MOTILAL OSWAL

2QFY11 Results Update
SECTOR: METALS

Tata Steel

STOCK INFO.	BLOOMBERG
BSE Sensex: 20,157	TATA IN
	REUTERS CODE
S&P CNX: 6,072	TISC.BO

Equity Shares (m)	887.4
52-Week Range (Rs)	737/449
1,6,12 Rel. Perf. (%)	-2/-11/-2
M.Cap. (Rs b)	537.8
M.Cap. (US$ b)	11.9

12 November 2010

Neutral

Previous Recommendation: Neutral Rs606

YEAR END	NET SALES (RS M)	PAT (RS M)	EPS (RS)	EPS GR. (%)	P/E (X)	P/BV (X)	ROE (%)	ROCE (%)	EV/ SALES	EV/ EBITDA
3/09A	1,473,293	90,454	101.9	16.9	5.9	4.6	76.7	15.3	0.7	5.7
3/10A	1,023,931	-8,255	-9.3	-n/a-	-65.1	6.3	-9.7	4.5	1.0	12.2
3/11E	1,129,411	67,175	74.4	-n/a-	8.1	3.5	42.9	13.5	0.9	6.1
3/12E	1,166,209	68,654	75.1	0.9	8.1	2.5	31.2	12.3	0.8	6.0

Consolidated

- Tata Steel's 2QFY11 consolidated adjusted PAT declined 30% QoQ to Rs13.1b, which was above our estimate of Rs7.6b, largely due to better than expected performance of Tata Steel Europe (TSE). TSE's average realization rose 5% QoQ to US$1,108/ton contrary to the general trend of declining prices.
- Tata Steel India's (TSI) adjusted PAT declined 14% QoQ to Rs13.7b (against our estimate of Rs12.2b) despite a 19% QoQ jump in steel volumes. The realization decline was slightly higher than our expectation. The realization of long products declined 12% QoQ to Rs27,500/ton and that of flat products declined 5% QoQ to Rs35,589/ton. The blended realization declined 9% QoQ to Rs39,139/ton.
- TSI's EBITDA declined 10% QoQ to Rs26.3b (up 37% YoY). EBITDA per ton fell 24% QoQ to Rs14,758/ton (US$321/ton). TSI's performance was better than our estimates of Rs24.4b as cost increases were less than our expectations.
- EBITDA at TSE's operations declined by 35% QoQ to US$197m due to 5% lower volumes and a margin squeeze due to a 20% increase in raw material costs. EBITDA per ton declined 30% QoQ to US$55/ton.

To raise Rs70b equity to fund high RoI projects; Jamshedpur expansion on track; Upgrading FY11 EPS 14%

- Tata Steel's board has approved the raising of Rs70b of equity related instruments for investing in high RoI projects (Indian Greenfield and overseas Raw Material). This will dilute equity by 10-15%.
- The Jamshedpur expansion to 10mtpa is on track to be completed by December 2011. We are upgrading FY11 EPS by 14% to Rs74.4 to factor in stronger than expected performance in 2QFY11. The stock trades at an EV/EBITDA of 6x FY12E. Although valuations are not demanding, the near term outlook is challenging. Equity dilutions and significant capital deployment in future projects will limit the upside. Maintain **Neutral**.

QUARTERLY PERFORMANCE (STANDALONE) (RS MILLION)

Y/E MARCH	FY10				FY11				FY10	FY11E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales ('000 tons)	1,418	1,457	1,596	1,698	1,399	1,660	1,676	1,782	6,169	6,518
Avg Realization (Rs/tss)	36,717	35,652	36,534	39,649	42,871	39,139	40,353	40,853	37,225	40,721
Net Sales	**56,156**	**56,921**	**63,749**	**73,394**	**65,515**	**71,068**	**73,133**	**78,986**	**250,220**	**288,702**
Change (YoY %)	*-8.9*	*-16.9*	*32.8*	*12.9*	*16.7*	*24.9*	*14.7*	*7.6*	*2.9*	*15.4*
EBITDA	**17,422**	**19,222**	**23,106**	**29,770**	**29,165**	**26,290**	**26,126**	**30,313**	**89,521**	**111,894**
(% of Net Sales)	*31.0*	*33.8*	*36.2*	*40.6*	*44.5*	*37.0*	*35.7*	*38.4*	*35.8*	*38.8*
EBITDA(Rs/tss)	**12,135**	**12,664**	**13,725**	**16,688**	**19,537**	**14,758**	**14,887**	**16,327**	**13,993**	**16,415**
Interest	3,422	3,920	4,157	3,585	3,277	3,425	3,356	3,289	15,084	13,347
Depreciation	2,532	2,564	2,622	3,115	2,802	2,815	2,899	2,986	10,832	11,502
Other Income	463	761	936	1,378	484	327	1,029	1,516	3,538	3,356
PBT (after EO Inc.)	**11,932**	**13,499**	**17,426**	**29,286**	**23,570**	**27,378**	**20,899**	**25,554**	**72,143**	**97,402**
Total Tax	4,034	4,470	5,508	7,663	7,776	6,726	5,134	6,278	21,675	25,915
Reported PAT	**7,898**	**9,029**	**11,918**	**21,623**	**15,794**	**20,652**	**15,765**	**19,276**	**50,468**	**71,487**
Adjusted PAT	**7,898**	**9,029**	**11,755**	**16,786**	**15,794**	**13,651**	**15,765**	**19,276**	**45,468**	**64,486**
Change (YoY %)	*-55.9*	*-57.7*	*98.2*	*145.5*	*100.0*	*51.2*	*34.1*	*14.8*	*-12.6*	*41.8*
Consolidated Financials										
Net Sales	**232,923**	**253,950**	**262,020**	**275,038**	**271,948**	**286,462**	**265,564**	**305,437**	**1,023,931**	**1,129,411**
EBITDA	**-299**	**3,718**	**31,043**	**45,964**	**44,326**	**36,723**	**32,225**	**45,238**	**80,427**	**158,512**
Reported PAT	**-22,385**	**-27,198**	**4,323**	**24,052**	**17,902**	**19,683**	**12,553**	**22,661**	**-21,208**	**72,800**
Adjusted PAT	**-19,899**	**-17,959**	**6,521**	**23,083**	**18,851**	**13,104**	**12,585**	**22,634**	**-8,255**	**67,175**

E: MOSL Estimates; tss=ton of steel sales

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Better than expected performance by Tata Steel Europe

- Tata Steel's 2QFY11 consolidated adjusted PAT declined 30% QoQ to Rs13.1b, above our estimate of Rs7.6b largely due to a better-than-expected performance of Tata Steel Europe.
- Tata Steel Europe's average realization rose 5% QoQ to US$1,108/ton contrary to the general trend of declining prices.
- Reported PAT of Rs19.7b included a one-off item of Rs7b due to the sale of investment in Tata Motors and Tata Power.

Revenue up 5% QoQ as Europe and India operations balance each others' volume and price decline

- Net sales increased 5% QoQ to Rs286.5b mainly due to higher realizations (up 7% QoQ) though deliveries were marginally lower by 1%. Tata Steel India's deliveries increased 19% QoQ to 1.66mt due to destocking and Tata Steel Europe's deliveries declined 5% QoQ to 3.53mt due to weaker demand. Tata Steel Europe's revenue was boosted by US$20m-30m carbon credit.
- Average selling realization for Tata Steel India fell 9% QoQ to Rs39,139/ton, slightly below our estimate of Rs39,853/ton. On the other hand, Tata Steel Europe's realization rose 5% QoQ to US$1,108/ton contrary to the general trend of declining prices. This was due to quarterly contracts signed towards the end of 1QFY11 as prices were significantly higher at the start of 1QFY11. They tapered towards the end of the quarter.
- Tata Steel India's saleable steel production rose marginally by 1% QoQ to 1.61mt, and crude steel production at the Europe operations fell 3% QoQ to 3.6mt.

EBITDA down 17% QoQ due to high raw material costs, price decline

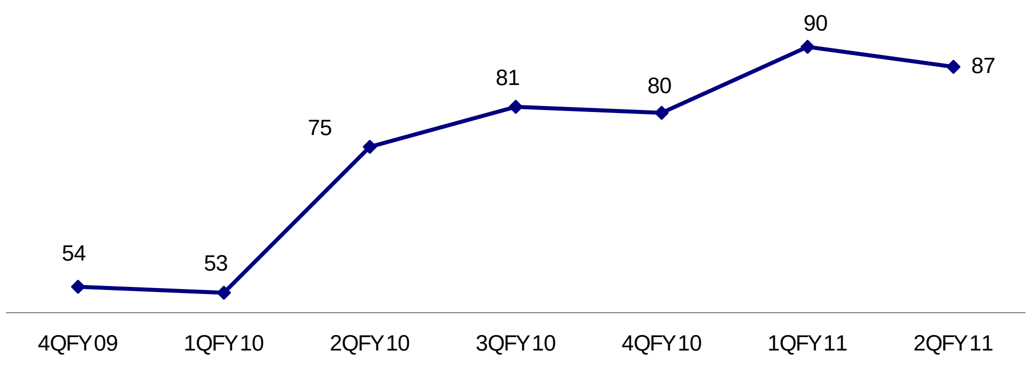
- Consolidated EBITDA declined 17% QoQ to Rs36.7b.
- Tata Steel India's EBITDA declined 10% QoQ to Rs26.3b despite 19% higher volumes, which was slightly above our estimate of Rs24.4b. Although realizations were lower than our expectations, the cost increase was less than our expectation. EBITDA per ton fell 24% QoQ to US$321/ton.
- Tata Steel Europe's EBITDA fell by 35% QoQ to US$197m due to 5% lower volumes and a margin squeeze due to a 20% increase in raw material costs. EBITDA per ton declined 30% QoQ to US$55/ton.

QUARTERLY PERFORMANCE (TATA STEEL EUROPE) (RS MILLION)

Y/E MARCH	FY10				FY11		FY10
	1Q	2Q	3Q	4Q	1Q	2Q	
Production (m tons)	2.8	4.0	4.2	3.7	3.7	3.6	14.7
Change (YoY %)	*-46.2*	*-17.5*	*27.2*	*28.0*	*33.6*	*-8.8*	*-9.5*
Sales (m tons)	3.3	3.9	3.8	3.9	3.7	3.5	14.9
Change (YoY %)	*-47.6*	*-31.2*	*-12.6*	*14.7*	*12.4*	*-9.9*	*-24.5*
Realization (Rs per ton)	46,145	42,776	44,573	43,992	47,739	52,089	44,296
Change (QoQ %)	*-12.2*	*-7.3*	*4.2*	*-1.3*	*8.5*	*9.1*	*-20.4*
Net Sales	**152,280**	**167,680**	**167,550**	**171,567**	**177,110**	**183,874**	**659,077**
Change (QoQ %)	*-14.7*	*10.1*	*-0.1*	*2.4*	*3.2*	*3.8*	*-39.8*
EBITDA	**-18,530**	**-18,020**	**6,606**	**16,503**	**13,630**	**8,852**	**-13,441**
As % of Net Sales	*-12.2*	*-10.7*	*3.9*	*9.6*	*7.7*	*4.8*	*-2.0*
EBITDA(Rs/tss)	-5,615	-4,597	1,757	4,232	3,674	2,508	-903
INR/USD	48.8	48.4	46.7	45.1	46.4	46.0	47.4
EBITDA (USD/ton)	-115	-95	38	94	79	55	-19

Source: Company/MOSL

Capacity utilization up in Europe over the past few quarters (%)



Source: Company/MOSL

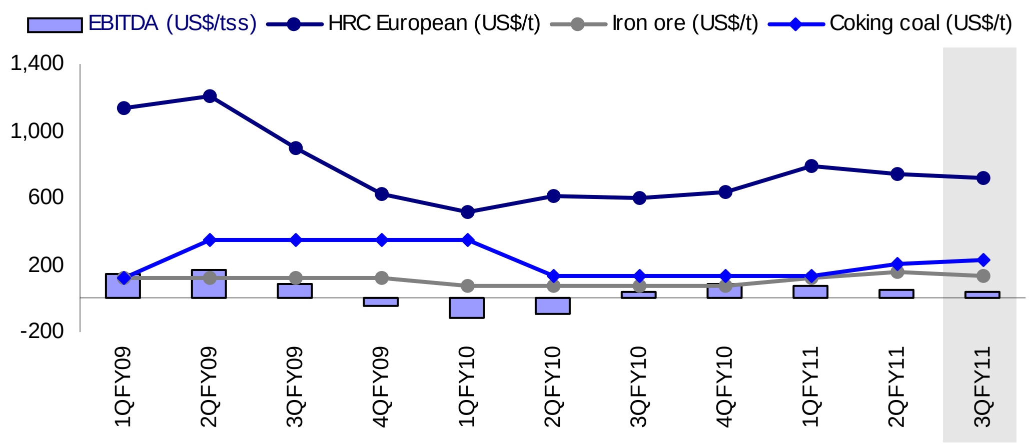
Debt re-financing at Tata Steel Europe at easier terms but at higher interest cost

- Interest costs increased due to re-financing of GBP3.5b debt of Tata Steel Europe. The re-financed debt is now priced at Libor+350bp instead of Libor+220bp, thus increasing interest costs. New long term debt has no covenants linked to profitability. The annual impact of re-financed debt will be GBP40m.
- Reported other income was boosted by non-recurring Rs7b from the sale of investments. We have adjusted this item and shown it as an extraordinary item.

Weak 3QFY11 expected for Europe operations, flattish margins at TSI

- Demand and pricing environment remains challenging in Europe due to poor economical conditions coupled with seasonal factors. Lag effect of increase in raw material prices contracted in 2QFY11 will further increase the average raw material costs in 3QFY11. This coupled with lower steel prices will depress margins yet it might still post a positive EBITDA. Margins however are expected to improve in 4QFY11 on expectation of better prices and lower raw material costs.
- Tata Steel India is likely to sustain margins in the following quarters as some of the cost increases will get offset by better prices.

European steel and contracted raw material prices



Source: Company/MOSL

Tata Steel to raise Rs70b equity to fund strategic projects

- Tata Steel's board approved raising Rs70b of equity related instruments for investment in high RoI projects. This will dilute equity by 10-15%. The funds raised will be deployed in capex at Indian greenfield projects, iron ore projects in Canada and coking coal projects in Mozambique.
- The expansion of capacity at Jamshedpur to 10mtpa is on track for completion by December 2011. The layout of the site has posed challenges in project execution without disruption of production. We expect a gradual production ramp-up due to layout difficulties. Capacity expansion will provide additional volumes at Tata Steel India. Coking coal production from captive mines may not be able to keep pace, increasing dependence on imported coking coal.
- The Mozambique and Canadian raw material initiatives will consume capital in the near term though benefits to bottomline can be expected from FY13.

Analyst meet highlights: strong growth in domestic consumption, European environment challenging

- Indian finished steel demand is expected to grow at 10-12% over the next two years led by buoyancy in end user segments such as automobiles, consumer durables and investment in infrastructure.
- Ongoing 2.9mtpa expansion at Jamshedpur is expected to be completed on schedule in 2HFY11. TSI has incurred capex of Rs57.3b so far and is expected to incur Rs29.6b in 2HFY11.
- Countries such as China, Australia and Vietnam, where Natsteel operates, are expected to post positive GDP in 2010 due to strong demand from the construction sector.
- The demand and pricing environment is challenging in Europe due to poor economic conditions and seasonal factors. The lag effect of higher raw material prices that were contracted in 2QFY11 and the lag effect of lower steel prices in 2QFY11 will depress margins. But margins are expected to improve in 4QFY11 on expectation of better prices, stronger market conditions and lower raw material costs.
- The UK economy will react to the government's comprehensive spending review. The UK government is assessing spending on infrastructure and construction.
- Gross debt increased by 631m to US$12.5b in 2QFY11. This increase in gross debt is mainly due to incremental drawings for ongoing expansion at Jamshedpur, Dhamra port and Tata NYK. Net debt at group level increased proportionately to US$10.7b.

Upgrading FY11 EPS by 14%; maintain Neutral

- We are upgrading FY11 EPS by 14% to Rs74.4 to factor in stronger-than-expected performance in 2QFY11.
- The stock trades at P/E of 8x FY12E and EV/EBITDA of 6x FY12E. Though valuations are not demanding the near term outlook is challenging. Equity dilutions and significant capital deployment in future projects will limit upside. Maintain **Neutral**.

QUARTERLY PERFORMANCE (SUBSIDIARIES) **(RS MILLION)**

Y/E MARCH	FY10				FY11				FY10	FY11E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales (m tons)	4.0	4.8	4.6	4.8	4.5	4.2	4.2	4.9	18.2	17.8
Change (YoY %)	*-45.8*	*-29.7*	*-6.7*	*16.0*	*11.8*	*-12.7*	*-8.9*	*2.1*	*-21.8*	*-2.4*
Realization (Rs per ton)	43,916	41,347	42,958	41,987	45,864	51,778	45,746	46,191	42,492	47,311
Change (QoQ %)	*-8.7*	*-5.8*	*3.9*	*-2.3*	*9.2*	*12.9*	*-11.6*	*1.0*	*-19.5*	*11.3*
Net Sales	**176,768**	**197,029**	**198,271**	**201,643**	**206,433**	**215,394**	**192,431**	**226,450**	**773,711**	**840,709**
Change YoY (%)	*-52.7*	*-47.2*	*-30.2*	*1.3*	*16.8*	*9.3*	*-2.9*	*12.3*	*-37.1*	*8.7*
EBITDA	**-17,721**	**-15,504**	**7,937**	**16,194**	**15,161**	**10,433**	**6,099**	**14,925**	**-9,094**	**46,619**
Change (YoY %)	-144.7	-130.6	-42.5	-214.7	-185.6	-167.3	-23.2	-7.8	-110.1	-612.6
As % of Net Sales	*-10.0*	*-7.9*	*4.0*	*8.0*	*7.3*	*4.8*	*3.2*	*6.6*	*-1.2*	*5.5*
EBITDA (USD/ton)	-90	-67	37	75	73	55	33	68	-11	57
Interest	5,397	3,252	3,473	3,014	2,699	3,212	3,596	3,658	15,137	13,165
Depreciation	8,358	8,972	8,925	7,831	7,637	7,966	7,952	7,881	34,086	31,437
Other Income	1,576	-581	1,464	863	110	816	1,434	845	3,321	3,206
PBT (after EO Inc.)	**-32,088**	**-37,422**	**-4,955**	**2,632**	**4,337**	**-246**	**-4,015**	**4,231**	**-71,833**	**4,308**
Total Tax	-1,805	-1,195	2,640	203	2,229	724	-803	846	-157	2,995
% Tax	*5.6*	*3.2*	*-53.3*	*7.7*	*51.4*	*-294.7*	*20.0*	*20.0*	*0.2*	*69.5*
Reported PAT	**-30,284**	**-36,227**	**-7,595**	**2,429**	**2,108**	**-969**	**-3,212**	**3,385**	**-71,848**	**1,312**
Share of asso. PAT	86	300	551	331	416	3	3	3	1,269	425
Minority Interests	-212	174	148	43	65	-103	-29	30	152	-36
Adjusted PAT	**-28,096**	**-27,114**	**-5,638**	**6,009**	**2,707**	**-653**	**-3,212**	**3,385**	**-54,876**	**2,227**
Change (YoY %)	*-215.8*	*-191.4*	*-265.9*	*-130.4*	*-109.6*	*-97.6*	*-43.0*	*-43.7*	*-246.0*	*-500.4*

E: MOSL Estimates

Tata Steel: an investment profile

Company description

Tata Steel (Tata) is the lowest cost producer of steel in India, and after the acquisition of Corus (which is several times its size) it has become the sixth largest steel maker in the world. The combined entity (Tata-Corus) has its business spread over Europe, the UK, Asia, North America and the Rest of the World. Tata-Corus (27mtpa) has ~22% raw material security and plans to increase it to 50-60%. Production will increase to 34mtpa through brownfield expansions at Jamshedpur and greenfield projects in Orissa.

Key investment arguments

- The ongoing brownfield expansion at Jamshedpur will raise capacity to 10mtpa by December 2011. The earnings will grow at CAGR of 18% over FY10-13E.
- Tata Steel is focusing on expanding Corus' thin margins by reworking product pricing, procurement policies, asset sweating and improving operating efficiencies.

Key investment risks

- Tata Steel's earnings have high leverage to steel prices and Corus earnings, while the demand and pricing environment is challenging in European.

Recent developments

- On 12 November 2010 the board of directors of Tata Steel sought shareholder approval to raise additional long term resources through the issue of securities, including ordinary shares, equity shares with differential rights as to voting and dividend, GDRs, debentures and foreign currency bonds up to Rs70b and to alter the Memorandum and Articles of Association to increase authorized capital from Rs80b to 83.5b.

Valuation and view

- The stock trades at an EV/EBITDA of 6x FY12E. Maintain **Neutral**.

Sector view

- Indian steel demand is expected to post 10-12% CAGR over FY10-12 due to the planned infrastructure investment by the government and a rebound of capex. Industrial production has started growing in double digits due to the economic recovery and a boost from stimulus packages. Auto and white goods demand has started growing in double digits. Large power capacity addition will drive industrial production. According to WSA, Indian steel demand is expected to grow 8.2% and 13.6% in 2010 and 2011 respectively. We are positive about domestic steel companies.

Comparative valuations

		Tata Steel	SAIL	JSW Steel
P/E (x)	FY11E	8.1	12.8	16.2
	FY12E	8.1	12.9	9.6
P/BV (x)	FY11E	3.5	2.0	1.8
	FY12E	2.5	1.8	1.4
EV/Sales (x)	FY11E	0.9	1.7	1.8
	FY12E	0.8	1.8	1.3
EV/EBITDA (x)	FY11E	6.1	8.0	9.2
	FY12E	6.0	8.5	5.4

Shareholding Pattern (%)

	Sep-10	Jun-10	Sep-09
Promoter	32.5	31.3	31.2
Domestic Inst	26.2	25.2	23.1
Foreign	17.0	17.2	20.3
Others	24.3	26.3	25.5

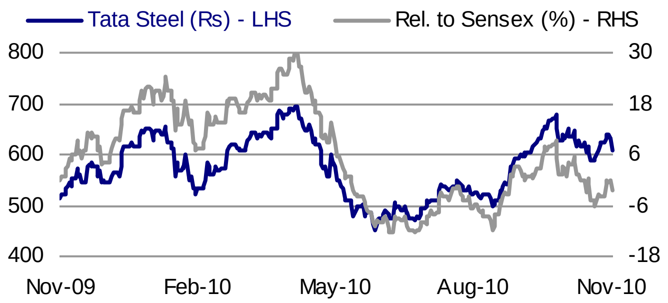
EPS: MOSL forecast v/s consensus (Rs)

	MOSL forecast	Consensus forecast	Variation (%)
FY11	74.4	64.8	14.8
FY12	75.1	77.5	-3.1

Target Price and Recommendation

Current Price (Rs)	Target Price (Rs)	Upside (%)	Reco.
606	734	21.1	Neutral

Stock performance (1 year)



Financials and Valuation

INCOME STATEMENT (CONSOLIDATED)				(RS MILLION)
Y/E MARCH	**2009**	**2010**	**2011E**	**2012E**
Net Sales	**1,473,293**	**1,023,931**	**1,129,411**	**1,166,209**
Change (%)	12.0	-30.5	10.3	3.3
EBITDA	**181,277**	**80,427**	**158,512**	**155,744**
% of Net Sales	12.3	7.9	14.0	13.4
Depn. & Amortization	42,654	44,917	42,938	43,141
EBIT	**138,623**	**35,509**	**115,574**	**112,604**
Net Interest	32,902	30,221	26,512	28,450
Other income	2,657	6,859	6,562	6,834
PBT before EO	**108,378**	**12,147**	**95,624**	**90,988**
EO income	-40,945	-11,837	6,086	
PBT after EO	**67,432**	**310**	**101,710**	**90,988**
Current tax	20,159	18,249	28,910	22,345
Deffered tax	-1,219	1,227		
Tax	18,940	21,518	28,910	22,345
Rate (%)	28.1	6,941	28.4	24.6
Reported PAT	**48,492**	**-21,208**	**72,800**	**68,642**
Minority interests	-409	152	-36	1
Share of asso. PAT	607	1,269	425	13
Attributable PAT	**49,509**	**-20,092**	**73,261**	**68,654**
Adjusted PAT	**90,454**	**-8,255**	**67,175**	**68,654**
Change (%)	16.9	-109.1	-n/a-	2.2

BALANCE SHEET (CONSOLIDATED)				(RS MILLION)
Y/E MARCH	**2009**	**2010**	**2011E**	**2012E**
Share Capital	7,301	8,867	9,017	9,137
Reserves	264,245	221,516	292,859	356,041
Net Worth	**271,546**	**230,383**	**301,877**	**365,178**
Minority Interest	8,949	8,841	8,805	8,806
Total Loans	599,005	531,004	531,004	531,004
Deferred Tax Liability	27,518	16,541	14,742	12,943
Capital Employed	**907,018**	**786,768**	**856,427**	**917,931**
Gross Block	995,007	976,290	1,036,290	1,096,290
Less: Accum. Deprn.	630,832	608,126	651,064	694,205
Net Fixed Assets	**364,175**	**368,164**	**385,225**	**402,084**
Capital WIP	88,880	89,795	89,795	89,795
Investments	30,203	34,890	34,890	34,890
Goodwill on consolidation	153,649	145,418	145,418	145,418
Curr. Assets	**572,620**	**457,965**	**351,866**	**400,782**
Inventory	216,687	186,866	78,537	80,501
Account Receivables	130,316	116,240	122,849	117,677
Cash and Bank Balance	95,391	87,166	106,144	156,662
Others	130,225	67,694	44,336	45,942
Curr. Liability & Prov.	**302,510**	**309,464**	**150,767**	**155,039**
Account Payables	230,933	233,886	94,618	97,345
Provisions & Others	71,577	75,578	56,149	57,694
Net Current Assets	**270,110**	**148,501**	**201,098**	**245,743**
Appl. of Funds	**907,018**	**786,768**	**856,427**	**917,931**

E: MOSL Estimates

RATIOS (CONSOLIDATED)				
Y/E MARCH	**2009**	**2010**	**2011E**	**2012E**
Basic (Rs)				
EPS	**101.9**	**(9.3)**	**74.4**	**75.1**
Cash EPS	124.7	26.7	128.3	122.2
BV/Share	132.9	95.7	173.4	240.3
DPS	16.0	8.0	9.0	10.0
Payout (%)	16.5	(106.4)	14.1	15.6
Valuation (x)				
P/E	5.9	(65.1)	8.1	8.1
Cash P/E	4.9	22.7	4.7	5.0
P/BV	4.6	6.3	3.5	2.5
EV/Sales	0.7	1.0	0.9	0.8
EV/EBITDA	5.7	12.2	6.1	6.0
Dividend Yield (%)	2.6	1.3	1.5	1.7
Return Ratios (%)				
RoE	76.7	(9.7)	42.9	31.2
RoCE	15.3	4.5	13.5	12.3
RoIC	18.5	-na-	17.2	17.3
Working Capital Ratios				
Fixed Asset Turnover (x)	1.5	1.0	1.1	1.1
Asset Turnover (x)	1.6	1.3	1.3	1.3
Debtor (Days)	32.3	41.4	39.7	36.8
Inventory (Days)	54	67	25	25
A/c Payables (Days)	57.2	83.4	30.6	30.5
Working Capital Turnover	43	22	31	28
Leverage Ratio (x)				
Current Ratio	1.9	1.5	2.3	2.6
Interest Cover Ratio	4.2	1.2	4.4	4.0
Debt/Equity	4.3	5.2	2.7	1.7

CASHFLOW STATEMENT (CONSOLIDATED)				(RS MILLION)
Y/E MARCH	**2009**	**2010**	**2011E**	**2012E**
Pre-tax Profit	67,432	310	101,710	90,988
Depreciation	42,654	44,917	42,938	43,141
(Inc)/Dec in Wkg. Cap.	2,254	113,383	-33,618	5,873
Tax Paid	-33,879	-18,249	-28,910	-22,345
Other operating activities	98,603	-112,129	-18,533	-16,025
CF from Op. Activity	**177,065**	**28,231**	**63,587**	**101,631**
(Inc)/Dec in FA + CWIP	-32,632	17,803	-60,000	-60,000
(Pur)/Sale of Investments	-74,935	-4,687		
Others				
CF from Inv. Activity	**-107,567**	**13,116**	**-60,000**	**-60,000**
Equity raised/(repaid)	145	24,177	10,692	5,346
Chg in minorities		-108	-36	1
Debt raised/(repaid)	20,521	-68,002		
Dividend (incl. tax)	-12,266	-8,785	-9,502	-10,699
Other financing activities	-35,940	3,144	14,238	14,238
CF from Fin. Activity	**-27,540**	**-49,573**	**15,391**	**8,887**
(Inc)/Dec in Cash	**41,958**	**-8,226**	**18,979**	**50,518**
Add: opening Balance	53,433	95,391	87,166	106,144
Closing Balance	**95,391**	**87,166**	**106,144**	**156,662**

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Disclosure of Interest Statement	Tata Steel
1. Analyst ownership of the stock	No
2. Group/Directors ownership of the stock	Yes
3. Broking relationship with company covered	No
4. Investment Banking relationship with company covered	No