Steel Authority of India

Performance Highlights

Particulars (Rs cr)	1QFY2011	1QFY2010	% chg (yoy)	4QFY2010	% chg (qoq)
Net sales	9,029	8,951	0.9	11,955	(24.5)
EBITDA	1,843	1,876	(1.7)	3,097	(40.5)
% margin	*20.4*	*21.0*	*(55bp)*	*25.9*	*(550bp)*
Net profit	1,177	1,326	(11.3)	2,085	(43.6)

Source: Company, Angel Research

For 1QFY2011, SAIL's net revenue stood at Rs9,029cr, in line with our estimate of Rs9,391cr. Net profit at Rs1,177cr was below our estimate of Rs1,462cr. The deviation was mainly because of lower sales volume and higher staff cost.

Staff costs headwind once more: Despite average realisation increasing by 19.4% yoy and 7.0% qoq to Rs37,622/tonne, net revenue was flat yoy at Rs9,029cr because of lower sales volume. Sales volume declined by 15.5% yoy and 29.4% qoq to 2.4mn tonnes. During the quarter, SAIL made an additional provision of Rs299cr towards employee-related benefits. Consequently, EBITDA margins were flat at 20.4% and EBITDA declined by 1.7% yoy to Rs1,843cr. This led to a 436bp variation in EBITDA margin as compared to our estimate of 24.8%. Net interest income declined by 45.7% yoy and 11.5% qoq to Rs245cr whereas depreciation expense increased by 7.2% yoy to Rs351cr. Thus, lower volumes and higher cost resulted in net income decreasing by 11.3% yoy to Rs1,177cr.

Outlook and valuation: At the CMP of Rs204, the stock is trading at 8.8x FY2011E and 7.7x FY2012E EV/EBITDA, respectively. Going ahead, we believe SAIL will benefit from strong domestic demand. However, as the benefits of capacity expansion are expected post FY2012E, **we maintain our Neutral view on the stock**. Further, plans of follow-on public offer in the near future could direct the stock price movement from current levels.

Key Financials

Y/E March (Rs cr)	FY2009	FY2010E	FY2011E	FY2012E
Net sales	**43,134**	**40,551**	**47,385**	**52,932**
% chg	*7.8*	*(6.0)*	*16.9*	*11.7*
Net profit	**5,566**	**6,754**	**6,259**	**7,106**
% chg	*(26.1)*	*21.3*	*(7.3)*	*13.5*
EPS (Rs)	**13.5**	**16.4**	**15.2**	**17.2**
EBITDA margin (%)	19.5	24.5	20.6	22.5
P/E (x)	15.1	12.5	13.4	11.8
P/BV (x)	3.1	2.6	2.2	1.9
RoE (%)	22.1	22.5	17.9	17.6
RoCE (%)	22.3	20.9	16.3	16.9
EV/Sales (x)	1.7	1.9	1.8	1.7
EV/EBITDA (x)	8.9	7.8	8.8	7.7

Source: Company, Angel Research

NEUTRAL

CMP	Rs204
Target Price	-
Investment Period	-

Stock Info	
Sector	Steel
Market Cap (Rs cr)	84,611
Beta	1.3
52 Week High / Low	259/155
Avg. Daily Volume	1120036
Face Value (Rs)	10
BSE Sensex	17,868
Nifty	5,368
Reuters Code	SAIL.BO
Bloomberg Code	SAIL@IN

Shareholding Pattern (%)	
Promoters	85.8
MF / Banks / Indian FIs	7.5
FII / NRIs / OCBs	4.3
Indian Public / Others	2.4

Abs. (%)	3m	1yr	3yr
Sensex	1.8	16.1	17.1
SAIL	(6.8)	15.9	39.2

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Exhibit 1: 1QFY2011 performance

(Rs cr)	1QFY11	1QFY10	yoy (%)	FY10	FY09	yoy (%)
Net sales	**9,029**	**8,951**	*0.9*	**40,551**	**43,134**	*(6.0)*
Raw material	3,025	4,119	*(26.6)*	17,198	16,847	*2.1*
% of net sales	*33.5*	*46.0*		*42.4*	*39.1*	
Power & fuel	878	815	*7.8*	3,364	3,115	*8.0*
% of net sales	*9.7*	*9.1*		*8.3*	*7.2*	
Staff cost	2,012	1,071	*87.9*	5,417	8,402	*(35.5)*
% of net sales	*22.3*	*12.0*		*13.4*	*19.5*	
Other expenditure	993	732	*35.6*	2,809	3,839	*(26.8)*
% of net sales	*11.0*	*8.2*		*6.9*	*8.9*	
Total expenditure	7,290	7,277	*0.2*	31,362	35,223	*(11.0)*
Operating profit	**1,739**	**1,673**	*3.9*	**9,189**	**7,911**	*16.2*
OPM%	*19.3*	*18.7*		*22.7*	*18.3*	
Other operating income	104	202	*(48.6)*	756	506	*49.5*
EBITDA	**1,843**	**1,876**	*(1.7)*	**9,945**	**8,417**	*18.2*
% of net sales	*20.4*	*21.0*		*24.5*	*19.5*	
Interest income/(expenses)	245	451	*(45.7)*	1,459	1,574	*(7.3)*
Depreciation	351	327	*7.2*	1,337	1,285	*4.1*
Other income	12	7	82.7	65	73	(11.3)
Exceptional items	0	0		0	16	
Profit before tax	**1,749**	**2,006**	*(12.8)*	**10,132**	**8,795**	*15.2*
% of net sales	*19.4*	*22.4*		*25.0*	*20.4*	
Current tax	572	680	(15.8)	3,378	3,229	4.6
% Tax rate	*32.7*	*33.9*		*33.3*	*36.7*	
Profit after tax	**1,177**	**1,326**	*(11.3)*	**6,754**	**5,566**	*21.3*
% of net sales	*13.0*	*14.8*		*16.7*	*12.9*	
EPS (Rs)	**2.8**	**3.2**	*(11.3)*	**16.4**	**14.9**	*9.4*

Source: Company, Angel Research

Exhibit 2: 1QFY2011 - Actual vs. Angel estimates

(Rs cr)	Actual	Estimate	Variation (%)
Net Sales	9,029	9,391	(3.8)
EBITDA	1,843	2,326	(20.8)
EBITDA margins (%)	*20.4*	24.8	*(436bp)*
PBT	1,749	2,195	(20.3)
PAT	1,177	1,462	(19.5)

Source: Company, Angel Research

Key conference call takeaways

- SAIL sold 0.65mn tonnes, 0.75mn tonnes and 1mn tonnes of steel in April, May and June 2010, respectively. As per the management, the company sold nearly 1mn tonnes in July 2010 and expects to sell 3mn tonnes in 2QFY2011.

- During the quarter, finished steel inventory increased by 0.7mn tonnes to 1.2mn tonnes due to lower sales volume and management expects marginal depletion of inventory in 2QFY2011.

- As per the management, staff cost increased due to additional provision of Rs299cr towards employee-related benefits, of which Rs250cr pertains to the previous years and Rs50cr relates to 1QFY2011. In FY2011, the management has guided for a staff costs of Rs8,000cr.

- The negative impact of royalty on iron ore on ad valorem basis was Rs53cr during the quarter.

- During the quarter, the company was adversely affected to the extent of Rs368cr because of imported coking coal. According to the management, the negative impact would increase in 2QFY2011 as coking coal contracts are settled at US $225/tonne as against US $200/tonne in 1QFY2011. However, management expects the overall cost of production to decline in 2QFY2011 as it consumed high-cost (US $300/tonne) coal inventory in 1QFY2011. The company consumed 0.8mn tonnes of rolled–over, high-cost coal inventory and expects to utilise 2.5mn tonnes in FY2011E and 1.7mn tonnes in FY2012E.

- During the quarter, SAIL incurred a capex of Rs2,810cr. For FY2011E, management has planned a capex of Rs12,254cr.

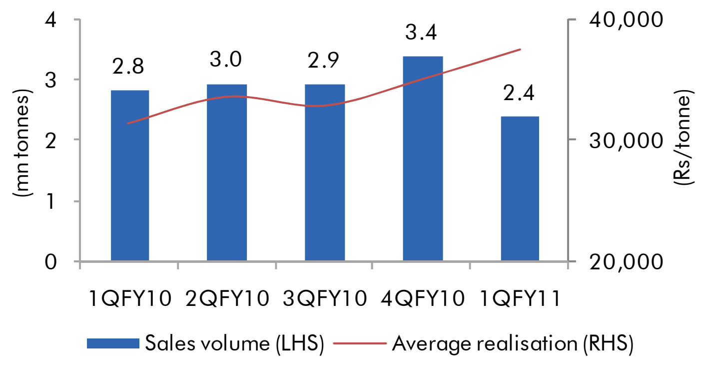
- Debt at the end of the quarter increased to Rs17,842cr as compared to Rs16,511cr at the end of 4QFY2010. Investments also declined from Rs22,023cr at the end of FY2010 to Rs20,699cr.

Result Highlights

Net revenue below estimates led by lower sales volume

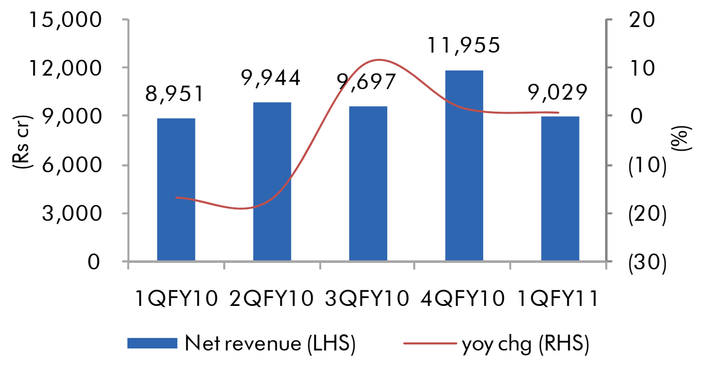
While saleable steel production was flat at 3.0mn tonnes, saleable sales volume declined by 15.5% yoy and 29.4% qoq to 2.4mn tonnes. However, the adverse impact of lower sales was partially negated by higher realisations, which grew by 19.4% yoy and 7.0% qoq to Rs37,622/tonne. Consequently, net revenue was flat at Rs9,029cr, in line with our estimate of Rs9,391cr.

Exhibit 3: Higher realisations but lower sales volume



Source: Company, Angel Research

Exhibit 4: ...lead to flat revenue growth yoy

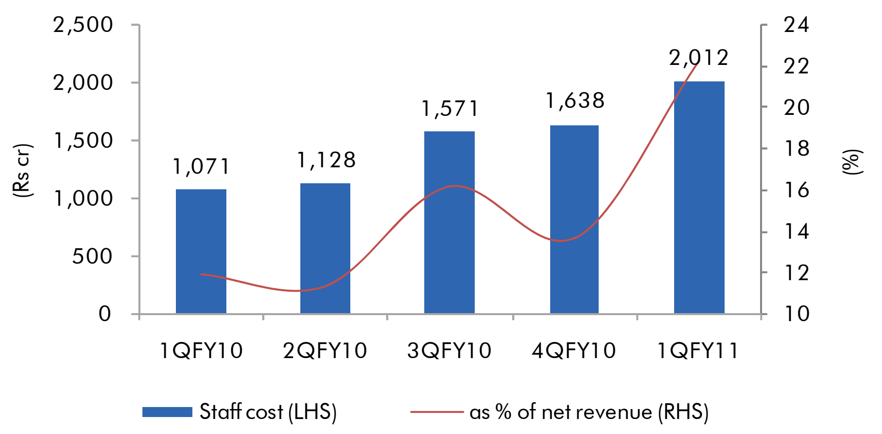


Source: Company, Angel Research

Negative surprises on the cost front

During the quarter, SAIL's staff cost increased due to additional provision of Rs299cr towards employee-related benefits as compared to net reversal of Rs199cr in 1QFY2010. Thus, staff cost per tonne of saleable steel increased by 122.3% yoy and 74.0% qoq to Rs8,382 as compared to Rs3,771 in 1QFY2010 and Rs4,818 in 4QFY2010. Hence, staff cost increased by 87.9% yoy and 22.8% to Rs2,012cr during the quarter.

Exhibit 5: Volatile staff cost



Source: Company, Angel Research

Exhibit 6: Quarterly performance

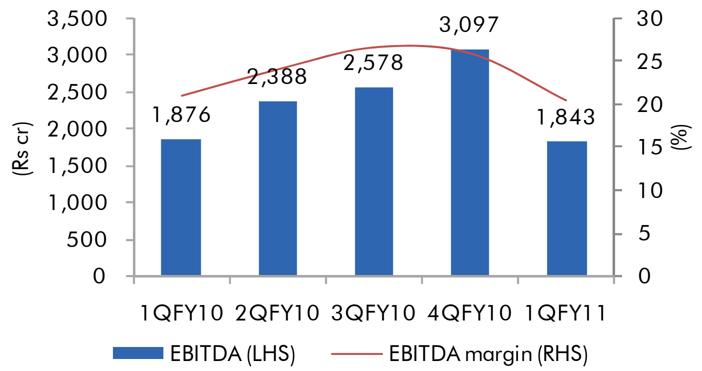
(Rs/tonne of saleable steel)	1QFY11	1QFY10	yoy (%)	4QFY10	qoq (%)
Revenue	37,622	31,516	19.4	35,162	7.0
Cost	30,377	25,624	18.5	26,861	13.1
Raw-material cost	11,809	14,107	(16.3)	14,673	(19.5)
Consumption of stores	2,389	2,299	3.9	1,829	30.6
Power and fuel	3,660	2,869	27.6	2,792	31.1
Staff cost	8,382	3,771	122.3	4,818	74.0
Other expenditure	4,137	2,579	60.4	2,748	50.5
EBITDA	7,679	6,604	16.3	9,109	(15.7)
EBITDA (US $/tonne)	168	136	24.0	198	(15.2)

Source: Company, Angel Research

In addition, increased costs of coal, ferro-alloys and nickel during 1QFY2011 negatively impacted the company's operating performance by Rs556cr, of which Rs368cr was because of imported coking coal. Moreover, power and fuel cost per tonne of saleable steel increased by 27.6% yoy and 31.1% qoq to Rs3,660/tonne. Thus, higher realisations partially negated the adverse impact of higher cost, thereby keeping the margin flat at 20.4% as compared to 21.0% in 1QFY2010. Consequently, EBITDA declined by 1.7% yoy to Rs1,843cr.

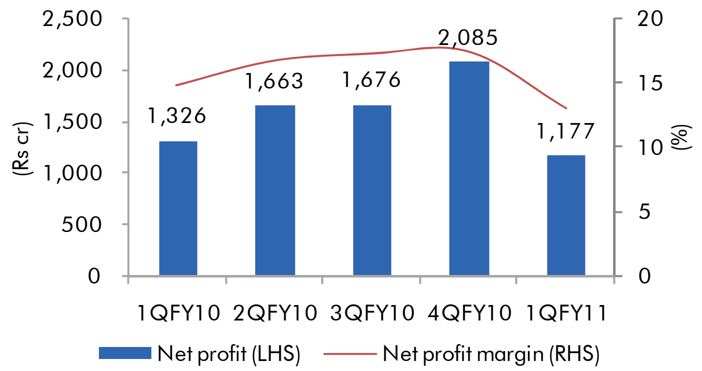
Net interest income declined by 45.7% yoy and 11.5% qoq to Rs245cr, whereas depreciation expense increased by 7.2% yoy to Rs351cr. Thus, lower volumes and higher cost resulted in net income decreasing by 11.3% yoy to Rs1,177cr, below our estimate of Rs1,462cr.

Exhibit 7: EBITDA margin were flat yoy



Source: Company, Angel Research

Exhibit 8: Net profit declined by 11.3% yoy



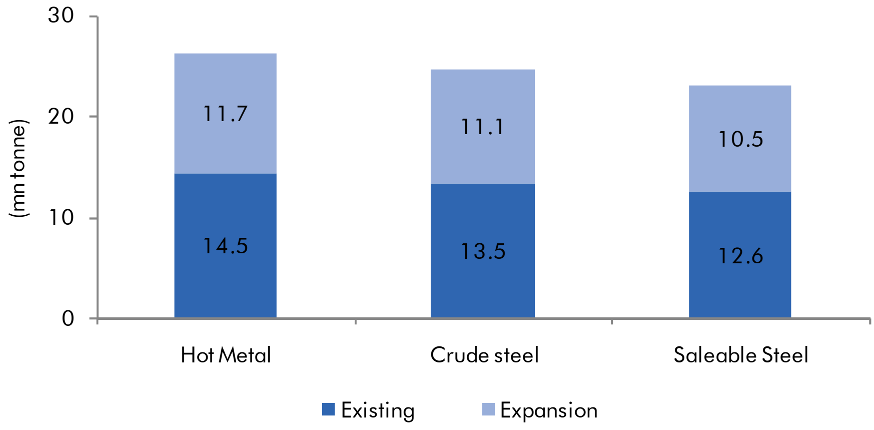
Source: Company, Angel Research

Investment rationale

Volume growth unexciting in the near term

Due to SAIL's ongoing capacity expansion plan, steel capacity is expected to double by FY2013–14E. The expansion plan along with the development of raw-material mines will cost Rs70,000cr to the company. SAIL is nearing completion for order placement for its expansion plans. As part of its capacity expansion program, the company has already placed orders worth Rs44,000cr.

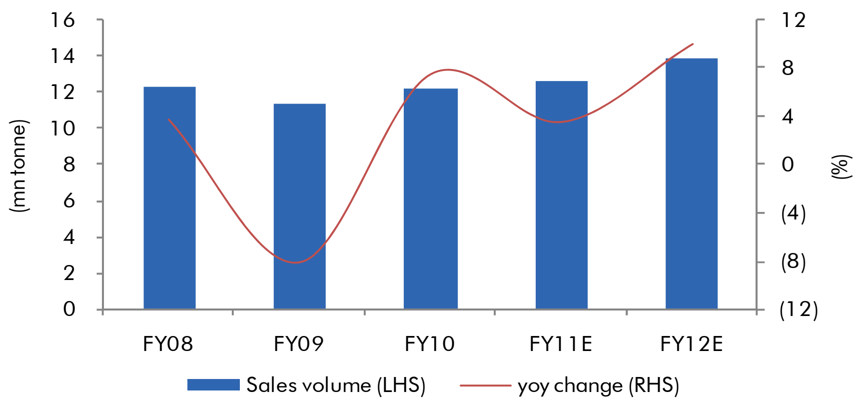
Exhibit 9: Capacity to double by FY2013–14E



Source: Company, Angel Research

SAIL's ISP plant is expected to be commissioned in June 2011, benefits of which are likely to be seen in 2HFY2012E, as most of the additional capacity is expected to come on stream post FY2012 (Rourkela plant in December 2012E, Durgapur plant in March 2013E and Bhilai plant in March 2014E). Thus, we expect muted sales volume growth of 6.7% CAGR over FY2010–12E.

Exhibit 10: Sales volume to grow at a 6.7% CAGR over FY2010–12E

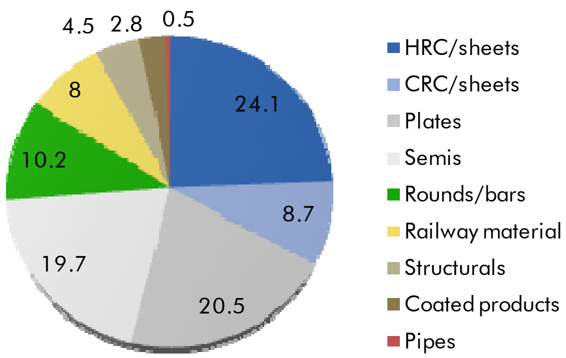


Source: Company, Angel Research

Product mix to improve

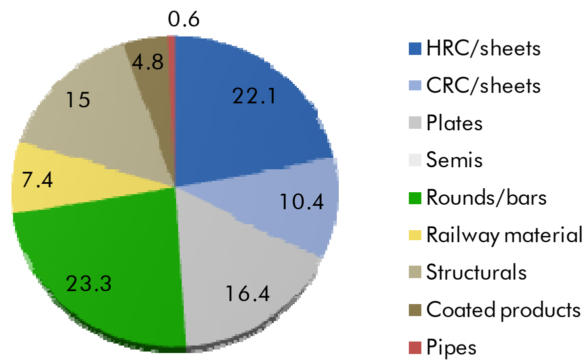
Post the expansion and modernisation of steel plants, SAIL will benefit from the improvement in product mix. Management plans to reduce semis sales to nil post the expansion of its steel capacity. Semis constituted 19.7% of the company's product mix in FY2010. Moreover, contribution of structurals is expected to improve to 15% from the current levels of 4.5%.

Exhibit 11: Product mix in FY2010 (%)



Source: Company, Angel Research

Exhibit 12: Product mix post expansion (%)



Source: Company, Angel Research

Outlook and Valuation

At the CMP of Rs204, the stock is trading at 8.8x FY2011E and 7.7x FY2012E EV/EBITDA, respectively. Going ahead, we believe SAIL will benefit from strong domestic demand. However, as the benefits of capacity expansion are expected post FY2012E, we maintain our Neutral view on the stock. Further, plans of follow-on public offer in the near future could direct the stock price movement from current levels.

We have marginally revised our estimates for FY2011E and FY2012E to factor in higher staff cost and other book-keeping changes.

Exhibit 13: Key assumption

	FY11E	FY12E
Saleable steel volume (mn tonnes)	12.6	13.9
Average realisation (Rs/tonne)	37,607	38,191
Average coal costs (Rs/tonne)	9,803	9,918

Source: Angel research

Exhibit 14: Change in estimates

(Rs cr)	Earlier Estimates		Revised Estimates		Upgrade/(downgrade) (%)	
	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
Net sales	47,370	52,932	47,385	52,932	0.0	0.0
EBITDA	10,216	11,904	9,761	11,904	(4.5)	(0.0)
EBITDA margin (%)	21.6	22.5	20.6	22.5	*(97bp)*	*0bp*
PBT	9,694	10,490	9,484	10,832	(2.2)	3.3
Net income	6,398	6,882	6,259	7,106	(2.2)	3.3
Net margin (%)	13.5	13.0	13.2	13.4	*(30bp)*	*42bp*

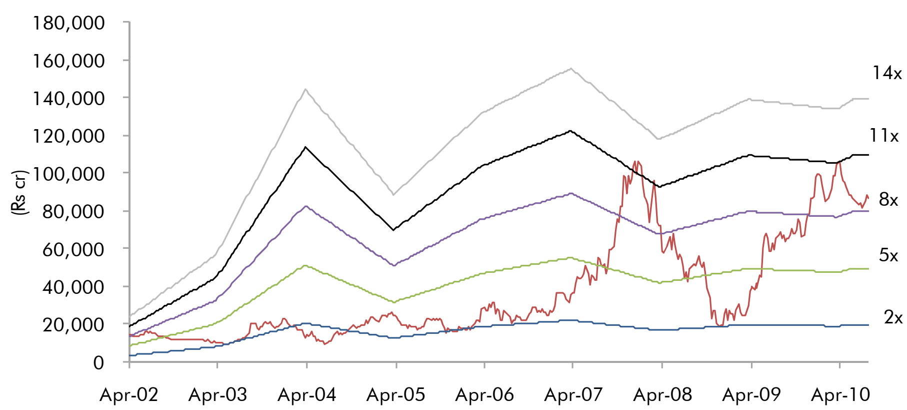
Source: Company, Angel Research

Exhibit 15: EPS - Angel forecast vs. consensus

Year (%)	Angel forecast	Bloomberg consensus	Variation (%)
FY11E	15.2	19.0	*(20.4)*
FY12E	17.2	21.9	*(21.3)*

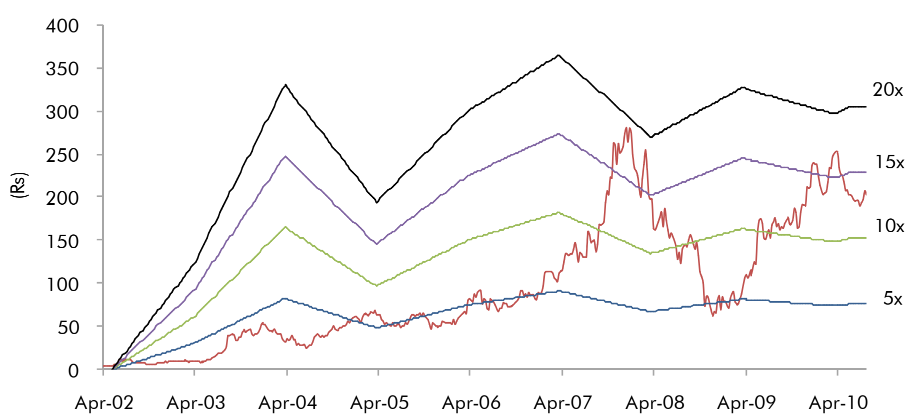
Source: Bloomberg, Angel Research

Exhibit 16: EV/EBITDA band



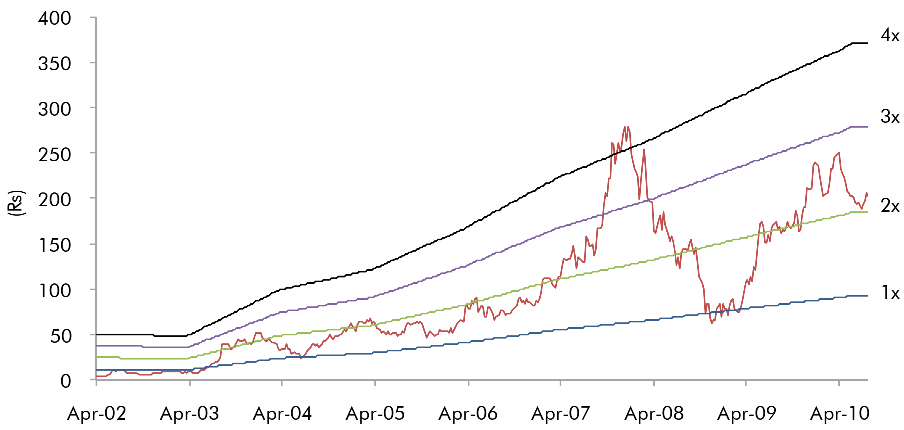
Source: Bloomberg, Angel Research

Exhibit 17: P/E band



Source: Bloomberg, Angel Research

Exhibit 18: P/BV band



Source: Bloomberg, Angel Research

Exhibit 19: Recommendation summary

Company	CMP	Target Price	Reco.	Mcap	Upside	P/E (x)		P/BV (x)		EV/EBITDA (x)		RoE (%)		RoCE (%)	
	(Rs)	(Rs)		(Rs cr)	(%)	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
SAIL	204	-	Neutral	84,116	-	13.4	11.8	2.2	1.9	8.8	7.7	17.9	17.6	16.3	16.9
Tata Steel	537	697	Buy	47,274	29.8	8.7	9.3	1.5	1.3	6.7	6.1	17.9	14.7	11.8	11.7
JSW Steel	1,117	1,344	Buy	29,520	20.4	15.2	11.6	1.5	1.3	7.1	5.6	13.9	12.4	12.5	12.6
Sesa Goa	361	-	Neutral	30,946	-	7.3	7.6	2.6	1.9	4.0	3.2	45.9	31.5	43.7	34.7
NMDC	260	247	Reduce	103,519	(5.1)	14.4	12.0	5.2	3.9	8.9	7.0	41.8	36.7	55.7	48.3
Hindalco	160	208	Buy	30,197	29.8	8.2	7.8	1.2	1.0	5.7	5.4	15.3	14.1	10.4	10.0
Nalco	422	316	Sell	27,757	(25.1)	27.2	23.1	2.6	2.4	15.8	12.4	9.7	10.7	10.7	12.5
Sterlite	175	228	Buy	59,186	30.4	12.3	8.9	1.4	1.2	6.6	4.5	11.6	14.2	11.1	14.1
Hindustan Zinc	1,022	1,227	Buy	42,431	20.1	10.4	8.1	1.9	1.6	5.8	3.6	20.4	21.6	20.7	22.3

Source: Company, Angel Research

Profit & loss statement

Y/E March (Rs cr)	FY2007	FY2008	FY2009	FY2010	FY2011E	FY2012E
Gross sales	39,189	45,555	48,665	44,607	52,123	58,226
Less: Excise duty	5,266	6,047	5,531	4,055	4,738	5,293
Net sales	33,923	39,508	43,134	40,551	47,385	52,932
Other operating income	410	491	506	756	500	500
Total operating income	**34,333**	**39,999**	**43,640**	**41,307**	**47,885**	**53,432**
% chg	*21.5*	*16.5*	*9.1*	*(5.3)*	*15.9*	*11.6*
Total expenditure	24,899	28,875	35,223	31,362	38,123	41,528
Net raw materials	13,030	13,624	16,847	17,198	21,094	22,842
Other mfg costs	5,555	6,119	6,136	5,938	5,565	6,233
Personnel	5,087	7,919	8,402	5,417	8,100	8,748
Other	1,227	1,212	3,839	2,809	3,364	3,705
EBITDA	**9,434**	**11,124**	**8,417**	**9,945**	**9,761**	**11,904**
% chg	*48.9*	*17.9*	*(24.3)*	*18.2*	*(1.8)*	*21.9*
(% of net sales)	*27.8*	*28.2*	*19.5*	*24.5*	*20.6*	*22.5*
Depreciation	1,211	1,235	1,285	1,337	1,397	1,631
EBIT	**8,222**	**9,889**	**7,132**	**8,608**	**8,364**	**10,273**
% chg	*60.4*	*20.3*	*(27.9)*	*20.7*	*(2.8)*	*22.8*
(% of net sales)	*23.9*	*24.7*	*16.5*	*21.2*	*17.7*	*19.4*
Interest charges	332	251	255	402	828	988
Other income	1,532	1,831	1,902	1,926	1,947	1,547
(% of PBT)	*16.3*	*16.0*	*21.7*	*19.0*	*20.5*	*14.3*
Share in profit of asso.	-	-	-	-	-	-
Recurring PBT	**9,423**	**11,469**	**8,779**	**10,132**	**9,484**	**10,832**
% chg	*65.1*	*21.7*	*(23.5)*	*15.4*	*(6.4)*	*14.2*
Extra. Inc/(Expense)	-	-	16.0	-	-	-
PBT (reported)	**9,423**	**11,469**	**8,795**	**10,132**	**9,484**	**10,832**
Tax	3,220	3,932	3,229	3,378	3,224	3,726
(% of PBT)	*34.2*	*34.3*	*36.7*	*33.3*	*34.0*	*34.4*
PAT (reported)	**6,202**	**7,537**	**5,566**	**6,754**	**6,259**	**7,106**
Add: Earnings of asso.	-	-	-	-	-	-
Less: Minority interest	-	-	-	-	-	-
Extra. Expense/(Inc.)	-	-	-	-	-	-
Net income (reported)	**6,202**	**7,537**	**5,566**	**6,754**	**6,259**	**7,106**
Adj. net income	**6,202**	**7,537**	**5,566**	**6,754**	**6,259**	**7,106**
% chg	*54.6*	*21.5*	*(26.1)*	*21.3*	*(7.3)*	*13.5*
(% of net sales)	*18.1*	*18.8*	*12.9*	*16.7*	*13.2*	*13.4*
Basic EPS (Rs)	**15.0**	**18.2**	**13.5**	**16.4**	**15.2**	**17.2**
Fully diluted EPS (Rs)	**15.0**	**18.2**	**13.5**	**16.4**	**15.2**	**17.2**
% chg	*54.6*	*21.5*	*(26.1)*	*21.3*	*(7.3)*	*13.5*

Balance sheet (Consolidated)

Y/E March (Rs cr)	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
SOURCES OF FUNDS						
Equity share capital	4,130	4,130	4,130	4,130	4,130	4,130
Reserves & surplus	13,183	18,933	23,244	28,406	33,410	39,260
Shareholders' funds	17,313	23,064	27,375	32,536	37,540	43,391
Share warrants	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Total loans	4,181	3,045	7,539	12,348	16,989	19,706
Deferred tax liability	1,413	1,569	1,332	1,414	1,736	2,109
Total liabilities	22,906	27,677	36,246	46,298	56,265	65,205
APPLICATION OF FUNDS						
Gross block	29,913	30,923	32,156	34,031	37,606	47,481
Less: Acc. depreciation	18,315	19,351	20,637	21,974	23,371	25,002
Net Block	11,598	11,571	11,519	12,057	14,235	22,479
Capital work-in-progress	1,236	2,390	6,390	14,390	23,190	25,190
Goodwill	-	-	-	-	-	-
Investments	514	538	538	538	538	538
Current assets	20,379	26,318	33,340	35,159	34,458	33,802
Cash	9,610	13,759	16,959	18,874	15,343	12,733
Loans & advances	1,650	2,380	2,380	2,380	2,380	2,380
Other	9,119	10,178	14,001	13,905	16,735	18,689
Current liabilities	10,949	13,199	15,600	15,905	16,215	16,863
Net current assets	9,430	13,119	17,739	19,253	18,243	16,939
Mis. exp. not written off	129	59	59	59	59	59
Total assets	22,906	27,677	36,246	46,298	56,265	65,205

Cash flow statement

Y/E March (Rs cr)	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
Profit before tax	9,423	11,469	8,795	10,132	9,484	10,832
Depreciation	1,237	1,234	1,285	1,337	1,397	1,631
Change in working capital	(976)	(743)	(1,807)	401	(2,521)	(1,306)
Less: Other income	(623)	201	0	-	-	-
Direct taxes paid	3,427	3,783	3,465	3,296	2,902	3,354
Cash flow from operations	**5,633**	**8,378**	**4,808**	**8,574**	**5,458**	**7,804**
(Inc.)/ Dec. in fixed assets	(1,091)	(2,199)	(5,233)	(9,875)	(12,375)	(11,875)
(Inc.)/ Dec. in investments	(200)	(20)	0	-	-	-
(Inc.)/ Dec. in loans and advances	-	-	-	-	-	-
Other income	(703)	(1,079)	0	-	-	-
Cash flow from investing	**(588)**	**(1,140)**	**(5,233)**	**(9,875)**	**(12,375)**	**(11,875)**
Issue of equity	2	1	0	0	-	-
Inc./(Dec.) in loans	5	(1,112)	4,494	4,809	4,641	2,717
Dividend paid	1,107	1,643	869	1,593	1,255	1,255
Others	509	334	0	-	-	-
Cash flow from financing	**(1,608)**	**(3,089)**	**3,625**	**3,216**	**3,386**	**1,462**
Inc./(Dec.) in cash	3,437	4,150	3,200	1,915	(3,531)	(2,610)
Opening cash bal.	**6,173**	**9,610**	**13,759**	**16,959**	**18,874**	**15,343**
Closing cash bal.	**9,610**	**13,759**	**16,959**	**18,874**	**15,343**	**12,733**

Key ratios

Y/E March	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
Valuation ratio (x)						
P/E (on FDEPS)	13.6	11.2	15.1	12.5	13.4	11.8
P/CEPS	11.4	9.7	12.3	10.4	11.0	9.6
P/BV	4.9	3.6	3.1	2.6	2.2	1.9
Dividend yield (%)	1.5	1.8	1.3	1.6	1.3	1.3
EV/Sales	2.3	1.8	1.7	1.9	1.8	1.7
EV/EBITDA	8.3	6.6	8.9	7.8	8.8	7.7
EV/Total assets	3.4	2.7	2.1	1.7	1.5	1.4
Per share data (Rs)						
EPS (Basic)	15.0	18.2	13.5	16.4	15.2	17.2
EPS (fully diluted)	15.0	18.2	13.5	16.4	15.2	17.2
Cash EPS	17.8	21.1	16.6	19.6	18.5	21.2
DPS	3.1	3.7	2.6	3.3	2.6	2.6
Book value	41.9	55.8	66.3	78.8	90.9	105.1
DuPont analysis						
EBIT margin	23.9	24.7	16.5	21.2	17.7	19.4
Tax retention ratio (%)	65.8	65.7	63.3	66.7	66.0	65.6
Asset turnover (x)	2.7	2.9	2.6	1.8	1.4	1.1
RoIC (Post-tax)	42.4	47.8	27.5	25.0	16.3	14.6
Cost of debt (post tax)	-	-	-	-	3.7	3.5
Leverage (x)	-	-	-	-	0.0	0.2
Operating RoE	42.4	47.8	27.5	25.0	16.9	16.3
Returns (%)						
RoCE (Pre-tax)	39.8	39.1	22.3	20.9	16.3	16.9
Angel RoIC (pre-tax)	69.9	83.8	58.4	66.4	54.4	45.6
RoE	41.5	37.3	22.1	22.5	17.9	17.6
Turnover ratios (x)						
Asset turnover (gross block)	1.2	1.3	1.4	1.2	1.3	1.3
Inventory (days)	186	184	195	195	195	190
Receivables (days)	28	40	40	40	45	40
Payables (days)	80	70	70	70	75	70
WC cycle (days)	64	61	74	94	88	90
Solvency ratios (x)						
Net debt to equity	(0.3)	(0.5)	(0.3)	(0.2)	0.0	0.2
Net debt to EBITDA	(0.6)	(1.0)	(1.1)	(0.7)	0.2	0.6
Interest coverage	24.8	39.4	28.0	21.4	10.1	10.4

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Disclosure of Interest Statement	SAIL
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%)	