

Power Bull

Our Minds, Your Profit

TATA STEEL
Values stronger than steel

BSE: 500470 | NSE: TATASTEELEQ

17 Aug 2013

www.powerbullstocks.com

SELL

CMP Rs.235.10

| Particulars | FY13 |
|--------------|-----------------|
| Market Cap | Rs.22,833.27 Cr |
| Net Sales | Rs.38,199.43 Cr |
| Target Price | Rs.198 |

Stock Dashboard

Sector: Iron & Steel

Price as of 17 Aug: Rs.235.10

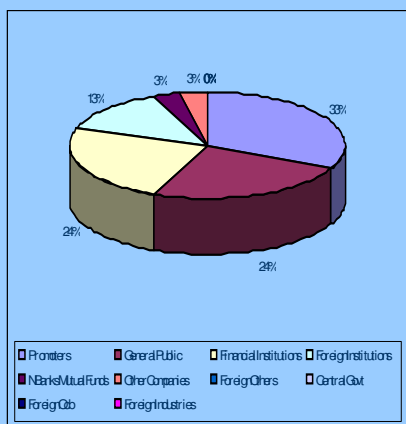
% Change: (-5.88%)

Shares Outstanding: 971215229

Market Cap: Rs.22,833.27 Cr

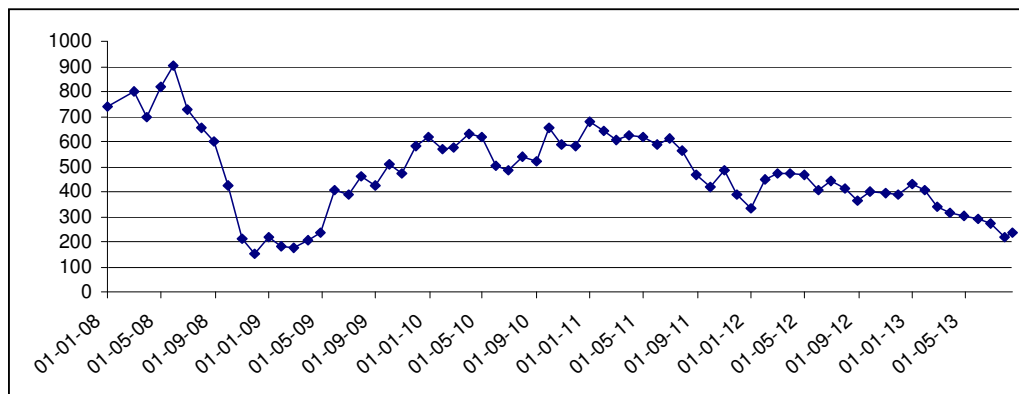
| | |
|-------------------|-------------------------|
| 52 Week Range | Rs.448.10/ Rs.195.40 |
| Debt | Rs.25,911.51 Cr |
| Cash | Rs.2,218.11 Cr |
| Net Profit Margin | 11.96% |
| Face Value | Rs.10 |
| Div. Yield (%) | 3.40 |
| Total Income | Rs.39,101.47 Cr |
| PAT | Rs.5,062.97 Cr |
| Debt Equity Ratio | 0.47 |
| Current Ratio | 0.86 |

Share Holding Pattern

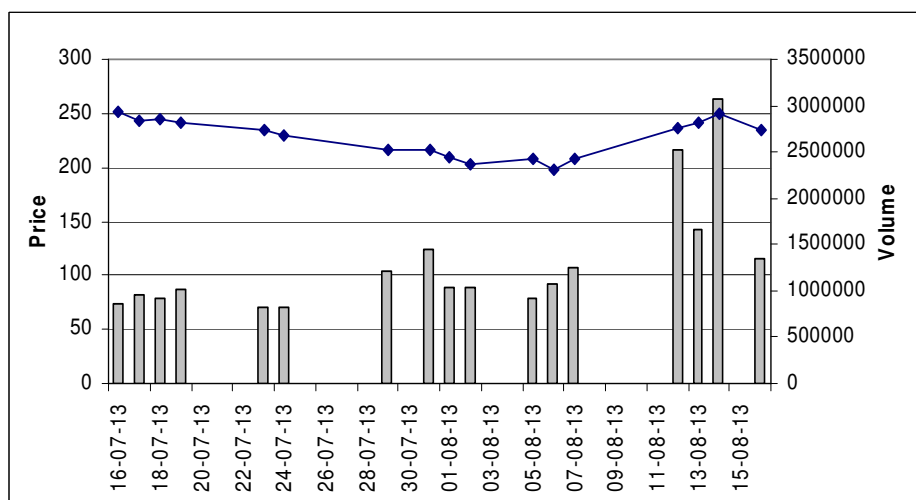


Tata Steel Ltd is the world's 10th largest steel company and the world's 2nd most geographically diversified steel producer. The company is a diversified steel producer with major operations in India, Europe and South East Asia. They have manufacturing units in 26 countries and a presence in 50 European and Asian markets. The Company's segments include Steel, Ferro Alloys and Minerals, and Others. Its other segments include Tubes, Bearings, Refractories, Pigments, Port operations, Town services and Investment activities. It's Ferro Alloys and Minerals Division is a non-steel business unit of Tata Steel. Its main brands include Galvano, Galvatite, Dual Phase steels, MagiZinc Auto, Precision Tubes, Vegter Model, Vegter Lite, Ymagine, Ympress, Tata Wiron, Tata Bearings and Tenform. The Company's production facilities include those in India, the United Kingdom, the Netherlands, Thailand, Singapore, China and Australia.

5 - Year Price Movement

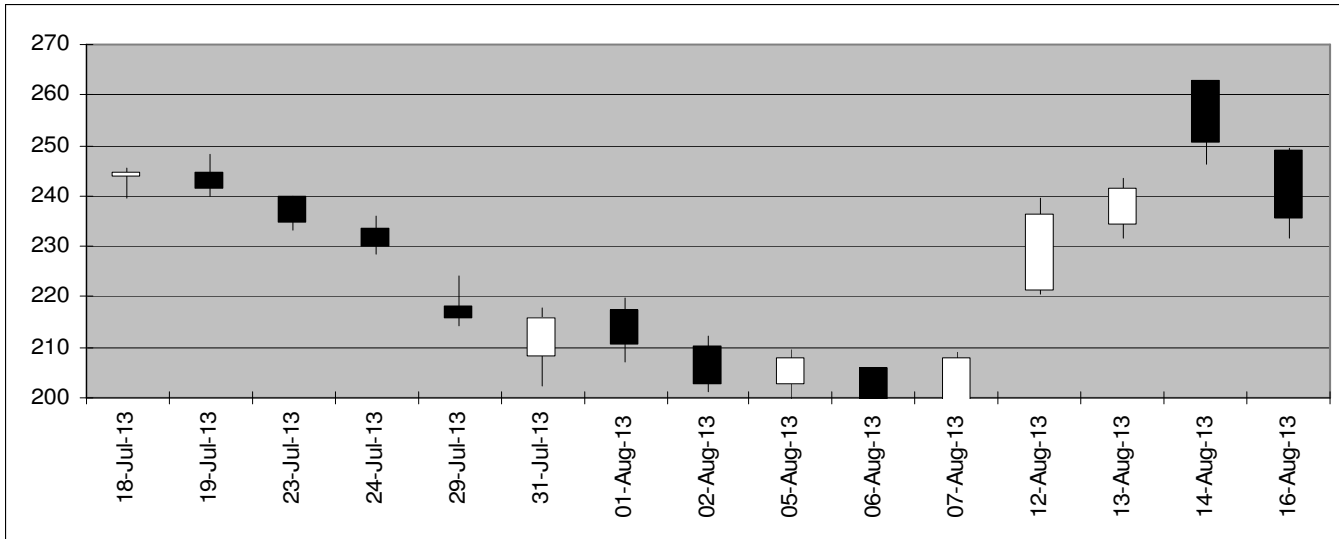


1 - Month Price-Volume Dynamics



TECHNICAL ANALYSIS

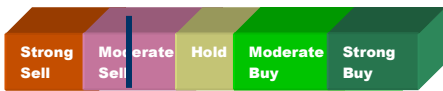




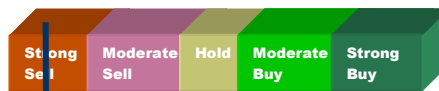
Technical Views

- ✚ Bearish candlestick formed with volume surge communicates the stock started moving in downtrend on 16/08/2013. However we cannot confirm the stock trend movement at this moment as it was a big hit for market. Sensex down by 3.97% (765.41 pts) & NIFTY by 4.08% (234.46 pts).
- ✚ The strength of major indicators started moving down and the pressure of the stock moving towards bearish.
- ✚ MACD histogram started losing strength and communicating the cautious signal to technical analyst.

Fundamental Rank



Technical Rank



COMPETITOR ANALYSIS

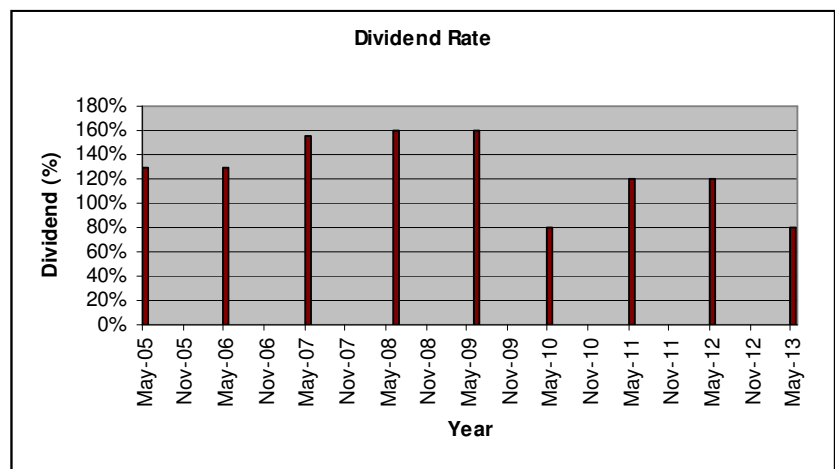
| Company Name | Last Traded Price | Market Cap (Rs. Cr.) | Sales Turnover | Net Profit | Total Assets |
|--------------|-------------------|----------------------|----------------|------------|--------------|
| Tata Steel | 235.35 | 22,857.55 | 38,199.43 | 5,062.97 | 81,121.19 |
| SAIL | 41.05 | 16,955.81 | 44,598.26 | 2,170.35 | 55,908.53 |
| JSW Steel | 487.35 | 11,780.32 | 35,491.81 | 1,801.22 | 36,481.16 |
| Visa Steel | 21.80 | 239.80 | 1,019.07 | -91.04 | 1,437.66 |

DIVIDEND ANALYSIS

| Effective Date | Dividend Type | Dividend (%) |
|----------------|---------------|--------------|
| 23-05-13 | Final | 80% |
| 18-05-12 | Final | 120% |
| 26-05-11 | Final | 120% |
| 27-05-10 | Final | 80% |
| 25-06-09 | Final | 160% |
| 26-06-08 | Final | 160% |
| 17-05-07 | Final | 155% |
| 15-05-06 | Final | 130% |

For the year ending March 2013, Tata Steel has declared an equity dividend of 80.00% amounting to Rs 8 per share. At the current share price of Rs 235.35 this results in a dividend yield of 3.4%.

The company has a good dividend track report and has consistently declared dividends for the last 5 years.



PRICE MOVEMENT OF TATA STEEL

| Period | One Week | Two Week | One Month | Three Month | Six Month | One Year |
|------------------|----------|----------|-----------|-------------|-----------|----------|
| Period Old Price | 218.80 | 202.35 | 251.60 | 311.80 | 376.10 | 398.25 |
| Price Gain | 16.55 | 33.00 | -16.25 | -76.45 | -140.75 | -162.90 |
| Gain in % | 7.56 | 16.31 | -6.46 | -24.52 | -37.42 | -40.90 |

PERFORMANCE ANALYSIS

Tata Steel's consolidated net profit zoomed 90.51 per cent to Rs 1,139 crore during the April-June quarter, primarily due to deferred tax gain of Rs 415 crore. The company had reported net profit of Rs 597.88 crore in the April-June quarter of 2012-13 fiscal. Its net sales during Q1, 2013-14, were down 3 per cent to Rs 32,550.21 crore largely due to continuous slump in the global steel demand. Tata Steel had reported net sales of Rs 33,547.73 crore in the year-ago period.

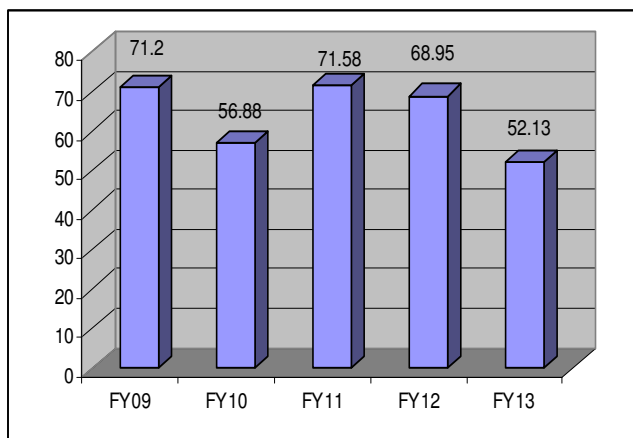
ANNUAL RESULTS

| | FY13 | FY12 | FY11 | FY10 | FY09 |
|------------------------------|----------|----------|----------|----------|----------|
| Net Sales | 38199.43 | 33838.51 | 29307.35 | 24940.65 | 24348.32 |
| Reported PAT | 5062.97 | 6696.42 | 6865.69 | 5046.80 | 5201.74 |
| EPS | 52.13 | 68.95 | 71.58 | 56.88 | 71.20 |
| EBITDA | 12028.28 | 12563.25 | 11498.16 | 9237.18 | 9481.80 |
| EBITDA % | 31.49 | 37.13 | 39.23 | 37.04 | 38.94 |
| Total Assets | 81121.19 | 75910.28 | 76745.77 | 62407.95 | 56650.78 |
| Total Debt | 25911.51 | 23693.82 | 28301.14 | 25239.2 | 26946.18 |
| Net Profit Margin (%) | 12.94 | 19.47 | 23.16 | 19.96 | 21.09 |
| Return on Assets | 568.46 | 537.64 | 503.19 | 418.94 | 330.24 |
| Return on Equity | 9.17 | 12.82 | 14.22 | 13.45 | 21.10 |
| Current Ratio | 0.86 | 0.79 | 1.78 | 1.12 | 0.91 |

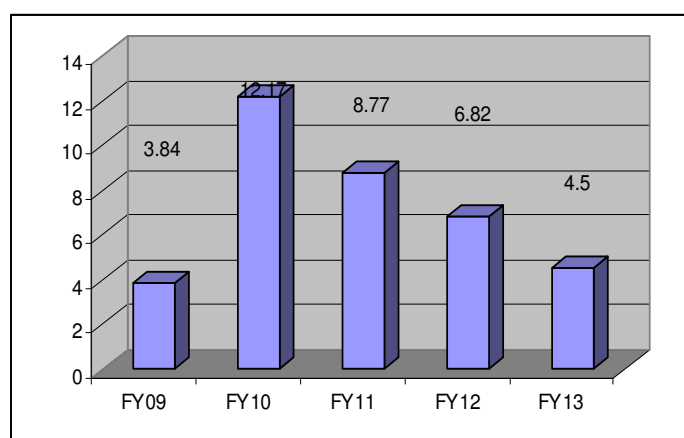
QUARTERLY RESULTS

| | Jun '13 | Mar '13 | Dec '12 | Sep '12 | Jun '12 |
|---------------------------|---------|----------|---------|---------|---------|
| Net Sales Turnover | 9455.39 | 10770.53 | 9370.31 | 9150.56 | 8908.03 |
| Reported PAT | 1356.11 | 1309.21 | 1046.39 | 1350.81 | 1356.56 |
| EPS | 14.35 | 13.79 | 11.00 | 14.17 | 13.59 |
| EBITDA | 2978.54 | 3778.76 | 2561.90 | 2755.91 | 2931.71 |
| EBITDA % | 31.50 | 35.08 | 27.34 | 30.12 | 32.91 |

EPS ANALYSIS



P/E ANALYSIS



COMPANY ANNOUNCEMENTS: RECENT HEADLINES AND SNIPPETS

MARKET EYE-Indian shares gain; Tata Group shares lead

The benchmark BSE index is up 0.12 percent, while the broader NSE index gains 0.17 percent. Tata Steel Ltd shares up 4.8 percent, having earlier risen as much as 8.95 percent after the company's quarterly profit nearly doubled as costs fell sharply, making up for a dip in sales.

Tata Steel sees demand in Europe recovering this year

NEW DELHI - Tata Steel Ltd said it expects demand to recover by the end of the year in Europe, where it derives two-thirds of its 27 million-tonne annual capacity.

Tata Steel June qtr profit nearly doubles on lower costs

NEW DELHI - Tata Steel Ltd's quarterly profit nearly doubled as costs at India's top steelmaker by market value fell sharply, making up for a dip in sales.

Like us on facebook

www.facebook.com/powerbullstocks

DISCLOSURES:

© 2013 Power Bull. All Rights Reserved. While this document is based on information sources which are considered reliable, it has been prepared without consideration of your specific investment objectives, financial situation or needs. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission.