i>1.7%</i>		<i>-118.6%</i>		<i>-60.4%</i>	<i>-24.3%</i>	
<b>Reported PAT</b>	<b>-10,993</b>	<b>-75,108</b>	<b>NA</b>	<b>-13,382</b>	<b>NA</b>	<b>-1,12,347</b>	<b>-1,30,160</b>	<b>NA</b>
Share of profit of joint ventures and associates	1,073	-745	NA	-1,129	NA	-741	-3,790	NA
Minority interest	408	201	103.3%	651	-37.3%	1,327	563	135.8%
<b>Adj. PAT</b>	<b>-3,190</b>	<b>57,411</b>	<b>NA</b>	<b>-16,023</b>	<b>NA</b>	<b>-1,08,119</b>	<b>3,097</b>	<b>NA</b>
<i>PAT Margin</i>	<i>-0.4%</i>	<i>6.5%</i>		<i>-2.2%</i>		<i>-3.9%</i>	<i>0.1%</i>	

Source: Company, PL

**Exhibit 3: Q4FY22 Result Overview - JLR (GBP m)**

Y/e March	4QFY22	4QFY21	YoY gr.	3QFY22	QoQ gr.	FY22	FY21	YoY gr.
<b>Net Revenues</b>	<b>4,767</b>	<b>6,538</b>	<b>-27.1%</b>	<b>4,716</b>	<b>1.1%</b>	<b>18,320</b>	<b>19,731</b>	<b>-7.2%</b>
Raw Materials	2,807	4,065	-30.9%	2,783	0.9%	11,239	12,335	-8.9%
<i>% of Net Sales</i>	<i>58.9%</i>	<i>62.2%</i>		<i>59.0%</i>		<i>61.3%</i>	<i>62.5%</i>	
Personnel	599	619	-3.2%	561	6.8%	2,265	2,141	5.8%
<i>% of Net Sales</i>	<i>12.6%</i>	<i>9.5%</i>		<i>11.9%</i>		<i>12.4%</i>	<i>10.9%</i>	
Manufacturing & Other Exp	762	853	-10.7%	807	-5.6%	2,920	2,726	7.1%
<i>% of Net Sales</i>	<i>16.0%</i>	<i>13.0%</i>		<i>17.1%</i>		<i>15.9%</i>	<i>13.8%</i>	
Total Expenditure	4,168	5,537	-24.7%	4,151	0.4%	16,424	17,202	-4.5%
<b>EBITDA</b>	<b>599</b>	<b>1,001</b>	<b>-40.2%</b>	<b>565</b>	<b>6.0%</b>	<b>1,896</b>	<b>2,529</b>	<b>-25.0%</b>
<i>EBITDA Margin (%)</i>	<i>12.6%</i>	<i>15.3%</i>		<i>12.0%</i>		<i>10.3%</i>	<i>12.8%</i>	
Depreciation	509	501	1.6%	483	5.4%	1,944	1,976	-1.6%
<b>EBIT</b>	<b>90</b>	<b>500</b>	<b>-82.0%</b>	<b>82</b>	<b>9.8%</b>	<b>-48</b>	<b>553</b>	<b>NA</b>
Interest Expenses	96	73	31.5%	95	1.1%	360	240	50.0%
Non-operating income	0	0	NA	0	NA	0	0	NA
Forex gain	12	116	-89.7%	18	-33.3%	14	390	-96.4%
Exceptional gain/(loss)	-43	-1,486	NA	0	NA	-43	-1,523	NA
China JV profit	3	-9		-14		-18	-41	
<b>PBT</b>	<b>-34</b>	<b>-952</b>	<b>NA</b>	<b>-9</b>	<b>NA</b>	<b>-455</b>	<b>-861</b>	<b>NA</b>
Tax-Total	61	-32	NA	58	5.2%	374	239	56.5%
<i>Tax Rate (%) - Total</i>	<i>NA</i>	<i>NA</i>		<i>NA</i>		<i>NA</i>	<i>NA</i>	<i>NA</i>
<b>Reported PAT</b>	<b>-95</b>	<b>-920</b>	<b>NA</b>	<b>-67</b>	<b>NA</b>	<b>-829</b>	<b>-1,100</b>	<b>-24.6%</b>
<i>PAT Margin</i>	<i>-2.0%</i>	<i>-14.1%</i>		<i>-1.4%</i>		<i>-4.5%</i>	<i>-5.6%</i>	

Source: Company, PL

**Exhibit 4: Q4FY22 Result Overview – Standalone (Rs m)**

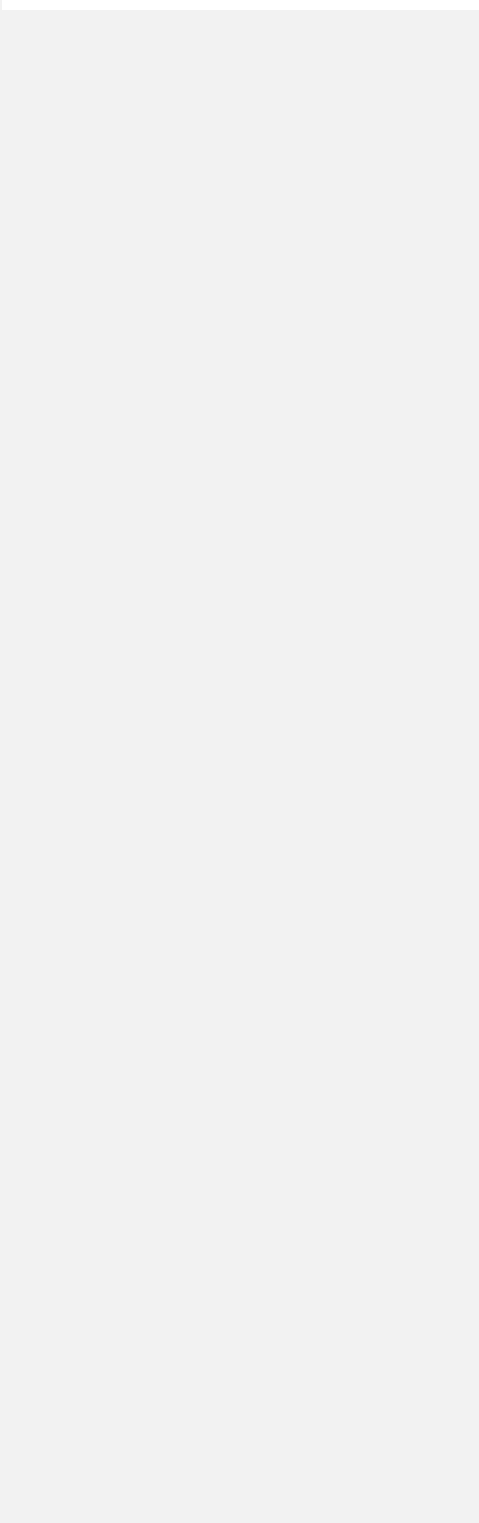
Y/e March	4QFY22	4QFY21	YoY gr.	3QFY22	QoQ gr.	FY22	FY21	YoY gr.
<b>Net Revenues</b>	<b>1,73,383</b>	<b>1,34,804</b>	<b>28.6%</b>	<b>1,23,528</b>	<b>40.4%</b>	<b>4,72,637</b>	<b>3,13,976</b>	<b>50.5%</b>
Raw Materials	1,35,127	99,509	35.8%	96,540	40.0%	3,63,192	2,25,926	60.8%
<i>% of Net Sales</i>	<i>77.9%</i>	<i>73.8%</i>		<i>78.2%</i>		<i>76.8%</i>	<i>72.0%</i>	
Personnel	8,756	8,372	4.6%	9,181	-4.6%	36,015	35,272	2.1%
<i>% of Net Sales</i>	<i>5.1%</i>	<i>6.2%</i>		<i>7.4%</i>		<i>7.6%</i>	<i>11.2%</i>	
Manufacturing & Other Exp	15,707	13,472	16.6%	13,566	15.8%	51,133	35,712	43.2%
<i>% of Net Sales</i>	<i>9.1%</i>	<i>10.0%</i>		<i>11.0%</i>		<i>10.8%</i>	<i>11.4%</i>	
Total Expenditure	1,59,590	1,21,353	31.5%	1,19,288	33.8%	4,50,340	2,96,910	51.7%
<b>EBITDA</b>	<b>13,793</b>	<b>13,452</b>	<b>2.5%</b>	<b>4,240</b>	<b>225.3%</b>	<b>22,296</b>	<b>17,066</b>	<b>30.6%</b>
<i>EBITDA Margin (%)</i>	<i>8.0%</i>	<i>10.0%</i>		<i>3.4%</i>		<i>4.7%</i>	<i>5.4%</i>	
Depreciation	7,205	5,995	20.2%	5,750	25.3%	23,545	26,248	-10.3%
<b>EBIT</b>	<b>6,588</b>	<b>7,457</b>	<b>-11.7%</b>	<b>-1,510</b>	<b>-536.4%</b>	<b>-1,248</b>	<b>-9,181</b>	<b>NA</b>
Interest Expenses	4,918	4,763	3.2%	5,356	-8.2%	21,217	21,723	-2.3%
Non-operating income	1,953	1,107	76.5%	1,387	40.8%	6,599	4,620	42.8%
Forex gain	-498	-258	93.3%	-338	47.3%	-1,368	-287	NA
Exceptional gain/(loss)	1,416	-1,621	-187.3%	-1	NA	834	-3,076	NA
<b>PBT</b>	<b>4,541</b>	<b>1,922</b>	<b>136.2%</b>	<b>-5,817</b>	<b>NA</b>	<b>-16,401</b>	<b>-29,646</b>	<b>NA</b>
Tax-Total	407	284	43.2%	538	-24.3%	992	300	230.9%
<i>Tax Rate (%) - Total</i>	<i>9.0%</i>	<i>14.8%</i>		<i>-9.3%</i>		<i>-6.0%</i>	<i>-1.0%</i>	
<b>Reported PAT</b>	<b>4,134</b>	<b>1,638</b>	<b>152.4%</b>	<b>-6,355</b>	<b>NA</b>	<b>-17,392</b>	<b>-29,946</b>	<b>NA</b>
<b>Adj. PAT</b>	<b>2,718</b>	<b>3,258</b>	<b>-16.6%</b>	<b>-6,354</b>	<b>NA</b>	<b>-18,227</b>	<b>-26,870</b>	<b>NA</b>
<i>PAT Margin</i>	<i>1.6%</i>	<i>2.4%</i>		<i>-5.1%</i>		<i>-3.9%</i>	<i>-8.6%</i>	

Source: Company, PL

**Exhibit 5: Operating Metrics**

Y/e March	4QFY22	4QFY21	YoY gr.	3QFY22	QoQ gr.	FY22	FY21	YoY gr.
<b>Sales Volume (nos)</b>	<b>1,19,870</b>	<b>1,07,484</b>	<b>11.5%</b>	<b>1,00,070</b>	<b>19.8%</b>	<b>3,56,972</b>	<b>2,62,770</b>	<b>35.8%</b>
Net Realisation/Vehicle	14,46,423	12,54,179	15.3%	12,34,414	17.2%	13,24,016	11,94,872	10.8%
Material cost / vehicle	11,27,279	9,25,799	21.8%	9,64,727	16.8%	10,17,425	8,59,787	18.3%
Gross Profit / vehicle	3,19,144	3,28,380	-2.8%	2,69,687	18.3%	3,06,591	3,35,085	-8.5%
Employee cost /vehicle	73,046	77,891	-6.2%	91,746	-20.4%	1,00,891	1,34,232	-24.8%
Other expenses / vehicle	1,31,035	1,25,340	4.5%	1,35,568	-3.3%	1,43,241	1,35,905	5.4%
EBITDA/vehicle	1,15,063	1,25,150	-8.1%	42,373	171.5%	62,460	64,948	-3.8%
Net Profit/vehicle	22,675	30,315	-25.2%	-63,496	-135.7%	-51,059	-1,02,258	-50.1%

Source: Company, PL



## Financials

### Income Statement (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
<b>Net Revenues</b>	<b>2,497,948</b>	<b>2,784,536</b>	<b>2,872,141</b>	<b>3,327,926</b>
YoY gr. (%)	(4.3)	11.5	3.1	15.9
Cost of Goods Sold	1,582,915	1,808,858	1,818,211	2,100,650
Gross Profit	915,032	975,678	1,053,930	1,227,276
Margin (%)	36.6	35.0	36.7	36.9
Employee Cost	276,485	308,085	307,527	345,022
Other Expenses	280,728	327,510	359,834	417,720
<b>EBITDA</b>	<b>357,819</b>	<b>340,083</b>	<b>386,568</b>	<b>464,533</b>
YoY gr. (%)	49.6	(5.0)	13.7	20.2
Margin (%)	14.3	12.2	13.5	14.0
Depreciation and Amortization	287,733	340,452	305,834	315,836
<b>EBIT</b>	<b>70,086</b>	<b>(369)</b>	<b>80,734</b>	<b>148,697</b>
Margin (%)	2.8	0.0	2.8	4.5
Net Interest	80,972	93,119	77,230	78,360
Other Income	43,753	29,750	36,644	45,804
<b>Profit Before Tax</b>	<b>(104,743)</b>	<b>(70,034)</b>	<b>40,148</b>	<b>116,141</b>
Margin (%)	(4.2)	(2.5)	1.4	3.5
Total Tax	25,419	42,313	10,037	29,035
Effective tax rate (%)	(24.3)	(60.4)	25.0	25.0
<b>Profit after tax</b>	<b>(130,161)</b>	<b>(112,347)</b>	<b>30,111</b>	<b>87,106</b>
Minority interest	563	1,327	1,340	1,354
Share Profit from Associate	(3,790)	(741)	8,494	8,954
<b>Adjusted PAT</b>	<b>36,491</b>	<b>(104,315)</b>	<b>37,265</b>	<b>94,706</b>
YoY gr. (%)	-	-	-	-
Margin (%)	1.5	(3.7)	1.3	2.8
Extra Ord. Income / (Exp)	(171,005)	(10,100)	-	-
<b>Reported PAT</b>	<b>(134,514)</b>	<b>(114,415)</b>	<b>37,265</b>	<b>94,706</b>
YoY gr. (%)	11.4	(14.9)	(132.6)	154.1
Margin (%)	(5.4)	(4.1)	1.3	2.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
<b>Equity Shares O/s (m)</b>	<b>3,829</b>	<b>3,829</b>	<b>3,829</b>	<b>3,829</b>
<b>EPS (Rs)</b>	<b>9.5</b>	<b>(27.2)</b>	<b>9.7</b>	<b>24.7</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>3,128,886</b>	<b>3,501,315</b>	<b>3,779,664</b>	<b>4,056,987</b>
Tangibles	3,128,886	3,501,315	3,779,664	4,056,987
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>1,749,847</b>	<b>2,120,832</b>	<b>2,355,824</b>	<b>2,612,625</b>
Tangibles	1,749,847	2,120,832	2,355,824	2,612,625
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>1,379,039</b>	<b>1,380,483</b>	<b>1,423,840</b>	<b>1,444,362</b>
Tangibles	1,379,039	1,380,483	1,423,840	1,444,362
Intangibles	-	-	-	-
Capital Work In Progress	209,639	102,511	112,762	124,038
Goodwill	8,037	8,072	8,072	8,072
Non-Current Investments	55,691	66,703	70,038	73,540
Net Deferred tax assets	(15,559)	(15,584)	(16,987)	(18,516)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	190,512	227,092	238,447	250,369
Inventories	360,886	352,403	354,100	410,292
Trade receivables	126,791	124,421	180,984	209,705
Cash & Bank Balance	467,925	406,692	240,271	380,482
Other Current Assets	632,739	637,822	695,997	759,541
<b>Total Assets</b>	<b>3,431,258</b>	<b>3,306,199</b>	<b>3,324,510</b>	<b>3,660,402</b>
<b>Equity</b>				
Equity Share Capital	7,658	7,659	7,659	7,659
Other Equity	544,809	437,954	463,286	549,246
<b>Total Networkth</b>	<b>552,467</b>	<b>445,612</b>	<b>470,945</b>	<b>556,904</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	1,210,016	1,464,490	1,311,765	1,371,483
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	681,798	599,704	668,855	774,997
Other current liabilities	955,682	738,098	811,908	893,098
<b>Total Equity &amp; Liabilities</b>	<b>3,431,258</b>	<b>3,306,199</b>	<b>3,324,510</b>	<b>3,660,402</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY21	FY22	FY23E	FY24E
PBT	(108,532)	(70,775)	48,642	125,095
Add. Depreciation	235,467	248,357	234,992	256,801
Add. Interest	80,972	93,119	77,230	78,360
Less Financial Other Income	43,753	29,750	36,644	45,804
Add. Other	93,857	(23,454)	(36,644)	(45,804)
Op. profit before WC changes	301,764	247,247	324,220	414,452
Net Changes-WC	104,309	(293,911)	26,526	38,875
Direct tax	(29,278)	(42,287)	(8,634)	(27,506)
<b>Net cash from Op. activities</b>	<b>376,794</b>	<b>(88,951)</b>	<b>342,112</b>	<b>425,820</b>
Capital expenditures	(204,888)	(142,707)	(288,600)	(288,600)
Interest / Dividend Income	-	-	-	-
Others	(176,975)	(24,139)	21,954	30,380
<b>Net Cash from Inv. activities</b>	<b>(381,863)</b>	<b>(166,846)</b>	<b>(266,646)</b>	<b>(258,220)</b>
Issue of share cap. / premium	63,232	33,209	(7,559)	-
Debt changes	153,464	254,474	(152,725)	59,718
Dividend paid	-	-	(4,373)	(8,746)
Interest paid	(80,972)	(93,119)	(77,230)	(78,360)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>135,724</b>	<b>194,564</b>	<b>(241,887)</b>	<b>(27,389)</b>
<b>Net change in cash</b>	<b>130,655</b>	<b>(61,233)</b>	<b>(166,421)</b>	<b>140,212</b>
Free Cash Flow	171,906	(231,658)	53,512	137,220

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q1FY22	Q2FY22	Q3FY22	Q4FY22
<b>Net Revenue</b>	<b>664,065</b>	<b>613,788</b>	<b>722,293</b>	<b>784,391</b>
YoY gr. (%)	107.6	14.7	(4.5)	(11.5)
Raw Material Expenses	425,501	410,905	460,488	511,964
Gross Profit	238,563	202,883	261,805	272,426
Margin (%)	35.9	33.1	36.2	34.7
<b>EBITDA</b>	<b>73,012</b>	<b>61,707</b>	<b>90,568</b>	<b>114,796</b>
YoY gr. (%)	321.9	(7.6)	(29.0)	(21.5)
Margin (%)	11.0	10.1	12.5	14.6
Depreciation / Depletion	82,457	82,442	83,707	91,846
<b>EBIT</b>	<b>(9,446)</b>	<b>(20,735)</b>	<b>6,861</b>	<b>22,950</b>
Margin (%)	(1.4)	(3.4)	0.9	2.9
Net Interest	22,033	23,273	24,007	23,805
Other Income	5,667	9,337	10,164	4,582
<b>Profit before Tax</b>	<b>(25,786)</b>	<b>(34,716)</b>	<b>(6,121)</b>	<b>(3,411)</b>
Margin (%)	(3.9)	(5.7)	(0.8)	(0.4)
Total Tax	17,420	10,051	7,261	7,582
Effective tax rate (%)	(67.6)	(29.0)	(118.6)	(222.3)
<b>Profit after Tax</b>	<b>(43,206)</b>	<b>(44,766)</b>	<b>(13,382)</b>	<b>(10,993)</b>
Minority interest	8	260	651	408
Share Profit from Associates	(1,295)	611	(1,129)	1,073
<b>Adjusted PAT</b>	<b>(44,534)</b>	<b>(44,371)</b>	<b>(16,023)</b>	<b>(3,190)</b>
YoY gr. (%)	(47.2)	1,289.9	(148.1)	(105.6)
Margin (%)	(6.7)	(7.2)	(2.2)	(0.4)
Extra Ord. Income / (Exp)	25	(45)	862	(7,138)
<b>Reported PAT</b>	<b>(44,509)</b>	<b>(44,416)</b>	<b>(15,161)</b>	<b>(10,328)</b>
YoY gr. (%)	(47.3)	1,312.9	(152.2)	(86.4)
Margin (%)	(6.7)	(7.2)	(2.1)	(1.3)
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Avg. Shares O/s (m)	3,829	3,829	3,829	3,829
<b>EPS (Rs)</b>	<b>(11.6)</b>	<b>(11.6)</b>	<b>(4.2)</b>	<b>(0.8)</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY21	FY22	FY23E	FY24E
<b>Per Share(Rs)</b>				
EPS	9.5	(27.2)	9.7	24.7
CEPS	84.7	61.7	89.6	107.2
BVPS	144.3	116.4	123.0	145.4
FCF	44.9	(60.5)	14.0	35.8
DPS	-	-	1.0	2.0
<b>Return Ratio(%)</b>				
RoCE	4.1	0.0	4.4	8.0
ROIC	8.2	0.0	4.4	9.1
RoE	6.2	(20.9)	8.1	18.4
<b>Balance Sheet</b>				
Net Debt : Equity (x)	1.0	1.9	1.8	1.3
Net Working Capital (Days)	(129)	(82)	(87)	(83)
<b>Valuation(x)</b>				
PER	39.1	(13.7)	38.3	15.1
P/B	2.6	3.2	3.0	2.6
P/CEPS	4.4	6.0	4.2	3.5
EV/EBITDA	5.5	6.6	5.8	4.7
EV/Sales	0.8	0.8	0.8	0.7
Dividend Yield (%)	-	-	0.3	0.5

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY21	FY22	FY23E	FY24E
Volume (units)	262,773	356,972	439,468	535,704
Net realisation (Rs/unit)	959,133	1,257,953	1,317,965	1,359,446

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	11-Apr-22	BUY	656	452
2	01-Feb-22	BUY	632	518
3	12-Jan-22	BUY	611	480
4	02-Nov-21	BUY	648	486
5	13-Oct-21	BUY	592	421
6	07-Oct-21	UR	-	377
7	07-Jul-21	Reduce	255	317
8	19-May-21	Reduce	279	332

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ashok Leyland	BUY	170	131
2	Bajaj Auto	Accumulate	4,120	3,834
3	Bharat Forge	BUY	942	740
4	CEAT	UR	-	1,108
5	Eicher Motors	BUY	3,071	2,541
6	Endurance Technologies	BUY	1,690	1,204
7	Exide Industries	BUY	218	161
8	Hero Motocorp	BUY	3,150	2,410
9	Mahindra & Mahindra	BUY	1,042	857
10	Maruti Suzuki	BUY	9,000	7,718
11	Tata Motors	BUY	656	452
12	TVS Motors	BUY	795	630

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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