

Tata Steel

BSE SENSEX 17,831		S&P CNX 5,412		CMP: INR451				TP: INR508				Neutral	
		Year End	Net Sales (INR m)	PAT (INR m)	EPS (INR)	EPS Gr. (%)	P/E (X)	P/BV (X)	RoE (%)	RoCE (%)	EV/ Sales	EV/ EBITDA	
Bloomberg Equity Shares (m)	TATA IN 971.4	3/10A	1,023,931	-8,255	-9.3	-n/a-	-	-	-8.1	5.2	-	-	
52-Week Range (INR)	661/332	3/11A	1,187,531	59,724	62.3	-n/a-	7.2	2.1	40.5	13.2	0.8	5.7	
1,6,12 Rel. Perf. (%)	11/-11/-26	3/12E	1,347,547	25,781	26.5	-57.4	17.0	1.7	11.1	8.1	0.7	7.1	
M.Cap. (INR b)	438.1	3/13E	1,333,956	43,123	44.4	67.3	10.2	1.5	15.7	8.8	0.7	6.1	
M.Cap. (USD b)	8.9												

- **Consolidated post tax loss of INR6b; consolidated EBITDA down 41% QoQ:** Tata Steel went into red again after two years. For 3QFY12, it reported consolidated after tax loss of INR6b. Consolidated EBITDA declined 41% QoQ to INR17.2b, as Tata Steel Europe (TSE) margins turned negative. EBITDA/ton for TSE was a negative USD44. The Indian operations, however, posted EBITDA of INR26.3b. EBITDA losses in subsidiaries other than TSE shrank by INR3.7b QoQ to INR1.7b. Operating, power and freight costs persist for the Indian business.
- **Group volumes decline 4% QoQ; realization 6% lower:** Group volumes declined 4% QoQ to 5.8m tons and realization declined 6% to USD1,116/ton. Volumes in India were 2% lower at 1.62m tons; the volume decline in subsidiaries was sharper at 5% due to weaker demand in Europe.
- **Cutting EPS estimate for FY13 by 19% to factor in lower volumes and margins:** We expect margins to expand in 4QFY12 due to increase in steel prices in January and cost reduction on account of lower raw material prices. For FY13, we are cutting our steel sales volume estimate for Indian operations by 0.6m tons to 7.6m tons, as the management has cut its guidance of incremental volumes from the 3mtpa expansion at Jamshedpur to just 1m tons. We are cutting our EBITDA per ton estimate by USD4 to USD40 for all subsidiaries and by USD9 to USD279 for Indian operations. As a result, our EPS estimate for FY13 is cut by 19% to INR44.4.
- **TSE remains vulnerable:** The recession in Europe and volatile steel prices will continue to adversely impact TSE. Though TSE has undertaken a number of restructuring initiatives from time to time, these appear insufficient in view of the considerable volatility in steel prices.
- **Downgrading to Neutral:** Since Tata Steel's earnings are highly sensitive to steel prices and we have a cautious view on the steel sector, we downgrade the stock to **Neutral**.

Quarterly Performance (Consolidated)									(INR Million)	
Y/E March	FY11				FY12				FY11	FY12E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales (k tons)	5,900	5,820	5,280	6,540	6,100	6,110	5,840	6,150	23,540	24,200
Change (YoY %)	8.4	-6.5	-15.0	0.6	3.4	5.0	10.6	-6.0	-3.4	2.8
Realization (INR per ton)	46,093	49,220	55,094	51,717	54,099	53,679	56,683	58,296	50,447	55,683
Change (YoY %)	7.7	20.6	30.6	22.2	17.4	9.1	2.9	12.7	20.1	10.4
Net Sales	271,948	286,462	290,895	338,227	330,002	327,979	331,031	358,536	1,187,531	1,347,547
Change (YoY %)	16.8	12.8	11.0	23.0	21.3	14.5	13.8	6.0	16.0	13.5
EBITDA	44,326	36,723	34,246	38,731	44,229	29,000	17,173	35,070	154,026	125,471
Change (YoY %)	-	887.7	10.3	-15.7	-0.2	-21.0	-49.9	-9	27.7	0.6
EBITDA(USD/tss)	165	136	145	133	162	105	58	110	143	108
Interest	5,976	6,637	7,432	7,655	7,377	7,161	7,069	7,186	27,700	28,793
Depreciation	10,439	10,781	11,264	11,664	11,508	11,088	11,640	12,174	44,148	46,410
Other Income	595	1,143	-1,043	2,116	-1,247	1,204	1,383	4,428	2,810	5,768
PBT (before EO Inc.)	28,505	20,448	14,506	21,528	24,097	11,956	-153	20,138	84,988	56,037
EO Income(exp)	-599	6,685	1,223	28,723	39,120	-1,500			36,032	37,620
PBT (after EO Inc.)	27,907	27,133	15,729	50,251	63,217	10,456	-153	20,138	121,020	93,657
Total Tax	10,005	7,450	6,240	8,764	10,280	9,065	6,720	6,545	32,459	32,611
% Tax	35.1	36.4	43.0	40.7	42.7	75.8	-4,383.8	32.5	38.2	58.2
Reported PAT	17,902	19,683	9,489	41,486	52,937	1,390	-6,874	13,593	88,560	61,046
Minority Interests	65	-103	-380	1,021	-248	-542	-641	-36	603	-1,467
Share of asso. PAT	416	3	161	84	281	192	206	208	664	888
Adjusted PAT	18,851	13,104	8,807	11,827	14,346	3,624	-6,027	13,837	52,589	25,781
Change (YoY %)	-	-173.0	35.1	-48.8	-23.9	-72.3	-168.4	17.0	-737.1	-51.0

E: MOSL Estimates: tss=ton of steel sales

Consolidated EBITDA down 41% QoQ to INR17.2b

- Consolidated EBITDA declined 41% QoQ to INR17.2b. EBITDA per ton declined 45% QoQ to USD58. Group volumes declined 4% QoQ to 5.8m tons and realization declined 6% to USD1116/t.
- Forex loss on USD1.04b FCCB has now been amortized until 2020 as per the modification dated December 29, 2011 in AS11. Amortized portion of Forex loss is INR177m in 3QFY12 and INR1.7b for 9mFY12.
- Net debt has increased by USD267m to USD8.8b (after adjusting Forward covers of USD764m). CapEx during the quarter for the group was USD596m.
- Net Pension liabilities are still in surplus shrinking GBP16m to GBP90m.

STANDALONE: EBITDA per ton declined 20% QoQ to USD304; operating cost remains high

- Net Sales increased 2% QoQ to INR83.8b driven by 1% higher realization on sales of steel products and higher revenue from Ferro-alloy and mineral division (FAMD).
- Saleable steel sales volumes declined 2% QoQ to 1.62m tons. Long product sales declined 7% QoQ while flat product sales increased 3% QoQ driven by higher auto demand. Overall Indian Steel demand scenario remains soft.
- Revenue of FAMD increased 25% QoQ to INR6.8b. Ferro Chrome sales volume improved to 31% QoQ to 351kt on higher production.
- EBITDA declined 10% QoQ to INR26.3b due to 2% lower steel volumes and margins compression.
- EBITDA per ton declined 20% QoQ to USD306 (vs est. of USD325/t) due to increase in operating costs and depreciation of INR against USD. Raw material costs were on expected lines.
- Power and fuel, freight, and other operating cost increase are persisting.

Y/E March	Quarterly Performance (Standalone) (INR Million)									
	FY11				FY12				FY11	FY12E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Production ('000 tons)	1,590	1,610	1,750	1,741	1,750	1,710	1,732	1,811	6,691	7,003
Change (YoY %)	3.1	6.0	3.7	0.5	10.1	6.2	-1.0	4.0	3.2	0.0
Sales ('000 tons)	1,399	1,660	1,641	1,714	1,593	1,648	1,622	1,748	6,414	6,611
Change (YoY %)	-1.3	14.0	2.8	1.0	13.9	-0.7	-1.2	2.0	4.0	3.1
Avg Realization (Rs/tss)	42,871	39,139	41,274	44,302	45,832	46,402	47,349	48,987	41,879	47,178
Net Sales	65,515	71,068	73,974	83,408	78,603	82,119	83,819	93,236	293,964	337,777
Change (YoY %)	16.7	24.9	16.0	13.6	20.0	15.6	13.3	11.8	17.5	14.9
EBITDA	29,165	26,290	28,205	30,669	31,032	29,198	26,306	28,519	114,329	115,054
(% of Net Sales)	44.5	37.0	38.1	36.8	39.5	35.6	31.4	30.6	38.9	34.1
EBITDA(USD/tss)	428	318	362	372	417	380	304	287	374	345
Interest	3,277	3,425	3,354	2,949	2,273	2,343	2,020	2,040	13,005	8,675
Depreciation	2,802	2,815	2,864	2,982	2,853	2,871	2,891	3,011	11,462	11,626
Other Income	484	327	113	-17	416	236	-263	1,711	907	2,100
PBT (after EO Inc.)	23,570	27,378	22,100	24,721	30,482	22,720	21,133	25,178	97,769	99,513
Total Tax	7,776	6,726	6,966	7,644	8,288	7,767	6,920	7,553	29,112	30,529
% Tax	33.0	24.6	31.5	30.9	27.2	34.2	32.7	30.0	29.8	30.7
Reported PAT	15,794	20,652	15,135	17,077	22,194	14,952	14,213	17,625	68,658	68,984
Adjusted PAT	15,794	13,651	15,135	17,077	18,034	16,452	14,213	17,625	61,657	66,324
Change (YoY %)	100.0	51.2	28.8	1.7	14.2	20.5	-6.1	3.2	35.6	7.6

E: MOSL Estimates; tss=ton of steel sales

Tata Steel Europe: EBITDA decline sharper but volumes better than expectation

- EBITDA per ton declined from USD31/ton in 2QFY12 to -USD44/ton, while realization declined 7% QoQ to USD1155/t
- Production increased 3% QoQ to 3.62m tons, however shipment were lower 6% QoQ to 3.35m tons.
- Expect margins to expand in 4QFY12 on the backdrop of recent increase in Steel prices in Europe and decreasing key raw material cost. However Eurozone continue to remain affected by economic slowdown and overall confidence remained low.

Quarterly Performance (Tata Steel Europe)									(INR Million)	
Y/E March	FY11				FY12				FY11	FY12E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Production (000 tons)	3,740	3,610	3,660	4,254	3,810	3,530	3,620	3,605	15,264	14,565
Change (YoY %)	33.6	-8.8	-13.0						4.1	-4.6
Sales (000 tons)	3,710	3,530	3,470	4,130	3,500	3,570	3,350	3,500	14,840	13,920
Change (YoY %)	12.4	-9.9	-7.7	5.9	-5.7	1.1	-3.5	-15.3	-0.3	-6.2
Realization (USD per ton)	1,046	1,121	1,153	1,192	1,313	1,238	1,155	1,161	1,122	1,212
Change (QoQ %)	7.2	7.1	2.9	3.4	10.1	-5.7	-6.7	0.5	19.7	8.0
Net Sales	177,110	183,874	179,400	219,537	205,350	200,697	196,598	211,216	759,921	813,861
Change (QoQ %)	1.4	3.8	-2.4	22.4	-6.5	-2.3	-2.0	7.4	14.7	7.1
EBITDA	13,630	8,852	3,950	9,675	12,220	5,044	-7,468	5,729	36,107	15,525
As % of Net Sales	7.7	4.8	2.2	4.4	6.0	2.5	-3.8	2.7	4.8	1.9
EBITDA(USD/tss)	81	54	25	53	78	31	-44	31	52	22

E: MOSL Estimates

Other Subsidiaries

- All subsidiaries (other than TSE) contributed INR1.7b loss to the consolidated EBITDA of INR17.1b.
- **NatSteel Holdings:** Singapore performed better on account of better scrap-rebar gap management and its conversion cost reduction program.
- **Tata Steel Thailand:** Construction industry contracted by 10.4% QoQ in Q3FY12 due to severe floods. However strengthening of the regional distribution channel led to 36% QoQ higher sales.

Quarterly Performance (TSE & Other Subsidiaries)									(INR Million)	
Y/E March	FY11				FY12				FY11	FY12E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales (000 tons)	4,501	4,160	3,639	4,826	4,507	4,462	4,218	4,402	17,126	17,589
Realization (USD per ton)	1,005	1,114	1,329	1,184	1,248	1,214	1,154	1,159	1,144	1,190
Net Sales	206,433	215,394	216,921	254,819	251,399	245,860	247,212	265,300	893,568	1,009,771
Change YoY (%)	16.8	9.3	9.4	26.4	21.8	14.1	14.0	4.1	15.5	13.0
EBITDA	15,161	10,433	6,041	8,062	13,197	-197	-9,133	6,550	39,698	10,417
As % of Net Sales	7.3	4.8	2.8	3.2	5.2	-0.1	-3.7	2.5	4.4	1.0
EBITDA (USD/ton)	74	54	37	37	66	-1	-43	29	51	12
Interest	2,699	3,212	4,078	4,706	5,104	4,818	5,049	5,145	14,696	20,117
Depreciation	7,637	7,966	8,400	8,682	8,655	8,217	8,749	9,163	32,686	34,784
Other Income	110	816	-1,156	2,133	-1,664	969	1,646	2,718	1,903	3,668
PBT (after EO Inc.)	4,337	-246	-6,371	25,530	32,734	-12,264	-21,286	-5,040	23,250	-5,855
Total Tax	2,229	724	-725	1,121	1,992	1,298	-200	-1,008	3,347	2,082
% Tax	51.4	-294.7	11.4	4.4	6.1	-10.6	0.9	20.0	14.4	-35.6
Reported PAT	2,108	-969	-5,646	24,409	30,742	-13,562	-21,086	-4,032	19,903	-7,938
Share of asso. PAT	416	3	161	84	281	192	206	208	664	888
Minority Interests	65	-103	-380	1,021	-248	-542	-641	-36	603	-1,467
Adjusted PAT	2,707	-653	-6,869	-4,313	-4,218	-13,562	-21,086	-4,032	-9,128	-42,898
Change (YoY %)	-109.6	-97.6	21.8	-171.8	-255.8	1,976.2	207.0	-6.5	-83.4	369.9

E: MOSL Estimates

Downgrade to Neutral; we have cautious view on steel prices; the earnings sensitivity to steel prices is high

- Margins are expected to expand in 4QFY12 due to improvement of steel prices in January and cost reduction on account of raw material prices. Often, we have seen that year end provisioning eats away some of the margins in 4Q.
- Although current product mix is rich for Indian operations, the larger proportion of incremental production of HRC will have to be sold in commercial markets thus exposure to oversupply in Indian HRC market will increase.
- **EPS cut 19% to factor lower volumes and margins:** We are cutting Indian operations steel sales volumes by 0.6m tons to 7.6m tons because guidance now has been sobered to only 1m tons of incremental volumes from new 3mtpa expansion at Jamshedpur. We are cutting EBITDA per ton by USD4 to USD40 for all subsidiaries and by USD9 to USD279 for India. As a result, we have cut FY13 EPS by 19% to INR44.4 for FY13.
- Tata Steel Europe remains vulnerable to recession in Europe and volatilities in steel prices. Although the number of restructuring at TSE has been undertaken from time to time, yet it appears insufficient in view of frequent volatility in steel prices.
- We believe that easing raw material supply and prices will fuel global steel production growth. Since the real demand remains weak due to slowing fixed asset investment, the steel prices are likely to correct over next 3-6 months.
- Since the earnings of Tata Steel are highly sensitive to steel prices, we downgrade the stock to **Neutral** because of our cautious view on steel sector.
- The stock is trading at 10.2x FY13E EPS and 6.1x FY13E EV/EBITDA.

3QFY12 results Conference call key highlights

India: volume guidance disappointing

- 3mtpa new steelmaking capacity will be commissioned by end of March 2012. This will bring new 1m tons volumes in FY13 as initial teething problems and stabilization process will take 4-5 months.
- Increase in specific coal consumption and higher cost resulted in high raw material cost. Freight cost was high on increased volume and increased distances for final shipments.
- Impact on movement of domestic consumer towards export parity will be lower for Tata Steel because the product mix has higher percentage of value added products.
- Steel prices were increased in Jan and Feb, 2012 by INR1,000/t. This is expected to drive margins in 4QFY12.

Europe: Recovery will be volatile; Part Talbot blast furnace shut down will affect volumes

- Recovery in Europe will be volatile. Period of Jan-Sep 2012 i.e. 4QFY12 and 1HFY13 are likely to remain weak from margins perspective.
- Raw materials contracts are getting shorter, expect to have lesser lag effect on pricing difference between raw material and finished steel going forward.
- Current environment is leading to volatility in margins. Spread between raw material and steel prices varied from ~350 Euro/t in 1QFY12 to ~90 Euro/t in 3QFY12.
- Expect volumes in Europe to remain flat, Port Talbot blast furnace shutdown in Wales for up gradation will also impact production.
- Tax losses ~2b pound can be carried forward indefinitely in UK. Most of the other Europe geographies allow tax losses to be carried forward.
- Banga project dispatches to start from March. Expect 1-1.2mt deliveries in FY13 with Tata Steel's share of 0.5mt.

Capex guidance: USD2.5b maintained

- Europe-USD0.6b, Jamshedpur USD0.4-0.5b, Orissa USD0.8b, USD 0.3b sustenance
- During the quarter, USD600m was spent.

Other regions

- Thailand demand remains suppressed post floods
- Australia demand sluggish on structural weakness
- Singapore has performed well due to cost reduction

Tata Steel: an investment profile

Company description

Tata Steel (TATA), the lowest cost steel producer in India, has become the sixth largest steel maker in the world after the acquisition of Corus. The combined entity has its business spread over Europe, the UK, Asia, North America and the rest of the world with 27mtpa capacity. On a consolidated level, it has ~22% raw material security and plans to increase it to 50-60%. Production will increase to 34mtpa through brownfield expansions in Jamshedpur and green-field projects in Orissa.

Key investment arguments

- TATA's India saleable steel volumes will post CAGR of 9% over FY11-13 due to ongoing capacity expansion to 10mtpa at Jamshedpur.
- TATA unlocked value through the sale of its stake in FY11, which helped to deleverage its balance sheet.
- Overseas investments in raw material assets are expected to start generating cash flow in FY14.
- TSE restricting initiatives such as upgradation of plants, shutdown of old units and downsizing of manpower will increase its cost effectiveness going forward.

Key investment risks

- TATA's earnings have a high leverage to steel prices and to TSE's earnings, as the demand scenario remains challenging in Europe.

Comparative valuations

		Tata Steel	SAIL	JSW Steel
P/E (x)	FY12E	17.0	13.8	16.0
	FY13E	10.2	13.8	13.1
P/BV (x)	FY12E	1.7	1.1	1.1
	FY13E	1.5	1.1	1.0
EV/Sales (x)	FY12E	0.7	1.2	1.1
	FY13E	0.7	1.3	1.2
EV/EBITDA (x)	FY12E	7.1	9.6	7.6
	FY13E	6.1	9.1	6.6

Shareholding pattern (%)

	Dec-11	Sep-11	Dec-10
Promoter	30.7	30.7	32.5
Domestic Inst	28.7	27.7	26.2
Foreign	15.1	17.2	17.4
Others	25.5	24.4	23.9

Recent developments

- Tata Steel proposed a recovery plan for Tubes business in Europe anticipating 200 job losses on account of restructuring.
- Tata Sons has exercised the option to convert 12m warrants into Ordinary Shares of the Company at a price of INR594 per share

Valuation and view

- The stock is trading at 10.2x FY13E EPS and 6.1x FY13E EV/EBITDA. Downgrade to **Neutral**.

Sector view

- Global steel demands still remains subdued due to European economic problems and slow down in construction in China. The growth rate moderated sharply in December with crude steel production rising only 0.8% YoY. Global economic growth slowdown mainly in China continues to cloud demand outlook.
- Indian real steel demand too has slowed down growing only 4.2% YoY to 45.2m tons during April-November 2011. The real demand remains weak due to slowing fixed asset investment, the steel prices are likely to correct over next 3-6 months.

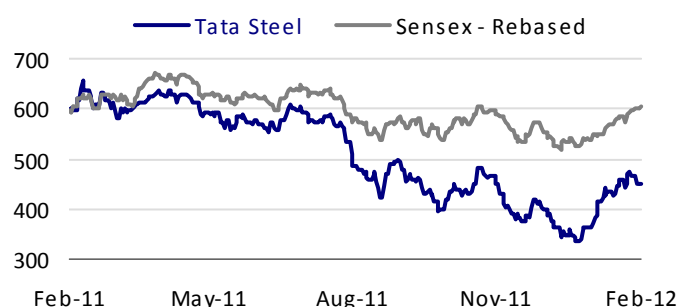
EPS: MOSL forecast v/s consensus (INR)

	MOSL forecast	Consensus forecast	Variation (%)
FY12	26.5	49.7	-46.6
FY13	44.4	60.0	-26.0

Target price and recommendation

Current Price (INR)	Target Price (INR)	Upside (%)	Reco.
451	508	12.6	Neutral

Stock performance (1 year)



Financials and Valuation

Income Statement (Consolidated)		(INR Million)			
Y/E March	2010	2011	2012E	2013E	
Net Sales	1,023,931	1,187,531	1,347,547	1,333,956	
Change (%)	-30.5	16.0	13.5	-1.0	
EBITDA	80,427	159,956	125,471	144,748	
% of Net Sales	7.9	13.5	9.3	10.9	
Deprn. & Amortization	44,917	44,148	46,410	53,232	
EBIT	35,509	115,808	79,062	91,516	
Net Interest	30,221	27,700	28,793	35,610	
Other income	6,859	2,809	5,768	6,532	
PBT before EO	12,147	90,917	56,037	62,438	
EO income	-11,837	30,103	37,620		
PBT after EO	310	121,020	93,657	62,438	
Tax	21,518	32,459	32,611	20,306	
Rate (%)	6,941	26.8	34.8	32.5	
Reported PAT	-21,208	88,561	61,046	42,132	
Minority interest profit	152	-603	-1,467	-137	
Share of asso. PAT	1,269	664	888	855	
Attributable PAT	-20,092	89,827	63,401	43,123	
Adjusted PAT	-8,255	59,724	25,781	43,123	
Change (%)	-109.1	-n/a-	-56.8	67.3	

Balance Sheet (Consolidated)		(INR Million)			
Y/E March	2010	2011	2012E	2013E	
Share Capital	8,867	9,587	9,707	9,707	
Reserves	221,516	346,226	402,600	432,366	
Net Worth	230,383	355,814	412,307	442,073	
Minority Interest	8,841	8,889	7,422	7,285	
Total Loans	531,004	621,843	655,046	655,046	
Deferred Tax Liability	16,541	28,920	28,920	28,920	
Capital Employed	786,768	1,015,466	1,103,695	1,133,325	
Gross Block	976,290	981,598	1,026,381	1,209,035	
Less: Accum. Deprn.	608,126	615,922	662,331	715,563	
Net Fixed Assets	368,164	365,676	364,050	493,471	
Capital WIP	89,795	158,258	216,461	107,605	
Investments	34,890	46,908	24,408	24,408	
Goodwill on consolic	145,418	152,982	152,982	152,982	
Curr. Assets	457,965	629,252	694,320	718,541	
Inventory	186,866	240,552	239,660	249,369	
Account Receivables	116,240	148,163	150,671	157,000	
Cash and Bank Balan	87,166	140,492	203,944	212,126	
Others	67,694	100,045	100,045	100,045	
Curr. Liability & Prov.	309,464	337,610	348,525	363,681	
Account Payables	233,886	266,711	277,626	292,782	
Provisions & Others	75,578	70,899	70,899	70,899	
Net Current Assets	148,501	291,643	345,795	354,860	
Appl. of Funds	786,768	1,015,466	1,103,695	1,133,325	

E: MOSL Estimates

Ratios (Consolidated)					
Y/E March	2010	2011	2012E	2013E	
Basic (INR)					
EPS	(9.3)	62.3	26.5	44.4	
Cash EPS	26.7	138.3	110.6	98.2	
BV/Share	95.7	211.4	267.0	297.6	
DPS	8.0	12.0	10.0	11.0	
Payout (%)	(106.4)	21.9	44.1	29.0	
Valuation (x)					
P/E		7.2	17.0	10.2	
Cash P/E		3.3	4.1	4.6	
P/BV		2.1	1.7	1.5	
EV/Sales		0.8	0.7	0.7	
EV/EBITDA		5.7	7.1	6.1	
Dividend Yield (%)		2.7	2.2	2.4	
Return Ratios (%)					
RoE	(8.1)	40.5	11.1	15.7	
RoCE (pre-tax)	5.2	13.2	8.1	8.8	
RoIC (pre-tax)	5.6	18.6	11.9	12.6	
Working Capital Ratios					
Fixed Asset Turnover	1.0	1.2	1.3	1.1	
Asset Turnover (x)	1.3	1.2	1.2	1.2	
Debtor (Days)	41.4	45.5	40.8	43.0	
Inventory (Days)	67	74	65	68	
A/c Payables (Days)	83.4	82.0	75.2	80.1	
Working Capital T/O	22	46	38	39	
Leverage Ratio (x)					
Current Ratio	1.5	1.9	2.0	2.0	
Interest Cover Ratio	1.2	4.2	2.7	2.6	
Debt/Equity	5.2	2.4	1.7	1.5	

Cash Flow Statement (Consolidated)		(INR Million)			
	2010	2011	2012E	2013E	
EBITDA	80,427	159,956	125,471	144,748	
Non cash exp. (incom	2,404	8,773			
(Inc)/Dec in Wkg. Cap	46,465	-71,749	9,299	-882	
Tax Paid	-24,586	-32,351	-32,611	-20,306	
Other operating activ					
CF from Op. Activity	104,710	64,629	102,160	123,559	
(Inc)/Dec in FA + CWII	-69,498	-101,636	-102,986	-73,797	
(Pur)/Sale of Investm	8,398	-1,521	60,120		
Acquisition in subsic	-3,538	28,133			
Int. & Divident Incom	3,054	3,518	5,768	6,532	
Other investing activities					
CF from Inv. Activity	-61,584	-71,507	-37,098	-67,266	
Equity raised/(repaid)	24,465	60,568	5,346		
Debt raised/(repaid)	-29,944	37,874	33,203		
Dividend (incl. tax)	-13,209	-7,146	-11,365	-12,502	
Interest paid	-32,662	-31,366	-28,793	-35,610	
CF from Fin. Activity	-51,350	59,930	-1,609	-48,112	
(Inc)/Dec in Cash	-7,950	53,052	63,452	8,182	
Add: opening Balance	95,390	87,440	140,492	203,944	
Closing Balance	87,440	140,492	203,944	212,126	

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