

BSE SENSEX 84,779 S&P CNX 25,966

## TATA STEEL

### Stock Info

Bloomberg	TATA IN
Equity Shares (m)	12484
M.Cap.(INRb)/(USDb)	2205.4 / 25
52-Week Range (INR)	178 / 123
1, 6, 12 Rel. Per (%)	0/19/14
12M Avg Val (INR M)	4797
Free float (%)	66.8

### Financials Snapshot (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	2,339	2,508	2,629
EBITDA	358	434	468
Adj. PAT	115	178	195
EBITDA Margin (%)	15.3	17.3	17.8
Adj. EPS (INR)	9.2	14.2	15.6
BV/Sh. (INR)	80.2	92.5	106.1

### Ratios

Net D:E	0.9	0.7	0.5
RoE (%)	12.1	16.5	15.7
RoCE (%)	13.0	15.5	15.6
Payout (%)	21.6	14.0	12.8

### Valuations

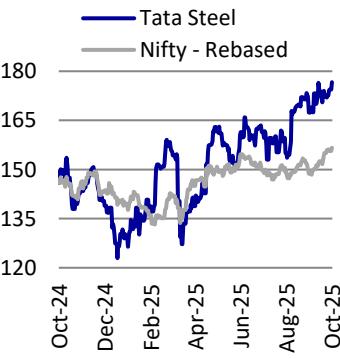
P/E (x)	19.1	12.4	11.3
P/BV (x)	2.2	1.9	1.7
EV/EBITDA(x)	8.5	6.8	6.1
Div. Yield (%)	1.1	1.1	1.1

### Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	33.2	33.2	33.2
DII	27.1	26.3	22.9
FII	17.8	17.7	19.9
Others	21.9	22.8	24.0

FII Includes depository receipts

### Stock Performance (1-year)



**CMP: INR177 TP:INR210 (+19%) Upgrade to Buy**

### Strong domestic outlook; Europe's breakeven to drive consolidated earnings

#### Capacity expansion to drive earnings amid demand upswing

- Tata Steel (TATA) is aggressively expanding its capacity in India to capitalize on rising domestic demand, targeting an increase from 26.5mtpa in FY25 to 40mtpa by FY30.
- The company has commissioned a 5mtpa integrated capacity at Kalinganagar, increasing the plant's total capacity to 8mtpa (INR270b investment), with phase-III expansion targeting 13mtpa. Other key projects include scaling NINL from 1mtpa to 4.5mtpa, a 0.75mtpa electric arc furnace (EAF) at Ludhiana by FY27, and expanding Meramandali from 5.6mtpa to 8.2mtpa.
- In Europe, TATA is transitioning to green steelmaking, converting Port Talbot (UK) to a 3mtpa EAF and exploring a gas-based DRI + EAF route at IJmuiden (Netherlands), subject to policy clarity.

#### India's steel demand and safeguard duty to support domestic prices

- India's steel demand is projected to grow ~8-10% over FY26-27, backed by a robust demand environment, policy support, and ongoing recovery in industry fundamentals.
- To protect against rising imports, the Indian government has proposed a 12% safeguard duty on flat steel products, which could support domestic prices.
- Currently, market sentiment for 2HFY26 points to a gradual price recovery, muted costs (especially coking coal prices), and demand tailwinds.

#### Breakeven for European operations – TSUK breakeven on track; TSN cost restructuring to drive profitability

- TATA's European operations are moving toward breakeven amid restructuring and cost optimization. EBITDA losses have narrowed from USD76/t in 2QFY25 to USD8/t EBITDA gain in 1QFY26, aided by lower energy costs and improved efficiency.
- With the UK BF shutdown and the Netherlands ramp-up, Europe's EBITDA is expected to improve further. We expect it to rise from USD8/t in 1QFY26 to USD70/t by FY28, which should also support consolidated EBITDA/t increasing to INR13,000/t by FY28E (vs. INR8,376/t in FY25).

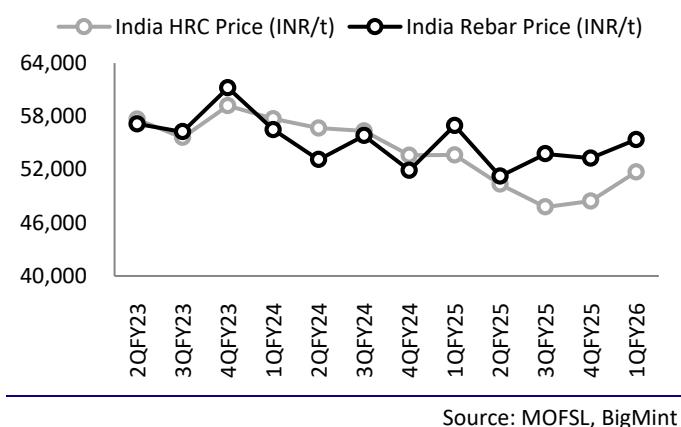
#### Valuation and view: Upgrade to BUY

- TATA is one of the largest players in India's steel sector and is set to benefit from improving steel price realizations, operating efficiencies, and the strong domestic demand outlook. The implementation of the safeguard duty is expected to help domestic operations achieve better realization.

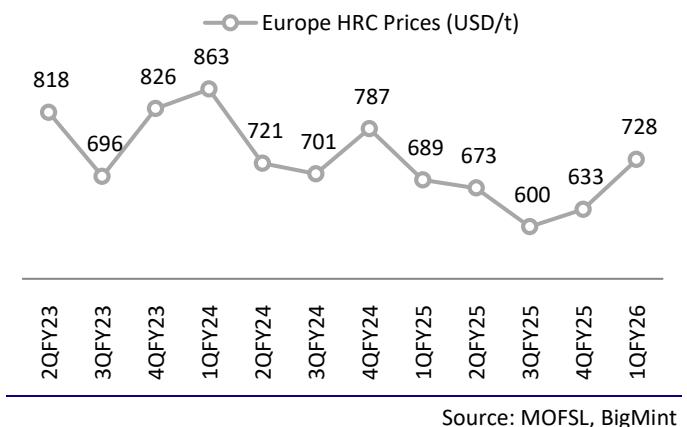
- While near-term challenges persist due to global uncertainty around tariff escalations, the long-term outlook for TATA remains strong. The Indian business is expected to continue its strong performance, and an improvement in the European business performance is likely to support overall earnings.
- TATA is expected to generate a strong OCF of INR957b, which will help fund the ongoing/planned expansion of INR160b annually without leveraging the balance sheet. Net debt stood at INR848b as of 1QFY26, which includes cash of INR141b. This translates into net debt/EBITDA of 3.21x as of Jun'25.
- **At CMP, TATA is trading at 6.8x EV/EBITDA and 1.9x FY27E P/B. We upgrade the stock from Neutral to BUY with an SOTP-based TP of INR210 per share on Sep'27 estimate.**

## Story in charts

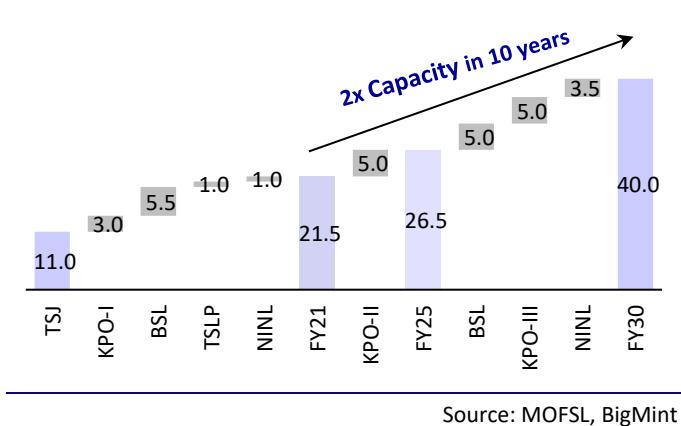
### Exhibit 1: Domestic HRC/Rebar prices (INR/t)



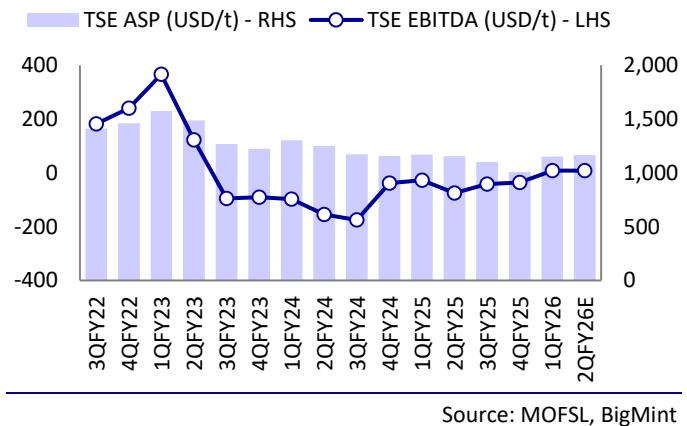
### Exhibit 2: Europe HRC prices (USD/t)



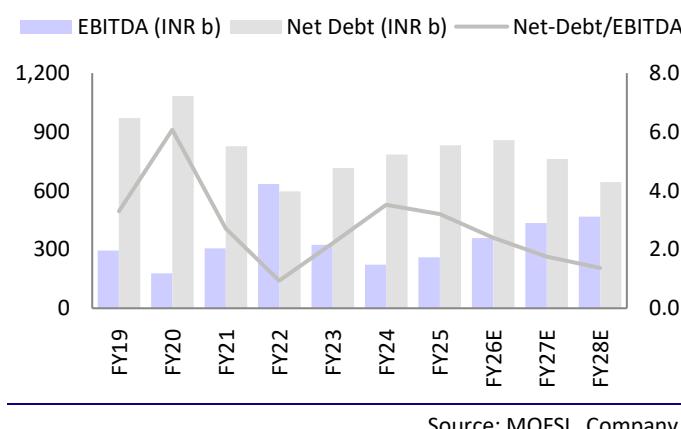
### Exhibit 3: TATA scaling to capitalize on growth opportunity



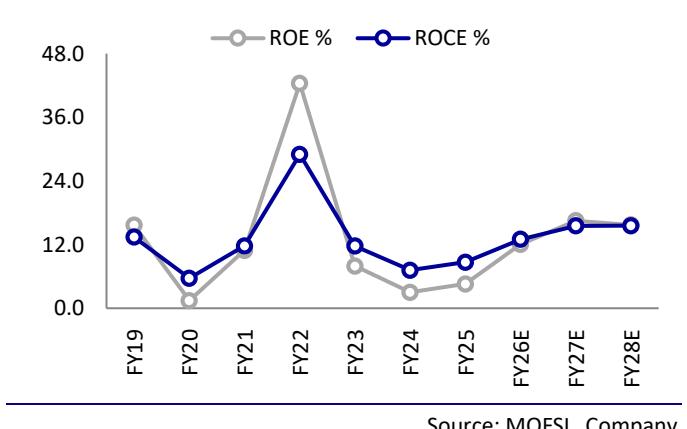
### Exhibit 4: TATA Europe's EBITDA steadily improving



### Exhibit 5: Net debt-to-EBITDA ratio expected to reduce



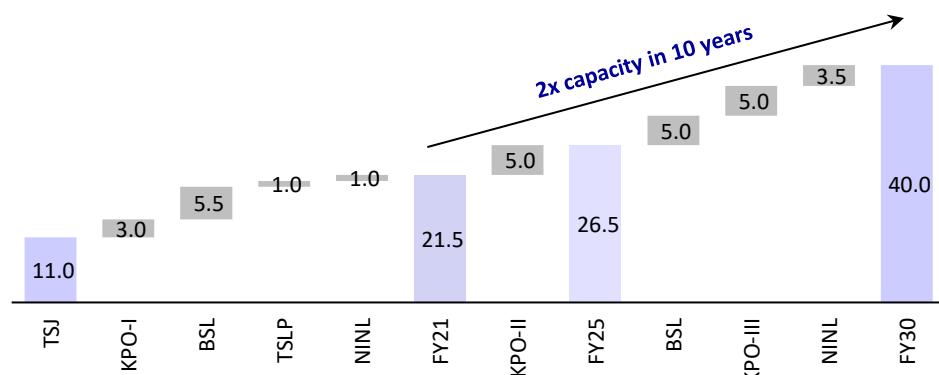
### Exhibit 6: ROE/ROCE expected to improve



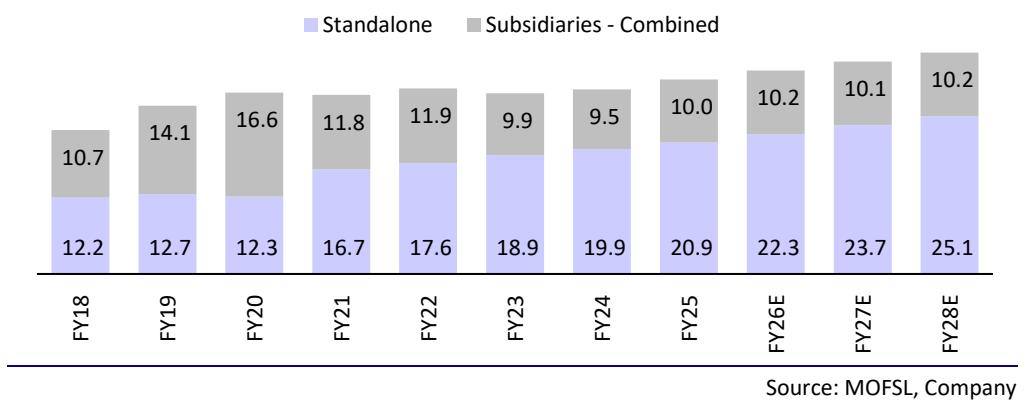
## Capacity expansion to drive earnings amid demand upswing

- India's steel output clocked ~6% CAGR over the past five years (vs. 5.3% CAGR over the past 15 years), significantly outpacing global steel manufacturing countries (World/China crude steel output has been largely flat). To meet growing domestic demand and remain self-reliant, the government has targeted 300mt of crude steel capacity by FY31. We expect India's steel consumption to sustain at ~7% CAGR over FY25-27, driven by capacity expansion and robust demand.
- TATA is strategically executing capacity expansion to capitalize on India's robust steel demand. The company targets to reach 40mtpa by FY30 (vs. 26.6mtpa in FY25), with an annual capex commitment of ~INR160b. TATA commissioned 5mtpa integrated capacity at Kalinganagar in FY25, backed by an investment of INR270b. Capacity ramp-up is currently underway, and management aims to add another 5mtpa, bringing the total Kalinganagar capacity to 13mtpa.
- **Other key expansions include scaling Neelachal Ispat Nigam Ltd (NINL) from 1mtpa to 4.5mtpa and commissioning a 0.75mtpa scrap-based EAF in Ludhiana by FY27.**
- **Neelachal Ispat Nigam Ltd (NINL):** The expansion process is at an advanced stage, with engineering and environmental clearances in progress. Public hearings for environmental clearance have been completed, and final approval is expected in Nov'25. Once all approvals and front-end work are completed, management will approach the Board for the final investment decision (FID), following which execution is expected to take 3-3.5 years.
- **Ludhiana Plant:** The commissioning is expected within the next 12 months and will add 0.75mtpa EAF capacity focused on high-margin retail products, catering to customers within a 300km radius.

**Exhibit 7: TATA scaling up in India to capitalize on the growth opportunity**

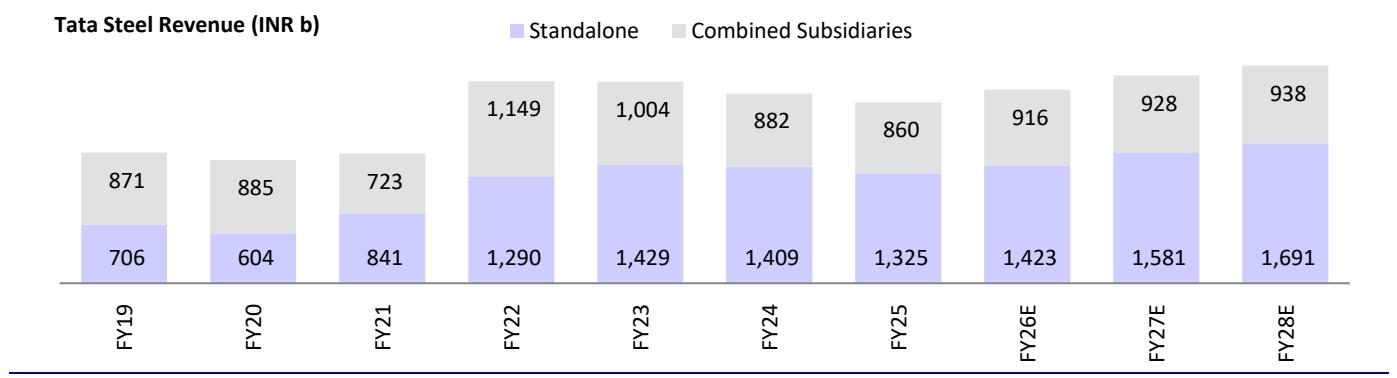


Source: Company

Exhibit 8: Shipment (mt) to hit 35mt by FY28E


Source: MOFSL, Company

- **TATA is actively restructuring its European operations to advance decarbonization efforts and improve competitiveness.**
- In the Netherlands, a major decarbonization plan is underway with support from the Dutch government. The project is currently in the engineering and capital cost estimation phase. A letter of intent will be presented to parliament, and following the elections/formation of a new government, binding agreements will be negotiated.
- In the UK, construction has commenced on a 3mtpa EAF project at Port Talbot, aimed at achieving significant cost and carbon reductions (increased local scrap use, lower energy costs, and improved competitiveness post-transition).

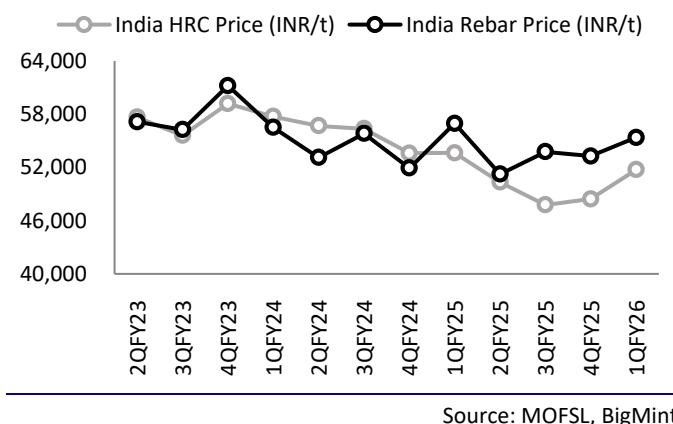
Exhibit 9: Robust domestic volume to drive overall consolidated revenue to INR2,629b by FY28E


Source: MOFSL, Company

## Safeguard duty and China's production cut to support steel prices

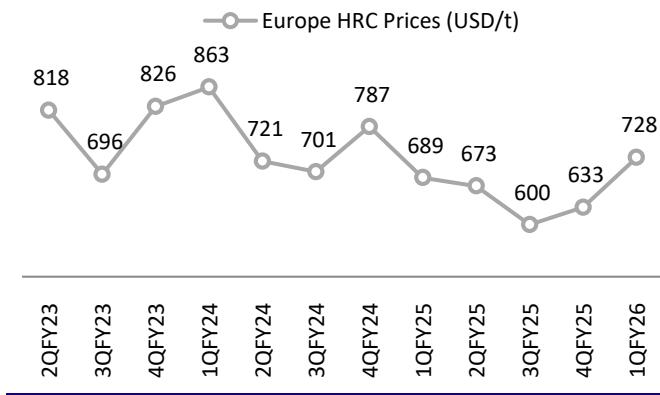
- According to the Joint Plant Committee (JPC), India's crude steel production stood at 81.8mt (12% YoY) in 1HFY26, driven by incremental capacities, a decline in cheaper imports, and higher exports to the MEA/EU regions. In 1HFY26, steel imports in India declined 29% YoY to 3mt, driven by a 12% safeguard duty and stricter BIS regulations. Meanwhile, exports rose 23% YoY to 2.3mt as exports to the EU/MEA increased.
- Subdued demand in China led to a global steel oversupply, with the country's steel exports rising to ~25% (~111mt) of global exports in CY24 vs ~14% (~53mt) in CY20. Several countries across geographies have imposed trade barriers on China to curb cheaper steel imports. Consequently, we expect global prices to improve as China's exports and production reduce.

**Exhibit 10: Domestic HRC/Rebar prices (INR/t)**



Source: MOFSL, BigMint

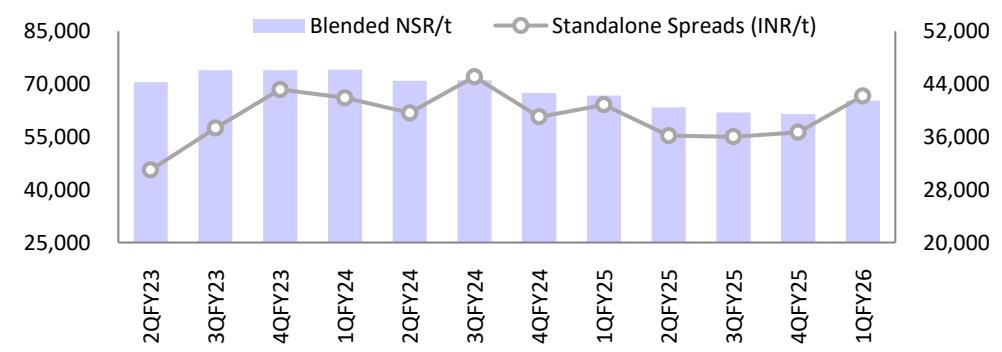
**Exhibit 11: Europe HRC prices (USD/t)**



Source: MOFSL, BigMint

- Domestic HRC prices stood at INR49,500/t in 2QFY26, while China's landed steel prices in India are currently at a 15% premium to domestic steel prices due to the 12% safeguard duty. Therefore, we expect domestic steel prices to improve, supported by the safeguard duty and the end of the monsoon season. TATA is well-positioned to benefit from India's strong domestic growth story through its ongoing capacity expansion and product diversification strategies. Currently, market sentiment for 2HFY26 indicates a gradual price recovery, muted costs (especially coking coal prices), and demand tailwinds.

**Exhibit 12: Better NSR to improve steel spreads as costs have largely bottomed out**

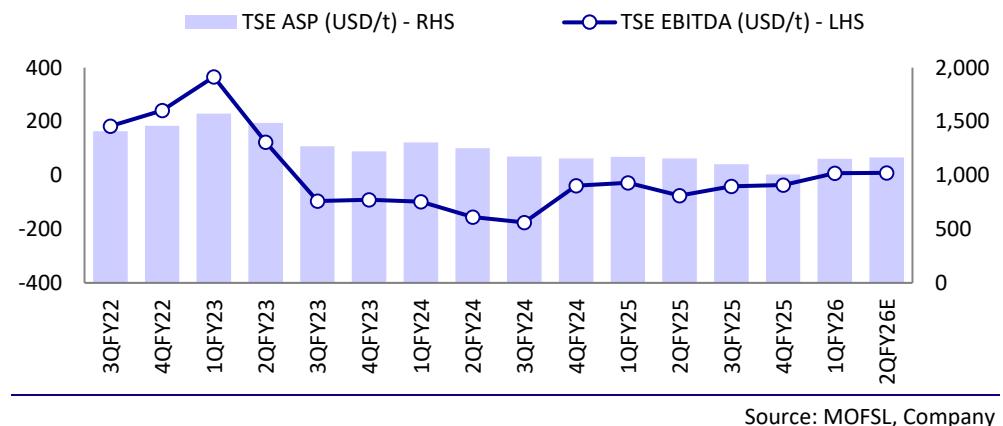


Source: MOFSL, Company

## Breakeven for European operations – TSUK breakeven on track; TSN cost restructuring to drive profitability

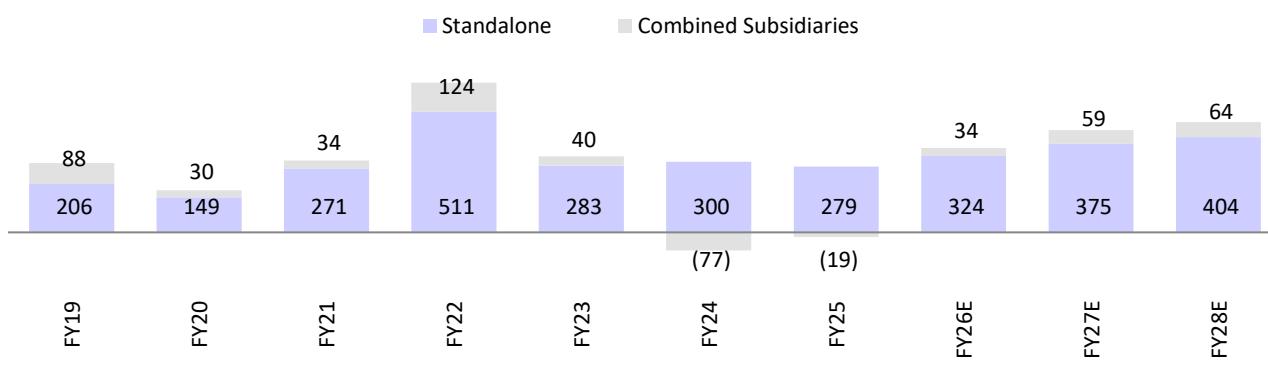
- TATA Europe's operations in the UK and the Netherlands have faced persistent financial challenges due to high energy/operational costs, unfavorable demand, and the obligation to reduce carbon emissions.
- Its operations are making visible progress toward breakeven, with recent quarters showing a narrowing of losses, particularly in the UK, and the capacity ramp-up underway in the Netherlands.
- The INR115b cost transformation initiatives across three locations (India, UK, and Netherlands) remain on track, with the UK operations expected to achieve breakeven by 4QFY26. The total cost savings target stands at INR115b, of which INR44b (INR15b in FY25 and INR29b in 1QFY26) has already been realized. Of the INR29b savings in 1QFY26, India accounted for INR11b, the Netherlands for INR14b, and the UK for INR4b.
- The overall operating loss of USD76/t in 2QFY25 turned positive to USD8/t in 1QFY26, with further improvements expected due to cost optimization, lower energy prices, and the impact of the legacy BF shutdown in the UK.
- Management expects EBITDA losses from UK operations to further reduce in the coming quarters, supported by capacity ramp-up in the Netherlands and lower fixed costs, which should boost the overall EBITDA of its Europe operations to USD70/t and Consol. EBITDA/t to INR13,000/t by FY28E (vs. INR8,376/t in FY25).

**Exhibit 13: TATA Europe's EBITDA steadily improving to breakeven**

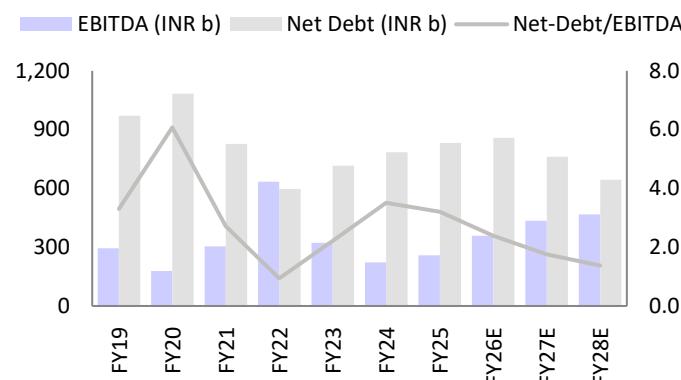


Source: MOFSL, Company

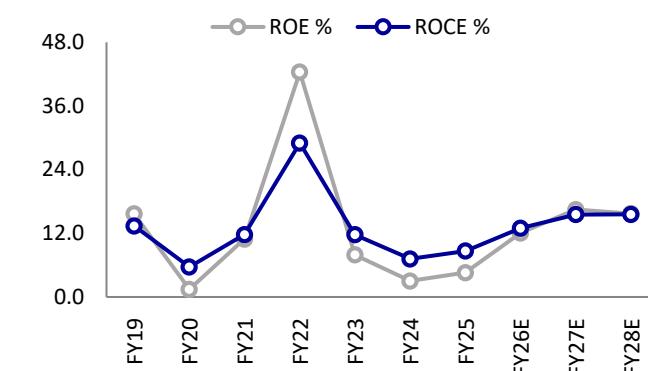
**Exhibit 14: Incremental EBITDA (INR b) from the Europe business to drive overall consol. EBITDA (INR b)**



Source: MOFSL, Company

**Exhibit 15: Net debt-to-EBITDA ratio expected to reduce**


Source: MOFSL, Company

**Exhibit 16: ROE/ROCE expected to improve**


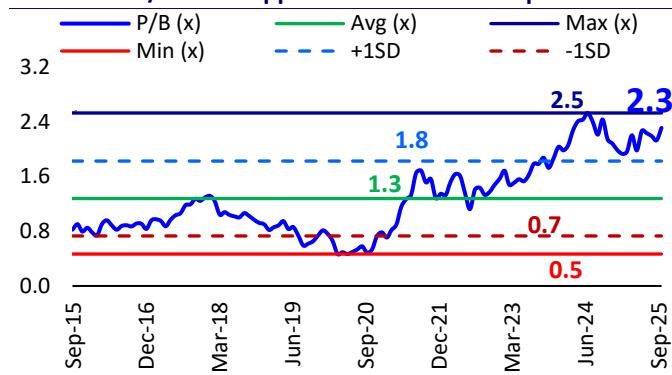
Source: MOFSL, Company

**Exhibit 17: Financial Summary**

		FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Standalone</b>										
Volume	mt	12.3	16.7	17.6	18.9	19.9	20.9	22.3	23.7	25.1
Realisation	INR/t	49,047	50,488	73,212	75,736	70,785	63,284	63,941	66,736	67,313
EBITDA/t	INR/t	12,061	16,277	29,013	14,982	15,062	13,307	14,562	15,854	16,076
Revenue	INR b	604	841	1,290	1,429	1,409	1,325	1,423	1,581	1,691
EBITDA	INR b	149	271	511	283	300	279	324	375	404
PAT	INR b	85	164	332	153	191	149	166	199	215
<b>Subsidiaries</b>										
Revenue	INR b	816	863	1,149	1,004	883	860	916	928	938
EBITDA	INR b	28	76	124	40	(77)	(19)	34	59	64
<b>Europe*</b>										
Volume	mt	9.3	8.8	9.0	8.5	8.1	8.8	9.0	8.9	9.0
Realisation	USD/t	853	859	1,339	1,377	1,231	1,106	1,107	1,115	1,127
EBITDA/t	USD/t	(10)	(6)	181	68	(113)	(45)	33	64	70
Revenue	INR b	559	561	900	903	781	764	816	829	840
EBITDA	INR b	(7)	(6)	122	46	(76)	(33)	26	50	55
<b>Consolidated</b>										
Volume	mt	28.9	28.5	29.5	28.8	29.4	31.0	32.4	33.8	35.3
Realisation	INR/t	51,583	54,885	82,642	84,527	77,976	70,589	72,176	74,193	74,550
EBITDA/t	INR/t	6,173	10,699	21,507	11,219	7,590	8,376	11,061	12,848	13,260
Revenue	INR b	1,490	1,565	2,440	2,434	2,292	2,185	2,339	2,508	2,629
EBITDA	INR b	178	305	635	323	223	259	358	434	468
Adj. PAT	INR b	10	83	403	86	30	42	115	178	195
Adj. EPS	INR	0.9	6.9	33.0	7.1	2.4	3.4	9.2	14.2	15.6

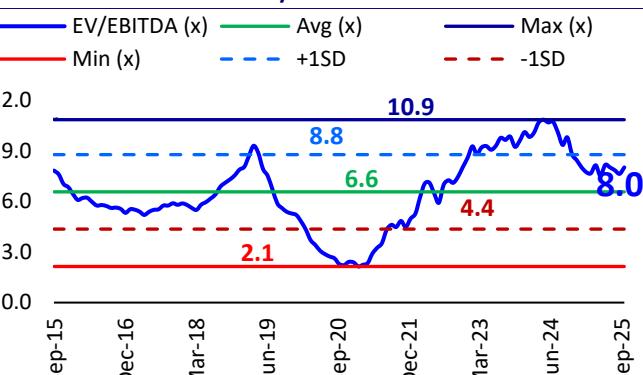
Note - \* Europe operations excluding intersegment and other non-operating income

**Exhibit 18: P/B ratio slipped from its historical peak...**



Source: MOFSL, Company data

**Exhibit 19: ...and so has EV/EBITDA**



Source: MOFSL, Company data

**Exhibit 20: Valuation summary**

Y/E March	UoM	Sep'27E
<b>Standalone</b>		
Sales	mt	24.4
EBITDA	INR/t	15,968
EBITDA	INR b	390
Target multiple	x	7.5
<b>Target EV</b>	<b>INR b</b>	<b>2,922</b>
<b>Europe</b>		
Sales	mt	8.9
EBITDA	INR/t	5,921
EBITDA	INR b	53
Target multiple	x	6.0
<b>Target EV</b>	<b>INR b</b>	<b>318</b>
<b>Other Subsidiaries</b>		
EBITDA - India subs	INR b	8
Target EBITDA multiple	x	4.0
<b>Target EV</b>	<b>INR b</b>	<b>34</b>
<b>Target EV</b>	<b>INR b</b>	<b>3,274</b>
Net Debt (d)	INR b	703
<b>Total equity value</b>	<b>INR b</b>	<b>2,571</b>
<b>No of shares o/s</b>	<b>b</b>	<b>12.47</b>
<b>Target Price</b>	<b>INR/sh</b>	<b>210</b>

Source: MOFSL

## Financials and valuations

Income Statement (Consolidated)									(INR b)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
<b>Net Sales</b>	<b>1,564.8</b>	<b>2,439.6</b>	<b>2,433.5</b>	<b>2,291.7</b>	<b>2,185.4</b>	<b>2,338.6</b>	<b>2,508.5</b>	<b>2,629.3</b>	
Change (%)	5.0	55.9	(0.2)	(5.8)	(4.6)	7.0	7.3	4.8	
<b>EBITDA</b>	<b>305.0</b>	<b>634.9</b>	<b>323.0</b>	<b>223.1</b>	<b>259.3</b>	<b>358.4</b>	<b>434.4</b>	<b>467.7</b>	
% of Net Sales	19.5	26.0	13.3	9.7	11.9	15.3	17.3	17.8	
Depn. & Amortization	92.3	91.0	93.4	98.8	104.2	107.7	112.1	119.0	
<b>EBIT</b>	<b>212.7</b>	<b>543.9</b>	<b>229.6</b>	<b>124.2</b>	<b>155.1</b>	<b>250.7</b>	<b>322.2</b>	<b>348.7</b>	
Finance cost	76.1	54.6	63.0	75.1	73.4	74.0	76.7	78.5	
Other income	9.0	7.8	10.4	18.1	15.4	16.4	17.6	18.4	
<b>PBT before EO</b>	<b>145.6</b>	<b>497.1</b>	<b>177.0</b>	<b>67.3</b>	<b>97.1</b>	<b>193.0</b>	<b>263.1</b>	<b>288.6</b>	
EO income	(10.4)	(1.3)	1.1	(78.1)	(14.9)	(1.3)	-	-	
Share of asso.	3.3	6.5	4.2	(0.6)	1.9	0.8	-	-	
<b>PBT after EO</b>	<b>138.4</b>	<b>502.3</b>	<b>182.4</b>	<b>(11.5)</b>	<b>84.1</b>	<b>192.5</b>	<b>263.1</b>	<b>288.6</b>	
Tax	56.5	84.8	101.6	37.6	52.4	78.3	85.5	93.8	
Rate (%)	40.8	16.9	55.7	(328.0)	62.3	40.7	32.5	32.5	
<b>PAT (Before MI &amp; asso.)</b>	<b>81.9</b>	<b>417.5</b>	<b>80.8</b>	<b>(49.1)</b>	<b>31.7</b>	<b>114.2</b>	<b>177.6</b>	<b>194.8</b>	
Minority interest P/L	7.0	16.0	(6.9)	(4.7)	(2.5)	(0.7)	-	-	
<b>Reported PAT (After MI &amp; asso.)</b>	<b>74.9</b>	<b>401.5</b>	<b>87.6</b>	<b>(44.4)</b>	<b>34.2</b>	<b>114.9</b>	<b>177.6</b>	<b>194.8</b>	
<b>Adjusted PAT</b>	<b>82.6</b>	<b>402.9</b>	<b>86.5</b>	<b>29.7</b>	<b>42.0</b>	<b>115.4</b>	<b>177.6</b>	<b>194.8</b>	
Change (%)	694.9	387.8	(78.5)	(65.7)	41.4	174.9	53.9	9.7	
Balance Sheet (Consolidated)									(INR b)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
Share Capital	12.0	12.2	12.2	12.5	12.5	12.5	12.5	12.5	
Reserves	730.4	1,132.2	1,018.6	907.9	899.2	988.4	1,141.1	1,310.9	
<b>Net Worth</b>	<b>742.4</b>	<b>1,144.4</b>	<b>1,030.8</b>	<b>920.4</b>	<b>911.7</b>	<b>1,000.9</b>	<b>1,153.5</b>	<b>1,323.4</b>	
Minority Interest	32.7	26.6	20.9	4.0	1.8	1.8	1.8	1.8	
Total Loans	885.0	755.6	848.9	870.8	948.0	973.9	983.4	993.6	
Deferred Tax Liability	92.4	123.3	141.2	129.9	144.3	130.0	130.0	130.0	
<b>Capital Employed</b>	<b>1,752.5</b>	<b>2,049.9</b>	<b>2,041.8</b>	<b>1,925.1</b>	<b>2,005.8</b>	<b>2,106.6</b>	<b>2,268.8</b>	<b>2,448.8</b>	
Other Liabilities	154.6	149.7	141.8	134.8	141.3	135.0	135.0	135.0	
<b>Total Liabilities</b>	<b>1,907.1</b>	<b>2,199.6</b>	<b>2,183.6</b>	<b>2,059.9</b>	<b>2,147.2</b>	<b>2,241.6</b>	<b>2,403.8</b>	<b>2,583.8</b>	
Gross Block	1,925.0	1,909.5	2,021.4	2,166.9	2,287.9	2,447.9	2,607.9	2,767.9	
Less: Accum. Deprn.	735.0	747.8	834.4	931.5	1,035.7	1,143.4	1,255.5	1,374.6	
<b>Net Fixed Assets</b>	<b>1,190.0</b>	<b>1,161.7</b>	<b>1,187.0</b>	<b>1,235.4</b>	<b>1,252.2</b>	<b>1,304.4</b>	<b>1,352.3</b>	<b>1,393.3</b>	
Capital WIP	181.3	212.3	303.1	333.7	406.0	406.0	406.0	406.0	
Goodwill & Others	176.5	179.4	288.3	262.6	267.2	267.5	267.5	267.5	
Investments	34.6	58.3	47.8	55.3	57.5	55.0	55.0	55.0	
Other Assets	270.3	317.3	187.4	141.8	127.2	145.8	145.8	145.8	
<b>Curr. Assets</b>	<b>602.1</b>	<b>925.6</b>	<b>866.7</b>	<b>705.5</b>	<b>683.9</b>	<b>727.9</b>	<b>855.4</b>	<b>1,010.6</b>	
Inventory	332.8	488.2	544.2	491.6	445.9	481.6	499.8	522.2	
Account Receivables	95.4	122.5	82.6	62.6	52.6	62.0	66.4	70.4	
Cash & liquid investment	57.8	159.0	133.6	86.8	116.5	116.4	221.1	350.0	
Others	116.1	155.9	106.4	64.5	68.9	68.0	68.0	68.0	
<b>Curr. Liability &amp; Prov.</b>	<b>547.7</b>	<b>654.9</b>	<b>696.6</b>	<b>674.4</b>	<b>646.8</b>	<b>665.0</b>	<b>678.2</b>	<b>694.4</b>	
Account Payables	259.7	367.6	378.3	302.3	293.1	347.8	361.0	377.2	
Provisions & Others	288.1	287.2	318.3	372.1	353.6	317.2	317.2	317.2	
<b>Net Current Assets</b>	<b>54.4</b>	<b>270.7</b>	<b>170.1</b>	<b>31.1</b>	<b>37.1</b>	<b>62.9</b>	<b>177.2</b>	<b>316.2</b>	
<b>Appl. of Funds</b>	<b>1,907.1</b>	<b>2,199.6</b>	<b>2,183.6</b>	<b>2,059.9</b>	<b>2,147.2</b>	<b>2,241.6</b>	<b>2,403.8</b>	<b>2,583.8</b>	

## Financials and valuations

### Ratios (Consolidated)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
EPS	<b>6.9</b>	<b>33.0</b>	<b>7.1</b>	<b>2.4</b>	<b>3.4</b>	<b>9.2</b>	<b>14.2</b>	<b>15.6</b>
Cash EPS	14.6	40.4	14.7	10.3	11.7	17.9	23.2	25.2
BVPS	62.0	93.7	84.4	73.8	73.1	80.2	92.5	106.1
DPS	2.5	5.1	3.6	3.6	3.6	2.0	2.0	2.0
Payout (%)	36.3	15.5	50.9	151.4	107.0	21.6	14.0	12.8
<b>Valuation (x)</b>								
P/E	7.0	3.7	15.1	53.2	45.8	19.1	12.4	11.3
Cash P/E	3.3	3.0	7.3	12.3	13.2	9.9	7.6	7.0
P/BV	0.8	1.3	1.3	1.7	2.1	2.2	1.9	1.7
EV/Sales	0.9	0.9	0.8	1.0	1.3	1.3	1.2	1.1
EV/EBITDA	4.6	3.3	6.3	10.6	10.6	8.5	6.8	6.1
Dividend Yield (%)	5.2	4.2	3.4	2.8	2.3	1.1	1.1	1.1
<b>Return Ratios (%)</b>								
RoE	10.9	42.4	8.0	3.0	4.6	12.1	16.5	15.7
RoCE (pre-tax)	11.8	29.0	11.7	7.2	8.7	13.0	15.5	15.6
RoIC (pre-tax)	9.6	27.4	8.7	2.8	7.8	12.0	14.6	14.1
<b>Working Capital Ratios</b>								
Debtor (Days)	21	20	15	11	9	10	10	10
Inventory (Days)	91	98	96	90	86	90	90	90
Payables (Days)	69	63	65	60	56	65	65	65
<b>Leverage Ratio (x)</b>								
Net Debt/EBITDA	2.7	0.9	2.2	3.5	3.2	2.4	1.8	1.4
Net Debt/Equity	1.1	0.5	0.7	0.9	0.9	0.9	0.7	0.5

E: MOFSL Estimates

### Cash Flow Statement (Consolidated)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	(INR b) FY28E
<b>EBITDA</b>								
	<b>305.0</b>	<b>634.9</b>	<b>323.0</b>	<b>223.1</b>	<b>259.3</b>	<b>358.4</b>	<b>434.4</b>	<b>467.7</b>
(Inc)/Dec in Wkg. Cap.	164.9	(96.2)	(37.1)	33.8	22.1	(25.9)	(9.5)	(10.2)
Tax Paid	(7.0)	(119.0)	(55.2)	(53.2)	(26.2)	(78.3)	(85.5)	(93.8)
Other operating activities	(19.6)	24.1	(13.9)	(0.7)	(20.0)	(0.5)	-	-
<b>CF from Op. Activity</b>	<b>443.3</b>	<b>443.8</b>	<b>216.8</b>	<b>203.0</b>	<b>235.1</b>	<b>253.6</b>	<b>339.4</b>	<b>363.7</b>
(Inc)/Dec in FA + CWIP	(65.3)	(99.5)	(138.1)	(177.3)	(144.1)	(160.3)	(160.0)	(160.0)
<b>Free Cash Flow to Firm</b>	<b>377.9</b>	<b>344.3</b>	<b>78.7</b>	<b>25.7</b>	<b>91.1</b>	<b>93.3</b>	<b>179.4</b>	<b>203.7</b>
(Pur)/Sale of Non-cur. Invest.	(36.3)	(23.0)	48.6	31.7	1.6	(16.1)	0.0	(0.0)
Acquisition in subsidiaries	0.9	11.5	(104.0)	1.2	0.2	-	-	-
Int. & Dividend Income	5.0	3.2	5.7	6.7	5.4	16.4	17.6	18.4
Others	2.5	(1.0)	1.1	(4.8)	(4.9)	-	-	-
<b>CF from Inv. Activity</b>	<b>(93.2)</b>	<b>(108.8)</b>	<b>(186.8)</b>	<b>(142.5)</b>	<b>(141.7)</b>	<b>(160.0)</b>	<b>(142.4)</b>	<b>(141.6)</b>
Equity raised/(repaid)	32.4	3.3	0.0	(1.6)	(0.3)	-	-	-
Debt raised/(repaid)	(321.1)	(159.8)	54.3	16.3	56.4	25.9	9.5	10.2
Dividend (incl. tax)	(11.5)	(30.2)	(62.9)	(44.3)	(44.9)	(74.0)	(76.7)	(78.5)
Interest & equiv. paid	(70.7)	(47.3)	(61.2)	(81.4)	(81.2)	(24.9)	(24.9)	(24.9)
Other Financing activities	-	-	-	-	-	(20.6)	-	-
<b>CF from Fin. Activity</b>	<b>(370.9)</b>	<b>(234.0)</b>	<b>(69.8)</b>	<b>(111.0)</b>	<b>(70.0)</b>	<b>(93.7)</b>	<b>(92.2)</b>	<b>(93.2)</b>
<b>(Inc)/Dec in Cash</b>	<b>(20.9)</b>	<b>101.0</b>	<b>(39.8)</b>	<b>(50.5)</b>	<b>23.4</b>	<b>(0.1)</b>	<b>104.8</b>	<b>128.9</b>
Add: opening balance	77.3	55.3	156.1	121.3	70.8	96.0	95.9	200.7
Forex Adj.	(1.1)	(0.2)	5.0	(0.0)	1.9	-	-	-
Closing cash balance	55.3	156.0	121.3	70.8	96.0	95.9	200.7	329.6
Bank Balance	2.5	2.9	12.3	16.0	20.4	20.4	20.4	20.4
<b>Closing balance (incl. Bank balance)</b>	<b>57.8</b>	<b>159.0</b>	<b>133.6</b>	<b>86.8</b>	<b>116.5</b>	<b>116.4</b>	<b>221.1</b>	<b>350.0</b>

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

## NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

**Disclosures:**

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- a) received any compensation/other benefits from the subject company of this report
- b) managed or co-managed public offering of securities from subject company of this research report,
- c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

**Terms & Conditions:**

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no warranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

**Analyst Certification**

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement	TATA Steel
Analyst ownership of the stock	No

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

**Regional Disclosures (outside India)**

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

**For Hong Kong:**

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

**For U.S.**

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services

described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

**For Singapore**

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore .Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL .

**Disclaimer:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

**Grievance Redressal Cell:**

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH00000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.