

BSE SENSEX  
65,344

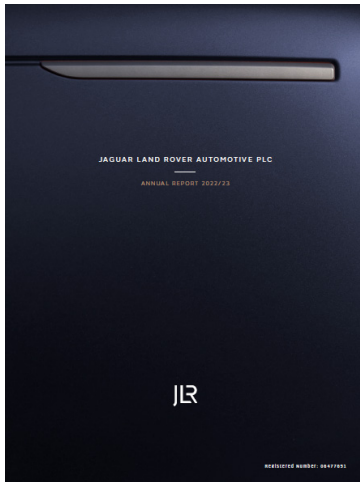
S&P CNX  
19,356

**CMP: INR618**

**TP: INR700 (+13%)**

**Buy**

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Bloomberg	TTMT IN
Equity Shares (m)	3598
M.Cap.(INRb)/(USD\$b)	2220.9 / 26.9
52-Week Range (INR)	635 / 376
1, 6, 12 Rel. Per (%)	6/42/21
12M Avg Val (INR M)	6465
Free float (%)	53.6

#### Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Net Sales	3,460	4,328	4,581
EBITDA	318.3	524.3	577.9
Adj. PAT	8.2	122.9	145.8
Adj. EPS (INR)	2.2	32.1	38.1
EPS Gr. (%)	-108	1,391	19
BV/Sh. (INR)	118.3	147.4	181.4

#### Ratios

Net D/E (x)	1.0	0.4	0.1
RoE (%)	1.8	24.1	23.2
RoCE (%)	5.0	12.0	12.0
Payout (%)	93.6	9.4	10.6

#### Valuations

P/E (x)	279.3	18.7	15.8
P/BV (x)	5.1	4.1	3.3
EV/EBITDA (x)	9.2	5.0	4.2
Div. Yield (%)	0.3	0.5	0.7
FCF Yield (%)	8.2	15.0	6.8

## JLR's EV transition to be driven by three platforms

**Double-digit margin by FY26 | Net Cash positive by FY25**

JLR's FY23 annual report highlights that its strategy for transitioning to a modern luxury vision, centered around electric vehicles, is driven by three platforms. Refocus 2.0 'value creation system' will simplify its operating framework and governance, with greater focus on systematic value creation and business excellence. It is strengthening and upskilling its human capital for skills of the future and preparing for the targeted transition. Additionally, it has entered into strategic partnerships for bringing new technologies to support the transformation and growth of its business. Lastly, it has maintained its sustainability goal of carbon net zero by 2039 by driving transition to all electric future. Key insights from the annual report are:

- JLR is reimagining its approach to position itself as a genuine modern luxury brand, adopting a House of Brands organizational structure. The objective is to amplify the distinctive identity of each of its four focused JLR's brands, viz Range Rover, Defender, Discovery, and Jaguar, and accelerate the realization of JLR's vision of being a modern luxury brand.
- JLR's roadmap for EV transition would be driven by three platforms, viz. a) Electrified Modular Architecture (EMA) – EV only platform, b) flexible Modular Longitudinal Architecture (MLA) platform, offering flexibility between ICE, hybrid, and pure-electric, and c) JEA for all electric Jaguars. The BEV RR/RR Sport are on track for 2024 launch and Jaguar for 2025.
- 'Reimagine' is the roadmap for the transformation of JLR into a sustainable, electric-first modern luxury business, enabling it to deliver double-digit EBIT margins by FY26 and become net cash positive by FY25. Refocus 2.0, transformation program for fulfilment of 'Reimagine', is a "Value Creation System" that will govern everything it does as a business.
- It is actively reinforcing and upskilling its human capital to acquire the skills required for the future and is proactively preparing for the targeted transition. It strengthened its senior management team in FY23 and have added over 800 professionals to get future ready. Also, it is reskilling 29,000 people (including retailer employees) over the next three years in skills vital to electrification, digital, and autonomous cars.
- Through global partnerships announced in FY23, it plans to deliver a) automated driving systems and AI-powered connected services from 2025 with NVIDIA, b) increase performance and range for its next gen EVs using silicon carbide semiconductor inverter technologies developed with Wolfspeed, and c) accelerate the digital transformation of its industrial operations with Tata Technologies.
- JLRs volumes (ex JV) grew ~9% in FY23 to 321k, whereas realizations grew 14.4% to GBP71.2k/units, leading to 24.5% growth in net revenues to GBP22.8b. EBITDA margins expanded by 100bp to 11.3%, and EBITDA grew 36% to GBP2.57b. Adj. PAT stood at GBP40m (vs. net loss of GBP744m in FY22). CFO grew 2.3x to GBP2.87b and capex grew 16% to GBP2.35b, leading to FCF of GBP521m (vs. FCF outflow of GBP1.16b in FY22). Net debt reduced to GBP3b (from GBP3.2b in FY22).

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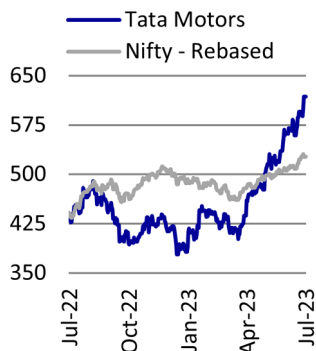
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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Shareholding pattern (%)**

As On	Mar-23	Dec-22	Mar-22
Promoter	46.4	46.4	46.4
DII	17.8	15.4	14.5
FII	16.9	18.2	14.5
Others	18.9	20.1	24.6

**Stock Performance (1-year)****A House of brands-transition to modern luxury vision...**

- JLR is reimagining its approach to position itself as a genuine modern luxury brand, adopting a House of Brands organizational structure. The objective is to amplify the distinctive identity of each of its four focused JLR's brands, viz. Range Rover, Defender, Discovery, and Jaguar, and accelerate the realization of JLR's vision to become pioneers in the realm of modern luxury.
- While Range Rover, Discovery, and Defender will maintain the trusted Land Rover mark, the Land Rover name will continue to be featured on its vehicles to reinforce their strong all-terrain credentials and technology capabilities.
- The objective of this approach is to allow each brand to project its own individual identity, desirability, and personality. The House of Brands approach will not only offer clarity and differentiation for our clients, but also foster an emotional connection with our brands.
- It is completely reimagining the future of Jaguar, with the objective to deliver a dramatic, aspirational, and unique pure-electric modern luxury brand. The first of the three reimagined full electric Jaguars will be a new 4-door GT Jaguar, which will go on sales in selected markets in 2024 and deliveries would start in 2025.

**...as well as to modern luxury of electric vehicles**

- JLRs roadmap for EV transition would be driven by three platforms viz. a) Electrified Modular Architecture (EMA) – EV only platform, b) flexible Modular Longitudinal Architecture (MLA) platform offering flexibility between ICE, hybrid, and pure-electric, and c) JEA for all electric Jaguars
- The first pure-electric Range Rover will launch in 2024, and over the following years, all of its models will have pure-electric options.
- It is currently developing a distinctive architecture called JEA that will encompass a clearly defined design language for all future electric Jaguar vehicles. This unique architecture will be a true original, setting Jaguar apart from any existing designs in the market. It would be manufactured at its Solihull manufacturing facility.
- The Halewood plant will become JLR's first all-electric production facility.
- It is investing GBP15b over the next five years to deliver on its product plans, including investments for electrification of its portfolio.

**Refocus 2.0 – the next phase of sustained transformation**

- 'Reimagine' is the roadmap for the transformation of JLR into a sustainable, electric-first modern luxury business, enabling it to deliver double-digit EBIT margins by FY26 and turn net cash positive by FY25.
- 'Refocus' transformation programme is the engine room of long-term fulfilment of 'Reimagine' strategy. Refocus has already delivered over GBP2.6b of value since the beginning of FY22.
- 'Refocus' transformation is now evolving to its next level. Refocus 2.0 is an enterprise-wide approach that will simplify its operating framework and governance, with greater focus on systematic value creation and business excellence.
- Refocus 2.0 "Value Creation System" will govern everything it does as a business under the three value streams: how it manages to "Attract & Retain its Clients",

how it maximizes the return on the investments it makes in the “Creation of Products & Services”, and how it would “Plan, Buy & Make” the Industrial Operations part of the business to build its products.

### **Strengthening and upskilling human capital for skills of future**

- JLR strengthened its senior management in FY23 by recruiting a) Thomas Müller as new Executive Director of Product Engineering in Apr-22, and b) Barbara Bergmeier as Executive Director of Industrial Operations (newly created position) in Jul-22. Mr. Muller will strengthen its engineering capability to deliver electrification, whereas Ms Bergmeier will strengthen the areas of manufacturing, purchasing, and supply chain.
- Since joining JLR, Ms Bergmeier formed deeper relationships and partnerships with its priority chip suppliers, enabling it to ramp up production of our highest margin products.
- It has hired over 800 professionals in digital and engineering roles globally, across electrification, autonomous driving, artificial intelligence/machine learning/data science and cloud software. This will bolster the existing 1,100 engineers working on subjects, including driver assistance systems and artificial intelligence for self-driving cars.
- It is reskilling its workforce in areas of electrification, digital and autonomous cars to prepare for the electric-first future. In Sep-22, it announced Future Skills Programme, a global upskilling drive to train 29,000 people (including retailer employees) over the next three years in skills vital to electrification, digital, and autonomous cars.
- It also created three global tech hubs at Germany, Italy, and Spain, which will be focused on autonomous technologies. These tech hubs are in addition to the existing JLR tech hubs in the US, Hungary, Ireland, UK, China, and India.

### **Collaborations-Cornerstone of Reimagine**

- Strategic partnerships are a cornerstone of Reimagine strategy of JLR. It is partnering with global experts such as NVIDIA, Tata Technologies, and Tata Consultancy Services. These partnerships are bringing new technologies to support the transformation and growth of its business.
- Through its Open Innovation programme, JLR aims to deliver technology and digital services leadership. By collaborating with global start-ups and scale-ups, the company aims to embrace new ideas and seize new opportunities.
- In FY23, JLR announced global partnerships aimed at achieving several objectives, a) it is collaborating with NVIDIA to develop automated driving systems and AI-powered connected services, with the goal of implementing them from 2025; b) it is working with Wolfspeed to leverage silicon carbide semiconductor inverter technologies, enhancing the range of JLR’s next-generation electric vehicles; and c) it is partnering with Tata Technologies to accelerate the digital transformation of its industrial operations.

### Sustainability – Maintains net zero goals by 2039

- It has committed to ambitious science-based targets viz a) to reduce greenhouse emissions by 46% in its operations and by 54% per vehicle across its entire value chain by 2030, and b) carbon net zero goals by 2039.
- The central focus of JLR's strategy is the transition to an electric future across all its brands. This transition encompasses not only electric vehicles but also the development of a comprehensive supporting ecosystem. Plug-in electric hybrids play a crucial role as a stepping stone for both JLR and its clients in this journey toward electrification. The BEV RR and RR Sport are on track for 2024 launch and Jaguar for deliveries in 2025.
- By 2030, all nameplates will offer pure-electric options and are targeted to account for 60% of its retail sales.

### Other highlights

- **Changes in the retail format:** It is exploring new modern luxury physical retail designs, showcasing immersive and joyful experiences. This new format has been introduced at its Mayfair-London Boutique and in five cities in China.
- **Leveraging Software over the air:** For the new models such as RR/RR Sport/Defender, which has more updateable ECU per car than any other production model on sale, SOTA feature was originally developed to update infotainment system. However, this enables unprecedented scope to enhance the vehicle remotely and SOTA now updates a wide variety of vehicle systems, from engine, braking and steering systems, transmission control for four-wheel-drive and advanced driver assistance systems (ADAS), such as Adaptive Cruise Control.
- **Cost Inflation impact of ~370bp:** Inflation accounted for ~GBP850m (or 370bp) of increased costs in FY23 with cost increases coming from higher commodity prices (~150bp), energy costs (70-80bp), semiconductor prices (~110bp), and labor/other costs (30-40bp).

### Valuation & view

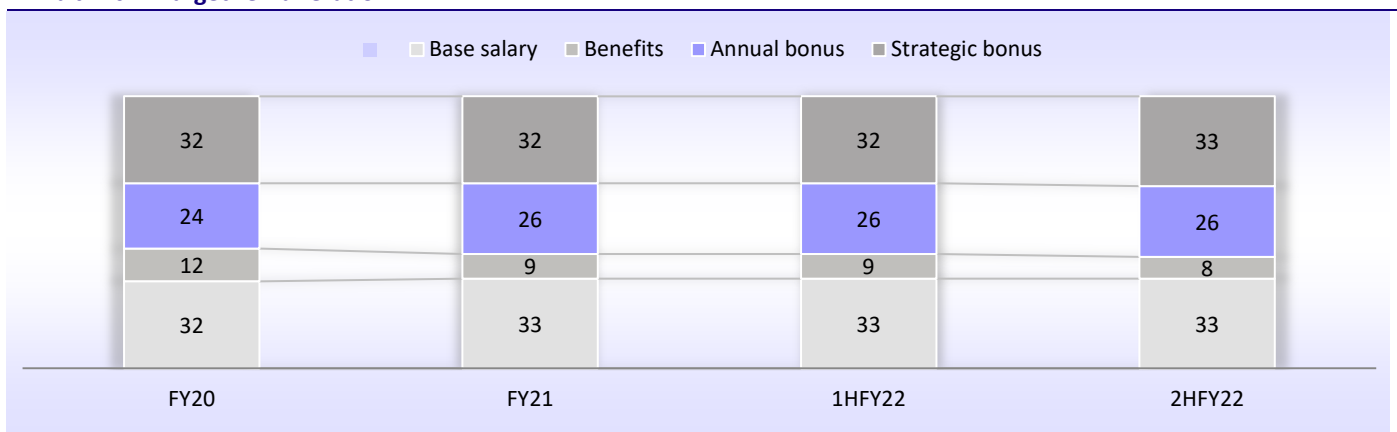
- TTMT should witness a healthy recovery as supply-side issues ease (for JLR) and commodity headwinds stabilize (for the India business). It will benefit from: a) CV upcycle and stable growth in PVs, b) company-specific volume/margin drivers, and c) a sharp improvement in FCF and leverage in both JLR as well as the India business.
- The stock trades at 19.3x/16.2x FY24E/FY25E consolidated P/E and 5x/4.2x EV/EBITDA. We reiterate our BUY rating, with a TP of ~INR700 (Jun-25E based SoTP).

**Exhibit 1: Sum of the parts valuation**

INR B	Valuation Parameter	Multiple (x)	FY24E	FY25E	FY26E
Tata Motors - Standalone	SOTP		1,416	1,555	1,716
CVs	EV/EBITDA	10	749	739	768
PVs	EV/EBITDA	15	667	816	948
JLR (Adj for R&D capitalization)	EV/EBITDA	2	748	791	940
JLR - Chery JV EBITDA Share	EV/EBITDA	2	27	30	33
Tata Motors Finance	P/BV	1.5	66	70	72
<b>Total EV</b>			<b>2,258</b>	<b>2,445</b>	<b>2,761</b>
Less: Net Debt (Ex TMFL)			223	36	-162
Add: TataTech @ INR250b Mcap	20% discount	74.4% stake	149	149	149
<b>Total Equity Value</b>			<b>2,184</b>	<b>2,558</b>	<b>3,071</b>
<b>Fair Value (INR/Sh) - Ord Sh</b>	<b>Fully Diluted</b>		<b>570</b>	<b>668</b>	<b>802</b>
Upside (%)			-7.8	8.0	29.7

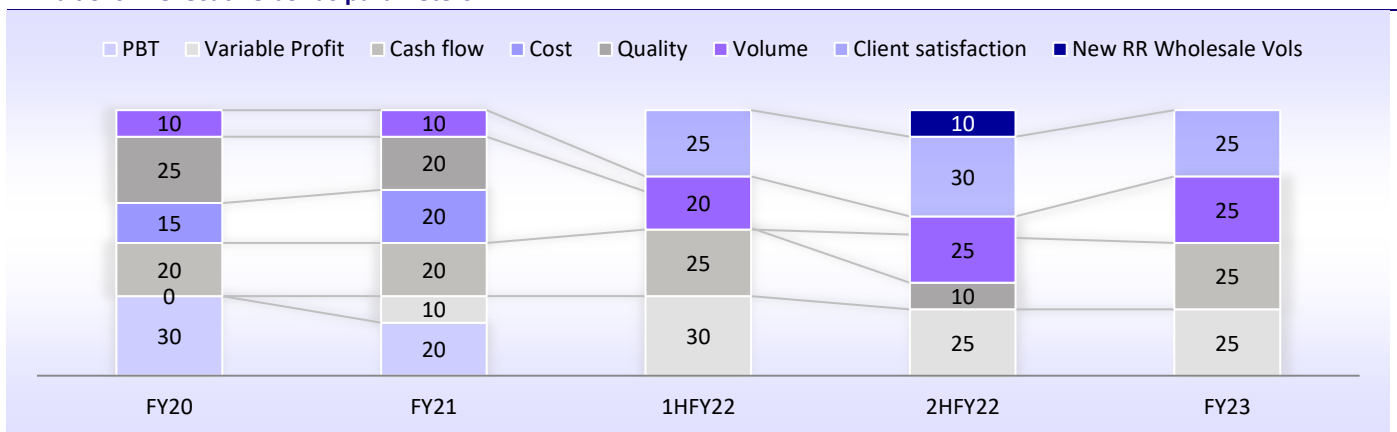
Source: Company, MOFSL

**Exhibit 2: JLR Target remuneration**



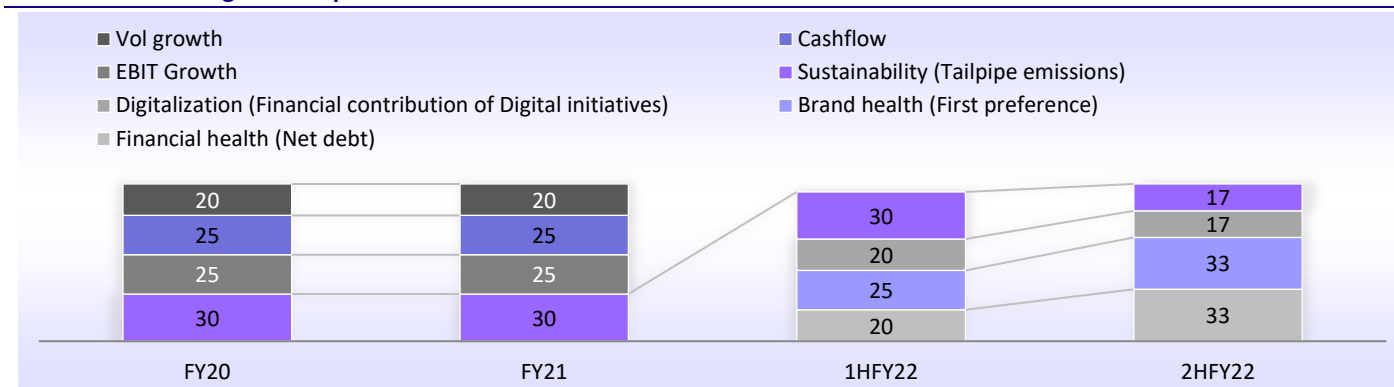
Source: Company, MOFSL

**Exhibit 3: JLR executive bonus parameters**



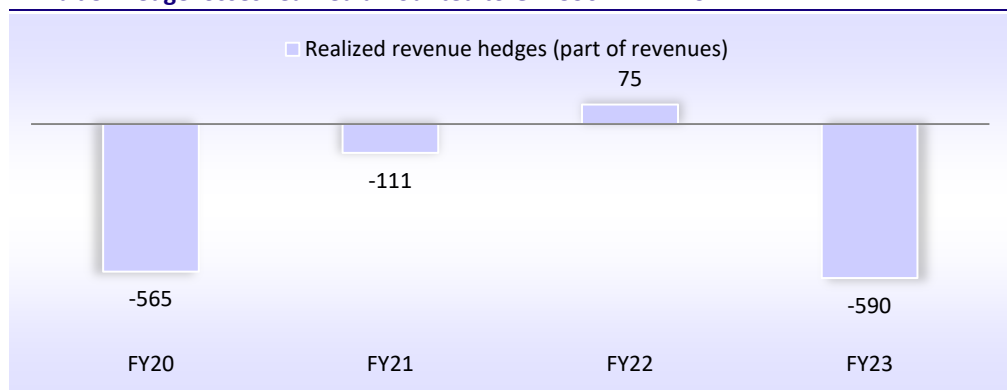
Source: Company, MOFSL

**Exhibit 4: JLR Strategic bonus parameters**



Source: Company, MOFSL

**Exhibit 5: Hedge losses realized amounted to GBP590m in FY23**



Source: Company, MOFSL

**Exhibit 6: JLR average strike rates for cashflow hedges for P&L suggests no material FX benefit in FY24E based on 1QFY24 spot rates**

	FY20	FY21	FY22	FY23	1QFY24 Avg Spot
<b>Sell-USD</b>					<b>0.7991</b>
<1 year	0.7229	0.7596	0.7604	0.7528	
Between 1 to 5 years	0.7649	0.7654	0.7361	0.7581	
<b>Sell-CNY</b>					<b>0.1141</b>
<1 year	0.1086	0.1098	0.1094	0.1139	
Between 1 to 5 years	0.1096	0.1088	0.1123	0.1159	
<b>Buy-EUR</b>					<b>0.8698</b>
<1 year	0.9109	0.9069	0.8875	0.8915	
Between 1 to 5 years	0.9101	0.9010	0.8860	0.9129	

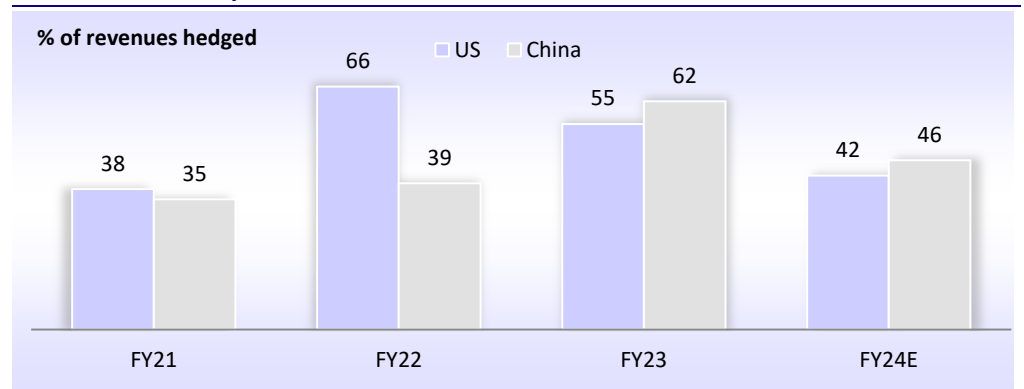
Source: Company, MOFSL

**Exhibit 7: JLR cashflow hedges (nominal amount, GBP m)- Sharp reduction in EUR hedges for >1 year**

GBP m	FY20	FY21	FY22	FY23
<b>Sell-USD</b>				
<1 year	1,766	2,833	2,882	2,761
Between 1 to 5 years	5,098	3,734	3,734	4,199
<b>Sell-CNY</b>				
<1 year	1,601	1,647	2,819	2,674
Between 1 to 5 years	1,189	629	3,521	4,894
<b>Buy-EUR</b>				
<1 year	2,635	2,695	2,892	1,984
Between 1 to 5 years	3,384	1,899	1,254	41

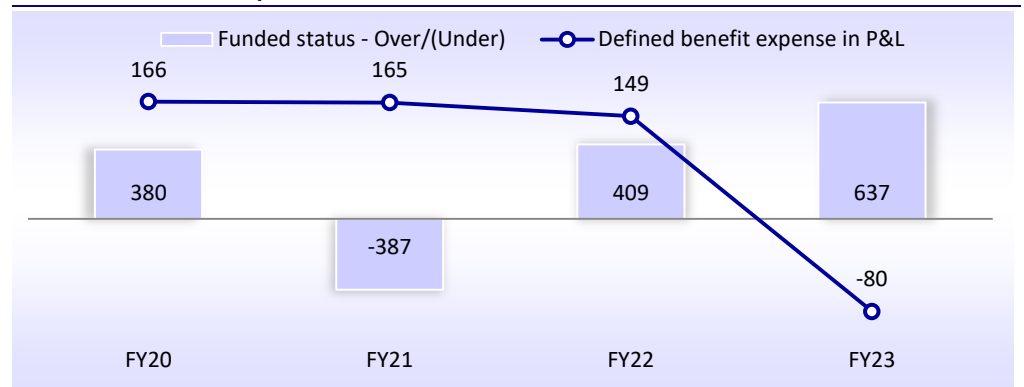
Source: Company, MOFSL

**Exhibit 8: Based on our estimates for FY24 revenues, hedge cover seems to be lower than that in the last two years**



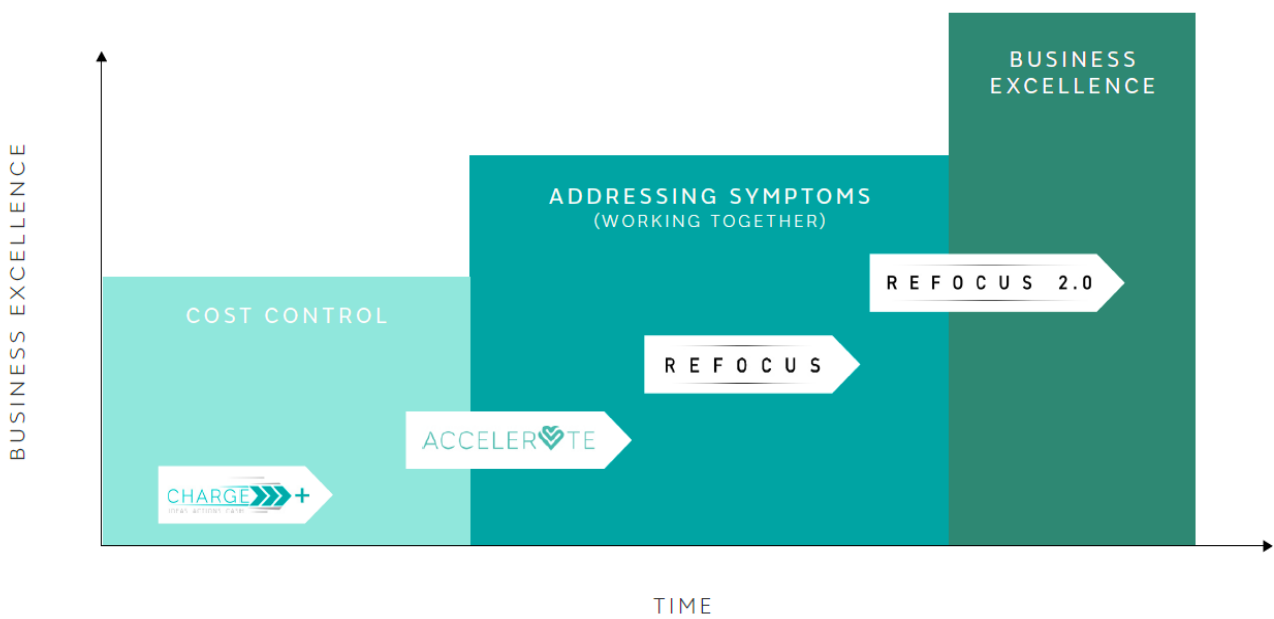
Source: Company, MOFSL

**Exhibit 9: JLR-defined pension scheme remains over-funded in FY23**



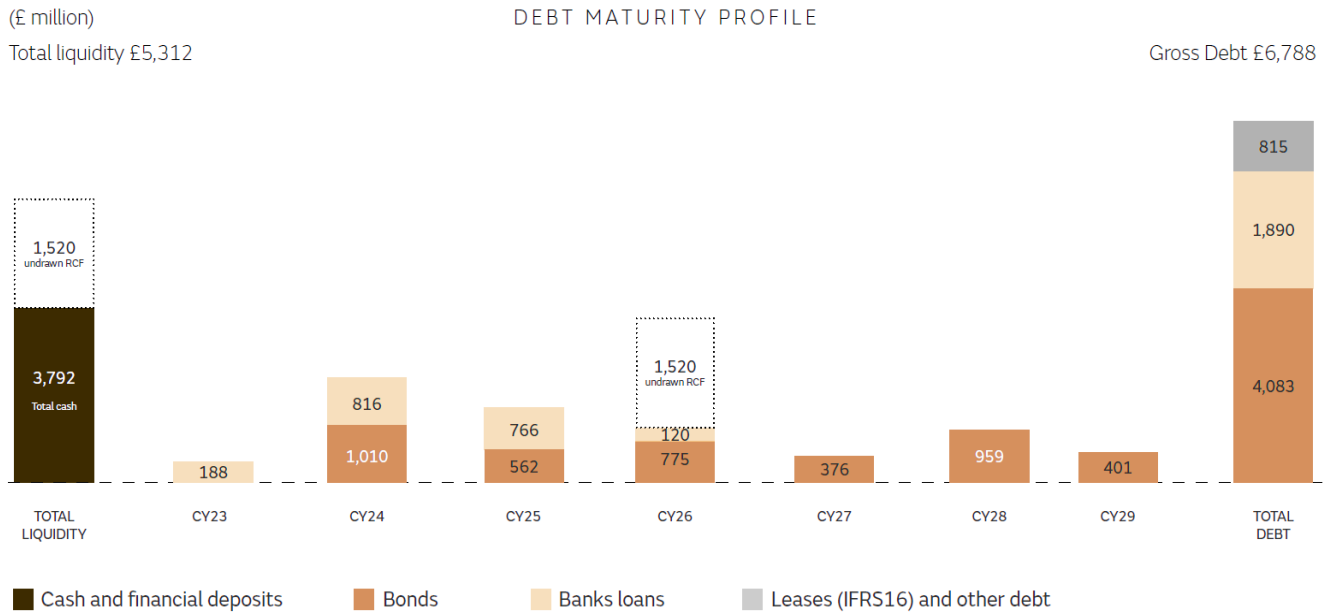
Source: Company, MOFSL

**Exhibit 10: Refocus 2.0 is the next phase of transformation programme**



Source: Company, MOFSL

**Exhibit 11: JLR has GBP188m/GBP1.8b of debt maturing CY23/CY24**



Source: Company, MOFSL

**Exhibit 12: JLR sustainability commitments for 2030**

COMMITMENTS AND KPIS

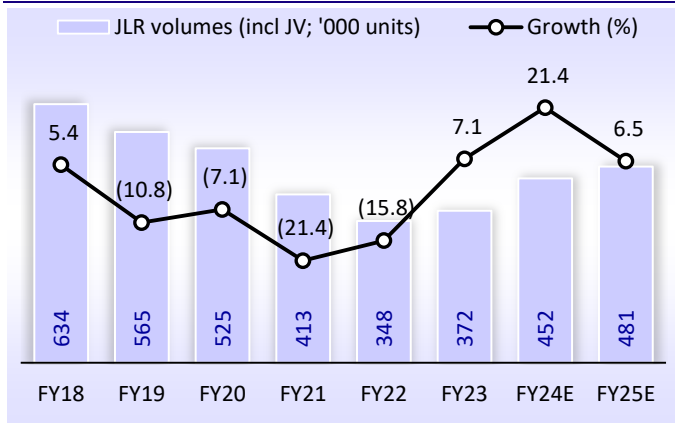
Commitment	KPI measurement <sup>1</sup>	Baseline year FY2019/20	FY2022/23
46% reduction by 2030	% Reduction in absolute market-based scope 1 and 2 GHG emissions.	201,029 tCO <sub>2</sub> e	151,643 (-24.6%) tCO <sub>2</sub> e
60% reduction by 2030	% reduction in scope 3 GHG emissions from use of sold products per vehicle-kilometre.	255.95 gCO <sub>2</sub> e	255.28 (-0.3%) gCO <sub>2</sub> e
54% reduction by 2030	% reduction in scope 3 GHG emissions from purchased goods and services and use of sold products per vehicle sold.	64.31 tCO <sub>2</sub> e	64.00 (-0.5%) tCO <sub>2</sub> e

Source: Company, MOFSL



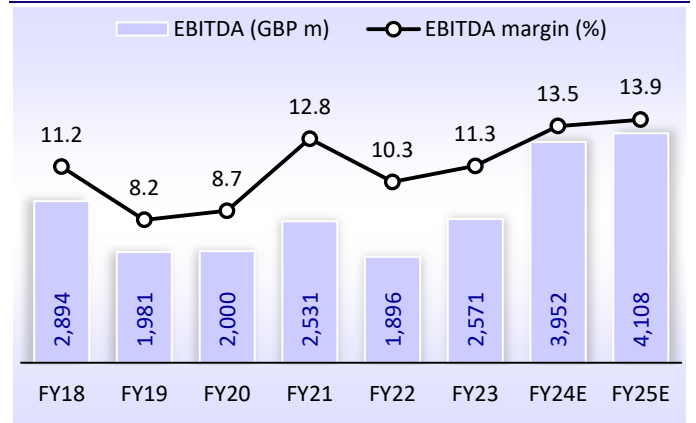
## Story in charts

**Exhibit 13: Volume growth trajectory for JLR**



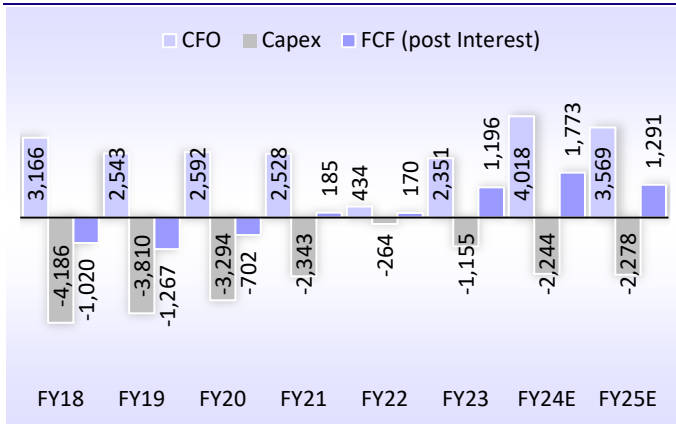
Source: Company, MOFSL

**Exhibit 14: EBITDA and EBITDA margin trends for JLR**



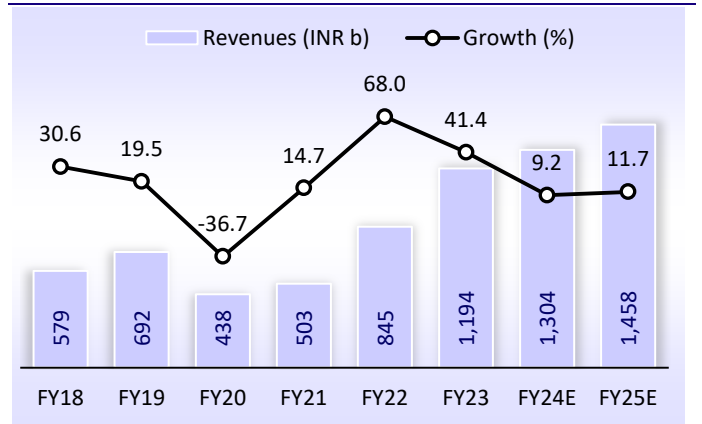
Source: Company, MOFSL

**Exhibit 15: CFO/capex/FCF trends for JLR (GBP m)**



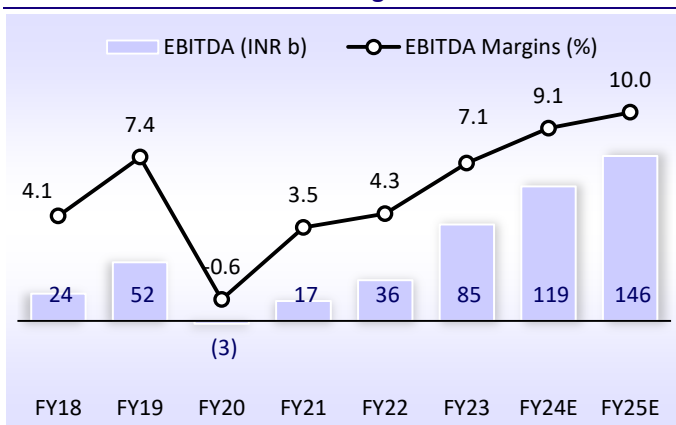
Source: Company, MOFSL

**Exhibit 16: India business growth trajectory over FY22-25E**



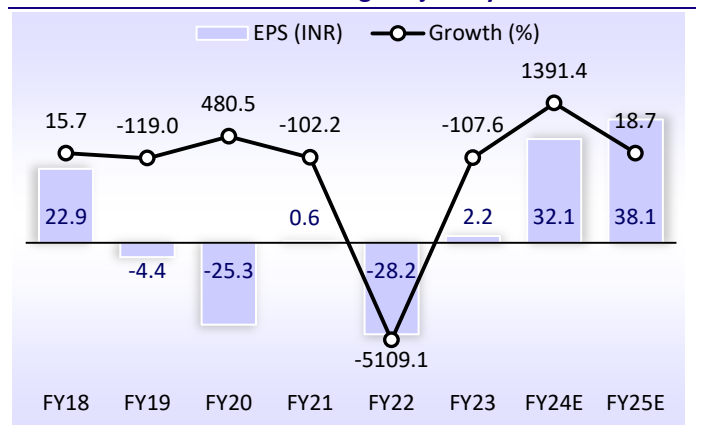
Source: Company, MOFSL

**Exhibit 17: India EBITDA and margin trends**



Source: Company, MOFSL

**Exhibit 18: Consolidated earnings trajectory**



Source: Company, MOFSL

## Key operating metrics

### Snapshot of Revenue model

000 units	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>JLR</b>								
<b>Jaguar</b>	176	177	144	90	68	63	61	63
<i>Growth (%)</i>	-1.4	0.7	-18.7	-37.3	-24.4	-7.9	-3.6	3.1
<i>% of Total JLR Vols</i>	27.8	31.4	27.5	21.9	19.7	16.9	13.4	13.0
<b>Land Rover</b>	457	388	381	322	279	309	391	419
<i>Growth (%)</i>	8.3	-15.2	-1.7	-15.4	-13.4	10.7	26.5	7.0
<i>% of Total JLR Vols</i>	72.2	68.6	72.5	78.1	80.3	83.1	86.6	87.0
<b>Total JLR Volumes (incl JV)</b>	634	565	525	413	348	372	452	481
<i>Growth (%)</i>	5.4	-10.8	-7.1	-21.4	-15.8	7.1	21.4	6.5
<b>ASP (GBP '000/unit)</b>	47	48	48	57	62	71	74	70
<i>Growth (%)</i>	3.9	0.8	1.3	17.5	9.7	14.4	4.0	-5.0
<b>Net JLR Sales (GBP b)</b>	26	24	23	20	18	23	29	30
<i>Growth (%)</i>	5.9	-6.1	-5.1	-14.2	-7.2	24.5	27.9	1.2
<b>INDIA</b>								
MH&CVs	192	225	124	90	145	181	195	214
<i>Growth (%)</i>	9.2	17.1	-44.7	-27.6	60.3	25.1	7.6	10.0
LCVs	236	273	216	173	210	233	235	249
<i>Growth (%)</i>	24.1	15.7	-20.8	-20.2	21.4	11.1	1.0	6.2
<b>Total CVs</b>	<b>428</b>	<b>498</b>	<b>341</b>	<b>263</b>	<b>354</b>	<b>414</b>	<b>429</b>	<b>463</b>
<i>Growth (%)</i>	17.0	16.3	-31.6	-22.9	34.7	16.8	3.9	7.9
Total PVs	190	211	133	223	372	541	587	657
<i>Growth (%)</i>	20.8	11.2	-37.3	67.8	67.2	45.4	8.5	11.9
<b>Total Volumes</b>	618	709	473	485	726	955	1,017	1,121
<i>Growth (%)</i>	18.1	14.7	-33.3	2.5	49.6	31.5	6.5	10.2
<b>ASP (INR 000/unit)</b>	936	976	926	1,036	1,163	1,251	1,283	1,301
<b>Net S/A Sales (INR b)</b>	<b>579</b>	<b>692</b>	<b>438</b>	<b>503</b>	<b>845</b>	<b>1,194</b>	<b>1,304</b>	<b>1,458</b>
<i>Growth (%)</i>	30.6	19.5	-36.7	14.7	68.0	41.4	9.2	11.7

## Financials and valuations

Income Statement (Consolidated)							(INR b)
Y/E March	2019	2020	2021	2022	2023	2024E	2025E
<b>Total Income</b>	<b>3,019.4</b>	<b>2,610.7</b>	<b>2,497.9</b>	<b>2,784.5</b>	<b>3,459.7</b>	<b>4,327.8</b>	<b>4,581.3</b>
Change (%)	3.6	-13.5	-4.3	11.5	24.2	25.1	5.9
<b>EBITDA</b>	<b>255.7</b>	<b>197.3</b>	<b>305.6</b>	<b>248.1</b>	<b>318.3</b>	<b>524.3</b>	<b>577.9</b>
% of Net Sales	8.5	7.6	12.2	8.9	9.2	12.1	12.6
Depreciation	235.9	214.3	235.5	248.4	248.6	268.8	290.6
<b>EBIT</b>	<b>19.8</b>	<b>-17.0</b>	<b>70.1</b>	<b>-0.2</b>	<b>69.7</b>	<b>255.5</b>	<b>287.2</b>
Product Dev. Exp.	42.2	41.9	52.3	92.1	106.6	114.8	119.9
Interest	57.6	72.4	81.0	93.3	102.4	105.9	106.9
Other Income	29.7	29.7	26.4	30.5	46.3	40.4	32.3
EO Exp/(Inc)	296.5	28.7	137.6	6.3	-15.9	0.0	0.0
Forex Gain/ (Loss)	-9.1	-17.4	17.3	-0.8	1.0	-22.8	-12.8
<b>PBT</b>	<b>-313.7</b>	<b>-105.8</b>	<b>-104.7</b>	<b>-70.0</b>	<b>30.6</b>	<b>167.3</b>	<b>199.9</b>
Effective Rate (%)	7.8	-3.7	-24.3	-60.4	23.0	27.2	27.5
<b>Reported PAT</b>	<b>-289.3</b>	<b>-109.8</b>	<b>-130.2</b>	<b>-112.3</b>	<b>23.5</b>	<b>121.8</b>	<b>144.9</b>
Change (%)	-524.7	-62.1	18.6	-13.7	-120.9	417.5	19.0
Minority Interest	-1.02	-0.96	-0.56	-1.3	-2.8	-3.4	-4.5
Share of profit of associate	2.10	-10.00	-3.79	-0.7	3.4	4.4	5.4
<b>Net Profit</b>	<b>-288.3</b>	<b>-120.7</b>	<b>-134.5</b>	<b>-114.4</b>	<b>24.1</b>	<b>122.9</b>	<b>145.8</b>
<b>Adj. PAT</b>	<b>-14.8</b>	<b>-90.9</b>	<b>2.2</b>	<b>-108.1</b>	<b>8.2</b>	<b>122.9</b>	<b>145.8</b>
Change (%)	-119.0	515.0	-102.4	-5,109.7	-107.6	1,391.4	18.7

Balance Sheet (Cons.)							(INR b)
Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Share Capital	6.8	7.2	7.7	7.7	7.7	7.7	7.7
Reserves	595.0	623.6	544.8	438.0	445.6	556.9	687.2
<b>Net Worth</b>	<b>601.8</b>	<b>630.8</b>	<b>552.5</b>	<b>445.6</b>	<b>453.2</b>	<b>564.5</b>	<b>694.9</b>
Loans	911.2	996.8	1,147.8	1,396.8	1,256.6	1,256.6	1,256.6
Deferred Tax	-36.6	-35.2	-29.6	-23.1	-37.8	-37.8	-37.8
<b>Capital Employed</b>	<b>1,481.7</b>	<b>1,600.5</b>	<b>1,686.3</b>	<b>1,862.0</b>	<b>1,744.8</b>	<b>1,859.5</b>	<b>1,994.4</b>
Gross Fixed Assets	2,317.7	2,698.0	3,128.9	3,232.9	3,413.4	3,570.8	3,841.5
Less: Depreciation	1,212.8	1,434.7	1,749.8	1,852.4	2,101.0	2,369.8	2,660.4
<b>Net Fixed Assets</b>	<b>1,104.9</b>	<b>1,263.3</b>	<b>1,379.0</b>	<b>1,380.5</b>	<b>1,312.4</b>	<b>1,201.0</b>	<b>1,181.1</b>
Capital WIP	318.8	356.2	209.6	102.5	142.7	250.0	250.0
Goodwill	7.5	7.8	8.0	8.1	8.4	8.4	8.4
Investments	157.7	163.1	246.2	293.8	263.8	54.6	60.0
<b>Curr.Assets</b>	<b>1,431.5</b>	<b>1,376.3</b>	<b>1,543.1</b>	<b>1,482.6</b>	<b>1,581.6</b>	<b>2,432.3</b>	<b>2,666.3</b>
Inventory	390.1	374.6	360.9	352.4	407.6	592.8	627.6
Sundry Debtors	190.0	111.7	126.8	124.4	157.4	260.9	276.1
Cash & Bank Bal.	326.5	337.3	467.9	406.7	370.2	897.0	1,046.0
Loans & Advances	512.9	539.7	568.8	584.5	628.4	658.4	688.4
<b>Current Liab. &amp; Prov.</b>	<b>1,538.8</b>	<b>1,566.1</b>	<b>1,699.7</b>	<b>1,405.5</b>	<b>1,564.1</b>	<b>2,086.8</b>	<b>2,171.4</b>
Sundry Creditors	716.9	664.0	681.8	599.7	720.6	1,019.7	1,079.4
Other Liabilities	601.3	651.5	753.4	568.6	593.5	830.0	841.0
<b>Net Current Assets</b>	<b>-107.2</b>	<b>-189.8</b>	<b>-156.6</b>	<b>77.1</b>	<b>17.5</b>	<b>345.5</b>	<b>494.9</b>
<b>Appl. of Funds</b>	<b>1,481.7</b>	<b>1,600.5</b>	<b>1,686.3</b>	<b>1,862.0</b>	<b>1,744.8</b>	<b>1,859.5</b>	<b>1,994.4</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios (Con.)

Y/E March	2019	2020	2021	2022	2023	2024E	2025E
<b>Basic (INR)</b>							
EPS	-4.4	-25.3	0.6	-28.2	2.2	32.1	38.1
EPS Fully Diluted	-4.4	-25.3	0.6	-28.2	2.2	32.1	38.1
EPS Growth (%)	-119.0	480.5	-102.2	-5,109.1	-107.6	1,391.4	18.7
Cash EPS	65.1	34.3	62.1	36.6	67.1	102.3	113.9
Book Value (Rs/Share)	177.2	175.3	144.3	116.4	118.3	147.4	181.4
DPS	0.0	0.0	0.0	0.0	2.0	3.0	4.0
Payout (Incl. Div. Tax) %	0.0	0.0	0.0	0.0	93.6	9.4	10.6
<b>Valuation (x)</b>							
Consolidated P/E	-142.0	-24.5	1,097.3	-21.9	287.6	19.3	16.2
EV/EBITDA	9.9	13.8	9.2	12.4	9.4	5.1	4.4
EV/Sales	0.8	1.0	1.1	1.1	0.9	0.6	0.5
Price to Book Value	3.5	3.5	4.3	5.3	5.2	4.2	3.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.3	0.5	0.7
<b>Profitability Ratios (%)</b>							
RoE	-1.9	-14.8	0.4	-21.7	1.8	24.1	23.2
RoCE	2.8	0.9	7.3	2.7	5.0	12.0	12.0
RoIC	2.5	-2.5	11.6	0.0	5.3	22.9	32.1
<b>Turnover Ratios</b>							
Debtors (Days)	23	16	19	16	17	22	22
Inventory (Days)	47	52	53	46	43	50	50
Creditors (Days)	87	93	100	79	76	86	86
Asset Turnover (x)	2.0	1.6	1.5	1.5	2.0	2.3	2.3
<b>Leverage Ratio</b>							
Net Auto Debt/Equity (x)	0.5	0.8	0.7	1.1	1.0	0.4	0.1

### Cash Flow Statement

(INR b)

Y/E March	2019	2020	2021	2022	2023	2024E	2025E
OP/(Loss) before Tax	-287.2	-119.8	-134.0	-113.1	26.9	122.9	145.8
Int/Div. Received	-4.4	-11.9	-5.1	-6.6	-13.0	40.4	32.3
Depreciation	235.9	214.3	235.5	248.4	248.6	268.8	290.6
Direct Taxes Paid	-26.6	-17.5	-21.0	-19.1	-31.8	-45.5	-54.9
(Inc)/Dec in WC	-72.1	50.6	-0.9	-104.7	-31.3	198.9	-0.4
Other Items	65.0	125.1	234.0	144.3	138.5	3.4	4.5
<b>CF from Op Activity</b>	<b>-89.5</b>	<b>240.8</b>	<b>308.5</b>	<b>149.1</b>	<b>338.0</b>	<b>588.9</b>	<b>417.9</b>
Extra-ordinary Items	278.4	25.5	-18.5	-6.3	15.9	0.0	0.0
<b>CF after EO Items</b>	<b>188.9</b>	<b>266.3</b>	<b>290.0</b>	<b>142.8</b>	<b>353.9</b>	<b>588.9</b>	<b>417.9</b>
(Inc)/Dec in FA+CWIP	-352.4	-295.3	-198.5	-149.4	-178.1	-264.7	-270.7
<b>Free Cash Flow</b>	<b>-163.5</b>	<b>-29.0</b>	<b>91.5</b>	<b>-6.6</b>	<b>175.8</b>	<b>324.2</b>	<b>147.2</b>
(Pur)/Sale of Invest.	143.6	-35.8	-58.2	104.9	23.9	209.2	-5.4
<b>CF from Inv Activity</b>	<b>-208.8</b>	<b>-331.1</b>	<b>-256.7</b>	<b>-44.4</b>	<b>-154.2</b>	<b>-55.5</b>	<b>-276.1</b>
Issue of Shares	0.0	38.9	26.0	37.7	37.7	0.0	0.0
Inc/(Dec) in Debt	159.3	70.8	154.5	22.0	-205.4	0.0	0.0
Interest Paid	-70.1	-75.2	-81.2	-92.5	-93.4	-105.9	-106.9
Dividends Paid	-0.9	-0.6	-0.3	-1.0	-1.4	-11.6	-15.4
<b>CF from Fin Activity</b>	<b>88.3</b>	<b>33.9</b>	<b>99.0</b>	<b>-33.8</b>	<b>-262.4</b>	<b>-117.4</b>	<b>-122.3</b>
<b>Inc/(Dec) in Cash</b>	<b>68.4</b>	<b>-30.9</b>	<b>132.3</b>	<b>64.6</b>	<b>-62.7</b>	<b>416.0</b>	<b>19.5</b>
Add: Beginning Bal.	147.2	215.6	184.7	317.0	381.6	318.9	734.8
<b>Closing Balance</b>	<b>215.6</b>	<b>184.7</b>	<b>317.0</b>	<b>381.6</b>	<b>318.9</b>	<b>734.8</b>	<b>754.3</b>

E: MOFSL Estimates

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