

Tata Steel

Performance highlights

(Rs cr)	1QFY11(S)	1QFY10(S)	chg (%)	1QFY11(C)	1QFY10(C)	chg(%)
Net revenue	6,471	5,554	16.5	27,195	23,292	16.8
EBITDA	2,836	1,681	68.8	4,433	(30)	-
EBITDA margin(%)	43.8	30.3	1,357bp	16.3	-	-
Rep. PAT	1,579	790	100.0	1,825	(2,209)	-

Source: Company, Angel Research

For 1QFY2011, Tata Steel reported consolidated net revenue of Rs27,195cr and net profit of Rs1,825cr. Going forward, we expect Tata Steel Europe (TSE) to report weaker performance on a sequential basis in 2QFY2011 due to lower product prices, higher raw-material cost and lower volumes. On the other hand, the company's Indian operations are expected to remain strong because of higher integration levels. **We maintain our Buy rating on the stock.**

Standalone performance impacted by lower volumes: During 1QFY2011, Tata Steel's net revenue declined 13.3% qoq to Rs6,471cr on account of lower production due to maintenance shutdown and power failure at Jamshedpur plant. Sales volumes were flat on a yearly basis but declined 17.7% qoq to 1.4mn tonnes. Average realisation increased by 16.8% yoy and 8.3% qoq to Rs42,871/tonne. EBITDA margin expanded by 1,357bp to 43.8% because of cost-reduction initiatives and higher realisations.

Consolidated operations on a recovery: Net revenue increased by 16.8% yoy to Rs27,195cr but was down 1.1% qoq. Group deliveries increased by 8.9% yoy to 6mn tonnes, declining 7.5% qoq. Capacity utilisation in Europe was 90% during the quarter. In Europe, deliveries increased to 3.7mn tonnes as compared to 3.3mn tonnes in 1QFY2010 but were down sequentially from 3.9mn tonnes in 4QFY2010. EBITDA/tonne for European operations increased to US \$79 as compared to a loss of US \$117 in 1QFY2010. Adjusted EBITDA/tonne for the quarter stood at US \$105.

Key financials (Consolidated)

Y/E March (Rs cr)	FY2009	FY2010E	FY2011E	FY2012E
Net sales	147,329	102,393	115,961	121,410
% chg	12.4	(30.5)	13.3	4.7
Net profit	4,951	(2,009)	6,483	7,158
% chg	(59.9)	-	-	10.4
EPS (Rs)	59.0	(25.0)	73.1	80.7
EBITDA margin (%)	12.3	7.9	13.8	14.3
P/E (x)	8.9	-	7.2	6.5
P/BV (x)	1.6	1.7	1.4	1.2
RoE (%)	16.0	-	21.2	19.7
RoCE (%)	15.4	5.2	13.2	14.1
EV/Sales (x)	0.7	0.9	0.8	0.4
EV/EBITDA (x)	5.4	12.0	5.9	5.2

Source: Company, Angel Research

BUY

CMP	Rs527
Target Price	Rs702

Investment Period	12 months
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Stock Info

Sector	Steel
Market Cap (Rs cr)	46,734
Beta	1.7
52 Week High / Low	737/409
Avg. Daily Volume	2163450
Face Value (Rs)	10
BSE Sensex	18,167
Nifty	5,452
Reuters Code	TISC.BO
Bloomberg Code	TATA@IN

Shareholding Pattern (%)

Promoters	31.3
MF / Banks / Indian Fls	26.5
FII / NRIs / OCBs	15.5
Indian Public / Others	26.7

Abs. (%)	3m	1yr	3yr
Sensex	5.2	17.1	21.0
Tata Steel	(8.4)	12.0	(7.4)

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Exhibit 1: 1QFY2011 standalone performance

Y/E March (Rs cr)	1QFY11	1QFY10	yoy %	FY10	FY09	yoy %
Net Sales	6,471	5,554	16.5	25,022	24,316	2.9
Consumption of Raw Material	965	1,606	(39.9)	5,799	5,780	0.3
(% of Net Sales)	14.9	28.9		23.2	23.8	
Power & Fuel	355	328	8.1	1,268	1,091	16.2
(% of Net Sales)	5.5	5.9		5.1	4.5	
Staff Costs	578	506	14.2	2,361	2,306	2.4
(% of Net Sales)	8.9	9.1		9.4	9.5	
Freight & Handling	352	315	11.7	1,357	1,251	8.5
(% of Net Sales)	5.4	5.7		5.4	5.1	
Other expenses	1,385	1,118	23.9	5,284	4,754	11.1
(% of Net Sales)	21.4	20.1		21.1	19.6	
Total Expenditure	3,635	3,873	(6.2)	16,070	15,182	5.8
Operating Profit	2,836	1,681	68.8	8,952	9,133	(2.0)
OPM (%)	43.8	30.3		35.8	37.6	
Interest	328	342	(4.2)	1,508	1,153	30.9
Depreciation	280	253	10.7	1,083	973	11.3
Other Income	129	108	19.3	854	308	177.0
Exceptional Items	0	0		0	0	
Profit before Tax	2,357	1,193	97.5	7,214	7,316	(1.4)
(% of Net Sales)	36	21		29	30	
Tax	778	403	92.8	2,168	2,114	2.5
(% of PBT)	33.0	33.8		30.0	28.9	
Profit after Tax	1,579	790	100.0	5,047	5,202	(3.0)

Source: Company, Angel Research

Exhibit 2: 1QFY2011 standalone – Actual vs. Angel estimates

(Rs cr)	Actual	Estimate	Variation (%)
Net sales	6,471	6,906	(6.3)
EBITDA	2,836	3,096	(8.4)
EBITDA margin (%)	43.8	44.8	(100bp)
PBT	2,357	2,786	(15.4)
PAT	1,579	1,866	(15.4)

Source: Company, Angel Research

Exhibit 3: 1QFY2011 consolidated performance

Y/E March (Rs cr)	1QFY11	1QFY10	yoy %	FY10	FY09	yoy %
Net Sales	27,195	23,292	16.8	102,393	147,329	(30.5)
Consumption of Raw Material	10,348	11,885	(12.9)	44,752	74,914	(40.3)
(% of Net Sales)	38.1	51.0		43.7	50.8	
Power& Fuel	971	966	0.5	4,052	5,957	(32.0)
(% of Net Sales)	3.6	4.1		4.0	4.0	
Staff Costs	3,777	3,963	(4.7)	16,463	17,975	(8.4)
(% of Net Sales)	13.9	17.0		16.1	12.2	
Freight & Handling	1,586	1,156	37.2	5,549	6,025	(7.9)
(% of Net Sales)	5.8	5.0		5.4	4.1	
Other expenses	6,080	5,352	13.6	23,535	24,331	(3.3)
(% of Net Sales)	22.4	23.0		23.0	16.5	
Total Expenditure	22,762	23,322	(2.4)	94,350	129,202	(27.0)
Operating Profit	4,433	(30)	-	8,043	18,128	(55.6)
OPM (%)	16.3	-		7.9	12.3	
Interest	598	882	(32.2)	3,022	3,290	(8.1)
Depreciation	1,044	1,089	(4.1)	4,492	4,265	5.3
Other Income	59	204	(70.8)	1,186	266	346.4
Exceptional Items	(60)	(219)	-	(1,684)	(4,095)	-
Profit before Tax	2,791	(2,016)	-	31	6,743	(99.5)
(% of Net Sales)	10.3	-		0.0	4.6	
Tax	1,000	223	348.8	2,152	1,894	13.6
(% of PBT)	35.9	-		-	28.1	
Profit after Tax	1,790	(2,239)	-	(2,121)	4,849	-
Share of profit	42	9		127	61	
Minority interest	(6)	21		(15)	41	
Net Income	1,825	(2,209)	-	(2,009)	4,951	-
(% of Net Sales)	6.7	-		-	3.4	

Source: Company, Angel Research

Key analyst meet takeaways

- Production at Indian operations was affected by maintenance shutdown and power failures at the Jamshedpur plant.
- The ferro chrome segment was slightly affected by lower volumes in the low value-added segment (Dolomite). However, average ferro realisation stood at US \$1,437/tonne as compared to US \$847/tonne in 1QFY2010 and US \$1,152/tonne in 4QFY2010. The company reported EBITDA of US \$44mn in 1QFY2011 as against US \$4mn in 1QFY2010.
- Production at TSE was also affected by the shutdown of blast furnace and fire incident at Ijmuiden.
- In Thailand, despite political problems, performance was healthy as the company sold products in new export markets. During 1QFY2011, the Thailand subsidiary reported EBITDA of US \$12mn as compared to US \$1mn in 1QFY2010. Operations at NatSteel benefited from strong construction activity. As a result, NatSteel reported EBITDA of US \$20mn in 1QFY2011 as compared to US \$9mn in 1QFY2010.
- The rationalisation process at Corus is complete and currently the workforce stands at 35,000 employees.
- The 3mn tonne expansion in India is on track and expected to come on stream by October–December 2011.
- The raw-material projects in Mozambique and Canada are on track and expected to be commissioned by 1QFY2012E. The total spending remaining for the Mozambique project is US \$100mn–150mn, while the Canadian project will involve a capex of CAD350mn.
- Net debt at the end of 1QFY2011 stood at US \$9.2bn. During the quarter, the company raised US \$230mn through preferential allotment of shares and warrants.

Result highlights

Standalone performance affected by lower volumes

Tata Steel's standalone 1QFY2011 net revenue grew by 16.5% yoy to Rs6,471cr but was down 13.3% qoq. During the quarter, production was lower on a sequential basis due to maintenance shutdown and power failure at Jamshedpur plant. Sales volumes were flat on a yearly basis, declining 17.7% qoq to 1.4mn tonnes. Average realisation increased by 16.8% yoy and 8.3% qoq to Rs42,871/tonne. EBITDA margin expanded by 1,357bp to 43.8% on account of cost-reduction initiatives and higher realisations. Consequently, EBITDA grew by 68.8% yoy to Rs2,836cr. During the quarter, while interest expense declined by 4.2% yoy to Rs328cr, other income increased by 19.3% yoy to Rs129cr. As a result, net profit came in at Rs1,579cr, registering growth 100% yoy.

Deliveries in Europe down sequentially

On a consolidated basis, 1QFY2011's net revenue increased by 16.8% yoy, down 1.1% qoq, to Rs27,195cr. Group deliveries increased by 8.9% yoy to 6mn tonnes; however, they declined by 7.5% on a sequential basis. In Europe, deliveries increased to 3.7mn tonnes as compared to 3.3mn tonnes in 1QFY2010 but were down sequentially from 3.9mn tonnes in 4QFY2010. EBITDA/tonne for TSE increased to US \$79 as compared to a loss of US \$117 in 1QFY2010. Adjusted EBITDA/tonne stood at US \$105 for the quarter. Capacity utilisation in Europe was 90% during the quarter. Consolidated EBITDA stood at Rs4,433cr as compared to a loss of Rs30cr in 1QFY2010. Consolidated net profit stood at Rs1,825cr as compared to a loss of 2,209cr in 1QFY2010.

Exhibit 4: Subsidiaries' performance

EBITDA/tonne trend (US \$mn)	1QFY10	2QFY10	3QFY10	4QFY10	1QFY11
Tata Steel India					
Steel deliveries (mn tonnes)	1.4	1.5	1.6	1.7	1.4
EBITDA (US \$/tonne)	244	264	290	410	444
Tata Steel Europe					
Steel deliveries (mn tonnes)	3.3	3.9	3.8	3.9	3.7
EBITDA (US \$/tonne)	(117)	(96)	37	94	79
NatSteel					
Steel deliveries (mn tonnes)	0.5	0.7	0.6	0.6	0.6
EBITDA (US \$/tonne)	17	29	25	18	33
Thailand					
Steel deliveries (mn tonnes)	0.3	0.3	0.3	0.3	0.3
EBITDA (US \$/tonne)	4	57	27	10	40

Source: Company, Angel Research

Investment rationale

Brownfield expansion on track

Tata Steel's 3mn tonne brownfield expansion plan is on track and is expected to be commissioned by October–December 2011. We believe the company's profitability would be further supported by higher volumes from FY2013E.

Higher integration level 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 increase the integration levels of TSE. The projects are expected to be commissioned by 1QFY2012E. The total spending remaining for the Mozambique project is US \$100mn–150mn, while the Canadian project will involve a capex of CAD350mn. We expect the company's backward integration projects in Mozambique and Canada to translate into significant earnings improvement for TSE.

Outlook and valuation

At the CMP of Rs527, the stock is trading at 5.9x FY2011E and 5.2x FY2012E EV/EBITDA. Going forward, we expect TSE to report weaker performance on a sequential basis in 2QFY2011 due to lower product prices, higher raw-material cost and lower volumes. However, the company's Indian operations are expected to remain strong because of higher integration levels. **We maintain a Buy view on the stock with an SOTP-based Target Price of Rs702.**

Exhibit 5: SOTP valuation

	FY2012 EBITDA (Rs)	EV/EBITDA (x)	EV (Rs)
Tata Steel	11,592	7.0	81,141
TSE	4,622	5.0	23,112
Asia	1,114	5.0	5,568
Total EV			109,820
Net Debt			47,541
Market cap			62,279
Target Price			702

Source: Angel Research

Exhibit 6: Change in estimates

(Rs cr)	Earlier estimates		Revised estimates		Upgrade/(downgrade) (%)	
	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
Net sales	113,849	119,171	115,961	121,410	1.9	1.9
EBITDA	14,266	15,255	15,996	17,327	12.1	13.6
EBITDA margin (%)	12.5	12.8	13.8	14.3	126bp	147bp
PBT	7,059	7,089	8,732	10,034	23.7	41.5
Net income	5,406	5,074	6,483	7,158	19.9	41.1
Net margin (%)	4.7	4.3	5.6	5.9	84bp	164bp

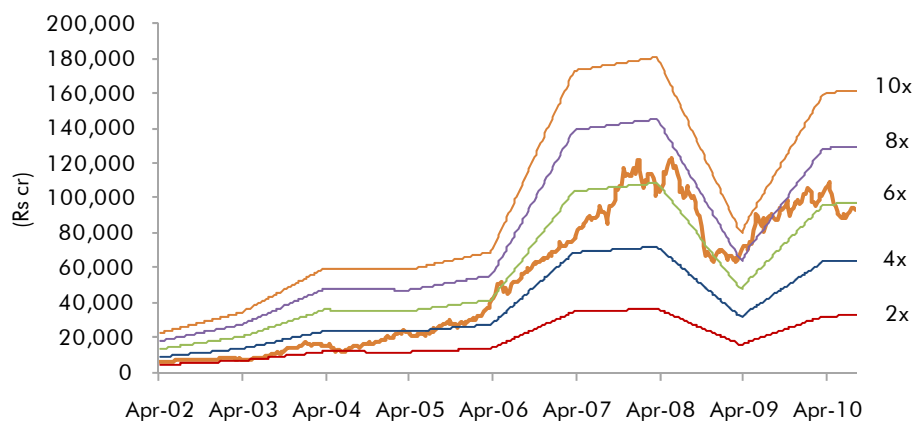
Source: Company, Angel Research

Exhibit 7: EPS – Angel forecast vs. consensus

Year (%)	Angel forecast	Bloomberg consensus	Variation (%)
FY2011E	73.1	63.0	16.1
FY2012E	80.7	77.1	4.8

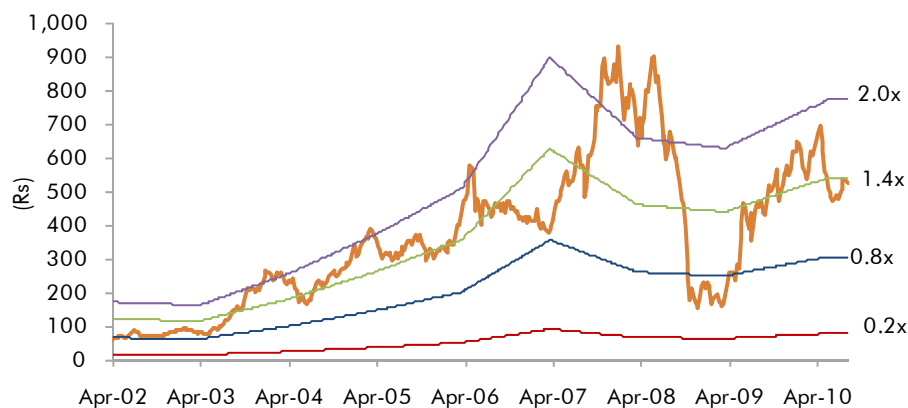
Source: Bloomberg, Angel Research

Exhibit 8: EV/EBITDA band



Source: Bloomberg, Angel Research

Exhibit 9: P/BV band



Source: Bloomberg, Angel Research

Exhibit 10: Recommendation summary

Companies	CMP (Rs)	Target Price (Rs)	Reco.	Mcap (Rs cr)	Upside (%)	P/E (x)		P/BV (x)		EV/EBITDA (x)		RoE (%)		RoCE (%)	
						FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
SAIL	193	-	Neutral	79,572	-	12.7	11.2	2.1	1.8	8.3	7.3	17.9	17.6	16.3	16.9
Tata Steel	527	702	Buy	46,734	30.7	7.2	6.5	1.4	1.2	5.9	5.2	21.2	19.7	13.2	14.1
JSW Steel	1,113	1,344	Buy	28,447	20.7	14.6	11.2	1.4	1.3	6.9	5.4	13.9	12.4	12.5	12.6
Sesa Goa	355	-	Neutral	29,459	-	7.0	7.2	2.5	1.8	3.8	3.0	45.9	31.5	43.7	34.7
NMDC	257	-	Neutral	101,754	-	15.3	12.0	5.2	3.9	9.5	6.9	39.3	37.1	52.2	49.2
Hindalco	166	204	Buy	31,795	22.8	8.8	8.2	1.2	1.1	6.1	5.8	15.1	14.2	10.3	10.0
Nalco	439	316	Sell	28,276	(28.0)	27.8	23.5	2.6	2.4	16.1	12.6	9.7	10.7	10.7	12.5
Sterlite	161	228	Buy	53,995	41.9	11.3	8.2	1.2	1.1	5.9	4.0	11.6	14.2	11.1	14.1
Hindustan Zinc	1,118	1,227	Accumulate	47,226	9.8	11.6	9.0	2.2	1.8	6.8	4.4	20.4	21.6	20.7	22.3

Source: Company, Angel Research

Profit & Loss Statement (Consolidated)

Y/E March (Rs cr)	FY2007	FY2008	FY2009	FY2010	FY2011E	FY2012E
Net sales	17,552	131,091	147,329	102,393	115,961	121,410
Other operating income	-	-	-	-	-	-
Total operating income	17,552	131,091	147,329	102,393	115,961	121,410
% chg	15.4	646.9	12.4	(30.5)	13.3	4.7
Total expenditure	10,579	113,751	129,202	94,350	99,965	104,082
Net raw materials	3,490	58,580	74,914	44,752	48,703	50,992
Other mfg costs	2,039	10,968	11,982	9,601	10,436	10,927
Personnel	1,455	16,900	17,975	16,463	17,394	18,211
Other	3,595	27,304	24,331	23,535	23,431	23,952
EBITDA	6,973	17,340	18,128	8,043	15,996	17,327
% chg	17.4	148.7	4.5	(55.6)	98.9	8.3
(% of Net sales)	39.7	13.2	12.3	7.9	13.8	14.3
Depreciation	819	4,137	4,265	4,492	4,549	4,786
EBIT	6,154	13,203	13,862	3,551	11,446	12,541
% chg	19.2	114.5	5.0	(74.4)	222.3	9.6
(% of Net sales)	35.1	10.1	9.4	3.5	9.9	10.3
Interest charges	174	4,085	3,290	3,022	3,294	3,114
Other income	434	919	266	1,186	580	607
(% of PBT)	6.8	9.2	2.5	69.2	6.6	6.0
Share in profit of asso.	-	-	-	-	-	-
Recurring PBT	6,414	10,036	10,838	1,715	8,732	10,034
% chg	21.2	56.5	8.0	(84.2)	409.2	14.9
Extra. Inc/(Expense)	(152)	6,335	(4,095)	(1,684)	0	0
PBT (reported)	6,262	16,371	6,743	31	8,732	10,034
Tax	2,040	4,049	1,894	2,152	2,358	3,010
(% of PBT)	32.6	24.7	28.1	-	27.0	30.0
PAT (reported)	4,222	12,322	4,849	(2,121)	6,374	7,024
Add: Earnings of asso.	-	168	61	127	125	150
Less: Minority interest	-	(140)	41	(15)	(16)	(16)
Extra. Expense/(Inc.)	-	-	-	-	-	-
PAT after MI (reported)	4,222	12,350	4,951	(2,009)	6,483	7,158
ADJ. PAT	4,326	6,276	9,045	(326)	6,483	7,158
% chg	22.1	45.1	44.1	-	-	10.4
(% of Net sales)	24.6	4.8	6.1	(0.3)	5.6	5.9
Basic EPS (Rs)	73.8	176.8	66.1	(24.9)	73.1	80.7
Fully Diluted EPS (Rs)	73.8	162.6	59.0	(25.0)	73.1	80.7
% chg	16.4	120.5	(63.7)	-	-	10.4

Balance Sheet (Consolidated)

Y/E March (Rs cr)	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
SOURCES OF FUNDS						
Equity share capital	580	730	730	887	887	887
Reserves & surplus	14,042	33,444	26,984	27,033	32,497	38,516
Shareholders' funds	14,622	34,174	27,714	27,920	33,384	39,403
Share warrants	17.5	17.5	17.5	17.5	17.5	17.5
Minority interest	598	833	895	895	895	895
Total loans	24,926	53,593	59,901	57,901	54,901	51,901
Deferred tax liability	793	2,465	1,786	1,786	1,786	1,786
Prov. for Employee Separation	1,118	1,080	1,042	1,042	1,042	1,042
Total liabilities	42,075	92,162	91,355	89,560	92,025	95,044
APPLICATION OF FUNDS						
Gross block	20,084	96,229	99,459	103,959	110,959	113,959
Less: Acc. depreciation	9,190	63,162	63,083	67,575	72,124	76,910
Net Block	10,894	33,067	36,376	36,384	38,834	37,048
Capital work-in-progress	3,326	8,896	8,930	10,430	11,430	11,930
Goodwill	227	18,060	15,365	15,365	15,365	15,365
Investments	16,498	3,367	6,411	6,411	6,411	6,411
Current assets	18,444	61,467	53,871	47,643	49,928	56,670
Cash	10,888	4,232	6,148	7,941	7,359	8,365
Loans & advances	1,980	15,465	13,016	14,016	16,016	16,016
Other	5,576	41,770	34,707	25,687	26,553	32,289
Current liabilities	7,524	32,852	30,251	27,326	30,598	33,034
Net current assets	10,920	28,615	23,620	20,317	19,331	23,636
Mis. exp. not written off	209.8	155.6	653.3	653.3	653.3	653.3
Total assets	42,075	92,162	91,355	89,560	92,025	95,044

Cash flow statement (Consolidated)

Y/E March (Rs cr)	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
Profit before tax	6,262	16,371	6,743	31	8,732	10,034
Depreciation	819	4,137	4,265	4,492	4,549	4,786
Change in WC	(731)	24,343	(6,910)	(5,095)	(405)	3,300
Less: Other income						
Direct taxes paid	2,040	4,049	1,894	2,152	2,358	3,010
Cash flow from operations	4,310	40,802	2,205	(2,725)	10,519	15,110
(Inc.)/ Dec. in fixed assets	(3,432)	(27,743)	(3,342)	(6,000)	(8,000)	1,286
(Inc.)/ Dec. in investments	(13,019)	13,130	(3,044)	-	-	-
(Inc.)/ Dec. in loans and advances	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Cash flow from investing	(16,451)	(14,613)	(6,386)	(6,000)	(8,000)	1,286
Issue of equity	4,340	19,552	-	2,335	5,464	6,019
Inc./(Dec.) in loans	-	28,667	6,308	(2,000)	(3,000)	(3,000)
Dividend paid	45	13,978	6,951	0	9,103	10,050
Others	(17,541)	67,087	(6,741)	(10,182)	(3,538)	8,360
Cash flow from financing	21,836	(32,846)	6,098	10,517	(3,100)	(15,391)
Inc./(Dec.) in cash	9,695	(6,656)	1,917	1,792	(581)	1,005
Opening cash bal.	1,193	10,888	4,232	6,148	7,941	7,359
Closing cash bal.	10,888	4,232	6,148	7,941	7,359	8,365

Key ratios

Y/E March	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
Valuation ratio (x)						
P/E (on FDEPS)	7.1	3.2	8.9	-	7.2	6.5
P/CEPS	6.0	2.4	4.8	18.8	4.2	3.9
P/BV	2.1	1.2	1.6	1.7	1.4	1.2
Dividend yield (%)	3.7	3.5	1.6	-	1.9	2.2
EV/Sales	2.5	0.7	0.7	0.9	0.8	0.4
EV/EBITDA	6.3	5.2	5.4	12.0	5.9	5.2
EV/Total assets	1.1	1.0	1.1	1.1	1.0	0.9
Per share data (Rs)						
EPS (Basic)	73.8	176.8	66.1	(24.9)	73.1	80.7
EPS (fully diluted)	73.8	162.6	59.0	(25.0)	73.1	80.7
Cash EPS	88.1	217.1	109.8	28.0	124.4	134.7
DPS	19.3	18.4	8.3	-	10.3	11.3
Book value	255.4	450.0	330.2	314.9	376.5	444.4
DuPont analysis						
EBIT margin	35.1	10.1	9.4	3.5	9.9	10.3
Tax retention ratio (%)	67.4	75.3	71.9	-	73.0	70.0
Asset turnover (x)	2.1	6.1	2.4	1.2	1.4	1.5
RoC (Post-tax)	49.8	46.1	16.1	-	10.1	10.6
Cost of debt (post tax)	1.4	9.7	4.6	-	4.9	4.8
Leverage (x)	1.0	1.4	1.9	1.8	1.4	1.1
Operating RoE	96.3	98.6	38.4	-	17.4	17.0
Returns (%)						
RoCE (Pre-tax)	22.6	21.0	15.4	5.2	13.2	14.1
Angel RoC (pre-tax)	88.2	30.1	33.9	20.5	32.6	34.2
RoE	33.9	50.6	16.0	-	21.2	19.7
Turnover ratios (x)						
Asset turnover (gross block)	1.0	2.3	1.5	1.0	1.1	1.1
Inventory (days)	132	73	60	60	55	65
Receivables (days)	35	51	32	35	35	40
Payables (days)	37	27	26	25	25	25
WC cycle (days)	8	34	52	53	38	41
Solvency ratios (x)						
Net debt to equity	1.0	1.4	1.9	1.8	1.4	1.1
Net debt to EBITDA	2.0	2.8	3.0	6.2	3.0	2.5
Interest coverage	35.4	3.2	4.2	1.2	3.5	4.0

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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	Yes
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 Rs 1 lakh for Angel, its Group companies and Directors.

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