

Tata Steel

Performance Highlights

Standalone (₹ cr)	2QFY13	2QFY12	% chg (yoy)	1QFY13	% chg (qoq)
Net revenue	9,151	8,142	12.4	8,908	2.7
EBITDA	2,516	2,700	(6.8)	2,780	(9.5)
Margin (%)	27.5	33.2	(566)bp	31.2	(371)bp
Adj. PAT	1,341	1,495	(10.3)	1,357	(1.1)

Source: Company, Angel Research

Higher input costs dent standalone results: Tata Steel's Indian operations posted a net sales growth of 12.4% yoy to ₹9,151cr driven by increases in both, volumes (+5.0% yoy) as well as realization (+8.3% yoy). However, the EBITDA fell by 6.8% yoy to ₹2,516cr and EBITDA margin slipped 566bp yoy due to rising costs of raw material and higher power costs. The PAT fell by 10.3% yoy to ₹1,341cr due to higher interest and depreciation charges.

Consolidated (₹ cr)	2QFY13	2QFY12	% chg (yoy)	1QFY13	% chg (qoq)
Net revenue	34,133	32,798	4.1	33,821	0.9
EBITDA	2,310	2,750	(16.0)	3,403	(32.1)
Margin (%)	6.8	8.4	(162)bp	10	(329)bp
Adj. PAT	(407)	362	-	598	-

Source: Company, Angel Research

Disappointing consolidated results: The company's consolidated net sales rose marginally by 4.1% yoy to ₹34,133cr due to subdued performance from Tata Steel Europe (TSE). TSE reported an EBITDA/tonne of negative US\$2 compared to +US\$28 in 2QFY2012. Consequently, the company reported an adjusted net loss of ₹407cr which was aggravated by higher deferred tax provisions and interest expenses.

Outlook and valuation: We continue to maintain our positive stance on Tata Steel owing to its buoyant business outlook, driven by a) higher sales volume in FY2014 on the back of 2.9mn tonne brownfield expansion project in Jamshedpur, b) raw-material projects at Mozambique and Canada and c) restructuring initiatives at TSE. **We maintain our Buy rating on the stock with a revised SOTP target price of ₹463.**

Key financials (Consolidated)

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
Net sales	118,753	132,900	145,725	154,108
% chg	16.0	11.9	9.7	5.8
Reported PAT	8,983	5,390	2,140	4,327
% chg	-	(40.0)	(60.3)	102.2
Adj. EPS (₹)	61.9	20.9	22.0	44.5
EBITDA margin (%)	14.1	9.3	8.3	9.5
P/E (x)	6.3	18.7	17.7	8.8
P/BV (x)	1.1	0.9	0.8	0.8
RoE (%)	30.8	13.7	4.9	9.3
RoCE (%)	14.6	9.3	7.2	10.0
EV/Sales (x)	0.6	0.6	0.5	0.5
EV/EBITDA (x)	4.3	5.9	6.6	5.5

Source: Company, Angel Research

BUY

CMP	₹391
Target Price	₹463

Investment Period	12 months
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Stock Info	
Sector	Steel
Market Cap (₹ cr)	37,931
Net Debt (₹ cr)	43,840
Beta	1.2
52 Week High / Low	501/332
Avg. Daily Volume	783,978
Face Value (₹)	10
BSE Sensex	18,684
Nifty	5,686
Reuters Code	TISC.BO
Bloomberg Code	TATA@IN

Shareholding Pattern (%)	
Promoters	31.4
MF / Banks / Indian Fls	28.7
FII / NRIs / OCBs	14.1
Indian Public / Others	25.9

Abs. (%)	3m	1yr	3yr
Sensex	6.4	7.6	13.2
Tata Steel	(3.9)	(13.0)	(23.3)

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Exhibit 1: 2QFY2013 performance (Standalone)

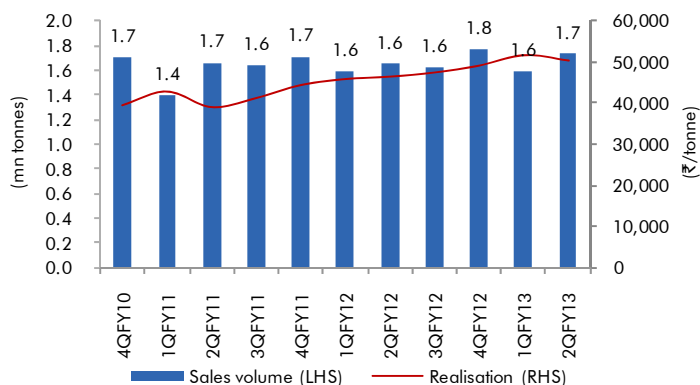
Standalone (₹ cr)	2QFY13	2QFY12	yoy %	1QFY13	qoq %	1HFY13	1HFY12	yoy %
Net Sales	9,151	8,142	12.4	8,908	2.7	18,059	16,002	12.8
- Consumption of Raw Material	2,380	1,894	25.6	2,003	18.8	4,383	3,467	26.4
(% of Net Sales)	26.0	23.3		22.5		24.3	21.7	
- Power & Fuel	588	432	36.0	548	7.3	1,135	891	27.4
(% of Net Sales)	6.4	5.3		6.1		6.3	5.6	
- Staff Costs	830	691	20.2	859	(3.4)	1,689	1,378	22.6
(% of Net Sales)	9.1	8.5		9.6		9.4	8.6	
Freight & Handling	516	390	32.4	482	7.1	998	796	25.3
(% of Net Sales)	5.6	4.8		5.4		5.5	5.0	
- Other expenses	2,321	2,036	14.0	2,236	3.8	4,557	3,667	24.3
(% of Net Sales)	25.4	25.0		25.1		25.2	22.9	
Total Expenditure	6,634	5,442	21.9	6,128	8.3	12,763	10,199	25.1
Operating Profit	2,516	2,700	(6.8)	2,780	(9.5)	5,296	5,803	(8.7)
OPM (%)	27.5	33.2		31.2		29.3	36.3	
Interest	454	234	93.8	454	(0.1)	908	462	96.8
Depreciation	391	287	36.3	354	10.4	746	572	30.3
Other Income	240	93	156.9	152	57.8	392	646	(39.4)
Exceptional Items	10	0		0		10	0	
Profit before Tax	1,920	2,272	(15.5)	2,123	(9.5)	4,043	5,415	(25.3)
(% of Net Sales)	21.0	27.9		23.8		22.4	33.8	
Tax	569	777	(26.7)	766	(25.7)	1,336	1,701	(21.4)
(% of PBT)	29.7	34.2		36.1		33.0	31.4	
Net income	1,351	1,495	(9.7)	1,357	(0.4)	2,707	3,715	(27.1)
Adjusted net income	1,341	1,495	(10.3)	1,357	(1.1)	2,698	3,204	(15.8)

Source: Company, Angel Research

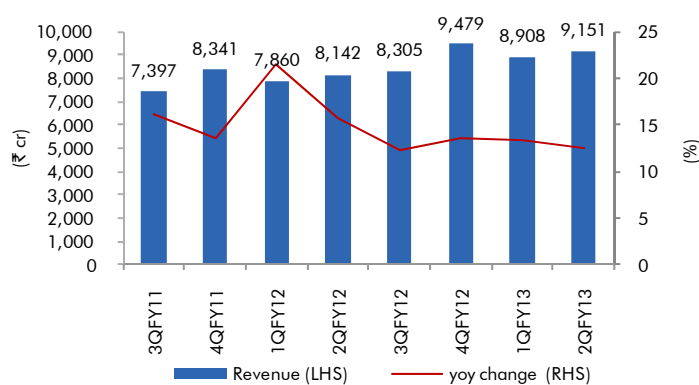
Result highlights - Standalone

Net sales increase by 12.4% yoy

Tata Steel's Indian operations posted a net sales growth of 12.4% yoy to ₹9,151cr mainly due to increases in both, volumes and realizations. Net steel realizations increased by 8.3% yoy to ₹50,241/tonne. Also, volumes increased by 5.0% yoy to 1.7mn tonne.

Exhibit 2: Standalone realization up 8.3% yoy


Source: Company, Angel Research

Exhibit 3: Standalone top-line grew by 12.4% yoy


Source: Company, Angel Research

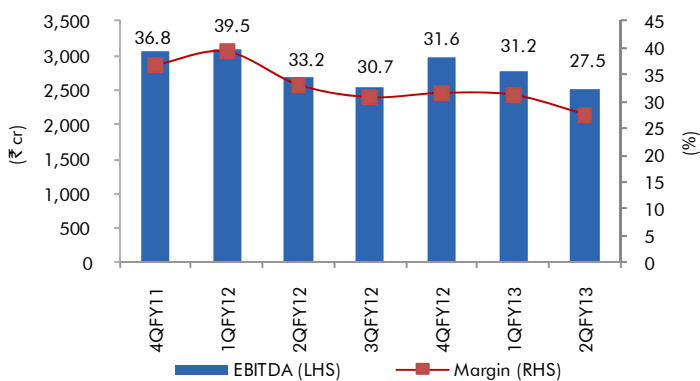
Higher costs pull down EBITDA

Tata Steel's India operations' EBITDA fell by 6.8% yoy to ₹2,516cr and EBITDA margin slipped 566bp yoy due to increase in the cost of raw materials and higher power costs. The EBITDA/tonne decreased by 19.8% yoy to US\$292. The other income for the quarter grew by 156.9% yoy to ₹240cr. However interest and depreciation charges also increased by 93.8% and 36.3% yoy to ₹454cr and ₹391cr, respectively due to capitalization of 2.9mn tonne brownfield expansion at Jamshedpur. There was an exceptional item relating to profit from sale of non-current investment of ₹10cr and as a result the company's adjusted standalone PAT fell by 10.3% yoy to ₹1,341cr.

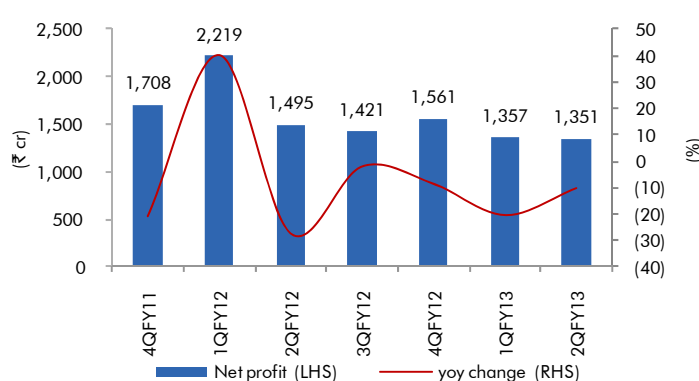
Exhibit 4: Quarterly performance trend (Tata Steel India)

(US\$ mn)	4QFY11	1QFY12	2QFY12	3QFY12	4QFY12	1QFY13	2QFY13
Deliveries (mn tonne)	1.7	1.6	1.6	1.6	1.8	1.6	1.7
EBITDA (US\$/tonne)	398	433	364	312	331	332	292

Source: Company, Angel Research

Exhibit 5: Standalone EBITDA margin stood at 27.5%


Source: Company, Angel Research

Exhibit 6: Standalone net profit dipped by 9.7% yoy


Source: Company, Angel Research

Exhibit 7: 2QFY2013 performance (Consolidated)

Consolidated (₹ cr)	2QFY13	2QFY12	yoy %	1QFY13	qoq %	1HFY13	1HFY12	yoy %
Net Sales	34,133	32,798	4.1	33,821	0.9	67,954	65,798	3.3
- Consumption of Raw Material (% of Net Sales)	16,497 48.3	16,220 49.5	1.7	15,050 44.5	9.6	31,547 46.4	31,115 47.3	1.4
- Power & Fuel (% of Net Sales)	1,405 4.1	1,181 3.6	19.0	1,391 4.1	1.0	2,795 4.1	2,390 3.6	17.0
- Staff Costs (% of Net Sales)	4,539 13.3	3,981 12.1	14.0	4,782 14.1	(5.1)	9,322 13.7	8,213 12.5	13.5
Freight & Handling (% of Net Sales)	1,795 5.3	1,685 5.1	6.5	1,736 5.1	3.4	3,531 5.2	3,279 5.0	7.7
- Other expenses (% of Net Sales)	7,586 22.2	6,981 21.3	8.7	7,459 22.1	1.7	15,046 22.1	13,629 20.7	10.4
Total Expenditure	31,823	30,048	5.9	30,418	4.6	62,241	58,625	6.2
Operating Profit	2,310	2,750	(16.0)	3,403	(32.1)	5,713	7,173	(20.3)
OPM (%)	6.8	8.4		10.1		8.4	10.9	
Interest	972	716	35.7	969	0.3	1,941	1,454	33.5
Depreciation	1,335	1,109	20.4	1,308	2.1	2,643	2,260	17.0
Other Income	202	120	67.5	289	(30.3)	491	4,003	(87.7)
Exceptional Items	(43)	150	-	-	-	(43)	(3,737)	-
Profit before Tax	247	1,046	(76.3)	1,416	(82.5)	1,663	7,462	(77.7)
(% of Net Sales)	0.7	3.2		4.2		2.4	11.3	
Tax	661	907	(27.1)	899	(26.5)	1,559	2,030	(23.2)
(% of PBT)	267.0	86.7		63.5		27.2	29.8	
Profit after Tax	(364)	139	-	598	-	234	5,433	(95.7)
Share of profit	22	19	13.6	41	(46.7)	63	47	-
Minority interest	(28)	(54)	(49.2)	(40)	(31.0)	(67)	(79)	(14.7)
Net Income	(364)	212	-	598	-	234	5,559	(95.8)
(% of Net Sales)	(1.1)	0.6		1.8		0.3	8.4	
Adjusted net income	(407)	362	-	598	-	191	1,822	(89.5)

Source: Company, Angel Research

Exhibit 8: Consolidated – 2QFY2013 Actual vs Angel estimates

(₹ cr)	Actual	Estimate	Variation (%)
Net sales	34,133	34,498	(1.1)
EBITDA	2,310	3,277	(29.5)
EBITDA margin (%)	6.8	9.5	(273)bp
Adj. net income	(407)	743	-

Source: Company, Angel Research

Result highlights - Consolidated

Net sales rise marginally by 4.1%

The company's consolidated net sales rose marginally by 4.1% yoy to ₹34,133cr. However, TSE's weak financial performance affected Tata Steel's consolidated results. TSE's volumes declined by 1.7% yoy to 3.42mn tonne. It reported an EBITDA/tonne of negative US\$2 compared to a US\$28 in 2QFY2012 due to higher power and employee costs as most of the costs are fixed in nature for the European operations.

Exhibit 9: Quarterly performance trend (Tata Steel Europe)

(US\$ mn)	4QFY11	1QFY12	2QFY12	3QFY12	4QFY12	1QFY13	2QFY13
Steel deliveries (mn tonne)	4.1	3.5	3.5	3.4	3.6	3.2	3.4
EBITDA (US \$/tonne)	85	78	28	(44)	8	36	(2)

Source: Company, Angel Research

Higher interest costs and deferred tax provisions led to net loss

The interest costs in the quarter increased by 35.7% yoy to ₹972cr and tax as a percentage to PBT stood at 267% compared to 86.7% in 2QFY2012 due to provision of deferred tax in this quarter of ₹345cr. Hence; the company reported an adjusted net loss of ₹407cr at a consolidated level.

Investment arguments

Brownfield expansion to aid growth

Tata Steel has completed its 2.9mn-tonne expansion program at the Jamshedpur plant. The product mix constitutes 2.5mn tonne of hot rolled coil (HRC) and 0.3mn tonne of slabs. We expect this expansion to contribute ~₹2,500cr per annum to the company's consolidated EBITDA once the new plant reaches optimum capacity utilization.

Higher integration levels for TSE to boost earnings

Tata Steel is in the process of developing a coking coal mine in Mozambique and an iron ore mine in Canada to enhance integration levels of TSE. The total capex remaining for the Mozambique project is US\$100mn–150mn, while the Canadian project will involve capex of CAD350mn. We expect these backward integration projects at Mozambique and Canada to boost TSE's earnings beginning FY2013-14.

Odisha project could provide further upsides in the long term

Tata Steel is setting up a 6mn-tonne integrated steel plant (including cold rolling mill) in two phases of 3mn tonne each for a capex of ₹34,500cr. Phase 1 of the 3mn-tonne plant is expected to be completed by CY2014. This project is expected to have high returns on invested capital as it would be backed by captive iron ore.

Outlook and valuation

We continue to maintain our positive stance on Tata Steel owing to its buoyant business outlook, driven by a) higher sales volume in FY2014 on the back of a) 2.9mn tonne brownfield expansion project in Jamshedpur, b) raw-material projects at Mozambique and Canada and c) restructuring initiatives at TSE. **We maintain our Buy rating on the stock with a revised SOTP target price of ₹463.**

Exhibit 10: SOTP valuation

	FY2014E EBITDA (₹ cr)	Multiple (x)	(₹ cr)
Tata Steel India	12,675	4.0	50,702
CWIP	31,208*	1.0	31,208
TSE	1,526	3.0	4,579
Other Asian operations	402	3.0	1,205
Total EV			87,694
Net Debt			46,937
Cash			622
Investments			3,568
Market cap			44,947
Target price (₹)			463

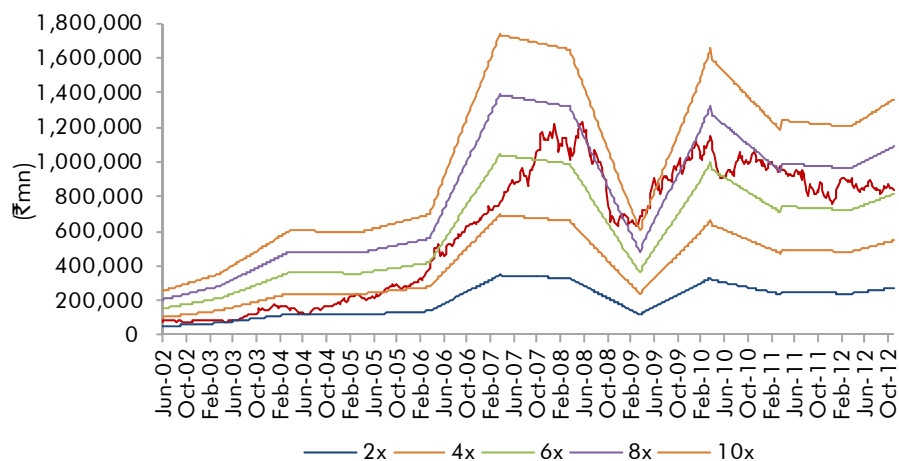
Source: Angel Research, Note: * stands for Book value

Exhibit 11: EPS – Angel forecast vs consensus

Year (₹)	Angel forecast	Bloomberg consensus	Variation (%)
FY2013E	22.0	37.2	(40.8)
FY2014E	44.5	52.0	(14.3)

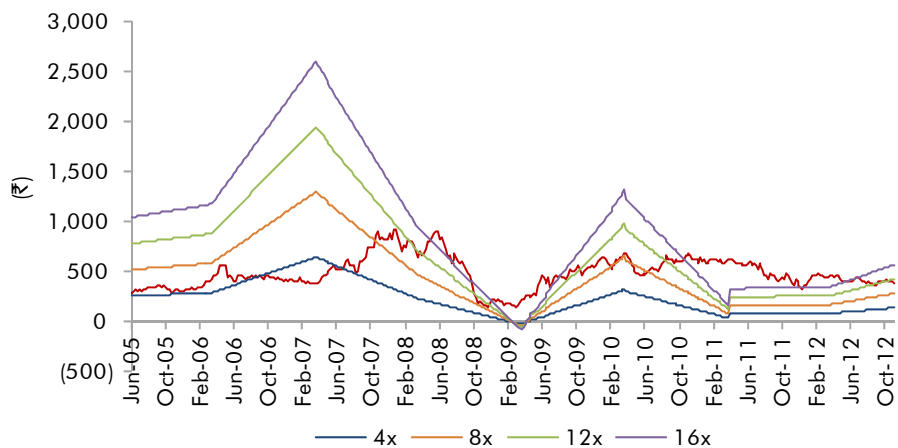
Source: Bloomberg, Angel Research

Exhibit 12: EV/EBITDA



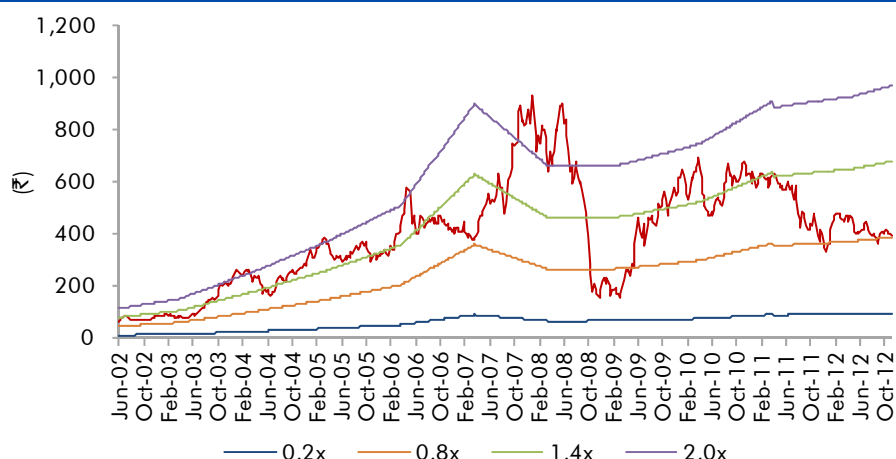
Source: Bloomberg, Angel Research

Exhibit 13: P/E



Source: Bloomberg, Angel Research

Exhibit 14: P/BV



Source: Bloomberg, Angel Research

Exhibit 15: Recommendation summary

Companies	CMP (₹)	Target price (₹)	Reco.	Mcap (₹ cr)	Upside (%)	P/E (x)		P/BV (x)		EV/EBITDA (x)		RoE (%)		RoCE (%)	
						FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E
SAIL	81	-	Neutral	33,581	-	12.0	11.1	0.8	0.8	7.4	7.5	6.9	7.1	6.1	6.6
Tata Steel	391	463	Buy	37,794	18	17.7	8.8	0.8	0.8	6.6	5.5	4.9	9.3	7.2	10.0
JSW Steel	747	-	Neutral	16,443	-	9.5	8.3	0.9	0.8	4.7	4.8	10.2	10.7	10.7	9.3

Source: Company, Angel Research

Company background: Incorporated in 1907, Tata Steel is the world's tenth largest steel company and the world's second most geographically diversified steel producer with major operations in India and Europe. During April 2007, the company acquired Corus (now Tata Steel Europe), the second largest steel producer in Europe, for a consideration of US\$12bn. Its India operations capacity stands at 9.7mn tonne, while its European operations capacity stands at 16.0mn tonne.

Profit & Loss Statement (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Total operating income	147,329	102,393	118,753	132,900	145,725	154,108
% chg	12.4	(30.5)	16.0	11.9	9.7	5.8
Total expenditure	129,202	94,350	102,006	120,483	133,671	139,505
Net raw materials	74,914	44,752	53,283	65,745	61,205	64,725
Other mfg costs	11,982	9,601	10,404	11,575	13,115	13,870
Personnel	17,975	16,463	15,840	17,229	21,859	23,116
Other	24,331	23,535	22,479	25,934	37,492	37,793
EBITDA	18,128	8,043	16,747	12,417	12,054	14,604
% chg	4.5	(55.6)	108.2	(25.9)	(2.9)	21.1
(% of Net sales)	12.3	7.9	14.1	9.3	8.3	9.5
Depreciation	4,265	4,492	4,415	4,517	5,531	5,447
EBIT	13,862	3,551	12,332	7,900	6,523	9,157
% chg	5.0	(74.4)	247.3	(35.9)	(17.4)	40.4
(% of Net sales)	9.4	3.5	10.4	5.9	4.5	5.9
Interest charges	3,290	3,022	3,956	4,250	4,269	4,365
Other income	266	1,186	680	1,573	947	1,387
(% of PBT)	2.5	69.2	7.5	30.1	29.6	22.4
Share in profit of asso.	-	-	-	-	-	-
Recurring PBT	10,838	1,715	9,056	5,223	3,201	6,179
% chg	8.0	(84.2)	428.1	(42.3)	(38.7)	93.0
Extra. Inc/(Expense)	(4,095)	(1,684)	3,046	3,362	0	0
PBT (reported)	6,743	31	12,102	8,585	3,201	6,179
Tax	1,894	2,152	3,246	3,636	1,056	1,854
(% of PBT)	28.1	6,941.4	26.8	42.4	33.0	30.0
PAT (reported)	4,849	(2,121)	8,856	4,949	2,145	4,325
Add: Earnings of asso.	61	127	66	268	134	154
Less: Minority interest	41	(15)	60	173	139	152
Extra. Expense/(Inc.)	-	-	-	-	-	-
PAT after MI (reported)	4,951	(2,009)	8,983	5,390	2,417	4,632
ADJ. PAT	7,496	(1,822)	5,937	2,028	2,140	4,327
% chg	(5.3)	(124.3)	(425.9)	(65.8)	5.5	102.2
(% of Net sales)	5.1	(1.8)	5.0	1.5	1.5	2.8
Basic EPS (₹)	66.1	(24.9)	99.0	55.5	22.0	44.5
Fully Diluted EPS (₹)	59.0	(25.0)	92.9	55.5	22.0	44.5
% chg	(63.7)	(142.3)	(472.2)	(40.2)	(60.3)	102.2
Adj. EPS (₹)	89.3	(20.5)	61.9	20.9	22.0	44.5

Balance Sheet (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
SOURCES OF FUNDS						
Equity share capital	730	887	959	2,355	2,355	2,355
Reserves & surplus	26,984	21,927	34,605	42,050	43,885	47,618
Shareholders' funds	27,714	22,814	35,564	43,021	44,857	48,590
Share warrants	17	17	17	40	40	40
Hybrid perpetual securities	-	-	1,500	2,275	2,275	2,275
Minority interest	895	884	889	1,091	1,230	1,382
Total loans	59,901	53,307	53,045	49,937	47,437	46,937
Deferred tax liability	1,709	1,654	2,188	2,504	2,504	2,504
Other liabilities	1,042	964	5,431	5,523	5,523	5,523
Total liabilities	91,279	79,641	98,634	104,391	103,866	107,251
APPLICATION OF FUNDS						
Gross block	99,459	97,289	113,986	108,041	114,041	121,041
Less: Acc. depreciation	63,083	60,764	61,592	66,109	71,640	77,087
Net Block	36,376	36,525	36,568	41,932	42,401	43,954
Capital work-in-progress	8,930	9,271	15,625	20,208	27,208	31,208
Goodwill	15,365	14,542	15,298	17,355	17,355	17,355
Investments	6,411	5,418	7,847	4,021	4,021	4,021
Current assets	53,871	43,868	53,330	55,180	48,138	48,647
Cash	6,148	6,788	10,859	10,802	2,175	622
Loans & advances	13,016	6,761	3,547	3,869	3,869	3,869
Other	34,707	30,319	38,867	40,476	42,061	44,123
Current liabilities	30,251	29,983	36,854	42,849	43,802	46,479
Net current assets	23,620	13,885	16,476	12,331	4,336	2,168
Mis. exp. not written off	577	0	0	0	0	0
Total assets	91,279	79,641	98,634	104,391	103,866	107,251

Cash flow statement (Consolidated)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Profit before tax	6,743	31	12,102	8,585	3,201	6,179
Depreciation	4,265	4,492	4,415	4,517	5,531	5,447
Change in WC	6,910	8,443	(7,769)	262	(632)	615
Less: Other income	266	1,186	680	1,573	947	1,387
Direct taxes paid	(1,894)	(2,463)	(3,235)	(3,652)	(1,056)	(1,854)
Cash flow from operations	16,290	11,688	6,192	11,284	7,991	11,774
(Inc.)/ Dec. in fixed assets	(3,263)	(198,882)	(9,336)	(9,664)	(13,000)	(11,000)
(Inc.)/ Dec. in investments	(3,044)	194,182	1,752	7,571	-	-
(Inc.)/ Dec. in loans and adv.	-	-	-	-	-	-
Other income	(266)	(1,186)	(680)	(1,573)	(947)	(1,387)
Cash flow from investing	(6,573)	(5,886)	(8,264)	(3,666)	(13,947)	(12,387)
Issue of equity	-	2,446	4,557	1,396	-	-
Inc./ (Dec.) in loans	6,308	(6,261)	5,309	(4,722)	(2,500)	(500)
Dividend paid	(1,495)	(1,321)	(714)	(1,164)	(443)	(746)
Others	-	-	(3,179)	(3,814)	273	307
Cash flow from financing	4,813	(5,135)	5,973	(8,304)	(2,670)	(940)
Inc./ (Dec.) in cash	14,530	667	3,902	(687)	(8,626)	(1,553)
Opening cash bal.	4,029	6,148	6,770	10,806	10,753	2,175
Closing cash bal.	6,148	6,815	10,671	10,753	2,175	622

Key ratios

Y/E March	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Valuation ratio (x)						
P/E (on FDEPS)	6.6	-	6.3	18.7	17.7	8.8
P/CEPS	3.6	14.0	2.8	3.8	5.0	3.9
P/BV	1.2	1.5	1.1	0.9	0.8	0.8
P/BV (excluding goodwill)	2.7	4.2	1.8	1.5	1.4	1.2
Dividend yield (%)	4.6	-	3.3	2.0	1.2	2.0
EV/Sales	0.5	0.7	0.6	0.6	0.5	0.5
EV/EBITDA	4.4	9.4	4.3	5.9	6.6	5.5
EV/Total assets	0.9	1.0	0.7	0.7	0.8	0.7
Per share data (₹)						
EPS (Basic)	66.1	(24.9)	99.0	55.5	22.0	44.5
Adjusted EPS (fully diluted)	89.3	(20.5)	61.9	20.9	22.0	44.5
Cash EPS	109.8	28.0	139.7	102.0	79.0	100.6
DPS	17.8	-	12.9	7.7	4.6	7.7
Book value	330.2	257.3	370.9	442.9	461.8	500.2
Book value (excluding goodwill)	147.1	93.3	211.4	264.2	283.1	321.5
DuPont analysis						
EBIT margin	9.4	3.5	10.4	5.9	4.5	5.9
Tax retention ratio (%)	71.9	(6,841.4)	73.2	57.6	67.0	70.0
Asset turnover (x)	2.4	1.2	1.5	1.7	1.5	1.5
RoIC (Post-tax)	16.1	(285.0)	11.8	5.8	4.6	6.2
Cost of debt (post tax)	4.6	(412.4)	6.5	6.0	6.8	6.7
Leverage (x)	1.9	2.0	1.2	0.9	1.0	1.0
Operating RoE	38.4	(25.1)	18.0	5.6	2.4	5.8
Returns (%)						
RoCE (Pre-tax)	15.4	5.5	14.6	9.3	7.2	10.0
Angel RoIC (pre-tax)	33.9	22.9	37.6	13.6	29.9	33.6
RoE	16.0	(8.0)	30.8	13.7	5.5	9.9
Turnover ratios (x)						
Asset turnover (gross block)	1.5	1.0	1.1	1.2	1.3	1.3
Inventory (days)	53	66	73	69	69	69
Receivables (days)	32	41	45	40	40	40
Payables (days)	26	77	56	56	56	56
WC cycle (days)	52	44	20	10	5	4
Solvency ratios (x)						
Net debt to equity	1.9	2.0	1.2	0.9	1.0	1.0
Net debt to EBITDA	3.0	5.8	2.5	3.2	3.8	3.2
Interest coverage	4.2	1.2	3.1	1.9	1.5	2.1

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Disclosure of Interest Statement	Tata Steel
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors.

Ratings (Returns) :	Buy (> 15%) Reduce (-5% to -15%)	Accumulate (5% to 15%) Sell (< -15%)	Neutral (-5 to 5%)
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