

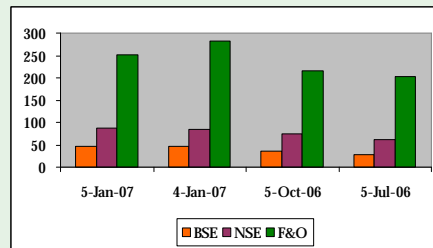


08 January 2007

Indices	%Change			
	5-Jan-07	1mth	3mth	6mth
Sensex	13,861	(0.6)	12.0	26.9
Nifty	3,983	(0.8)	11.6	24.6
CNX Midcap	5,937	1.9	24.3	49.1
Banking	7,154	(0.5)	17.7	58.8
Capital Goods	9,167	(2.3)	11.3	28.9
IT	5,344	3.0	21.4	39.0
Healthcare	3,850	1.7	6.3	21.7
NASDAQ	2,434	(0.7)	5.8	13.0
Dow Jones	12,398	0.5	4.6	10.4

Net Inflows				
Rsbn	8-Dec-06	7-Dec-06	MTD	YTD
FII	2	34	38.9	38.9
Mutual Fund	(0)	2	1.6	155.5
FII - F&O	1.6	2.0	3.9	43.3

Turnover



Commodity & Currency	% Change			
	5-Jan-07	1mth	3mth	6mth
Crude (US\$/barrel)	56.3	(9.8)	(5.9)	(25.1)
Gold (US\$/Oz)	607.4	(5.0)	5.8	(3.3)
US\$	44.3	(0.6)	(2.9)	(3.9)
Euro	57.9	(2.5)	0.1	(1.2)

Debt	% Change			
	5-Jan-07	1mth	3mth	6mth
RBI Reverse Repo	6.0	6.0	6.0	5.8
10 yr G-Sec yld	7.6	7.4	7.6	8.1
Spread 1 & 10 yr G-Sec	0.5	0.5	0.7	1.1
US 10 yr treasury	4.6	4.4	4.7	5.2
Surplus liquidity (Rsbn)	51.9	322.8	293.5	647.1

Tata Steel (Rs469) BUY

Target Price: Rs671

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We expect the revenue growth of 17.2% YoY (QoQ growth of 3.1%) to Rs. 43,156 mn. We expect steel sales volume growth of 10.6% YoY and steel price increase of 6.5% YoY. In absolute terms, we are estimating steel sales volume at 1.22 mn ton and average steel price at Rs. 31,656 per ton.

EBIDTA margins are expected to increase by 337 bps to 41.2%. The operating profit is expected to increase by 27.7% to Rs. 17,762 mn. Interest is unlikely to change significantly as the company's debt burden is low. Moreover, incremental borrowings are being made for expansion on which the interest is being capitalized till the time of commercial commissioning of the expanded capacity. Depreciation cost will be lower by 16.1% to Rs. 1,977 mn as there was one time charge of amortization of mining cost in Q3FY06. Overall, the net profit is expected to increase by 34.0% YoY to Rs 10,469 mn translating in to EPS of Rs 18.0 during the quarter.

For FY07, we expect the revenue growth of 17% to Rs 1,77,161 mn and adjusted profit to rise by 17.6% to Rs 41,857 mn. We are maintaining our BUY rating with a target price of Rs 671. However, our rating is subject to the Corus acquisition not going through as we believe that there are no synergies to be had from the acquisition in the short term. On the contrary, it will stretch the balance sheet and put pressure on return ratios.

Rs Million	Q3FY2006	Q2FY2007	Q3FY2007E	YoY Growth	QoQ Growth	9MFY2006	9MFY2007E	YoY Growth
Revenues	36,808.0	41,857.5	43,155.6	17%	3%	110,104.20	124,171.60	13%
Op expenses	22,899.0	24,809.3	25,394.1	11%	2%	63,797.10	73,548.90	15%
Operating profit	13,909.0	17,048.2	17,761.5	28%	4%	46,307.1	50,622.7	9%
Operating margin (%)	37.8	40.7	41.2			42.1	40.8	
Other income	412.8	1,772.3	454.1	10%	-74%	1,904.00	3,005.68	58%
Interest	364.3	477.7	472.9	30%	-1%	1,012.90	1,243.52	23%
Depreciation	2,356.8	1,957.3	1,976.9	-16%	1%	5,818.30	5,885.57	1%
Pre-Tax profit	11,600.7	16,385.5	15,765.8	36%	-4%	41,379.9	46,499.3	12%
Tax provision	3,777.3	4,928.0	5,297.3	40%	7%	13,275.60	14,854.80	12%
Tax rate (%)	32.6%	30.1%	33.6%			32.1%	31.9%	
Adjusted net profit	7,823.4	11,457.5	10,468.5	34%	-9%	28,104.3	31,644.5	13%
Extraordinary Income	(286.0)	(442.6)	(250.0)			(871.60)	(877.00)	
Reported net profit	7,537.4	11,014.9	10,218.5	36%	-7%	27,232.7	30,767.5	13%

Tata Steel	Y/E March (Rs. Mn)	FY2005	FY2006	FY2007E	FY2008E	FY2009E	
Reuters / Bloomberg code	TISC.BO / TATA @ IN	Revenues	144,989.1	151,393.9	177,160.5	177,957.1	225,642.9
Market cap (Rs. Bn)	292.1	Operating Profit	60,453.7	59,315.1	69,217.1	69,647.9	94,280.4
Market cap (US\$ mn)	6,490.9	Net Profit	35,647.0	35,591.5	41,857.0	42,824.1	57,526.5
Shares outstanding (mn)	580.7	EPS (Rs.)	64.4	64.3	72.1	73.7	99.1
52 - week High / Low (Rs.)	679/338	EPS growth (%)	26.3	(0.2)	12.1	2.3	34.3
		Operating margin (%)	41.7	39.2	39.1	39.1	41.8
Major shareholders (%)		PER (x)	7.2	7.2	6.5	6.3	4.7
Promoters	30.3	EV / EBIDTA (x)	4.4	4.3	3.7	3.4	2.2
Fis	21.5	Price / Sales (x)	1.8	1.7	1.5	1.5	1.2
Banks / MFs / Fis	19.5	Dividend yield (%)	2.8	2.8	3.0	3.0	4.3
Public	28.7	RoCE (%)	38.8	31.1	29.6	25.1	42.0
		RoE (%)	63.6	43.5	37.7	29.9	31.7

Source: Company and Karvy Estimates

BULK DEALS ON NSE - 05 Jan 2007

Symbol	Script Name	Client Name	Buy/Sell	Quantity Traded	Price
MICROTECH	MICROTECH. (IND) LTD	BSMA LTD	BUY	63,000	281.0
PSTL	PYRAMID SALT. THEAT. LTD	SMC GLOBAL SECURITIES LTD.	BUY	187,179	149.2
PSTL	PYRAMID SALT. THEAT. LTD	MANSUKH SECURITIES & FINANCE LT	BUY	190,580	149.1
TANLA	TANLA SOLUTIONS LIMITED	ABN AMRO BANK N.V. LONDON BRANC	BUY	392,498	379.7
TANLA	PYRAMID SALT. THEAT. LTD	BAMA A/C MONSSON	BUY	707,732	372.1
PSTL	PYRAMID SALT. THEAT. LTD	BAJAJ SHARE & STOCK BROKERS PVT	BUY	253,266	147.4
PSTL	PYRAMID SALT. THEAT. LTD	RAMAKANT R CHOKHANI	BUY	178,538	148.1
PSTL	PYRAMID SALT. THEAT. LTD	KHANDWALA INTEGRATED FINANCIAL	BUY	197,074	150.9
IFCI	IFCI LTD	JAYPEE CAPITAL SERVICES LTD.	BUY	7,305,471	13.2
VISUINTL	VISU INTERNATIONAL LTD	BASMATI SECURITIES PVT LTD	BUY	239,891	20.1
TANLA	TANLA SOLUTIONS LIMITED	GEM	BUY	730,000	372.3
SWARAJENG	SWARAJ ENGINES LTD	NATWARBHAI JETHALAL PATEL	BUY	137,951	164.9
PSTL	PYRAMID SALT. THEAT. LTD	RIDDHI PAJWANI	BUY	365,157	149.5
PSTL	PYRAMID SALT. THEAT. LTD	CHANDRAVALI MARKETING PVT LTD	BUY	217,539	154.1
PSTL	PYRAMID SALT. THEAT. LTD	PRASHANT JAYANTILAL PATEL	BUY	343,232	151.6
SOBHA	SOBHA DEVELOPERS LTD	P R B SECURITIES PRIVATE LTD	BUY	411,829	1064.4
PSTL	PYRAMID SALT. THEAT. LTD	P R B SECURITIES PRIVATE LTD	BUY	186,925	147.2
ASIANELEC	ASIAN ELECTRONICS LTD	MORGAN STANLEY DEAN WITTER MAUR	BUY	140,000	531.7
ASIANELEC	ASIAN ELECTRONICS LTD	CITIGROUP GLOBAL MARKETS MAURIT	BUY	89,000	520.6
INDOTECH	INDO TECH TRANSFORM LTD.	BLACKSTONE ASIA ADVISORS LLC A	BUY	60,858	265.0
PSTL	PYRAMID SALT. THEAT. LTD	LATESH M CHHEDA	BUY	200,026	154.8
PSTL	PYRAMID SALT. THEAT. LTD	MANIPUT INVESTMENTS PVT LTD	BUY	227,811	150.2
PSTL	PYRAMID SALT. THEAT. LTD	GHALLA BHANSALI STOCK BROKERS P	BUY	263,442	151.8
RSSOFTWARE	R. S. SOFTWARE (INDIA) LI	ASIT C MEHTA INVESTMENT INTERRM	BUY	81,471	87.4
COLORCHIPS	COLOR CHIPS LIMITED	SRI SHARES	BUY	109,795	11.8
ARL	ARVIND REMEDIES LIMITED	SRI SHARES	BUY	1,479,308	1.8
LIQUIDBEEES	LIQUID BENCHMARK ETS	NORTHGATE TECHNOLOGIES LTD	BUY	53,508	1000.0
PSTL	PYRAMID SALT. THEAT. LTD	CONSOLIDATED SECURITIES LTD	BUY	173,759	147.8
GESHIP	THE GESHIP. LTD	AXA WORLD FUNDS TALENTS ABSOLUT	BUY	766,295	225.2
PSTL	PYRAMID SALT. THEAT. LTD	MERRILL LYNCH CAPITAL MARKETS E	BUY	188,013	154.2
TANLA	TANLA SOLUTIONS LIMITED	CITIGROUP GLOBAL MARKETS	BUY	302,558	375.7
PSTL	PYRAMID SALT. THEAT. LTD	LATIN MANHARLAL SECURITIES PVT.	BUY	415,478	148.4
PSTL	PYRAMID SALT. THEAT. LTD	COMPOSITE SECURITIES LTD.	BUY	173,325	151.4
PSTL	PYRAMID SALT. THEAT. LTD	SS CORPORATE SECURITIES LIMITED	BUY	189,653	147.6
GOLDTECH	GOLDSTONE TECHNOLOGIES LT	ADVANTAGE SOFTWARE PRIVATE LTD	BUY	72,765	81.7
PSTL	PYRAMID SALT. THEAT. LTD	RAJU MAHENDRA GANDHI	BUY	335,000	148.3
TANLA	TANLA SOLUTIONS LIMITED	PRUDENTIAL ASSET MGMT SINGAPORE	BUY	550,000	372.2
PSTL	PYRAMID SALT. THEAT. LTD	SMC GLOBAL SECURITIES LTD.	SELL	187,179	149.8
PSTL	PYRAMID SALT. THEAT. LTD	MANSUKH SECURITIES & FINANCE LT	SELL	190,581	149.3
TANLA	TANLA SOLUTIONS LIMITED	BAMA A/C MONSSON	SELL	210,414	379.8
PSTL	PYRAMID SALT. THEAT. LTD	BAJAJ SHARE & STOCK BROKERS PVT	SELL	288,871	148.7
PSTL	PYRAMID SALT. THEAT. LTD	RAMAKANT R CHOKHANI	SELL	178,537	148.7
PSTL	PYRAMID SALT. THEAT. LTD	VENUS CAPITAL MANAGEMENT INC.	SELL	150,000	148.2
PSTL	PYRAMID SALT. THEAT. LTD	THE BANK OF NEWYORK A/C VACUF	SELL	150,000	148.1
PSTL	PYRAMID SALT. THEAT. LTD	KHANDWALA INTEGRATED FINANCIAL	SELL	187,089	151.0
IFCI	IFCI LTD	JAYPEE CAPITAL SERVICES LTD.	SELL	7,444,753	13.2
PIONEEREMB	PIONEER EMBROIDERIES LTD	MATRIBHUMI DEALERS PVT LTD	SELL	63,017	268.1
SWARAJENG	SWARAJ ENGINES LTD	NATWARBHAI JETHALAL PATEL	SELL	137,951	165.1
PSTL	PYRAMID SALT. THEAT. LTD	RIDDHI PAJWANI	SELL	365,157	150.9
PSTL	PYRAMID SALT. THEAT. LTD	CHANDRAVALI MARKETING PVT LTD	SELL	217,539	154.7
PSTL	PYRAMID SALT. THEAT. LTD	PRASHANT JAYANTILAL PATEL	SELL	343,232	152.1
SOBHA	SOBHA DEVELOPERS LTD	P R B SECURITIES PRIVATE LTD	SELL	434,229	1065.8
PSTL	PYRAMID SALT. THEAT. LTD	P R B SECURITIES PRIVATE LTD	SELL	186,925	148.1
PSTL	PYRAMID SALT. THEAT. LTD	LATESH M CHHEDA	SELL	194,976	154.8
PSTL	PYRAMID SALT. THEAT. LTD	MANIPUT INVESTMENTS PVT LTD	SELL	227,811	150.6
PSTL	PYRAMID SALT. THEAT. LTD	GHALLA BHANSALI STOCK BROKERS P	SELL	263,442	151.7
RSSOFTWARE	R. S. SOFTWARE (INDIA) LI	ASIT C MEHTA INVESTMENT INTERRM	SELL	81,471	88.5
COLORCHIPS	COLOR CHIPS LIMITED	SRI SHARES	SELL	102,303	11.9
ARL	ARVIND REMEDIES LIMITED	SRI SHARES	SELL	1,453,191	1.8
PSTL	PYRAMID SALT. THEAT. LTD	CONSOLIDATED SECURITIES LTD	SELL	173,759	148.9
PSTL	PYRAMID SALT. THEAT. LTD	LATIN MANHARLAL SECURITIES PVT.	SELL	415,493	148.6
PSTL	PYRAMID SALT. THEAT. LTD	HERITAGE ASSET MANAGEMENT INC.	SELL	156,788	147.6
PSTL	PYRAMID SALT. THEAT. LTD	COMPOSITE SECURITIES LTD.	SELL	173,325	151.5
PSTL	PYRAMID SALT. THEAT. LTD	SS CORPORATE SECURITIES LIMITED	SELL	189,653	150.2
GOLDTECH	GOLDSTONE TECHNOLOGIES LT	ADVANTAGE SOFTWARE PRIVATE LTD	SELL	72,765	82.0
LIQUIDBEEES	LIQUID BENCHMARK ETS	BENCHMARK MUTUAL FUND	SELL	50,000	1000.0
BAJAJHIND	BAJAJ HINDUSTAN LTD	ABN AMRO INVESTMENT FUNDS	SELL	963,968	211.2

Source: NSE

BULK DEALS ON BSE - 05 Jan 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity/Traded	Price
530833	ABEE INFO CO	M PVORA SHARES AND SECUR	B	52,508	4.0
532259	APAR INDUS	BIRLA SUNLIFE TRUSTEE CO.	B	134,340	240.6
503940	ASIAN ELECT	MORGAN STANLEY DEAN WITTE	B	60,000	528.1
503940	ASIAN ELECT	CITIGROUP GLOBAL MARKETS	B	61,000	523.9
532759	ATLANTA	DEUTSCHE SECURITIES MAURI	B	85,500	1030.0
531270	DAZZEL CONF	GANESH MALBENGANI	B	58,400	11.2
531270	DAZZEL CONF	GANESH MALBENGANI	S	44,257	11.3
500139	FEDDERS LLYO	MARUTI SECURITIES LTD	B	625,000	158.3
500139	FEDDERS LLYO	INDO DISTILLATION COMPANY	S	695,359	158.7
500139	FEDDERS LLYO	MARUTI SECURITIES LTD	S	625,000	150.4
530863	FINANC EYEI	KAUL SECURITIES PVT LTD	S	15,000	28.7
523277	G V FILMS LT	LOTUS GLOBAL INVESTMENTS	S	1,100,000	7.1
532767	GAYATRI PROJ	UTI BANK LTD	B	50,000	342.0
532145	H.S.INDIA	CHETAN DOGRA	S	112,000	19.7
531505	INDERGIRI FN	L N SHARMA	B	160,000	4.4
512185	IOL BROADBAN	DIMENSIONS INVESTMENT AND	B	101,460	299.8
526209	K S OILS LTD	DSP MERRILL LYNCH CAPITAL	B	100,000	254.8
526209	K S OILS LTD	SHRADHA TRADELINKS PVT LT	B	95,010	257.2
526209	K S OILS LTD	SHRADHA TRADELINKS PVT LT	S	160,010	254.8
511131	KAMAN HSG	BSI CAPITAL AND FINANCE L	S	16,749	202.7
531976	KEDIA INFOTE	VINOD PRAKASHVIJAYVARGY	S	307,500	0.7
517569	KEI INDUSTRI	EMERGING CAPITAL ADVISORS	B	216,050	89.6
517569	KEI INDUSTRI	CORNATION BUILDERS ENGINE	S	100,000	90.0
500256	LOK HOUSI CO	KENT TRADING AGENCIES PVT	S	57,000	273.7
532728	MALU PAPER	MITTAL SECURITIES AND FIN	S	89,532	39.6
502157	MANGALAM CEM	VINCENT COMMERCIAL CO.LT	B	500,000	221.0
502157	MANGALAM CEM	SMIFS CAPITAL MARKETS LIM	S	500,000	221.0
511276	MEFCOM AGRI	COSMO CORPORATE SERVICES	B	19,734	187.6
511276	MEFCOM AGRI	I S F SECURITIES LIMITED	B	50,000	187.5
511276	MEFCOM AGRI	KALPANA MADHANI	B	15,000	187.6
511276	MEFCOM AGRI	KALPANA MADHANI SECURITIE	B	30,000	187.6
511276	MEFCOM AGRI	FALGUNI PAREKH	B	15,000	187.6
511276	MEFCOM AGRI	RABINDRA KUMAR JENA	S	15,000	187.6
511276	MEFCOM AGRI	I S F SECURITIES LIMITED	S	98,000	187.6
532494	MICROTECHN	BSMA	B	101,500	280.2
531453	MOHIT INDUST	HASMUKH PURSHOTTAM SOLANK	B	30,000	66.4
531096	MOUNT EVE MI	BAKLIWAL FINCOM PVT. LTD.	S	150,000	75.2
519494	N K INDUSTR	KOTAK MAHINDRA BANK LIMIT	S	45,000	12.3
532350	PADMALAYATF	HITESH JHAVERI	B	130,927	16.0
532350	PADMALAYATF	HITESH JHAVERI	S	90,037	16.0
532199	PSIDA SYSTM	VISHAL SHAH	S	100,000	132.9
532791	PYRAMID SAIM	UTTAM FINANCIAL SERVICES	B	232,563	149.3
532791	PYRAMID SAIM	AMU SHARES AND SEC LTD	B	223,851	150.9
532791	PYRAMID SAIM	WALL STREET CAPITAL MARKE	B	200,000	150.2
532791	PYRAMID SAIM	UTTAM FINANCIAL SERVICES	S	232,563	149.4
532791	PYRAMID SAIM	ICICI INTERNATIONAL LTD	S	156,788	141.6
532791	PYRAMID SAIM	AMU SHARES AND SEC LTD	S	223,851	150.8
532692	RADHA MADHAV	S.PJ STOCK BROKERS PVT	B	92,621	53.1
532692	RADHA MADHAV	S.PJ STOCK BROKERS PVT	S	92,621	53.4
502587	RAMA PUL PAP	SAMIR MUKUND LAL SHAH	B	49,477	56.9
502587	RAMA PUL PAP	SAMIR MUKUND LAL SHAH	S	49,477	55.7
531233	RASI ELECTRO	SYOGARATHNAM	S	20,000	22.3
531646	RFL INTERNAT	MAYURIVTHAKKAR	S	28,500	0.7
524194	ROCK HARD PE	ARUN PRAJAPATI	B	90,888	14.4
524194	ROCK HARD PE	KRUPA SONI	S	94,011	14.3
531898	SANGUINE MD	RAMNIKLAL KUNVERJI SHETHI	B	41,536	55.9
531898	SANGUINE MD	RAMNIKLAL KUNVERJI SHETHI	S	41,536	55.8
526479	SKY INDUSTRI	VIJAY JAMNADAS VORA	B	20,142	70.0
521034	SOMATEX IND	LOTUS GLOBAL INVESTMENTS	S	1,125,000	27.0
513687	SPECTRA INDU	RUBY LADHA	B	7,080,000	21.6
513687	SPECTRA INDU	BABULAL RANARAM GHANCHY	S	45,000	21.6
513687	SPECTRA INDU	RUBY LADHA	S	7,080,000	21.1
532249	SQL STAR INT	DHANANIAYA MONEY MANAGEME	B	90,814	44.4
526733	SUASHIS DIAM	SOMERSET INDIA FUND RHODE	B	130,068	245.1
526133	SUPERTEX IND	RAMESHKUMAR MISHRA	S	1,300,000	1.6
500407	SWARAJENGIN	GIRISH B SHAH	B	48,876	167.9
500407	SWARAJENGIN	A C AGRAWAL SONS SHARES	B	83,676	164.3
500407	SWARAJENGIN	GIRISH B SHAH	S	48,876	162.0
500407	SWARAJENGIN	A C AGRAWAL SONS SHARES	S	83,676	165.6
531418	SYSTEM INFOT	AYODHYAPATI INVESTMENT PV	S	225,000	0.3
519483	TAI INDUSTRI	SHAH TRUPTI C	B	58,471	42.1
519483	TAI INDUSTRI	SHAH TRUPTI C	S	58,471	43.5
532790	TANLA	MERRILL LYNCH CAPITAL MAR	B	371,000	372.4

Source: NSE

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Stock Ratings		Absolute Returns		Stock Ratings		Absolute Returns
Buy	:	> 25%		Market Performer	:	0 - 15%
Out Performer	:	16 - 25%		Under Performer	:	< 0%

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