

We attended JLR's Annual Investor Day meet to understand its outlook and growth strategy. KTAs: i) JLR gave guidance for £28bn revenue with 5-7% EBIT margin in FY26 (vs earlier guidance of 10%; FY25: 8.5%); it maintained its interim/long-term guidance of 10%/15%, led by sustained focus on premiumization (growing share of higher-priced models), pricing discipline, and structural cost reduction. 2) FY26 FCF to be 'close to zero' vs £1.5bn in FY25 on lower profitability, drag from working capital, and sustained investment spends of £3.8bn (akin to FY25; previous guidance above £3.5bn). 3) JLR has factored in a potential trade between US and both, UK and EU; any delay could see margin pressure in H1FY26. 4) Amid slower than anticipated BEV adoption and changing emission regulations, JLR is increasing investments in ICE, on extended visibility; *Jaguar* to be fully electric; *Range Rover* EV launch planned for CY26. 5) JLR's SDVs, with next-gen EV architecture, can boost processing power by 15x and cut wiring harness content by ~60%. 6) JLR has outpaced the Chinese premium PV market, and aims to maintain the pace via multiple targeted initiatives. We cut FY26E/27E consol EPS by ~15%, to factor in the challenging demand environment at JLR and the curtailed EBIT margin guidance. We build in £27.5bn revenue (5% YoY fall) with 6.4% EBIT margin and FCF of -£528mn. Over the last 5 years, JLR has significantly strengthened its business profile (largely resilient volume, high profitability) and balance sheet (net cash), thus positioning itself well to withstand near-term challenges. We maintain BUY on TTMT while trimming out SoTP-based TP by ~6% to Rs750.

KTAs from the Analyst Meet

1) The mgmt guided to ~£28bn revenue, 5-7% EBIT margin in FY26 (vs 10% earlier); it upheld its 10%/15% interim/LT guidance, on sustained focus on premiumization, pricing discipline, structural cost reduction. Gross margin to benefit from richer mix (ASP at over £70k vs ~£45k in FY19), though headwinds from US tariffs and China-related challenges could weigh on FY26 EBITDA; JLR's guidance factors in a potential trade deal between US and both—EU and UK, and any delay could hit margin in H1FY26. 2) JLR reaffirmed investment guidance of £18bn over FY24-28 (~50% to be allocated to engineering, ie platforms, EVs). JLR's FY26 FCF guidance "close to zero" vs £1.5bn in FY25 amid lower profitability, ~£3.8bn investment (akin to FY25), and drag from working capital. 3) Amid slower than anticipated BEV adoption, JLR's investment focus to shift back to ICE in the near term (will not rush BEV launches; *Range Rover* EV planned for CY26); *Jaguar* to be fully electric. 4) Apart from other headwinds like trade protectionism (US tariffs) and weakening dollar, technical protectionism is seen driving up investments, as US and China are rejecting each other's ADAS technologies which necessitates parallel development (higher development costs). 5) JLR is prioritizing software defined vehicles (SDVs), with its next-gen EV architecture seen delivering 15x more processing power, cutting wiring harness content ~60%, and reducing semi-conductor dependance 80%. 6) China's premium PV market stays under pressure (down 15% in FY25) amid macro-led demand contraction, intense price wars (215 models saw price cuts in CY24), and heightened competition. 7) JLR aims to revive *Freelander* brand (new EV model launch in H2CY26).

Target Price – 12M	Mar-26
Change in TP (%)	(6.3)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	9.2

Stock Data	TTMT IN
52-week High (Rs)	1,179
52-week Low (Rs)	536
Shares outstanding (mn)	3,681.5
Market-cap (Rs bn)	2,528
Market-cap (USD mn)	29,373
Net-debt, FY26E (Rs mn)	(38,939.8)
ADTV-3M (mn shares)	16
ADTV-3M (Rs mn)	11,449.7
ADTV-3M (USD mn)	133.0
Free float (%)	57.4
Nifty-50	24,946.5
INR/USD	86.1

Shareholding, Mar-25

Promoters (%)	42.6
FPIs/MFs (%)	17.8/17.1

Price Performance

(%)	1M	3M	12M
Absolute	(6.0)	4.8	(30.9)
Rel. to Nifty	(5.8)	(5.5)	(35.0)

1-Year share price trend (Rs)



Tata Motors: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	3,459,670	4,340,160	4,396,950	4,478,910	4,594,941
EBITDA	318,296	578,720	551,320	493,989	509,407
Adj. PAT	7,336	330,471	225,030	206,272	217,015
Adj. EPS (Rs)	1.9	86.2	61.2	56.1	59.0
EBITDA margin (%)	9.2	13.3	12.5	11.0	11.1
EBITDA growth (%)	28.3	0	(4.7)	(10.4)	3.1
Adj. EPS growth (%)	0	0	(29.1)	(8.3)	5.2
RoE (%)	1.6	77.8	22.4	16.5	15.1
RoIC (%)	3.0	92.9	38.6	42.9	32.1
P/E (x)	108.9	8.2	11.0	12.2	11.6
EV/EBITDA (x)	10.4	5.2	4.4	5.0	4.9
P/B (x)	5.8	3.1	2.2	1.9	1.6
FCFF yield (%)	5.3	12.3	10.6	1.7	2.0

Source: Company, Emkay Research

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Other highlights from the analyst meet

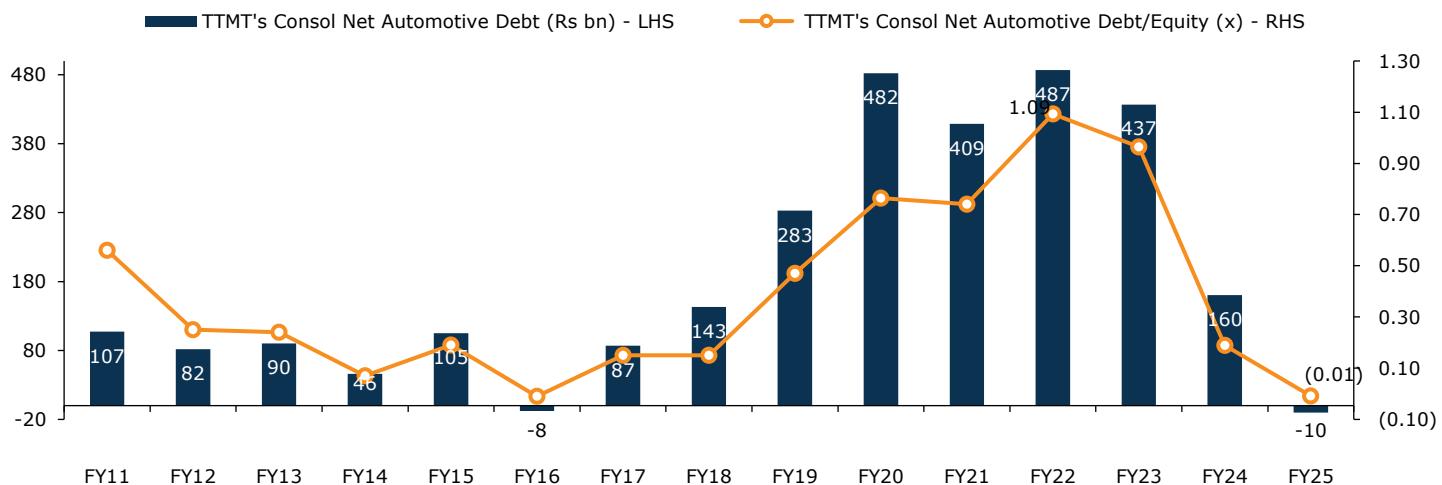
- Revived brand *Freelander* will offer a portfolio of electric vehicles for sale in China through a distinct retailer network; it is destined for global export, over time. This represents complementary growth, which is independent from both—Chery (CJLR)'s existing portfolio and JLR's modern luxury 'House of Brands'.
- JLR is also actively supporting dealer marketing amid a tough macro landscape (~4,400 retailers, ie 15% of the total dealers in China, ceased their operations in CY24).
- **Brand-wise performance**
 - **Range Rover:** Continued focus on addressing portfolio white spaces (launched multiple variants at different price-points) led to 37% YoY volume growth and 15% rise in order intake, in FY25. A robust EV waitlist of over 60,000 units underscores healthy demand visibility.
 - **Range Rover Sport:** Wholesales grew 39% YoY, with order intake rising 34% for the *Range Rover Sport* in FY25, reflecting strong market traction.
 - **Defender:** JLR has successfully repositioned *Defender* as a premium off-roader, and it now commands prices 3-4x above historical levels. The newly launched *Octa* variant (first edition priced at £165k) has received an encouraging initial response which shows customer willingness to pay a higher price.

Exhibit 1: JLR has seen strong improvement across operational parameters, despite low growth

Product mix (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Land Rover	69	73	78	80	83	88	93
- of which: RR, RRS, Defender	25	24	36	40	48	63	68
Jaguar	31	27	22	20	17	12	7
ASP (£ mn)	47,675	48,291	56,758	62,274	70,976	72,252	72,240
Growth YoY (%)	1	1	18	10	14	2	(0)
EBITDA margin (%)	8.2	8.9	12.8	10.3	11.3	15.9	14.3
EBITDA/unit (£)	3,938	4,307	7,281	6,445	8,000	11,512	10,354
EBIT margin (%)	(0.8)	0.6	2.8	(0.3)	2.3	8.4	8.5
EBIT/unit (£)	(360)	294	1,597	(163)	1,646	6,093	6,171
FCF (£ mn)	(1,267)	(702)	184	(1,156)	519	2,269	1,478
Net Debt (£ mn)	736	2,220	1,915	3,199	2,997	732	(278)
Net Debt/EBITDA (x)	0.4	1.1	0.8	1.7	1.2	0.2	(0.1)
RoE (%)	0.9	(2.8)	0.6	(16.3)	(1.2)	44.7	20.3
RoCE (Pre-tax, %)	(1.4)	1.3	4.9	(0.4)	4.9	23.9	22.2

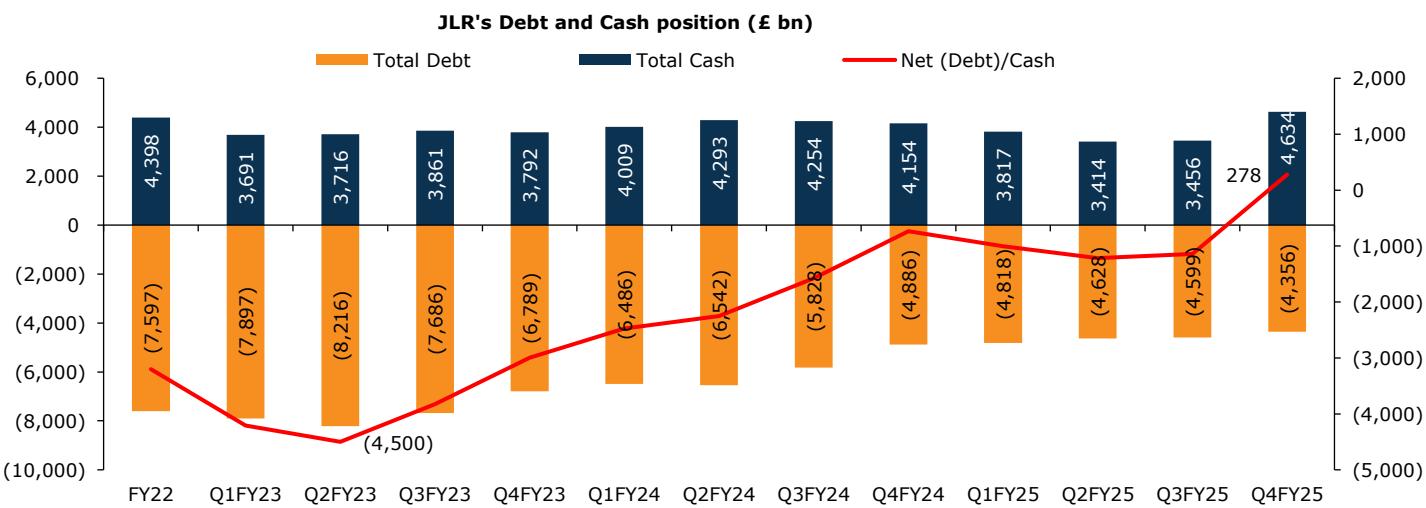
Source: Company, Emkay Research; Note: FCF and net debt are as per company presentation

Exhibit 2: On a consolidated basis, TTMT's automotive business is now net cash (net debt free)



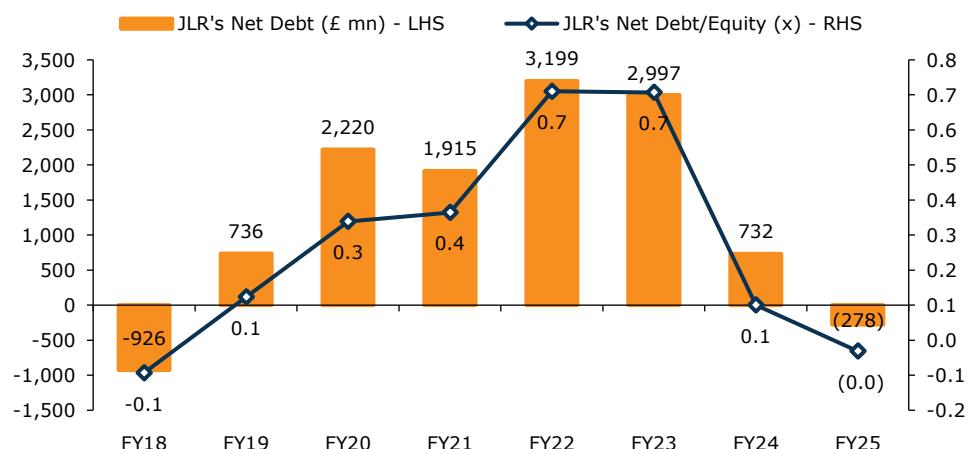
Source: Company, Emkay Research

Exhibit 3: JLR has successfully achieved its FY25 net cash guidance



Source: Company, Emkay Research

Exhibit 4: JLR's net debt-to-equity stands at (0.03)x as of FY25



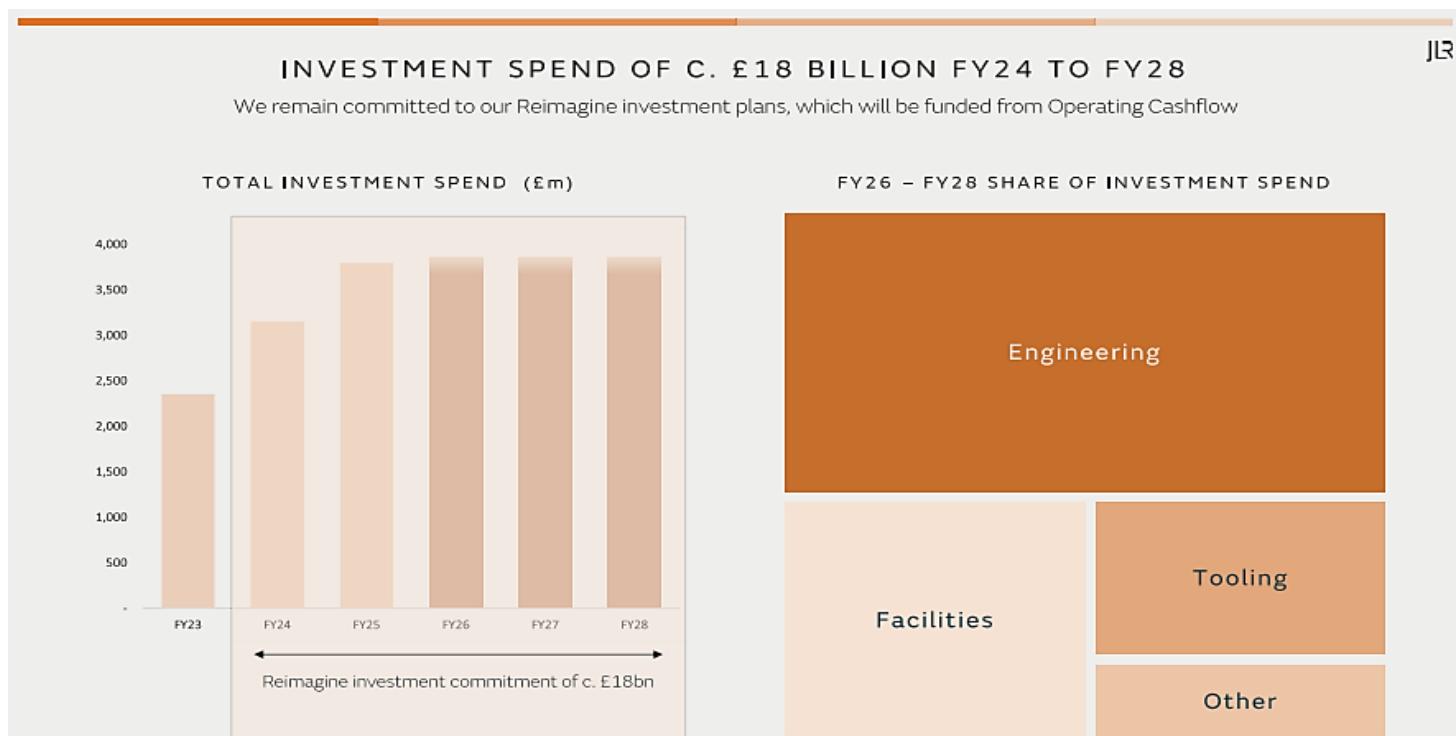
Source: Company, Emkay Research

Exhibit 5: JLR has given guidance for 'near zero' FCF with 5-7% EBIT margin vs £1.5bn FCF and 8.5% EBIT margin in FY25

GUIDANCE	
	<ul style="list-style-type: none"> - FY26 EBIT in the range of 5% to 7% - FY26 Free cash flow close to zero - Improving year-on-year for FY27 and FY28 - Enterprise missions (excluding tariffs) will progressively deliver £1.4b per annum <ul style="list-style-type: none"> - Builds over time to offset residual tariff, foreign exchange and China risk - Allows for return to 10% EBIT

Source: Company, Emkay Research

Exhibit 6: JLR has maintained its £3.8bn investment guidance for FY26



Source: Company, Emkay Research

Exhibit 7: JLR aims to remain flexible, aided by its strategic focus on multiple vehicle architectures



Source: Company, Emkay Research

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Exhibit 8: JLR has identified multiple macro headwinds that could potentially weigh on its EBIT margin

ENTERPRISE TRANSFORMATION IS CRITICAL TO CONTINUING OUR REIMAGINE JOURNEY AND WILL PROGRESSIVELY DELIVER £1.4B PER ANNUM

External headwinds are continually evolving; our transformation prepares for and responds to these

JLR



RISKS WE HAVE FACED INCLUDE

- Semiconductor shortage
- UK thefts and insurance
- Aluminium supplier flooding

RISKS WE ARE FACING INTO INCLUDE

- US Tariffs
- BEV transition
- China market outlook

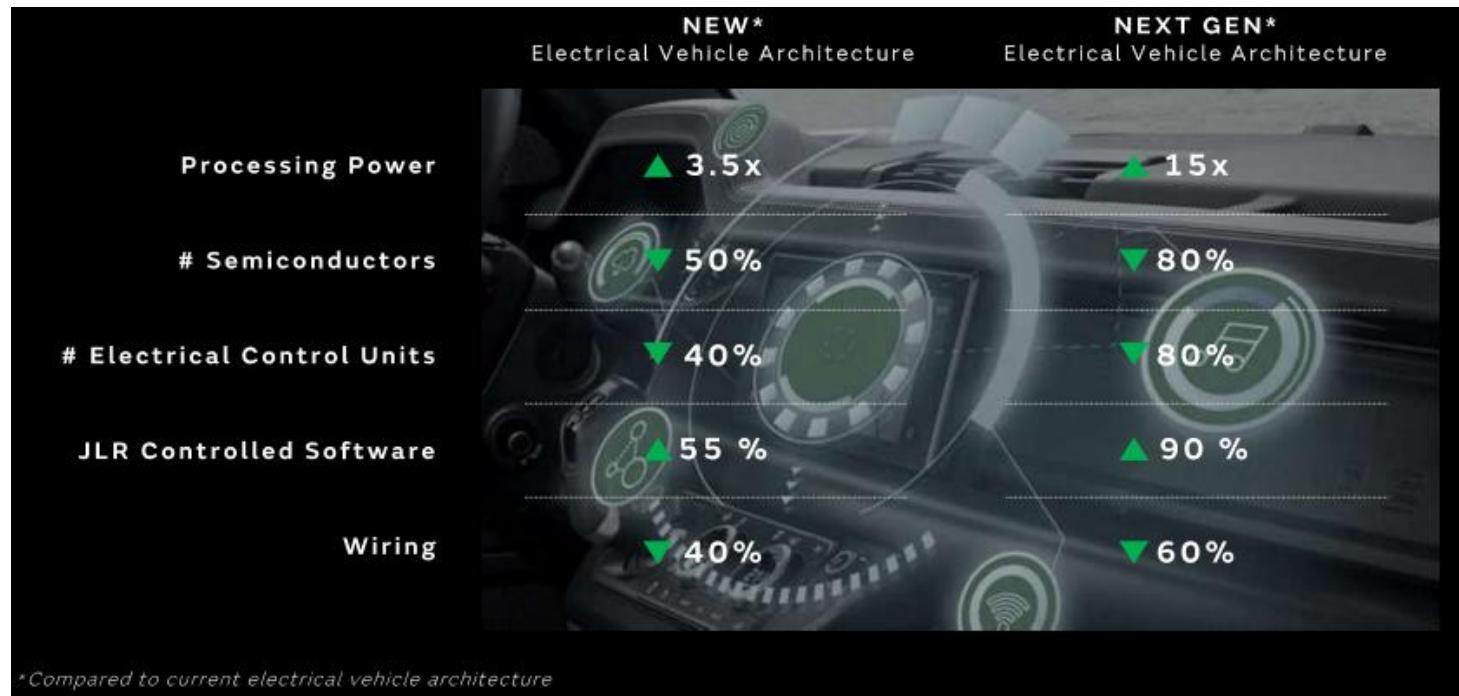
FUTURE RISKS INCLUDE

- Customer expectations shifting
- Regulation tightening
- Technology evolving

These challenges all have the potential to impact EBIT; we are focusing on building our resilience

Source: Company, Emkay Research

Exhibit 9: JLR's next-gen EV architecture would significantly boost the processing power while also reducing costs



*Compared to current electrical vehicle architecture

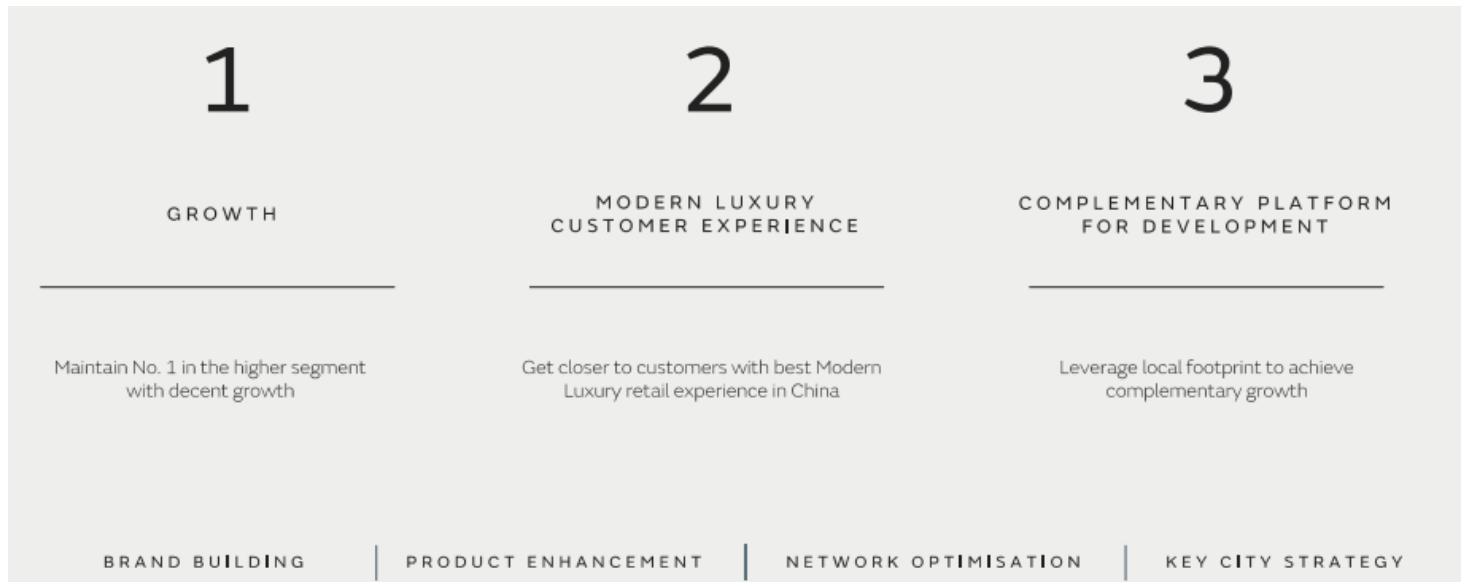
Source: Company, Emkay Research

Exhibit 10: Amid a weaker PV market in China, JLR has outperformed in the higher segment



Source: Company, Emkay Research

Exhibit 11: JLR aims to continue outpacing the Chinese premium PV market led by several targeted initiatives



Source: Company, Emkay Research

Exhibit 12: We build in 2% consolidated revenue CAGR over FY25-27E

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E
Domestic MHCV sales (no of units; '000)	241	359	373	374	379	394
<i>Growth YoY (%)</i>	<i>49.7</i>	<i>49.2</i>	<i>4.0</i>	<i>0.1</i>	<i>1.3</i>	<i>4.1</i>
Domestic LCV sales (no of units; '000)	476	603	595	564	575	592
<i>Growth YoY (%)</i>	<i>16.7</i>	<i>26.8</i>	<i>-1.4</i>	<i>-5.3</i>	<i>2.0</i>	<i>3.0</i>
Domestic PV sales (no of units; '000)	3,070	3,890	4,218	4,328	4,506	4,788
<i>Growth YoY (%)</i>	<i>13.2</i>	<i>26.7</i>	<i>8.4</i>	<i>2.6</i>	<i>4.1</i>	<i>6.3</i>
Market share (%)	FY22	FY23	FY24	FY25	FY26E	FY27E
Domestic Trucks	54.1	49.6	49.5	49.3	50.4	50.3
Domestic Buses	38.3	29.8	29.9	32.7	33.3	33.9
LCVs	40.1	36.0	32.2	30.1	30.4	31.0
Domestic CV	44.6	40.3	37.8	36.6	37.0	37.4
PVs	12.2	14.0	13.8	13.2	12.9	12.7
Revenue Model...(Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
India CV volumes (no of units)	354,015	407,678	383,777	361,074	371,907	388,601
<i>Growth (%)</i>	<i>35.9</i>	<i>15.2</i>	<i>-5.9</i>	<i>-5.9</i>	<i>3.0</i>	<i>4.5</i>
India PV volumes (no of units)	375,133	546,967	585,587	572,098	582,918	598,423
<i>Growth (%)</i>	<i>66.8</i>	<i>45.8</i>	<i>7.1</i>	<i>-2.3</i>	<i>1.9</i>	<i>2.7</i>
India CV realization (Rs/unit)	1,335,076	1,612,972	1,910,043	1,922,570	1,970,486	1,994,208
<i>Growth (%)</i>	<i>15.2</i>	<i>20.8</i>	<i>18.4</i>	<i>0.7</i>	<i>2.5</i>	<i>1.2</i>
India PV realization (Rs/unit)	868,285	893,419	899,696	858,052	891,621	918,193
<i>Growth (%)</i>	<i>16.8</i>	<i>2.9</i>	<i>0.7</i>	<i>-4.6</i>	<i>3.9</i>	<i>3.0</i>
Standalone revenues (largely CVs)	472,637	657,573	733,031	694,190	732,837	774,951
<i>Growth YoY (%)</i>	<i>56.6</i>	<i>39.1</i>	<i>11.5</i>	<i>-5.3</i>	<i>5.6</i>	<i>5.7</i>
PV revenues	325,722	488,671	526,850	490,890	519,741	549,469
<i>Growth YoY (%)</i>	<i>94.9</i>	<i>50.0</i>	<i>7.8</i>	<i>-6.8</i>	<i>5.9</i>	<i>5.7</i>
Total India business revenue (Rs mn)	798,359	1,146,244	1,259,881	1,185,080	1,252,578	1,324,419
<i>Growth YoY (%)</i>	<i>70.3</i>	<i>43.6</i>	<i>9.9</i>	<i>-5.9</i>	<i>5.7</i>	<i>5.7</i>
Standalone EBITDA (largely CVs)	16,357	48,108	78,701	80,820	93,741	100,756
<i>EBITDA margin (%)</i>	<i>3.5</i>	<i>7.3</i>	<i>10.7</i>	<i>11.6</i>	<i>12.8</i>	<i>13.0</i>
PV EBITDA	9,150	27,862	33,770	33,570	37,586	39,555
<i>EBITDA margin (%)</i>	<i>2.8</i>	<i>5.7</i>	<i>6.4</i>	<i>6.8</i>	<i>7.2</i>	<i>7.2</i>
India business EBITDA	25,507	75,971	112,471	114,390	131,327	140,311
<i>EBITDA margin (%)</i>	<i>3.2</i>	<i>6.6</i>	<i>8.9</i>	<i>9.7</i>	<i>10.5</i>	<i>10.6</i>
<i>Growth YoY (%)</i>	<i>135.1</i>	<i>197.8</i>	<i>48.0</i>	<i>1.7</i>	<i>14.8</i>	<i>6.8</i>
Standalone EBIT (largely CVs)	(1,248)	30,440	58,532	60,740	68,962	73,074
<i>EBIT margin (%)</i>	<i>(0.3)</i>	<i>4.6</i>	<i>8.0</i>	<i>8.7</i>	<i>9.4</i>	<i>9.4</i>
PV EBIT	(11,265)	5,552	10,270	4,580	6,277	5,741
<i>EBIT margin (%)</i>	<i>(3.5)</i>	<i>1.1</i>	<i>1.9</i>	<i>0.9</i>	<i>1.2</i>	<i>1.0</i>
India business EBIT	(12,514)	35,991	68,802	65,320	75,239	78,815
<i>EBIT margin (%)</i>	<i>(1.6)</i>	<i>3.1</i>	<i>5.5</i>	<i>5.5</i>	<i>6.0</i>	<i>6.0</i>

Source: Company, Emkay Research

Exhibit 13: ...(contd) revenue model

JLR Business (£ mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
JLR volumes (ex-CJLR)	294,182	321,362	401,303	400,898	392,089	392,089
Growth YoY (%)	-15.4	9.2	24.9	-0.1	-2.2	0.0
JLR Realization (£/unit)	62,274	70,976	72,252	72,240	70,073	70,774
Growth YoY (%)	9.7	14.0	1.8	0.0	-3.0	1.0
JLR Revenue	18,320	22,809	28,995	28,961	27,475	27,750
Growth YoY (%)	-7.2	24.5	27.1	-0.1	-5.1	1.0
JLR EBITDA	1,896	2,571	4,620	4,151	3,382	3,524
EBITDA margin (%)	10.3	11.3	15.9	14.3	12.3	12.7
JLR EBIT (incl China JV)	(48)	529	2,445	2,474	1,747	1,754
EBIT margin (%)	-0.3	2.3	8.4	8.5	6.4	6.3
JLR net debt/(cash)	3,199	2,997	732	(278)	(339)	(552)
Net Debt/EBITDA (x)	1.7	1.2	0.2	(0.1)	(0.1)	(0.2)
Net D/E (x)	0.7	0.7	0.1	(0.0)	(0.0)	(0.0)
JLR capex	2,036	2,353	3,263	3,790	3,800	3,192
JLR FCF	(1,156)	519	2,269	1,478	(528)	281
Consolidated Financials (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
India revenue	798,359	1,146,244	1,259,881	1,185,080	1,252,578	1,324,419
JLR revenue	1,864,976	2,213,424	2,870,505	3,113,308	2,953,554	2,983,089
Consolidated revenue	2,784,536	3,459,670	4,340,160	4,440,521	4,478,910	4,594,941
Growth YoY (%)	11.5	24.2	25.5	2.3	0.9	2.6
India EBITDA	55,119	68,801	121,340	105,088	130,399	130,545
JLR EBITDA	193,013	249,494	457,380	446,233	363,590	378,862
Consolidated EBITDA	248,132	318,296	578,720	551,320	493,989	509,407
Growth YoY (%)	-18.8	28.3	81.8	-4.7	-10.4	3.1
EBITDA margin (%)						
India	6.9	6.0	9.6	8.9	10.4	9.9
JLR	10.3	11.3	15.9	14.3	12.3	12.7
Consolidated EBITDA margin (%)	8.9	9.2	13.3	12.4	11.0	11.1
Consol EBIT	(225)	69,692	306,330	318,760	262,126	257,636
Consol PBT	(62,807)	13,769	287,310	330,370	268,601	280,498
Consol EPS (Rs)	(28.0)	1.9	86.2	61.2	56.1	59.0
Consol Net Debt	1,008,381	698,066	384,402	-55,340	-18,095	4,125
Consol FCF	-6,555	175,774	367,328	260,340	41,420	51,121
ROE (%)	(21.5)	1.6	77.8	22.4	16.5	15.1
ROCE (%)	1.4	5.9	37.9	20.2	16.7	16.0

Source: Company, Emkay Research

Exhibit 14: We cut FY26E/27E consol EPS by ~15%, to factor in the weaker outlook/profitability at JLR

(Consolidated)	FY25		FY26E				FY27E			
	Actual	%YoY	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY
JLR volume, excl China JV (no of units)	400,898	(0.1)	392,089	392,089	-	-2.2	392,089	392,089	-	0.0
Standalone volume – India CVs (no of units)	361,074	(5.9)	378,948	371,907	(1.9)	3.0	396,860	388,601	(2.1)	4.5
Consol Revenue	4,396,950	1.3	4,501,085	4,478,910	(0.5)	1.9	4,618,999	4,594,941	(0.5)	2.6
Consol EBITDA	551,320	(4.7)	550,859	493,989	(10.3)	-10.4	568,014	509,407	(10.3)	3.1
Consol Margin (%)	12.5	(80)bps	12.2	11.0	(121)bps	(12)bps	12.3	11.1	(121)bps	1bps
Consol PAT	225,030	(31.9)	241,232	206,272	(14.5)	-8.3	253,984	217,015	(14.6)	5.2
Consol Dil Adj EPS (Rs)	61.2	(29.1)	65.6	56.1	(14.5)	-8.3	69.0	59.0	(14.6)	5.2
Standalone (Rs mn)	FY25		FY26E				FY27E			
	Actual	%YoY	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY
Volume	361,074	(5.9)	378,948	371,907	(1.9)	3.0	396,860	388,601	(2.1)	4.5
Revenue	694,190	(5.3)	754,578	732,837	(2.9)	5.6	798,537	774,951	(3.0)	5.7
EBITDA	80,820	2.7	96,522	93,741	(2.9)	16.0	103,822	100,756	(3.0)	7.5
Margin (%)	11.6	91bps	12.8	12.8	(0)bps	10bps	13.0	13.0	0bps	2bps
PAT	58,480	9.3	66,829	64,909	(2.9)	11.0	69,082	66,808	(3.3)	2.9
Adj EPS (Rs)	15.3	9.3	17.4	16.9	(2.9)	11.0	18.0	17.4	(3.3)	2.9
India PV (Rs mn)	FY25		FY26E				FY27E			
	Actual	%YoY	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY
Volume	572,098	(2.3)	582,918	582,918	-	1.9	598,423	598,423	-	2.7
Revenue	490,890	(6.8)	519,741	519,741	-	5.9	549,469	549,469	-	5.7
EBITDA	33,570	(0.6)	37,586	37,586	-	12.0	39,555	39,555	-	5.2
Margin (%)	6.8	43bps	7.2	7.2	0bps	6bps	7.2	7.2	0bps	(0)bps
PAT	7,140	(34.3)	9,694	9,694	-	35.8	9,850	9,850	-	1.6
Adj EPS (Rs)	0.8	(34.3)	1.0	1.0	-	35.8	1.0	1.0	-	1.6
JLR (£)	FY25		FY26E				FY27E			
	Actual	%YoY	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY
Volume	400,898	(0.1)	392,089	392,089	-	(2.2)	392,089	392,089	-	-
Revenue	28,961	(0.1)	27,475	27,475	-	(5.1)	27,750	27,750	-	1.0
EBITDA	4,151	(10.2)	3,877	3,382	(12.8)	(18.5)	4,024	3,524	(12.4)	4.2
Margin (%)	14.3	(160)bps	14.1	12.3	(180)bps	(14)bps	14.5	12.7	(180)bps	3bps
PAT	1,646	(36.1)	1,687	1,334	(20.9)	(18.9)	1,692	1,359	(19.7)	1.9
Adj EPS (GBP)	1.1	(36.1)	1.1	0.9	(20.9)	(18.9)	1.1	0.9	(19.7)	1.9

Source: Company, Emkay Research

Exhibit 15: We revise our SoTP-based TP downward by 6.3% to Rs750

SOTP-based valuation	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/sh)	Contribution to SOTP (%)	Remarks
India CV	EV/EBITDA: 11x	1,069,546	291	38	Similar to EV/EBITDA multiple for AL
India PV, including EV	EV/Sales: 1.3x	740,484	201	26	20% discount to MSIL's multiple of ~1.7x EV/Sales
JLR	EV/EBITDA: 1.6x	646,565	176	23	In line with EV/EBITDA valuation of European peers
JLR-China JV	EV/EBITDA: 4x	8,458	2	0	Stake stands at 50%
Tata Sons	NAV: 1x	80,450	22	3	Holding company discount at 80%, as stake may not be monetized
Tata Capital	Market Cap	169,200	46	6	20% discount to Market Cap (based on media reports)
Tata Technologies	Market Cap	130,156	35	5	20% discount to CMP
Total (Rounded off)		750			

Source: Company, Emkay Research

Tata Motors: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	3,459,670	4,340,160	4,396,950	4,478,910	4,594,941
Revenue growth (%)	24.2	0	1.3	1.9	2.6
EBITDA	318,296	578,720	551,320	493,989	509,407
EBITDA growth (%)	28.3	0	(4.7)	(10.4)	3.1
Depreciation & Amortization	248,604	272,390	232,560	231,862	251,772
EBIT	69,692	306,330	318,760	262,126	257,636
EBIT growth (%)	0	0	4.1	(17.8)	(1.7)
Other operating income	-	-	-	-	-
Other income	46,332	56,920	62,440	63,064	71,263
Financial expense	102,255	75,940	50,830	56,590	48,400
PBT	13,769	287,310	330,370	268,601	280,498
Extraordinary items	16,807	(10,020)	4,560	0	0
Taxes	7,041	(40,240)	105,020	62,009	63,163
Minority interest	(2,756)	(4,077)	(3,190)	(3,190)	(3,190)
Income from JV/Associates	3,364	6,998	2,870	2,870	2,870
Reported PAT	24,143	320,451	229,590	206,272	217,015
PAT growth (%)	0	0	(28.4)	(10.2)	5.2
Adjusted PAT	7,336	330,471	225,030	206,272	217,015
Diluted EPS (Rs)	1.9	86.2	61.2	56.1	59.0
Diluted EPS growth (%)	0	0	(29.1)	(8.3)	5.2
DPS (Rs)	2.0	6.0	6.0	6.8	7.0
Dividend payout (%)	31.7	7.2	9.6	12.1	11.8
EBITDA margin (%)	9.2	13.3	12.5	11.0	11.1
EBIT margin (%)	2.0	7.1	7.2	5.9	5.6
Effective tax rate (%)	51.1	(14.0)	31.8	23.1	22.5
NOPLAT (pre-IndAS)	34,056	349,234	217,431	201,612	199,621
Shares outstanding (mn)	3,830	3,833	3,679	3,679	3,679

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
PBT (ex-other income)	33,939	279,551	387,550	271,471	283,368
Others (non-cash items)	44,518	25,352	(56,840)	0	0
Taxes paid	(31,790)	(45,163)	(39,910)	(145,276)	(150,118)
Change in NWC	(31,271)	73,252	81,560	66,772	67,699
Operating cash flow	353,880	679,154	631,020	481,420	501,121
Capital expenditure	(178,107)	(311,825)	(370,680)	(440,000)	(450,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	10,199	25,394	24,840	0	0
Investing cash flow	(168,042)	(228,281)	(475,940)	(440,000)	(450,000)
Equity raised/(repaid)	34,737	819	(280)	0	0
Debt raised/(repaid)	(202,397)	(266,965)	(104,520)	7,572	(165,120)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(93,360)	(93,323)	(58,140)	(56,590)	(48,400)
Dividend paid (incl tax)	(1,409)	(10,591)	(24,920)	(22,075)	(24,941)
Others	0	0	(16,947)	0	0
Financing cash flow	(262,429)	(370,060)	(204,807)	(71,093)	(238,461)
Net chg in Cash	(76,591)	80,813	(49,727)	(29,673)	(187,340)
OCF	353,880	679,154	631,020	481,420	501,121
Adj. OCF (w/o NWC chg.)	385,151	605,902	549,460	414,647	433,422
FCFF	175,774	367,328	260,340	41,420	51,121
FCFE	83,717	316,783	234,350	(15,170)	2,721
OCF/EBITDA (%)	111.2	117.4	114.5	97.5	98.4
FCFE/PAT (%)	346.8	98.9	102.1	(7.4)	1.3
FCFF/NOPLAT (%)	516.1	105.2	119.7	20.5	25.6

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	7,660	7,665	7,360	7,358	7,358
Reserves & Surplus	445,558	841,515	1,154,080	1,335,412	1,526,757
Net worth	453,218	849,180	1,161,440	1,342,771	1,534,115
Minority interests	72,777	81,759	66,100	69,290	72,480
Non-current liab. & prov.	(37,777)	(119,557)	(55,070)	(138,336)	(225,291)
Total debt	1,256,605	985,001	624,990	632,562	467,442
Total liabilities & equity	1,744,823	1,796,384	1,797,460	1,906,287	1,848,747
Net tangible fixed assets	729,760	621,620	565,388	825,084	1,009,528
Net intangible assets	504,621	504,621	504,621	504,621	504,621
Net ROU assets	-	-	-	-	-
Capital WIP	142,745	356,984	658,060	606,502	620,286
Goodwill	8,406	8,603	8,950	8,950	8,950
Investments [JV/Associates]	60,725	60,725	60,725	63,725	66,725
Cash & equivalents	573,222	627,053	704,175	671,502	481,162
Current assets (ex-cash)	1,211,477	1,318,033	1,134,730	1,247,198	1,241,742
Current Liab. & Prov.	1,564,145	1,779,266	1,917,200	2,099,306	2,162,279
NWC (ex-cash)	(352,667)	(461,233)	(782,470)	(852,108)	(920,537)
Total assets	1,744,823	1,796,384	1,797,460	1,906,287	1,848,747
Net debt	683,383	357,948	(79,185)	(38,940)	(13,720)
Capital employed	1,744,823	1,796,384	1,797,460	1,906,287	1,848,747
Invested capital	968,130	751,622	374,500	564,557	680,573
BVPS (Rs)	118.3	221.6	315.7	365.0	417.0
Net Debt/Equity (x)	1.5	0.4	(0.1)	-	-
Net Debt/EBITDA (x)	2.1	0.6	(0.1)	(0.1)	-
Interest coverage (x)	1.1	4.8	7.5	5.7	6.8
RoCE (%)	5.9	37.9	20.2	16.7	16.0

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY23	FY24	FY25	FY26E	FY27E
P/E (x)	108.9	8.2	11.0	12.2	11.6
P/CE(x)	10.3	4.4	5.5	5.8	5.4
P/B (x)	5.8	3.1	2.2	1.9	1.6
EV/Sales (x)	1.0	0.7	0.6	0.6	0.5
EV/EBITDA (x)	10.4	5.2	4.4	5.0	4.9
EV/EBIT(x)	47.5	9.8	7.7	9.5	9.8
EV/IC (x)	3.4	4.0	6.5	4.4	3.7
FCFF yield (%)	5.3	12.3	10.6	1.7	2.0
FCFE yield (%)	3.3	12.5	9.3	(0.6)	0.1
Dividend yield (%)	0.3	0.9	0.9	1.0	1.0
DuPont-RoE split					
Net profit margin (%)	0.2	7.6	5.1	4.6	4.7
Total asset turnover (x)	1.8	4.8	2.4	2.4	2.4
Assets/Equity (x)	4.3	2.1	1.8	1.5	1.3
RoE (%)	1.6	77.8	22.4	16.5	15.1
DuPont-RoIC					
NOPLAT margin (%)	1.0	8.0	4.9	4.5	4.3
IC turnover (x)	3.0	11.5	7.8	9.5	7.4
RoIC (%)	3.0	92.9	38.6	42.9	32.1
Operating metrics					
Core NWC days	(37.2)	(38.8)	(65.0)	(69.4)	(73.1)
Total NWC days	(37.2)	(38.8)	(65.0)	(69.4)	(73.1)
Fixed asset turnover	1.0	2.4	1.2	1.1	1.0
Opex-to-revenue (%)	25.3	23.8	25.6	26.5	26.4

Source: Company, Emkay Research

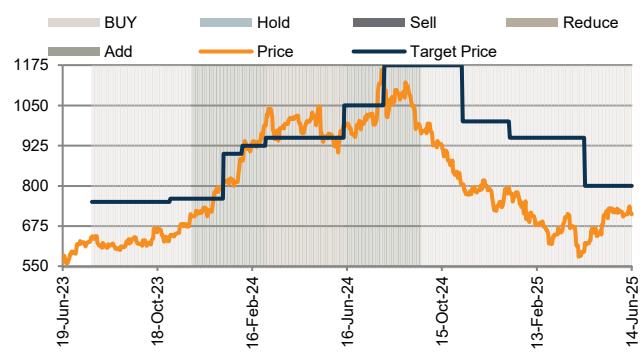
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Date	Closing Price (INR)	TP (INR)	Rating	Analyst
10-Jun-25	732	800	Buy	Chirag Jain
14-May-25	699	800	Buy	Chirag Jain
16-Apr-25	616	800	Buy	Chirag Jain
15-Apr-25	622	800	Buy	Chirag Jain
11-Mar-25	648	950	Buy	Chirag Jain
30-Jan-25	697	950	Buy	Chirag Jain
10-Jan-25	775	950	Buy	Chirag Jain
09-Jan-25	780	950	Buy	Chirag Jain
18-Dec-24	756	1,000	Buy	Chirag Jain
10-Nov-24	805	1,000	Buy	Chirag Jain
08-Oct-24	920	1,175	Buy	Chirag Jain
18-Sep-24	962	1,175	Buy	Chirag Jain
02-Aug-24	1,097	1,175	Add	Chirag Jain
10-Jul-24	1,006	1,050	Add	Chirag Jain
12-Jun-24	989	1,050	Add	Chirag Jain
11-May-24	1,047	950	Reduce	Chirag Jain
18-Apr-24	971	950	Reduce	Chirag Jain
04-Mar-24	987	950	Reduce	Chirag Jain
03-Feb-24	879	925	Add	Chirag Jain
10-Jan-24	808	900	Add	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

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