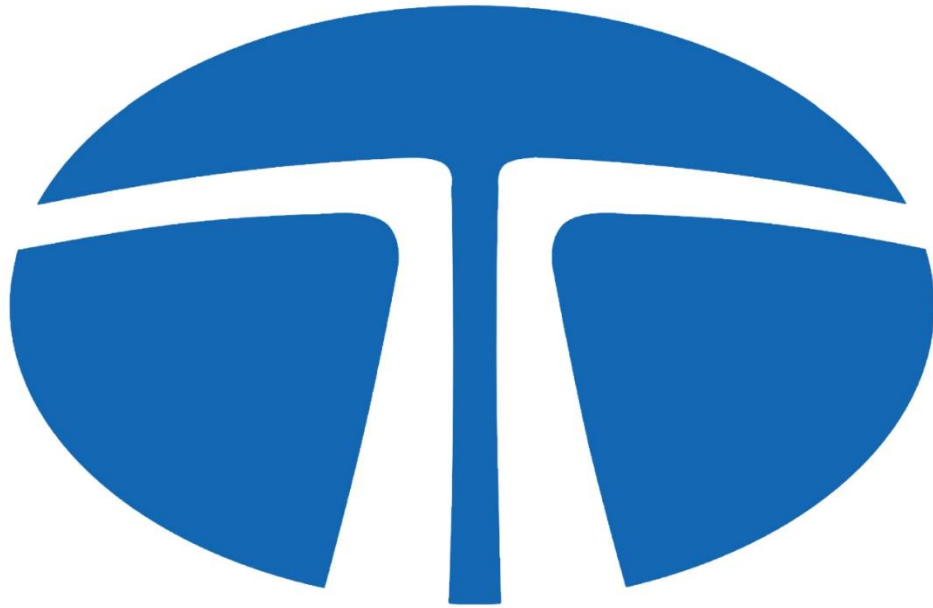


(Equity Research Report)



TATA MOTORS



About the Stock: The Tata Motors Group is a well-known international automaker. It provides the world with a broad and diverse range of automobiles, sports utility vehicles, lorries, buses, and defense vehicles as a member of the prestigious multinational corporation known as the Tata group.

Through a robust global network of subsidiaries, associate firms, and joint ventures (JVs), including Jaguar Land Rover in the UK and Tata Daewoo in South Korea, it operates in India, the UK, South Korea, South Africa, China, Brazil, Austria, and Slovakia.

Revenue Blend (FY22) Tata Commercial Vehicles came in at 19%, Tata Passenger Vehicles at 11%, and Vehicle Financing at 2%, behind Jaguar Land Rover at 67%. 1% of others

Important con call highlights

Over the course of the nine months that ended in FY2023, the company introduced over 40 new goods and 150 variants. Sales of electric vehicles (EV) for the first nine months totaled 32.4k units, with an estimated market share of 85%. This is anticipated to encourage EV growth during the projected period, coupled with evolving EV legislation. The company is also concentrating on the transition to BS-VI phase two.

- The company launched more than 40 new products and 150 variants during the nine months ending FY2023.
- Electric vehicle (EV) sales during nine months were at 32.4k units, with a market share of approximately 85%. This, along with progressive EV regulations, are expected to support EV growth over the forecast period. The company is also focusing on BS-VI phase two transition.

Recent Quarters Update

In Q3FY23, Tata Motors reported consolidated revenue of INR 8,84,886 mn (+22.5% YoY/ +11.2% QoQ). Revenue from operations for 9MFY23 grew by 20.0% YoY to INR 24,00,346 mn.

- Calculated EBITDA was at INR 96,430 mn (+42.6% YoY/ +55.6% QoQ). Calculated EBITDA margin improved by 153 bps YoY/ 311 bps QoQ to 10.9%. For 9MFY23, EBITDA grew by 18.3% YoY to INR 1,90,197 mn while EBITDA margin declined by 11 bps YoY to 7.9%.
- Net Profit was INR 29,577 mn against a loss of 15,161 mn in Q3FY22 and a loss of INR 9,446 mn in Q2FY23. For 9MFY23, Tata Motor's Net loss narrowed to INR 29,935 mn from INR 1,04,085 mn in 9MFY22



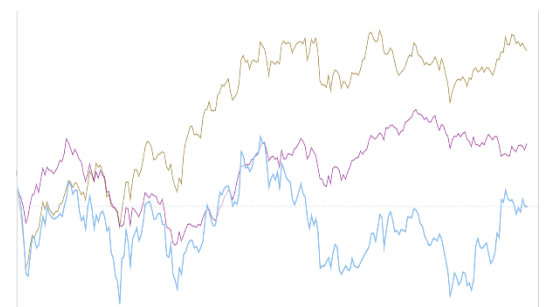
TATA MOTORS

Particulars	Amount (Cr)
Market Capitalization	₹1,46,503.47
Total Debt (FY22)	₹1,39,677.04
Cash and Investments (FY22)	₹48,521.57
EV	₹ 268,900
52-week H/L (Rs)	₹ 512 / 366
Equity capital	3,32,13,21,065
Face value (Rs)	2.0

Shareholding Pattern

	Jun-22	Sep-22	Dec-22
Promoers	46.4	46.4	46.39
FIIIs	13.71	14.13	13.89
DIIIs	15.17	14.75	15.21
Government	0.14	0.14	0.14
Public	24.57	24.58	24.36

Nifty Vs Tata Motors



•  • NSE • Nifty

Key Risk

- Shortage of semiconductors.
- Uncertainty in global economic conditions.
- Increases in commodities and input prices.



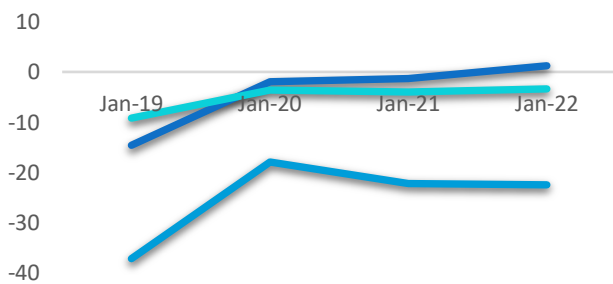
What Should investors do?

The business has seen a significant increase in demand from both commercial and passenger carriers. Growth will be supported by this as well as an improvement in chip supplies through strategic alliances. However, significant issues include rising material costs, price increases following the completion of Bharat Stage-VI (BS-VI) phase 2, and supply chain bottlenecks in the face of macro uncertainties are anticipated to pose difficulties in the near future.

We recommend **“Buy”** for the target of 530

Growth Drivers

ROCE vs ROE vs ROA



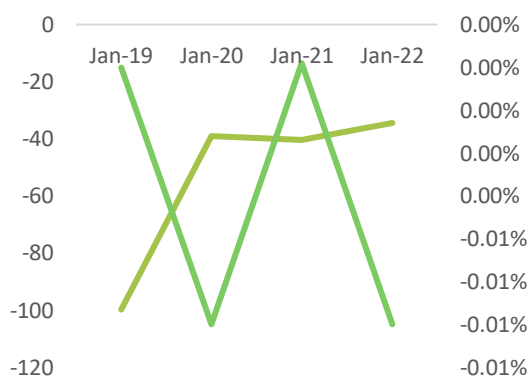
	Mar-19	Mar-20	Mar-21	Mar-22
ROCE	-14.61	-1.92	-1.27	1.23
ROE	-37.19	-17.94	-22.17	-22.53
ROA	-9.2	-3.55	-3.97	-3.38

— ROCE — ROE — ROA

Revenue & Net Profit Growth



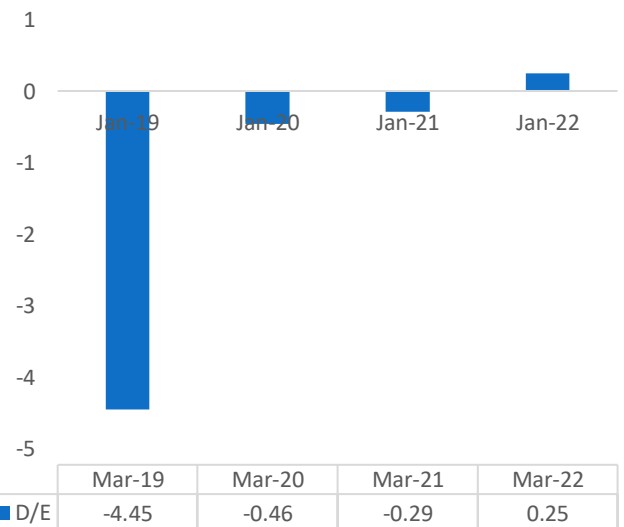
EPS & EPS % of Sales



	Mar-19	Mar-20	Mar-21	Mar-22
EPS	-99.84	-39.08	-40.51	-34.46
EPS % of Sales	0.00%	-0.01%	0.00%	-0.01%

— EPS — EPS % of Sales

Debt to Equity



	Mar-19	Mar-20	Mar-21	Mar-22
D/E	-4.45	-0.46	-0.29	0.25

Financial Statements



P&L Statement

Historical Financial Statements - TATA MOTORS LTD							
Years	Actual Mar-18	Actual Mar-19	Actual Mar-20	Actual Mar-21	Actual Mar-22	Estimate Mar-23 LTM	
Income Statement							
Sales	291550.48	301938.4	261067.97	249794.75	278453.62	334144.344	318473.7
COGS	228429.83	242845.53	210376.07	195326.04	223300.01	260294.0488	291385.6
Gross Profit	63120.65	59092.87	50691.9	54468.71	55153.61	65081.2598	27088.07
Selling & General Expenses	31662.97	34428.54	32704.83	22181.28	30433.52	35225.72935	
S&G Expenses % Sales	11%	11%	13%	9%	11%	11%	0%
EBDITA	31457.68	24664.33	17987.07	32287.43	24720.09	29855.53045	27088.07
EBDITA Margin	11%	8%	7%	13%	9%	9%	9%
Interest	4681.79	5758.6	7243.33	8097.17	9311.86	7353.913096	9964.33
Depreciation	21553.59	23590.63	21425.43	23546.71	24835.69	26534.18514	24242.27
Earnings before tax	5222.3	-4684.9	-10681.69	643.55	-9427.46	-4032.567794	-7118.53
Tax	4341.93	-2437.45	395.25	2541.86	4231.29	4284.752822	2082.93
Net Profit	880.37	-2247.45	-11076.94	-1898.31	-13658.75	-8317.320617	-9201.46
Net Margins	0%	-1%	-4%	-1%	-5%		-3%
No of Equity Shares	288.73	288.73	308.9	332.03	332.07	332.07	332.07
Earning per share	3.049111627	-7.783915769	-35.85930722	-5.717284583	-41.13214081	-25.04688956	-27.7094
EPS Growth % Sales	0.00%	0.00%	-0.01%	0.00%	-0.01%	0.00%	-0.01%
Dividend per Share	0	0	0	0	0	0	0
Dividend pay out ratio	0%	0%	0%	0%	0%	0%	0%
Retained Earnings	100%	0%	0%	0%	0%	0%	0%

Balance Sheet

Years	Actual Mar-18	Actual Mar-19	Actual Mar-20	Actual Mar-21	Actual Mar-22	Estimate Mar-23	
Equity Share Capital	679.22	679.22	719.54	765.81	765.88	765.88	
Reserves	94748.69	59500.34	61491.49	54480.91	43795.36	49405	
Borrowings	88950.47	106175.34	124787.64	142130.57	146449.03	149472	
Other Liabilities	142813.43	139348.59	133180.72	144192.62	138051.22	159009.12	
Total Liabilities	327191.81	305703.49	320179.39	341569.91	329061.49	358652	
Fixed Assets	121413.86	111234.47	127107.14	138707.61	138855.45	160352	
Capital Work in Progress	40033.5	31883.84	35622.29	20963.93	10251.09	3705	
Investments	20812.75	15770.72	16308.48	24620.28	29379.53	10941	
Other Assets	48286.86	56155.74	58784.94	61717.96	62223.77	73749	
Total Non Current Assets	230546.97	215044.77	237822.85	246009.78	240709.84	248747	
Receivables	19893.3	18996.17	11172.69	12679.08	12442.12	16784	
Inventory	42137.63	39013.73	37456.88	36088.59	35240.34	41816	
Cash & Bank	34613.91	32648.82	33726.97	46792.46	40669.19	51305	
Total Current Assets	96644.84	90658.72	82356.54	95560.13	88351.65	109905	
Total Assets	327191.81	305703.49	320179.39	341569.91	329061.49	358652	



Cash Flow Statement

Years	Actual Mar-18	Actual Mar-19	Actual Mar-20	Actual Mar-21	Actual Mar-22	Estimate Mar-23
Operating Activities	23857.42	18890.75	26632.94	29000.51	14282.83	60827
Investing Activities	-25139.14	-20878.07	-33114.55	-25672.5	-4443.66	-30468
Financing Activities	2011.71	8830.37	3389.61	9904.2	-3380.17	-19724
Net Cash Flow	729.99	6843.05	-3092	13232.21	6459	10635

Disclaimer

This report is not for public distribution and has been furnished solely for information and must not be reproduced or redistributed to others. None can use the report as a base for any claim, demand or cause of action and, also none is responsible for any loss incurred based upon. The investments discussed or recommended in this report may not be suitable for all investors. Opinion expressed is the current opinion as of the date appearing on the material only.

Further, the information in the document has been printed on the basis of publicly available information; internal data and other sources believed to be true and are for general guidance only but which may have not been verified independently. While every effort is made to ensure the accuracy and completeness of information contained, the company takes no responsibility and assumes no liability for any error/ omission or accuracy of the information. Recipients of this material should rely on their own judgments and conclusions from relevant sources before making any investment.

The investment advice should not be considered to be or taken as an offer to sell or a solicitation to buy/sell any security. Price and value of the investments referred to in this material are subject to volatility. Past performance is not a guide for future performance. Certain transactions -futures, options and other derivatives as well as non-investment grade securities are subjected to substantial risks and are not suitable for all investors.