



BUY

BSE code	500570
NSE code	TATAMOTORS
Bloomberg code	TTMT IN
Current price	294
Target Price	320
MCap Rs bn	893.77
MCap US\$ mn	16468.91
52 WK H/L	320.6 / 167.7
Face value	2
2 WAv vol ('000)	17246.44

Technical Buy recommendation

Tata Motors along with many of the other large cap stocks has been showing some good positive movements. Over the past few months as foreign investors pour money into India. Tata Motors following its correction from its high of Rs320 in April 2012. Following that it had a major correction which bottomed out at Rs.203. After bottoming out it created an inverted head and shoulder pattern which it broke past at Rs245. And had a run up to Rs285 where it went through a consolidation phase.

At this consolidation phase the stock has created an ascending triangle with a resistance of Rs285. On Friday the stock broke above this level with Tata Motors currently trading at a price of Rs294. If the stock is able to maintain this level till the end of close today would recommend going long the stock. We believe if this break out were to hold the stock would move back to test its high levels formed in April of Rs320.

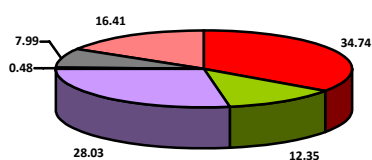
Financial Snapshot

Rs Mn	FY 10	FY 11	FY 12
Sales	35024	47088	54306
% Ch	39.26	34.44	15.33
OPM	15369.	19031.	16371.
PAT			
% Ch	187.61	23.83	-13.98
EPS	20.46	48.9	82.54
PER	52.37	62.98	61.76
BV	2.89	3.96	4.46
P/BV	24.15	21.60	29.31
EV / EBIDTA			

Tata motors daily chart



Share holding pattern



■ PROMOTERS ■ DII ■ FII ■ BODIES CORPORAT ■ RETAIL ■ CUSTODIANS

Sameer Dalal
91-22-4213-4444
sameer@natverlal.com

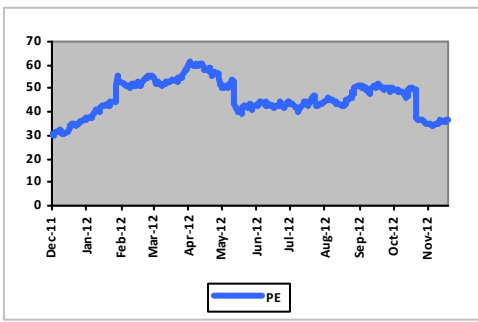


NATVERLAL & SONS

Regd. Off. : Fairy Manor, 5th Floor, 13 Rustom Sidhwa Marg, Fort, Mumbai - 400 001.

Tel. Board: 91-22-4213 4444 Dealing Rm: 91-22-4213 4400, 2265 1121 Fax : 91-22-4213 4440 Email : reasearch@natverlal.com

PE Ratios



Financials

Profit & Loss

In Rs million	FY 10	FY 11	FY 12
Net sales	350246.6	470884.4	543065.6
YoY (%)	39.26	34.44	15.33
Total expenses	330858.8	429246.4	513380.9
EBIDTA	25454.1	45180.2	35923.1
YoY (%)	120.16	77.50	-20.49
EBIDTA (%)	7.27	9.59	6.61
Other income	25642.3	4229.7	5740.8
PBIDT	51096.4	49409.9	41663.9
Depreciation	10338.7	13607.7	16067.4
PBIT	40757.7	35802.2	25596.5
Interest	12462.3	13837	12186.2
PBT	28295.4	21965.2	13410.3
Tax	5894.6	3847	988
Tax/ PBT	20.83	17.51	7.37
PAT	22400.8	18118.2	12422.3
Extra-ordinary	7030.9	-913.6	-3948.8
Net Profit	15369.9	19031.8	16371.1
YoY (%)	187.61	23.83	-13.98

Cash Flow

In Rs million	FY 10	FY 11	FY 12
Net profit	22400.8	18118.2	12422.3
Depn and w/o	10293.6	13562.6	16022.2
Deferred tax			
Change in wrkg cap	27506.1	-26462.9	-3144.2
Other income	8993.4	14886.3	14600.4
Operating cash flow	64001.8	15055.6	36535.9
Other income	70854.7	35552.6	22265.5
Capex	-23101.7	-23816.5	-28354.7
Investments	16248.8	3319.5	42625.1
Investing cash flow	-118869.9	-25181.1	1495
Dividend	-3449	-9902.1	-14622.8
Equity	17942.4	32528.8	0.2
Debt	56771.89	9200	-1440.7
Financing cash flow	55343.4	16484.2	-42355.9
Others			
Net change in cash	475.3	6358.7	-4325

Balance Sheet

In Rs million	FY 10	FY 11	FY 12
Equity capital	5706	6346.5	6347.5
Reserves	143702.4	193544.6	189675.1
Net worth	149408.4	199891.1	196022.6
Total borrowings	165945.4	159907.3	159558.7
Deferred tax	23001.4	27081.6	30960.4
Total liabilities	338601.5	387121.9	386779.2
Net block	111792.6	133928.8	149957.7
CWIP	52321.5	37990.3	40366.7
Investments	223369	226242.1	204935.5
Current assets	115066.1	108856.6	111226.6
Inventories	29355.9	38913.9	45882.3
Debtors	23919.2	26028.8	27083.2
Cash	17532.6	24289.2	18409.6
Loans and advances	44258.4	19624.7	19851.5
Current liabilities	146091.6	106751	112715.4
Provisions	27634.3	20138.6	29545.6
Net current assets	-58659.8	-18033	-31034.4
Misc expenses	7915	6850	9906.3
Total assets	336984.6	387220.1	374369.3

Key Ratios

In Rs million	FY 10	FY 11	FY 12
EPS (Rs)	36.93	25.51	3.34
CEPS (Rs)	55.05	46.95	8.4
Book value (Rs)	261.84	314.91	61.76
DPS (Rs)	15	20	4
Debt-equity (x)	1.1	0.93	0.81
ROCE	11.2	10.09	8.03
ROE	11.32	10.37	8.27

Valuations

	FY 10	FY 11	FY 12
PE (x)	20.46	48.9	82.54
Cash PE (x)	13.73	26.57	32.82
Price/book value (x)	2.89	3.96	4.46
Dividend yield			
Market cap/sales	1.14	1.55	1.48
EV/sales (x)	1.65	1.97	1.87
EV/EBDITA (x)	22.77	20.53	28.29

Disclaimer

The information provided in the document is from publicly available data and other sources, which we believe are reliable. It also includes analysis and views expressed by our research team. The report is purely for information purposes and does not construe to be investment recommendation/advice. Investors should not solely rely on the information contained in this document and must make investment decisions based on their own investment objectives, risk profile and financial position. Efforts are made to try and ensure accuracy of data however, Natverlal & Sons Stockbrokers Pvt Ltd. And / or any of its affiliates and / or employees shall not be liable for loss or damage that may arise from any error in this document. Natverlal & Sons Stockbrokers Pvt Ltd and / or any of its affiliates and / or employees may or may not hold positions in any of the securities mentioned in the document. This document is not for public distribution and should not be reproduced or redistributed without prior permission.

Natverlal & Sons Stockbrokers Pvt Ltd. Fairy Manor, 13 Rustom Sidhwa Marg Fort Mumbai 400001. Tel 91-22-22658737
Email research@natverlal.com