

BSE Sensex	19,647	S&P CNX	5,967
Bloomberg		TATA IN	
Equity Shares (m)	971.4		
M.Cap. (INR b)/(USD b)	291/5.2		
52-Week Range (INR)	455/293		
1,6,12 Rel. Perf. (%)	-6/-24/-48		

**CMP: INR300**

**TP: INR300**

**Sell**

### 4QFY13 results better than expected

- Tata Steel (TATA) posted better than expected performance for 4QFY13. Consolidated EBITDA grew 37% QoQ to INR43.7b (v/s our estimate of INR31b) due to stronger performance across the group and divestment/closure of some loss-making assets in Asia/Australia.
- Adjusted consolidated PAT was INR8.8b (v/s our estimate of INR401m loss). Reported consolidated loss after tax (after minority interest and associates) was INR65.3b, which included INR74b of extraordinary loss (INR83.6b loss on account of non-cash impairment of goodwill + INR9.43b gain on account of sale of stake in Titan).
- Tata Steel India's (TSI) EBITDA grew 31% QoQ to INR33b (v/s our estimate of INR29.3b) due to lower fuel cost and swing in other expenditure. The significant reduction in other expenditure may not be sustainable.
- Tata Steel Europe's (TSE) EBITDA expanded to USD33/ton (v/s our estimate of USD7/ton), driven by sharper fall in raw material cost as compared to the fall in realization and reduction in other expenditure. GBP69m benefit was on account of unidentified factors.

### Financials & Valuation (INR b)

Y/E March	2013	2014E	2015E
Sales	1,347.1	1,393.0	1,340.6
EBITDA	125.2	160.3	151.6
Adj. PAT	2.7	34.8	24.8
Adj. EPS (INR)	2.8	35.8	25.6
EPS Gr(%)	-85.2	1,200.9	-28.6
BV/Sh. (INR)	247.7	273.8	289.5
RoE (%)	1.1	13.7	9.1
RoCE (%)	7.2	10.6	9.0
Payout (%)	-140.5	28.9	42.7

### Valuations

P/E (x)	108.7	8.4	11.7
P/BV	1.2	1.1	1.0
EV/EBITDA (x)	7.1	5.8	6.2
Div. Yield (%)	2.7	2.7	2.7

### However, outlook remains subdued; maintain Sell

- Though operating costs have declined during the quarter and further improvements can be expected in Europe due to full benefit of relighting of furnace at Port Talbot, weakening international steel prices (down by USD100/ton in last four months) and poor demand will keep margins under pressure. Some of the savings in other operating expenditure seen in 4Q may not sustain.
- TATA continues to invest in greenfield projects in India. The Odisha project is likely to be completed by November 2014. Of the INR250b phase-1 capex, INR83b has already been spent. Capex in India during FY14 is expected to be INR80b. Total group capex is expected to be high at USD2.2b. As a result, consolidated debt is unlikely to come down.
- We expected TSI's EBITDA to shrink to USD208/ton in FY15 due to lower steel prices and poor demand. Stock is trading at an EV of 6.2x FY15E EBITDA. **Sell**.

### Quarterly Performance (Standalone)

Y/E March	FY12				FY13				FY12	FY13	vs Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Sales ('000 tons)	1,593	1,648	1,622	1,768	1,590	1,730	1,890	2,279	6,631	7,489	2,150	6
Avg Seg.Realization (INR/t)	45,832	46,402	47,340	49,103	51,530	48,459	45,314	44,394	47,214	47,081	45,190	-2
<b>Net Sales</b>	<b>78,603</b>	<b>82,119</b>	<b>83,819</b>	<b>94,794</b>	<b>89,080</b>	<b>91,506</b>	<b>93,703</b>	<b>107,705</b>	<b>339,335</b>	<b>381,994</b>	<b>104,960</b>	<b>3</b>
<b>EBITDA</b>	<b>31,148</b>	<b>27,862</b>	<b>26,441</b>	<b>29,916</b>	<b>29,768</b>	<b>25,162</b>	<b>25,262</b>	<b>33,040</b>	<b>115,368</b>	<b>113,232</b>	<b>29,349</b>	<b>13</b>
(% of Net Sales)	39.6	33.9	31.5	31.6	33.4	27.5	27.0	30.7	34.0	29.6	28.0	10
<b>Steel EBITDA(USD/tss)</b>	<b>419</b>	<b>359</b>	<b>305</b>	<b>324</b>	<b>326</b>	<b>246</b>	<b>232</b>	<b>263</b>	<b>347</b>	<b>263</b>	<b>237</b>	<b>11</b>
Interest	4,537	4,767	4,811	5,140	4,544	4,539	5,090	4,594	19,254	18,768	5,657	-19
Depreciation	2,853	2,871	2,891	2,900	3,544	3,913	4,339	4,608	11,514	16,404	4,379	5
Other Income	2,564	2,495	1,976	1,829	1,519	2,397	357	4,747	8,864	9,020	800	493
<b>PBT (after EO Inc.)</b>	<b>30,482</b>	<b>22,720</b>	<b>20,716</b>	<b>23,706</b>	<b>21,229</b>	<b>19,203</b>	<b>16,190</b>	<b>21,744</b>	<b>97,624</b>	<b>78,366</b>	<b>20,112</b>	<b>8</b>
Total Tax	8,288	7,767	6,503	8,101	7,663	5,695	5,726	8,652	30,659	27,736	6,838	27
% Tax	27.2	34.2	31.4	34.2	36.1	29.7	35.4	39.8	31.4	35.4	34.0	17
<b>Reported PAT</b>	<b>22,194</b>	<b>14,952</b>	<b>14,213</b>	<b>15,605</b>	<b>13,566</b>	<b>13,508</b>	<b>10,464</b>	<b>13,092</b>	<b>66,964</b>	<b>50,630</b>	<b>13,274</b>	<b>-1</b>
<b>Adjusted PAT</b>	<b>18,034</b>	<b>14,952</b>	<b>14,213</b>	<b>15,605</b>	<b>15,536</b>	<b>13,412</b>	<b>10,464</b>	<b>19,933</b>	<b>62,804</b>	<b>59,345</b>	<b>13,274</b>	<b>50</b>
TSE Sales (000 tons)	3,500	3,570	3,350	3,550	3,210	3,420	3,020	3,420	13,970	13,070	3,550	-4
<b>TSE EBITDA(USD/tss)</b>	<b>78</b>	<b>31</b>	<b>-44</b>	<b>8</b>	<b>36</b>	<b>-2</b>	<b>-26</b>	<b>33</b>	<b>16</b>	<b>11</b>	<b>7</b>	<b>345</b>

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### TSI: EBITDA up 13% QoQ to USD263/ton due to lower power cost, other expenditure

- Tata Steel India (TSI) posted 15% QoQ growth in net sales, driven by 21% higher saleable steel volumes. Flat product sales volumes increased 38% QoQ to 1.5m tons, while long product sales volumes declined 3% QoQ to 0.8m tons. Average steel realization declined 2% QoQ to INR44,394/ton due to 4% decline in realization of flat products.
- EBITDA improved by USD31/ton QoQ to USD263/ton (v/s our estimate of USD237/ton), driven by lower power cost and lower other expenditure. FAMD division EBITDA at INR577m was lower than INR1.5b in 3QFY13 due to loss of volumes, as third party conversion outsourcing was temporarily suspended due to statutory reasons. This is now expected to restart soon.
- Power cost declined 10% QoQ to INR5.6b due to higher captive power production. On a per ton basis, power cost declined by USD10/ton QoQ.
- Other expenditure was lower due to lower forex losses, reduced conversion charges at FAMD and reduction in royalty.
- Adjusted PAT was INR19.9b (up 90% QoQ), driven by lower interest cost and higher other income.
- Interest cost declined 10% QoQ to INR4.6b on inflated levels of 3QFY13.
- Other income at INR4.7b was higher on account of dividend income from Kalimati Investments on part sale of stake in Titan (which gets neutralized on consolidation).

### TSE: EBITDA/ton swings by USD59 to USD33 due to lower cost, other expenditure

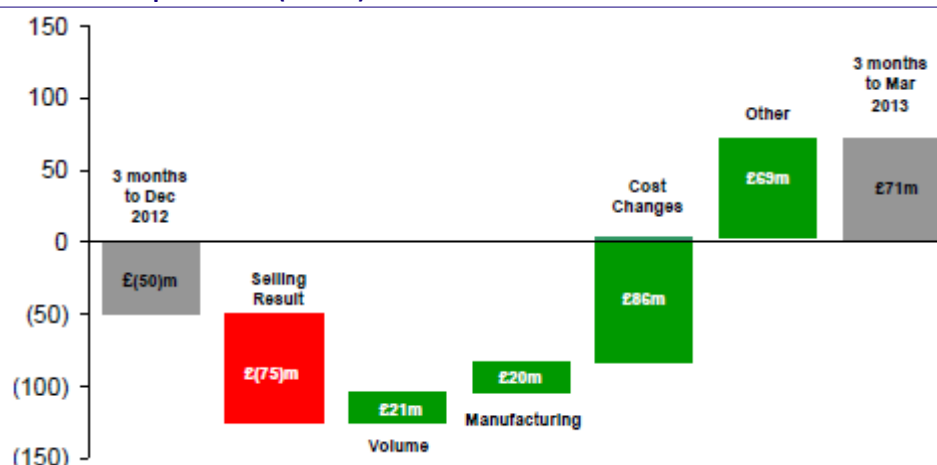
- Tata Steel Europe (TSE) witnessed 6% QoQ growth in net sales to INR192b, driven by 13% higher sales volumes, despite 7% lower realization.
- EBITDA expanded to USD33/ton (v/s our estimate of USD7/ton), driven by sharper fall in raw material cost as compared to the fall in realization and reduction in other expenditure. GBP69m benefit was on account of unidentified factors.

#### Quarterly Performance (Tata Steel Europe)

Y/E March	FY12				FY13				FY12	FY13	vs Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Sales (000 tons)	3,500	3,570	3,350	3,550	3,210	3,420	3,020	3,420	13,970	13,070	3,550	-4
Change (YoY %)	-5.7	1.1	-3.5	-14.0	-8.3	-4.2	-9.9	-3.7	-5.9	-6.4		
Avg. Realization (USD per t)	1,312	1,228	1,155	1,116	1,173	1,076	1,107	1,033	1,199	1,096	1,099	-6
Change (QoQ %)	10.1	-6.4	-5.9	-3.4	5.1	-8.3	2.9	-6.7	6.8	-8.6	-0.8	
Net Sales	205,350	200,697	196,598	199,230	204,060	203,140	181,260	191,660	801,875	780,120	211,644	-9
Change (QoQ %)	-6.5	-2.3	-2.0	1.3	2.4	-0.5	-10.8	5.7	5.5	-2.7	16.8	
EBITDA	12,220	5,044	-7,468	1,428	6,200	-400	-4,280	6,120	11,224	7,640	1,426	329
As % of Net Sales	6.0	2.5	-3.8	0.7	3.0	-0.2	-2.4	3.2	1.4	1.0	0.7	
Steel EBITDA(USD/tss)	78	31	-44	8	36	-2	-26	33	16	11	7	345

E: MOSL Estimates

## TSE EBITDA as per I-GAAP (GBP m)



Source: Company, MOSL

### Other subsidiaries: Operating performance improves due to sale of loss-making assets

- The performance of other subsidiaries also improved sequentially; their EBITDA contribution was INR4.5b (v/s our estimate of INR203m).
- **South East Asia (SEA):** EBITDA increased 55% QoQ to INR2.24b due to closure/divestment of loss making assets of Natsteel. TSH benefited from increased domestic sales of rebar and increased sourcing of domestic scrap. Loss-making Brisbane, Sunshine Coast and Townsville operations of NatSteel Australia have been closed. Melbourne and Perth plants have been revamped to achieve higher productivity. Also, stake in wires business in Wuxi, China was divested to stem losses.

#### Quarterly Performance (other subsidiaries)

Y/E March	FY12				FY13				FY12	FY13	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	vs Est (%)
Sales (000 tons)	1,007	892	868	902	880	920	920	861	3,669	3,581	911	-5
Net Sales	46,049	45,163	50,614	45,961	45,072	46,682	46,108	47,139	187,787	185,001	46,097	2
EBITDA	1,204	-4,232	159	444	35	-1,661	1,407	4,529	-2,424	4,310	203	2,130

E: MOSL Estimates

### Other projects: No significant trigger in two years; Odisha project to start in FY16

- **Benga Coke, Mozambique:** Coking coal shipments in 2012 were 0.3m tons. 1m tons of coking coal and 0.25m tons of thermal coal is expected to be dispatched in 2013. However, lack of clarity in setting up logistics infrastructure is impacting progress to phase-II.
- **DSO, Canada:** The company is targeting to produce 1m tons of iron ore in FY14, with ramp up to 3m tons in FY15. Negotiations are on-going to finalize arrangements at the port.
- **6m-ton ISP, Odisha:** Phase-I of the 3m-ton project is expected to be completed by November 2014. INR83b has been spent so far, largely contributed by internal generation. INR228b towards debt funding for the entire project (Phase-I and II) has been tied up with a consortium of 21 banks.

Quarterly Performance (Consolidated)											(INR Million)	
Y/E March	FY12				FY13				FY12	FY13	vs Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Sales (k tons)	6,100	6,110	5,840	6,220	5,680	6,070	5,830	6,560	24,270	24,140	6,611	-1
Change (YoY %)	3.4	5.0	10.6	-4.9	-6.9	-0.7	-0.2	5.5	3.1	-0.5	6.3	-13
Avg Realization (INR/tss)	54,099	53,679	56,683	54,660	59,544	56,232	55,072	52,821	54,759	55,804	54,863	-4
Net Sales	330,002	327,979	331,031	339,986	338,212	341,327	321,071	346,505	1,328,997	1,347,115	362,701	-4
Change (YoY %)	21.3	14.5	13.8	0.5	2.5	4.1	-3.0	1.9	11.9	1.4	6.7	-71
EBITDA	44,572	28,674	19,133	31,788	36,003	23,101	22,389	43,689	124,168	125,182	30,978	41
(% of Net Sales)	13.5	8.7	5.8	9.3	10.6	6.8	7.0	12.6	9.3	9.3	8.5	48
Steel EBITDA(USD/tss)	163	103	64	102	117	69	71	123	107	95	86	42
Interest	10,130	10,492	10,600	11,280	9,690	9,721	10,323	9,947	42,501	39,681	11,415	-13
Depreciation	11,508	11,088	11,640	10,931	13,080	13,349	14,628	14,696	45,167	55,753	14,612	1
Other Income	7,613	3,361	2,537	2,220	2,894	2,018	559	-679	15,730	4,792	1,183	-157
PBT (before EO Inc.)	30,547	10,456	-570	11,798	16,127	2,048	-2,003	18,368	52,231	34,539	6,134	199
EO Income(exp)	33,619				-1,970	427	-198	-74,128	33,619	-8,715		
PBT (after EO Inc.)	64,167	10,456	-570	11,798	14,157	2,475	-2,201	-55,760	85,850	25,824	6,134	-1,009
Total Tax	11,230	9,065	6,303	9,766	8,986	6,608	5,685	11,015	36,365	32,294	6,838	61
% Tax	36.8	86.7	-1,105.3	82.8	55.7	322.6	-283.8	60.0	69.6	93.5	111.5	-46
Reported PAT	52,937	1,390	-6,874	2,032	5,170	-4,133	-7,886	-66,775	49,485	-6,470	-704	9,381
Adj. PAT (after MI & asso)	19,846	2,124	-6,027	4,335	7,949	-4,066	-7,433	8,843	20,279	5,293	-401	-2,306

E: MOSL Estimates; tss=ton of steel sales; 1HFY12 numbers don't reconcile with FY12 due to revised format under Schedule 6

#### Tata Steel: SOTP Valuation

2015E

##### India

EBITDA per ton (USD)	208
Sales (m tons)	9.6
EBITDA-India	113,767
Target EBITDA (x)	5.0
<b>EV (India) - (a)</b>	<b>568,835</b>
INR/share	586

##### TSE and other subs.

EBITDA per ton (USD)	44
Sales (m tons)	17.1
EBITDA	39,806
Target EBITDA (x)	5.0
<b>EV (TSE) - (b)</b>	<b>199,028</b>
INR/share	205
<b>Target EV (c=a+b)</b>	<b>767,863</b>
<b>Net Debt (d)</b>	<b>643,459</b>
INR/share	662
D/E x (adj for goodwill)	2.3
<b>CWIP (e)</b>	<b>200,397</b>
INR/share	206
(d1) Discount (%)	33
<b>Investments (f)</b>	<b>40,470</b>
INR/share	42
(d2) Discount (%)	20
<b>TP</b>	<b>291,046</b>
(c-d+e*(1-d1)+f*(1-d2))	
<b>Target Price (INR /sh.)</b>	<b>300</b>

Source: MOSL

#### Steel outlook subdued, margin recovery may not sustain; maintain Sell

- Though operating costs have declined during the quarter and further improvements can be expected in Europe due to full benefit of relighting of furnace at Port Talbot, weakening international steel prices (down by USD100/ton in last four months) and poor demand will keep margins under pressure. Some of the savings in other operating expenditure seen in 4Q may not sustain.
- TATA continues to invest in greenfield projects in India. The Odisha project is likely to be completed by November 2014. Of the INR250b phase-1 capex, INR83b has already been spent. Capex in India during FY14 is expected to be INR80b. Total group capex is expected to be high at USD2.2b. As a result, consolidated debt is unlikely to come down.
- We expected TSI's EBITDA to shrink to USD208/ton in FY15 due to lower steel prices and poor demand. The stock is trading at an EV of 6.2x FY15E EBITDA. Maintain Sell.

## Tata Steel: an investment profile

### Company description

Tata Steel (Bloomberg: TATA) is the lowest cost steel producer in India. Globally, it is the 12th largest steel company, with 24.3m tons of steel sales in FY12. It has operations spread over Europe, the UK, Asia, North America and rest of the world, with an annual capacity of 27m tons. On a consolidated level, it has ~22% raw material security and plans to increase this to 50-60%. Annual production is likely to increase to 34m tons through brownfield expansions in Jamshedpur and greenfield projects in Orissa.

### Key investment arguments

- Recent 2.9m-ton expansion at Jamshedpur would lead to ~3m tons of incremental sales volumes over FY12-15. Total consolidated sales tonnage is expected to be 27m tons in FY15.
- Overseas investments in raw material assets are likely to start generating cash flows in FY14.
- In Europe, restructuring initiatives such as upgradation of plants, shutdown of old units and downsizing of manpower should increase cost effectiveness, going forward.

### Key investment risks

- TATA's earnings have high leverage to steel prices and earnings from European operations. The demand scenario remains challenging in Europe.

### Comparative valuations

		Tata Steel	JSW-Ispat Merged	SAIL
P/E (x)	FY14E	8.4	31.7	7.9
	FY15E	11.7	10.9	8.5
P/BV (x)	FY14E	1.1	1.1	0.5
	FY15E	1.0	1.0	0.5
EV/Sales (x)	FY14E	0.7	1.1	1.0
	FY15E	0.7	1.1	1.0
EV/EBITDA (x)	FY14E	5.8	7.4	5.9
	FY15E	6.2	6.1	5.8

### Shareholding pattern (%)

	Mar-13	Dec-12	Mar-12
Promoter	31.4	31.4	31.4
Domestic Inst	27.2	27.9	28.3
Foreign	16.1	16.9	16.2
Others	25.3	23.9	24.1

24 May 2013

### Recent developments

- INR228b towards debt funding for Kalinganagar Project (Phase I and II) has been tied up with a consortium of 21 banks.

### Valuation and view

- We expected TSI's EBITDA to shrink to USD208/ton in FY15 due to lower steel prices and poor demand. The stock is trading at an EV of 6.2x FY15E EBITDA. Maintain **Sell**.

### Sector view

- World Steel Association (WSA) has recently cut its demand growth estimate by 30bp to 2.9% for CY13 because EU27, CIS, NAFTA and Middle East are now expected to grow at a slower rate. We continue to believe that global steel demand growth will be even slower, with growth rate of 1.6% for the world, 2% for China and 2.5% for India in CY13. As a result, iron ore and prime coking coal prices will fall to USD93/dmt cfr China for 63.5% Fe fines and USD125/ton fob Australia, respectively. We believe that given the subdued outlook on steel demand and prices, margins of Indian steel companies will continue to be under pressure in FY14 and FY15.

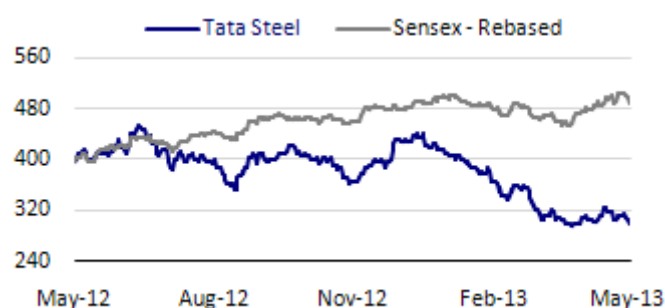
### EPS: MOSL forecast v/s consensus (INR)

	MOSL forecast	Consensus forecast	Variation (%)
FY14	35.8	33.7	6.1
FY15	25.6	41.4	-38.2

### Target price and recommendation

Current Price (INR)	Target Price (INR)	Upside (%)	Reco.
300	300	-	Sell

### Stock performance (1 year)



## Financials and Valuation

Income Statement (Consolidated)		(INR Million)		
Y/E March	2012	2013	2014E	2015E
Net Sales	1,328,997	1,347,115	1,393,040	1,340,603
Change (%)	11.9	1.4	3.4	-3.8
EBITDA	124,168	125,182	160,311	151,578
% of Net Sales	9.3	9.3	11.5	11.3
Deprn. & Amortization	45,167	55,753	58,525	58,492
EBIT	79,001	69,429	101,786	93,086
Finace cost	42,501	39,681	46,769	48,059
Other income	15,730	4,792	3,731	-149
<b>PBT before EO</b>	<b>52,231</b>	<b>34,539</b>	<b>58,748</b>	<b>44,878</b>
EO income	33,619	-8,715	1	
<b>PBT after EO</b>	<b>85,850</b>	<b>25,824</b>	<b>58,749</b>	<b>44,878</b>
Tax	36,365	32,294	27,234	23,594
Rate (%)	42.4	125.1	46.4	52.6
<b>Reported PAT</b>	<b>49,485</b>	<b>-6,470</b>	<b>31,515</b>	<b>21,284</b>
Minority interest P/L	-1,731	-853	-214	-240
Share of asso. PAT	2,681	2,194	5,703	5,935
<b>PAT (After MI &amp; asso.)</b>	<b>53,898</b>	<b>-3,423</b>	<b>37,433</b>	<b>27,458</b>
Div. on Pref. /Hybrid Se	2,225	2,616	2,616	2,616
<b>Adjusted PAT</b>	<b>18,054</b>	<b>2,676</b>	<b>34,815</b>	<b>24,842</b>
Change (%)	-69.8	-85.2	1,200.9	-28.6

Balance Sheet (Consolidated)		(INR Million)		
Y/E March	2012	2013	2014E	2015E
Share Capital	9,714	9,714	9,714	9,714
Reserves	420,672	317,677	342,977	358,277
<b>Net Worth</b>	<b>430,386</b>	<b>327,391</b>	<b>352,691</b>	<b>367,991</b>
Minority Interest	10,912	10,058	9,844	9,605
Total Loans	644,028	644,028	676,028	679,028
Deferred Tax Liability	24,424	35,689	45,592	54,172
<b>Capital Employed</b>	<b>1,109,749</b>	<b>1,017,166</b>	<b>1,084,155</b>	<b>1,110,795</b>
Gross Block	1,133,047	1,253,047	1,373,047	1,473,047
Less: Accum. Deprn.	712,043	767,797	826,321	884,814
<b>Net Fixed Assets</b>	<b>421,003</b>	<b>485,250</b>	<b>546,725</b>	<b>588,233</b>
Capital WIP	200,397	200,397	200,397	200,397
Investments	26,229	26,229	26,229	26,229
Goodwill on consolidat	173,546	86,746	86,746	86,746
Other assets	84,833	84,833	84,833	84,833
<b>Curr. Assets</b>	<b>565,779</b>	<b>496,193</b>	<b>507,998</b>	<b>485,947</b>
Inventory	255,980	258,351	267,158	257,102
Account Receivables	148,785	155,011	160,295	154,261
Cash & Bank Balance	122,000	43,817	41,530	35,569
Others	39,015	39,015	39,015	39,015
<b>Curr. Liability &amp; Prov.</b>	<b>362,038</b>	<b>362,482</b>	<b>368,773</b>	<b>361,589</b>
Account Payables	184,093	184,536	190,827	183,644
Provisions & Others	177,945	177,945	177,945	177,945
<b>Net Current Assets</b>	<b>203,741</b>	<b>133,711</b>	<b>139,225</b>	<b>124,358</b>
<b>Appl. of Funds</b>	<b>1,109,749</b>	<b>1,017,166</b>	<b>1,084,155</b>	<b>1,110,795</b>

E: MOSL Estimates

Ratios (Consolidated)				
Y/E March	2012	2013	2014E	2015E
<b>Basic (INR)</b>				
EPS	18.6	2.8	35.8	25.6
Cash EPS	97.4	50.7	92.7	82.1
BV/Share	264.4	247.7	273.8	289.5
DPS	12.0	8.0	8.0	8.0
Payout (%)	74.6	509.6	39.2	54.9
<b>Valuation (x)</b>				
P/E		108.7	8.4	11.7
Cash P/E		5.9	3.2	3.6
P/BV		1.2	1.1	1.0
EV/Sales		0.7	0.7	0.7
EV/EBITDA		7.1	5.8	6.2
Dividend Yield (%)		2.7	2.7	2.7
<b>Return Ratios (%)</b>				
EBITDA Margins (%)	9.3	9.3	11.5	11.3
Net Profit Margins (%)	1.4	0.2	2.5	1.9
RoE	7.8	1.1	13.7	9.1
RoCE (pre-tax)	9.1	7.2	10.6	9.0
RoIC (pre-tax)	12.3	10.4	14.6	12.5
<b>Working Capital Ratios</b>				
Fixed Asset Turnover (x)	3.2	2.8	2.5	2.3
Asset Turnover (x)	1.2	1.3	1.3	1.2
Debtor (Days)	40.9	42.0	42.0	42.0
Inventory (Days)	70.3	70.0	70.0	70.0
Payables (Days)	50.6	50.0	50.0	50.0
Working Capital T/O (x)	60.6	62.0	62.0	62.0
<b>Leverage Ratio (x)</b>				
Current Ratio	1.6	1.4	1.4	1.3
Interest Cover Ratio	1.9	1.7	2.2	1.9
Debt/Equity	2.0	2.5	2.4	2.3

Cash Flow Statement (Consolidated)		(INR Million)		
Y/E March	2012	2013	2014E	2015E
EBITDA	124,168	125,182	160,311	151,578
Non cash exp. (income)	13,603	3,061	7,209	7,415
(Inc)/Dec in Wkg. Cap.	11,590	-8,153	-7,801	8,907
Tax Paid	-36,524	-21,030	-17,330	-15,015
Other operating activities				
<b>CF from Op. Activity</b>	<b>112,838</b>	<b>99,061</b>	<b>142,389</b>	<b>152,886</b>
(Inc)/Dec in FA + CWIP	-119,586	-120,000	-120,000	-100,000
(Pur)/Sale of Investme	4,164			
Acquisition in subsidi		-8,715	1	
Int. & Divident Income	6,194	4,792	3,731	-149
Other investing activiti	61,251			
<b>CF from Inv. Activity</b>	<b>-47,978</b>	<b>-123,924</b>	<b>-116,268</b>	<b>-100,149</b>
Equity raised/(repaid)	6,045			
Debt raised/(repaid)	-39,803		32,000	3,000
Dividend (incl. tax)	-11,639	-13,639	-13,639	-13,639
Interest & equiv. paid	-37,646	-39,681	-46,769	-48,059
<b>CF from Fin. Activity</b>	<b>-83,043</b>	<b>-53,320</b>	<b>-28,407</b>	<b>-58,697</b>
(Inc)/Dec in Cash	-18,184	-78,183	-2,287	-5,960
Add: opening Balance	140,183	122,000	43,817	41,530
<b>Closing Balance</b>	<b>122,000</b>	<b>43,817</b>	<b>41,530</b>	<b>35,569</b>

**N O T E S**

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