A STUDY ON WORKING CAPITAL MANAGEMENT AND RATIO ANALYSIS AT TATA STEEL

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SUBMITTED BY

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BONAFIDE CERTIFICATE

This is to certify that this dissertation entitled "**A STUDY ON WORKING CAPITAL MANAGEMENT OF TATA STTELS.**" is a record of original work done by **KRISHNA PRASAD CS (REG NO: 200021077031), LYNN JOSPH(REGNO:200021077034), MATHEWS PETER (REG NO: 200021077036)** in partial fulfilment of the requirement for the award of Degree of Bachelor of Commerce - Finance and Taxation under the guidance of Asst. Prof**. GISSMOL MARY**, Department of Finance and Taxation, the work has not been submitted for the award of any other degree or title of recognition earlier.

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DECLARATION

We KRISHNA PRASAD CS, LYNN JOSEPH and MATHEWS PETER hereby declare that the project titled "A STUDY ON WORKING CAPITAL MANAGEMENT OF TATA STTELS" is a bonafide record of work done by us under the guidance and supervision of Asst. Prof. GISSMOL MARY, Department of Commerce, BHARATA MATA COLLEGE, THRIKKAKARA. We also declare that this report embodies findings based on our study and observation and has not been submitted for the award of any degree or diploma to any institute or university

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DATE

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CHAPTER 1

INTRODUCTION

Varied working capital characteristics exist across different businesses, which can be attributed to three primary factors

a) Holding inventory

b) Delaying payment to suppliers and settling other accounts payable later

c) Providing customers (accounts payable) with a period to settle their payment.

a) The majority of purchases made at grocery stores and other businesses are made with cash, credit cards, or debit cards. Nonetheless, they will purchase from vendors on credit. As a result, they will profit from having a sizable cash holding that they can use for investing.

b) A wholesaler typically buys and sells primarily on credit while supplying other businesses. Cash flow will need to be carefully controlled. Such a business might be forced to rely on overdrafts and short-term loans.

c) It could be challenging for small businesses with a spotty trading history to get trade credit. Customers will anticipate receiving the standard credit term to settle accounts at the same time.

Working capital is the money needed to keep up daily business activities. Effective management of working capital is essential in today's competitive market as poor management can lead to a company ceasing operations or even bankruptcy. Along with managing current assets and obligations, maintaining an acceptable level of working capital is a key objective. While holding current assets can improve liquidity and reduce risk, it may also negatively impact profitability. Thus, it is crucial to strike a balance between risk and return. Cash inflows are uncertain, while outflows are predictable, and the time between selling items and realizing sales can create a lag period. Current assets in the form of working capital can help maintain the capital requirement during this period, which is explained by the operating cycle concept.

Working capital management centers around the correlation between a company's short-term liabilities and assets, with the objective of ensuring that the business can maintain its operations and possesses sufficient funds to settle upcoming operational expenses and maturing short-term debt. This process necessitates monitoring inventories, accounts payable and receivable, as well as cash reserves.

Financial statements offer numerous ratios that can be utilized to evaluate a company's performance, financing, activity, and liquidity. Some examples of commonly used ratios include the debt-equity ratio, price-earnings ratio, earnings per share, asset turnover, and working capital.

SIGNIFICANCE OF STUDY

Out of all Tata Steel, which has an annual crude steel production capacity of 34 million tonnes per annum (MnTPA), is among the leading steel companies globally. What sets us apart is that we are one of the rare fully integrated steel companies, encompassing the entire process from mining to manufacturing and distributing finished products.So to know how they manage the working capital and to understand their working meathods we are doing this study.

OBJECTIVE OF STUDY

The goal of the current study is to look into the many facets of working capital management at TATA STEEL. Working capital is typically defined as the net difference between a company's total assets and liabilities. Therefore, an effort has been made to comprehend how the business manages its working capital.

The study aims to pinpoint the company's numerous liquidity, profitability, solvency, and turnover positions as a performance indicator that will help us determine the company's financial health.

Objective :

•To Study the efficiency of the organization through ratios.

•To study the liquidity, solvency position and profitability of the organization

•To analyze overall performance of the company.

•To recommend ways and means to improve present condition.

RESEARCH METHODOLOGY

A detailed investigation is required for the study, which will be based on the quantitative and qualitative working capital management model at TATA STEEL. The approach used for the current study with reference to the data source, sample size, time frame, data analysis, and instruments and techniques for research. Sources of data: In this project we mainly relay on secondary data. Secondary data is

information obtained from sources other than the respondents. In this study, data is collected

through web research, newspaper and other articles of Tata Steel.

Tool for data analysis: Ratio analysis

COLLECTION OF DATA

The source of the data is mainly based on secondary data. They were collected from company annual reports, journals, magazines and newspapers of Tata Steel.

LIMITATION OF THE STUDY

- Secondary data is used in this project therefore findings may not be totally reliable.
- The project is based on data published by the company and our access is restricted to protecting the company's corporate information.
- Time constraints, as the project is completed within a limited time.

SCHEME OF THE STUDY

For convenience, clarity and easy understanding of the study, we have divided the dissertation into five chapters.

Chapter 1: Introduction

It provides a brief overview of the study, its significance, a statement of the problem, its aims, its scope, its methodology, its constraints, and its design.

Chapter 2: Review of Literature

Information regarding studies done on the relevant topic is provided in the chapter. This would explain how the research is valuable and adds to the body of knowledge in the field, assisting the learner in subsequent research on the same topic.

Chapter 3: Industry and Company Profile

In this chapter, company profile of Tata Steel

Chapter 4: Theoretical Framework

This chapter contains the theoretical aspects of working capital and its ratios.

Chapter 5: Data Analysis and Interpretation

In this chapter data collected are analyzed and presented in the form of tables and charts.

Chapter 6: Findings and Suggestions

This chapter presents the findings, suggestions and conclusion regarding the topic of stud

CHAPTER 2

REVIEW OF LITERATURE:

Working capital has been the subject of numerous research studies, conducted in diverse settings and approached from various perspectives by numerous researchers

1)Sundar Natarajan (1980)

He considers working capital to be an important term on a national and corporate level He contends that in order to manage working capital on a national level, the regulation of credits must be prioritized. His conclusion is that while working capital investment is important at the corporate level, fixed asset investment is also important.

2)K. V. Rao and Chinta Rao (1991)

He attempted to analyse the strengths and weaknesses of traditional working capital techniques. The results were obviously mixed, with some conventional theories producing positive In an effort to evaluate the effectiveness of working capital management, the authors employed traditional methods such as ratio analysis, as some outcomes were successful while others were not in fulfilling their roles. As per the article, determining working capital efficiency is a thorough and reliable means of assessing working capital decision-making.

3)Rahman and Islam (1994)

He conducted research on the working capital trends of Bangladeshi businesses. It has been found that maintaining the ideal level of working capital not only helps a business to maintain its creditworthiness but also facilitates the timely repayment of debts as they become due., as well as keeping itself fairly liquid, allowing the business to attract borrowing from banks.

4)Pawan Kumar Garg (1999)

He clarifies the examination of the working capital trend and liquidity of the chosen public sector companies in Haryana. The study is most likely to recommend elements for working capital requirements. After looking through the information, the author came to the conclusion that the public sector project required proper evaluation of the requirement for and prediction of working capital.

5) Singaravel, P. (1999)

He emphasises the interdependence of working capital, liquidity, and profitability, with adequate liquidity ranking first, followed by adequate working capital and profitability. The essay goes into great detail regarding the relationship between profitability and working capital as it relates to liquidity research. None of the three factors—working capital, liquidity, and profitability—depends on the fulfilment of the others because they are described in a triangle arrangement. As an alternative, the profitability is affected by the need for working capital for long-term financing.

6) Abdul Raheman and Mohamed Nasr (2004)

This study aimed to analyze the correlation between working capital management and profitability among 94 Pakistani firms listed on the Karachi Stock Exchange during the span of six years from 1999 to 2004. The findings indicate that profitability and liquidity are strongly inversely related, while profitability and size are positively correlated. Moreover, the research suggests a significant negative association between the extent of debt usage and the profitability of the firm

7) K. Madhavi(2003)

Analysed "Working Capital Management of Paper Mills" over the years of 2002–2003 and 2010–2011 using statistical and accounting methodologies. According to the study's analysis, Andhra Pradesh Paper Mills Ltd. (APPML) management needs to take necessary steps to utilize their surplus cash and bank balances, divest unprofitable investments, or repay short-term creditors in order to improve their current ratio. However, if the low quick ratio is due to fast-moving inventory, it may be more acceptable in Sesha Sayee Paper Boards Ltd (SSPBL) than in APPML, it may also indicate a strong liquidity position. In comparison to SSPBL, APPML's cash ratio is unsatisfactory, and the management must take action to encourage efficient use of cash and bank balances.

8) Chakraborty (2008)

In his article "Working Capital and Profitability: An Empirical Analysis of Their Relationship with Reference to Selected Companies in the Indian Pharmaceutical Industry," he discusses the relationship between working capital and profitability. He noticed There were two conflicting viewpoints on the correlation between working capital and profitability. One perspective suggested a potential negative relationship between the two variables and that working capital had no bearing on profitability. On the other hand, the second viewpoint held that effective working capital management was crucial for achieving the desired level of sales and had a considerable impact on profitability.

9) Damirgunes and Samiloglu (2008)

Even if a company's profitability is consistently good, he claimed, bad working capital management practises can result in bankruptcy. They contend that the current, acid test, and cash ratio liquidity ratio measurements are inadequate since they are unable to offer comprehensive and reliable data regarding the efficacy of working capital management.

10) B Bagchi and B Khamrui (2010)

From the CMIE database, which spans a decade This study analyzed a sample of ten FMCG (Fast Moving Consumer Goods) companies in India between 2000-01 to 2009-10. Profitability was measured using the Return on Assets (ROA) metric, while explanatory variables such as debt-equity ratio, age of inventory, age of creditors, age of debtors, and interest coverage ratio were considered. The study utilized pooled ordinary least squares regression analysis and Pearson's correlation. The results of the analysis confirmed a significant negative correlation between working capital management factors and business profitability.

11) Quayyum (2011)

In his study on the Effects of Working Capital Management and Liquidity in Bangladesh's Cement Industry, he found a notable correlation between profitability metrics, liquidity ratios, and working capital components. Furthermore, he recommended that companies forecast their sales and maintain sufficient cash reserves to cover their projected sales levels in order to increase their bargaining power when making purchases and save costs.

12) Ancuist and colleagues (2012)

The study conducted by Ancuist et al. scrutinized the impact of working capital management on the profitability of the Finnish stock exchange spanning from 1990 to 2008. Their findings revealed a positive correlation between profitability and cash, receivable accounts collection period, and inventory turnover period cycles. Moreover, they also observed an inverse correlation between the cash, receivable accounts collection period, inventory turnover period cycles, and accounts payable turnover period.

13) Mr. N.Suresh Babu and Prof. G.V.Chalam (2014)

Managers are advised to allocate more time to manage their companies' cash conversion cycles and devise strategies for efficient working capital management. This will increase the company's value for shareholders by reducing the number of days of accounts receivable, extending the payment period, and maintaining inventory at a reasonable maximum.

14) Daniel Mogaka Makori1and Ambrose Jagongo (2013)

It was discovered that the management can enhance shareholder value by decreasing the average number of days for receivables. Additionally, by maintaining inventory at an appropriate level, management can contribute to shareholder value. Companies are also allowed to delay payments to creditors, as long as they do not harm their relationships with them. By utilizing the organization's resources effectively and efficiently and reducing the cash conversion cycle, companies can achieve a sustainable competitive advantage, resulting in increased profitability.

15)Kovelskiy (2015)

He examined the various sources of financing for a firm's working capital as well as the main goal for effective working capital utilisation. The study used a survey method to collect data and focuses on how smoothly the firm's day-to-day operations are completed; working capital management plays a significant role.

CHAPTER 3

INDUSTRY PROFILE

Industrialization has been significantly influenced by metal consumption, and steel has been a leading metal in this regard historically. As a raw material and intermediary product, steel production and consumption are often utilized as indicators of a nation's economic prosperity. It can be asserted that the steel industry is a crucial aspect of any economy and has played a central role in industrial progress. In India, the steel industry comprises primary producers, secondary producers, and large producers, which are the three main groups in this sector.

The Indian steel industry contributes to all aspects of the economy, including GDP, industrial development, and infrastructure development. The steel industry contributes approximately 2.5%

to national GDP and directly and indirectly employs 2.5 million people. Steel has an output effect on the Indian economy of approximately 1.4 times, with an employment multiplier of 6.8 times.

India is currently the world's second largest steel producer. From January 2021 to December 2021, crude steel production increased from 101.45 MT in 2017 to 118.13 MT (provisional). In 2021, crude steel production increased by 17.8% over 2020. Domestic crude steel capacity increased from 137 MTPA in 2017 to 154 MTPA (provisional) until December 2021.

India's per capita consumption of steel has increased from 46 kgs in FY08 to around 75 kgs now, owing to rising infrastructure development and rising demand from sectors such as automotives, construction, consumer durables, and capital goods. Total Finished Steel consumption was 106 MT from January 2021 to December 2021, representing an 18.8% increase over the CPLY. Furthermore, total finished steel production increased by 21.3% year on year to 111 MT.

Even though total finished steel consumption has increased significantly from 90.68 MT in 2017-18 to 106 MT in 2021, the Indian steel industry still has significant potential for demand-led growth, as evidenced by the country's per capita steel consumption of 70 kg, which is significantly lower than the global average of 227.5 kg. The need of the hour is not only to increase domestic steel consumption, but also to create demand for Indian steel abroad and to increase steel exports.

India has become one of the world's steel hubs for both production and consumption of steel, accounting for 6% of global crude steel production and 5.7% of global crude steel consumption. The National Steel Policy 2017 aims for a crude steel capacity of 300 MT in the country by 2030, in line with the Government of India's National Mission of Atmanirbhar Bharat.

COMPANY PROFILE

Tata Steel Limited, a subsidiary of the Tata Group, is a multinational steel company based in Mumbai, Maharashtra, India, with its headquarters situated in Jamshedpur, Jharkhand.

Tata Steel, also known as Tata Iron and Steel Company Limited (TISCO), is a leading global steel manufacturer with an annual crude steel production capacity of 34 million tonnes. It has a wide geographical reach and commercial presence worldwide, making it one of the most geographically diverse steel producers globally. Excluding SEA activities, the group generated a combined turnover of US$19.7 billion for the fiscal year ending March 31, 2020. With a domestic production

capacity of 13 million tonnes per year, Tata Steel is India's second-largest steel company, behind Steel Authority of India Ltd. (SAIL).

Tata Steel is a highly diversified steel producer, with an annual capacity of 34 million tonnes of crude steel production, and operates in some of the world's most diverse regions. It is one of the few fully integrated steel companies in the world, encompassing mining, manufacturing, and marketing of finished products

Over 65,000 people are employed by Tata Steel, its affiliates, and joint ventures across five continents. The group reported a consolidated turnover of INR 1,56,294 crore for the fiscal year ending March 31, 2021. 2 / 2

The Shared Services team provides maintenance support to ensure uninterrupted production, while the raw materials and iron-making groups handle critical manufacturing tasks at Tata Steel. In India, our downstream business operations are organized into strategic areas, such as Ferro-Alloys and Minerals, Tubes, Wires, Bearings, Agrico, Industrial By-Products Management, and Tata Growth Shop

Tata Steel Group, founded in 1907 as the first integrated private sector steel business in Asia, has an annual crude steel capacity of around 30 million tonnes, making it one of the top 10 global steel corporations. With operations across the globe, it is currently the second-most geographically diverse steel manufacturer. In the fiscal year of 2015, the Group generated Rs. 139,504 crores in revenue, while remaining committed to creating value for stakeholders and practicing corporate citizenship. The company strives for a performance culture focused on ambitious goals, safety, social responsibility, continuous improvement, and transparency. This vision is underpinned by a common corporate culture guided by values that unite the worldwide Tata Steel family.

Stage-by-stage commissioning of the first phase of the 6 million tonnes per year greenfield project in Kalinganagar will start in the fiscal year 2015–16. The Company prioritises meeting the socioeconomic infrastructure needs of a major industrial enterprise in addition to finishing the plant facilities. Two new Greenfield steel factories will be constructed by the business in Jharkhand and Chhattisgarh.

Operations in Europe

Tata Steel Europe, formerly known as Corus, is the European subsidiary of Tata Steel Group, and it has a crude steel production capacity of 18 million tonnes per annum (mtpa). The company operates several manufacturing facilities in mainland Europe, as well as plants in the UK, the Netherlands, Germany, France, and Belgium. It also has a global network of sales offices and service centers to support its operations.

Operations in Southeast Asia

Tata Steel's acquisition of NatSteel Holdings in 2004 allowed them to enter the Southeast Asian market and expand their presence in the region. NatSteel Holdings, with its manufacturing facilities across various countries in the Asia Pacific, provides Tata Steel with a strong foothold in the region's construction industry. In addition to NatSteel Holdings, Tata Steel also acquired Millennium Steel (now Tata Steel Thailand) in 2005, further expanding its operations in Southeast Asia.

The world of Tata Steel has no borders and is ever-expanding, changing, and difficult. a society that places a premium on having a diversified skill set, constant innovation, financial investment, and wise use of natural resources. Most importantly, there is a persistent dedication to giving back to society, which helps to realise the goal of sustainable growth.

There are activities in 26 different countries. There has a business presence in over 50 nations. 80,000 employees working across five continents. The Tata Steel Group is distinguished not just by the scale or extent of its operations, but also by the quality of its employees, creative approach, and overall behaviour. Tata Steel Group, Asia's first integrated private sector steel industry, was formed in 1907.

BOARD OF DIRECTORS

Name	Designation
• Mr.N Chandrasekaran	Chairman & Non-Exe.Director
• Mr.Ratan N Tata	Chairman Emeritus
• Mr.Koushik Chatterjee	Executive Director & CFO
• Mr.O P Bhatt	Independent Director

- Mr.Deepak Kapoor — Independent Director
- Ms.Mallika Srinivasan — Independent Director
- Mr.Farida Khambata — Independent Director
- Mr.V K Sharma — Independent Director
- Mr.David W Crane — Independent Director
- Mr.T V Narendran — Managing Director & CEO
- Mr.Saurabh Agrawal — Non Executive Director
- Mr.Noel Naval Tata — Non Executive Vice Chairman

CHAPTER 4

THEORITICAL FRAMWORK

WHAT IS WORKING CAPTIAL MANAGMENT?

Working capital is a crucial aspect of a company's financial health as it is required to meet day-to-day operating expenses such as rent, payroll, inventory, and other short-term obligations. If a

company does not have enough working capital, it may struggle to pay its bills or may be forced to sell assets or take on debt to cover expenses.

A positive net working capital indicates that a company has enough short-term assets to cover its short-term liabilities, while a negative net working capital indicates that a company may have difficulty meeting its short-term obligations.

Working capital management is an important part of financial management for businesses, and involves balancing the need to maintain adequate liquidity with the need to invest in long-term growth opportunities. Effective working capital management can help businesses improve cash flow, reduce borrowing costs, and increase profitability.

In addition to managing cash, accounts receivable, accounts payable, and inventory, managing working capital also involves optimizing the timing of cash inflows and outflows, negotiating favorable payment terms with suppliers and customers, and monitoring the company's creditworthiness to ensure that it can access financing when needed.

For example, a company may choose to offer discounts for early payment from customers to encourage faster payment and improve cash flow. Similarly, a company may negotiate longer payment terms with suppliers to delay cash outflows and preserve liquidity.

Effective working capital management requires a balance between maintaining adequate liquidity and maximizing profitability. Too much working capital may indicate that a company is not investing in growth opportunities, while too little working capital may indicate that a company is at risk of defaulting on short-term obligations.

Managing working capital is an essential aspect of corporate finance that can have a significant impact on an organization's liquidity and profitability. This involves determining the appropriate quantity, nature, and financing of current assets, as well as planning and regulating current assets and liabilities to mitigate the risk of failing to meet short-term obligations while avoiding overinvestment in these assets. Effective working capital management requires a careful balance between maintaining sufficient liquidity and maximizing profitability.

WHAT IS NET WORKING CAPITAL?

Net working capital is the total value of current assets minus current liabilities, and it serves as an indicator of a company's short-term liquidity. Additionally, it can provide insights into how effectively the company's management is handling its assets. By assessing net working capital, investors and analysts can evaluate whether a company has enough resources to cover its short-term obligations and how well it is managing its cash flow.

When the net working capital number is notably positive, it indicates that the current assets can cover current liabilities as they arise, and there is enough short-term funding available. Conversely, if the number is considerably negative, the company may encounter difficulties paying off its current debts and may face insolvency. Observing the trend line of the net working capital figure over time is more informative since it can show a gradual rise or fall in the net amount of working capital. Typically, a net working capital amount equal to twice the current liability amount is a suitable benchmark.

The net working capital figure can serve as a predictor of a business's potential for rapid growth. A significant reserve of financial resources can facilitate swift expansion, whereas insufficient working capital makes it improbable for a company to increase its growth rate. Furthermore, when a company's payment terms for

accounts receivable are shorter than those for accounts payable, enabling it to receive payment from customers before having to pay suppliers, it is more likely to have the means to expand.

DIFFERENT CONCEPTS OF WORKING CAPITAL

To have a comprehensive comprehension of Working Capital, it is essential to grasp the different concepts associated with it. The primary Working Capital concepts include the:

1)Quantitative or Gross Working Capital Concept

2)Qualitative or Net Working Capital Concept.

1- Quantitative or Gross Working Capital Concept

Working capital, according to this notion, is the sum of all current assets. This viewpoint emphasises the quantitative rather than qualitative aspects of working capital. This concept is significant for the following reasons:

a) It allows the business to offer the appropriate quantity of working capital at the appropriate moment.;

b) Every management is more concerned with the overall present assets with which it must work than with the sources from which they are obtained.

c) The gross idea accounts for the fact that the enterprise's working capital would expand with each increase in its funds

d) The gross definition of Working Capital is more beneficial in estimating the rate of return on Working Capital investments.

2- Qualitative or Net Working Capital Concept:

This idea places greater focus on working capital's qualitative aspects than its quantitative ones. The concept posits that the net working capital is the disparity between a company's current assets and its current liabilities. If both values are identical, the absence of working capital is evident. The importance of the idea of net working capital is supported by the following justifications:

a) It is a qualitative concept that reflects a company's ability to meet operating expenses and short-term liabilities.

b) It displays the margin of safety offered to short-term creditors, or the difference between current assets and current liabilities;

c) It is a measure of a company's financial stability.

d) It implies that some of the working capital requirements should be financed through long-termsourcesoffunding..

THEORETICAL FRAMEWORK OF RATIO ANALYISIS

Ratio analysis is a potent tool for analyzing financial statements that relies on quantitative data to aid decision-making. Its widespread usage can be attributed to its simplicity in calculation and comprehension. Essentially, it involves examining financial statements through the lens of ratios.

In financial analysis, a ratio is a measurement of the relationship between two amounts or figures. It serves as a benchmark to evaluate the correlation between two variables and is essentially a mathematical tool for indicating the connection between numbers obtained from different financial statements.

It entails comparing and interpreting ratios as well as using them to make future projections.

Ratio analysis is one of a method to analyse a company's financial status and performance, not an end in itself. A company's balance sheet and profit and loss statement can be used to calculate a wide variety of ratios.

Ratio analysis may be defined as "the process of computing, determining and presenting the relationship of items and groups of items of financial statements with the help of ratios and interpreting the results there from".

OBJECTIVES AND THE IMPORTANCE OF ACCOUNTING RATIOS

Accounting ratios are useful tools for assessing an organization's efficiency. They assist financial management in determining a company's financial position and performance. Accounting ratio analysis aids in determining a company's health. Accounting ratios seek to achieve the following goals:

1. Makes data simple to understand
2. Aids in cost control and reduction
3. Determines profitability
4. Determines solvency position
5. Makes comparison easier

RATIOS BASED ON THE OBJECTIVES OF THE STUDY:

A. LIQUIDITY RATIOS

Liquidity refers to a company's capacity to fulfill its current liabilities as they become due. Therefore, Short-Term Solvency Ratios are also known as liquidity ratios. It is crucial to determine a firm's liquidity as it is essential for its continued operations. Liquidity ratios are utilized to evaluate the financial well-being of an organization in the near term.:

1) Current Ratio

The ratio of current asset to current liabilities is known as current ratio. Additionally known as working capital ratio. It is the ratio used most frequently to gauge liquidity. It is computed by subtracting current obligations from current assets.

Current Ratio = Current Assets / Current Liabilities

Idealy a current ratio of 2:1 is seen as desirable. Creditors are offered a margin of safety by the current ratio, which also measures the financial stability of the company. To ensure that current liabilities are paid off and sufficient working capital remains, the current ratio should be equal to or greater than the current liabilities.

2) Quick ratio:

Quick ratio is often referred to as the "Acid Test Ratio" or "Liquidity Ratio". It is the fast assets to quick /current liabilities ratio.

Quick Ratio = Quick or Liquid Assets / Current Liabilities

Quick assets are short-term asset which can be converted into cash right away. Except for inventories, prepaid expenses, and tax paid in advance, it contains all current assets.

If the Acid Test Ratio of a company is 1:1, it signifies that the company is capable of comfortably fulfilling its present obligations. However, if the ratio falls below 1:1, it implies that the financial standing of the company is not secure.

If, on the other hand, the ratio is greater than 1:1, the company's financial position is sound. The quick ratio is the true litmus test for a company's solvency. A higher ratio indicates a healthy financial situation, and vice versa.

B. SOLVENCY RATIOS

Prospective business lenders employ the solvency ratio as a means of evaluating a company's capacity to fulfill its debt responsibilities. This ratio reflects the company's capability to satisfy its long-term obligations to bondholders, banks, and creditors. Financial analysts pay attention to the company's usage of debt and equity. These ratios analyze the company's long-term solvency condition.

1)Debt Equity Ratio :

The debt-equity ratio indicates the correlation between a company's long-term debts and its shareholders' funds. This is a widely used metric to gauge a company's long-term financial stability. The ratio represents the amount of long-term debt and equity that has been utilized to finance the company's assets. To calculate the ratio, the total long-term debts of the company are divided by its shareholders' fund or net worth.

Debt- equity Ratio = Debt / Equity or Long term Debt / Shareholders' fund or Net worth

A common debt-equity ratio is 2:1. A high ratio indicates that long-term lenders' claims outnumber those of owners . A very high ratio is detrimental to the firm . Companies with a lot of debt (highly geared or leveraged) can only borrow money on very strict terms. It is a red flag for long-term lenders. A low debt-equity ratio implies that owners havea higher claim than long term lenders , which is advantageous to the firm .

2) Proprietary Ratio:

The shareholder's fund to total assets ratio is the proprietary ratio. The percentage of total assets financed by the owners is represented by this ratio. Divide shareholder funds by total assets to calculate it.

Proprietary ratio = Shareholders fund/ Total Assets.

The acceptable ratio is 1:3. This ratio demonstrates the company's financial strength. It assists lenders in determining the proportion of shareholders' funds to total assets. A higher ratio indicates a more secure position for lenders, while a lower ratio indicates greater risk for lenders. It represents the firm's long-term solvency.

3)Fixed Asset Ratio:

The Fixed asset ratio is the proportion of fixed assets remaining after depreciating the total long-term funds. The term "total long-term fund" refers to both the share holders funds (including preference share capital) and the long –term fund.

Fixed asset ratio = Fixed Asset (after depreciation) / Total Long-term Funds

The proportion reveals the extent to which a company's complete fixed assets are supported by its complete long-term resources. Ideally, an equal balance between total fixed assets and total long-term fund assets, represented as 1:1, is desirable. If the ratio is greater than this, it implies that some fixed assets are being funded by short-term liabilities, which indicates poor financial management.

4) Fixed Assets to Net Worth Ratio:

This ratio demonstrates how fixed assets and shareholders' funds are related. This ratio is used to determine the percentage of the owners funds that is invested in fixed assets.

Fixed Assets to Net worth = Fixed Assets / Net Worth or Shareholders fund.

An optimal proportion would be 0.75:1, indicating that 75% of shareholders' funds can be employed for procuring fixed assets. The higher ratio (i.e. , 100%) means there is no outside liability. All the funds employed are those of shareholders. It is a case of overcapitalization. Lower the ratio (ie, below 0.5) leads to under capitalisation , which means the shareholders' funds are not properly invested in fixed assets.

C. TURNOVER RATIOS:

The turnover ratios reveal how assets are linked to sales or cost of goods sold and demonstrate the pace at which assets are converted into revenue. These ratios offer insight into the effectiveness and efficiency with which a company's assets are being utilized. A higher turnover ratio signifies better asset utilization, reflecting increased efficiency and profitability. These ratios are computed using revenue from operations and cost of goods sold.

1)Working Capital Turnover Ratio:

This proportion reflects the year-over-year turnover of a company's net working capital and serves as a reliable indicator of over-trading or under-trading.

Working Capotal Turnover Ratio = Net revenue from operations / Net working capital

2)Debtors Turnover Ratio:

This ratio expresses the correlation between net credit sales and the average accounts receivable, indicating how many times receivables are turned over in a given year in terms of sales. Additionally, it reveals the efficiency of a company's credit collection and credit policy.

Debtors Turnover Ratio = Net Credit Revenue from Operations / Average Trade receivables

3)Fixed Assets Turnover Ratio:

This ratio illustrates the proportion of sales that is attributable to fixed-asset investments, providing insight into whether the investment in fixed assets was wise or not when compared to the previous year.

Fixed Assets Turnover Ratio = Net revenue from operations / Fixed assets

4) Debt Collection Period:

The debtor collection period refers to the duration required for the retrieval of all trade debts. The more swiftly a company can retrieve these debts, the more efficient it appears. Conversely, a prolonged duration indicates either a trade debtor issue or a decline in overall efficiency.

Debt Collection Period = 365/ Debtors Turnover Ratio

D. PROFITABILITY RATIOS

Profitability ratios are financial metrics that assess a company's ability to generate earnings in relation to its revenue, operational costs, balance sheet assets, and shareholders' equity. These ratios provide insight into how efficiently a company employs its current assets to generate profits and value for its shareholders.

Primarily, a business firm is an entity aimed at generating profits. A firm's income statement reflects the profit earned during a specific accounting period, which measures the efficiency of the firm's operations. Poor operational performance may result in low sales and thus lower profits. However, various stakeholders interested in financial analysis may interpret the profit figure differently.

1) Net Profit Ratio

The net profit ratio represents the proportion of net profit in relation to operating revenue. It measures the profit generated per unit of sales. This ratio is computed by dividing the period's net profit after taxes by the period's net revenue.

The net profit ratio is a metric that assesses a company's efficiency and profitability, providing insight into overall profitability and proving highly useful to business owners. A higher net profit ratio indicates better operational efficiency for the company.

Net Profit Ratio = (Net profit/Revenue from operations) *100

2) Expense Ratio :

The expense ratio for a stock or asset fund represents the percentage of fund assets used to cover administrative, management, advertising, and other expenses. An annual expense ratio of 1% implies that 1% of the total fund assets are allocated to cover expenses every year.

Expenses Ratio = Total expenses / Revenue from operation*100

CHAPTER 5

DATA ANALYSIS

DATA ANALYSIS

Data analysis is the process of inspecting, cleaning, transforming, and modelling data in order to find useful information.

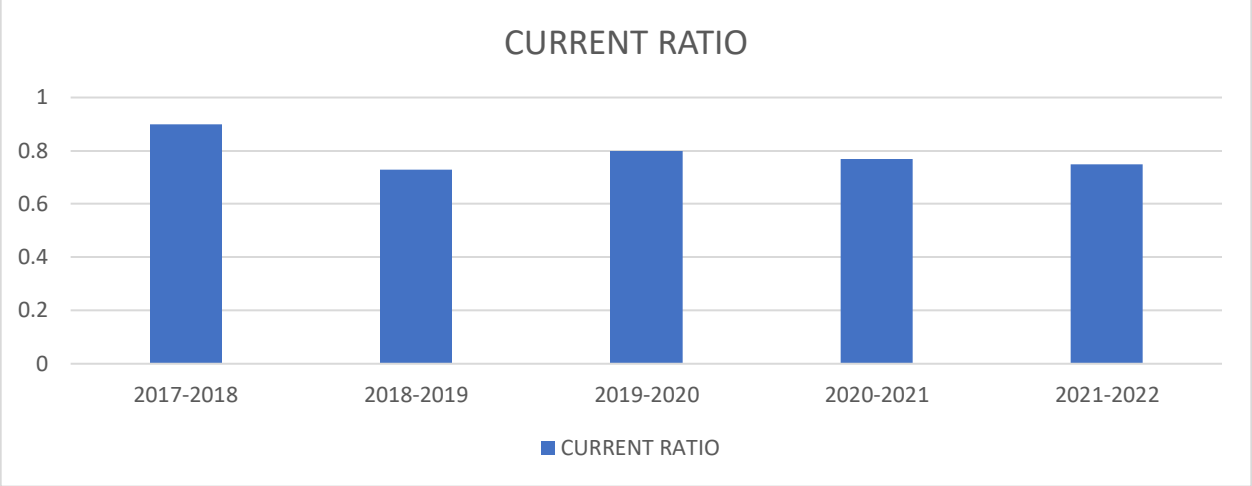
1) Current Ratio

Current Ratio = Current Assets / Current Liabilities

Table 5.1

Year	Current Assets	Current liabilities	Current ratio
2017-2018	20003.54	22050.49	0.90
2018-2019	16558.11	22543.37	0.73
2019-2020	16774.03	20830.39	0.80
2020-2021	22177.60	28561.14	0.77
2021-2022	31193.46	41158.03	0.75

Chart 5.1



INTERPRETATION:

The current ratio decreased from 0.9 (2017-2018) to 0.73 during the year 2018-2019 . It increased to 0.80 during the year 2019-2020. Thereafter the current ratio declined during the year 2020- 2021 and 2021-2022

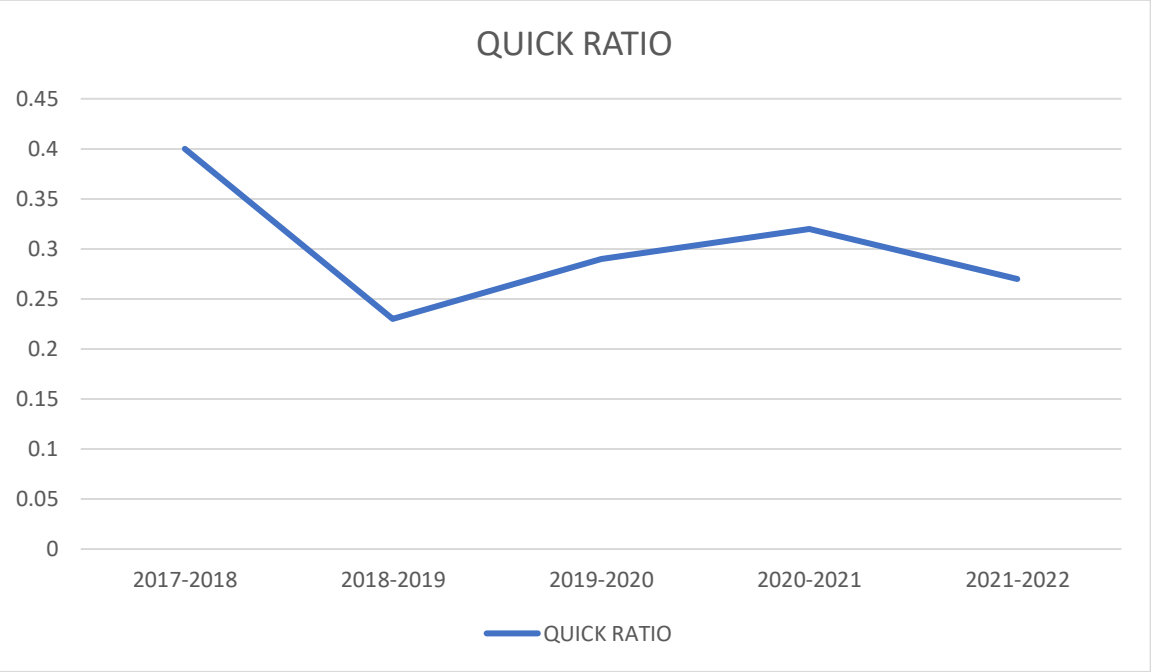
2) Quick Ratio :

Quick Ratio = Current Assets - Inventories / Current Liabilities

Table 5.2

Chart 5.2

Year	Current Assets	Inventories	Current Liabilities	Quick Ratio
2017-2018	20003.54	11023.41	22050.49	0.40
2018-2019	16558.11	11255.34	22543.37	0.23
2019-2020	16774.03	10716.66	20830.39	0.29
2020-2021	22177.60	12857.51	28561.14	0.32
2021-2022	31193.46	19942.94	41158.03	0.27



Interpretation:

The quick ratio decreased from 0.4 (2017-2018) to 0.23 during the year 2018-2019 . It increased to 0.29 during the years 2019-2020 and 2020-2021. Thereafter the quick ratio declined during the year 2021-2022 to 0.27

3) DEBT EQUITY RATIO

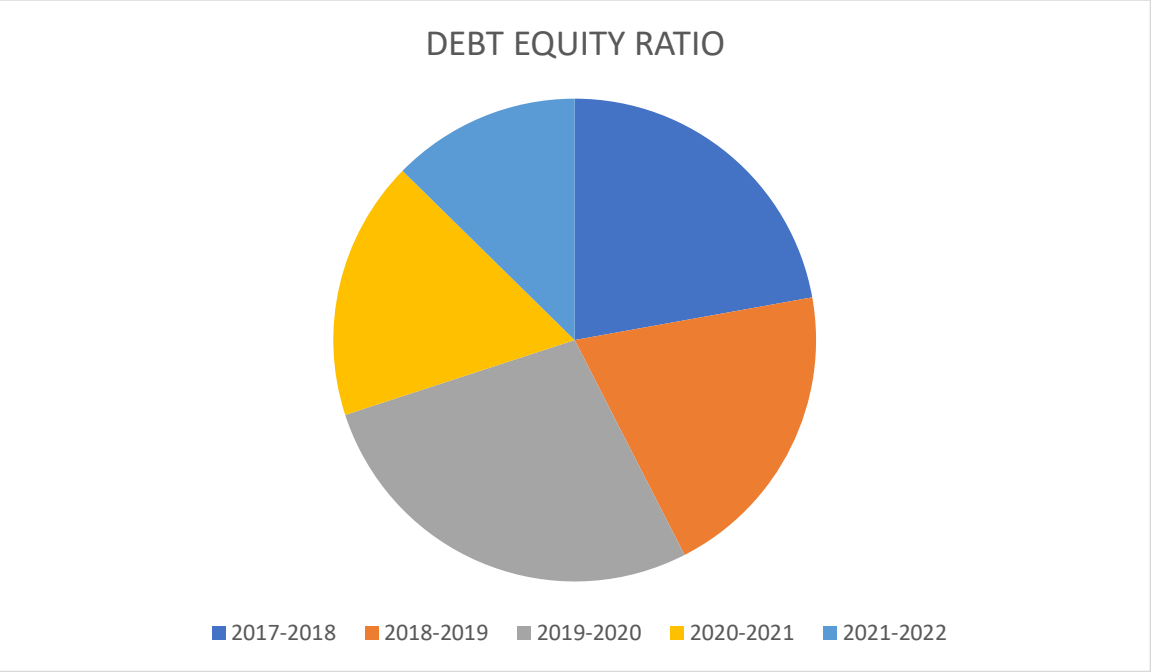
Debt Equity Ratio = total debt / shareholders fund

The debt-to-equity ratio (D/E ratio) assesses the comparison between a company's debt and its assets. This ratio is computed by dividing the total debt of a company by its complete shareholder equity. A higher D/E ratio implies that the company may face difficulties in fulfilling its liabilities.

Table 5.3

YEAR	DEBT	SHAREHOLDERS FUND	DEBT EQUITY RATIO
2017-2018	27513.83	60368.70	0.45
2018-2019	28934.28	69308.59	0.41
2019-2020	41514.23	73416.99	0.56
2020-2021	33305.09	93207.56	0.35
2021-2022	32275.07	124211.39	0.25

Chart 5.3



3)

The company has higher debt equity ratio in 2019-2020 , the company finds it difficut to cover their liabilities in year . in the year 2020-2021 the company is having lower debt equity ratio at 35.73 , the company is performing well as compared to 2019-2020

4) PROPRIATARY RATIO

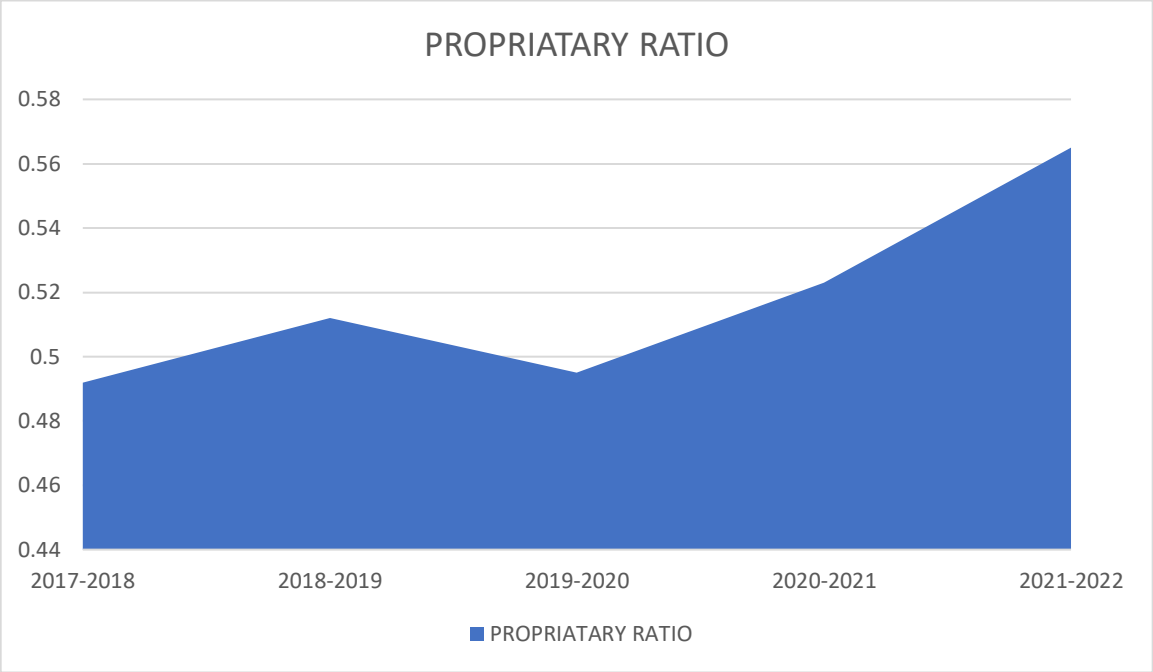
Propriatary Ratio = Shareholders fund / Total Assets

The proprietary ratio is a type of solvency ratio that helps determine the proportion or stake of owners or proprietors in the organization's total assets. It is also known as the equity ratio, shareholder equity ratio, or net worth ratio.

Table 5.4

YEAR	SHAREHOLDERS FUND	TOOTAL ASSETS	PROPRIATARY RATIO
2017-2018	61514.82	125114.34	0.492
2018-2019	70454.71	137498.36	0.512
2019-2020	74563.12	150392.56	0.495
2020-2021	94406.34	180490.93	0.523
2021-2022	125433.76	221986.22	0.565

Chart 5.4



The propriatary ratio is slowly increasing on each year but is shows a downfall in the year 2019-2020 and it keeps on increasing after that. in the past 5 years the highest contribution from the shareholders are in 2021-2022 as the propriatary ratio is high in that year .

5) Fixed Assets Turnover Ratio

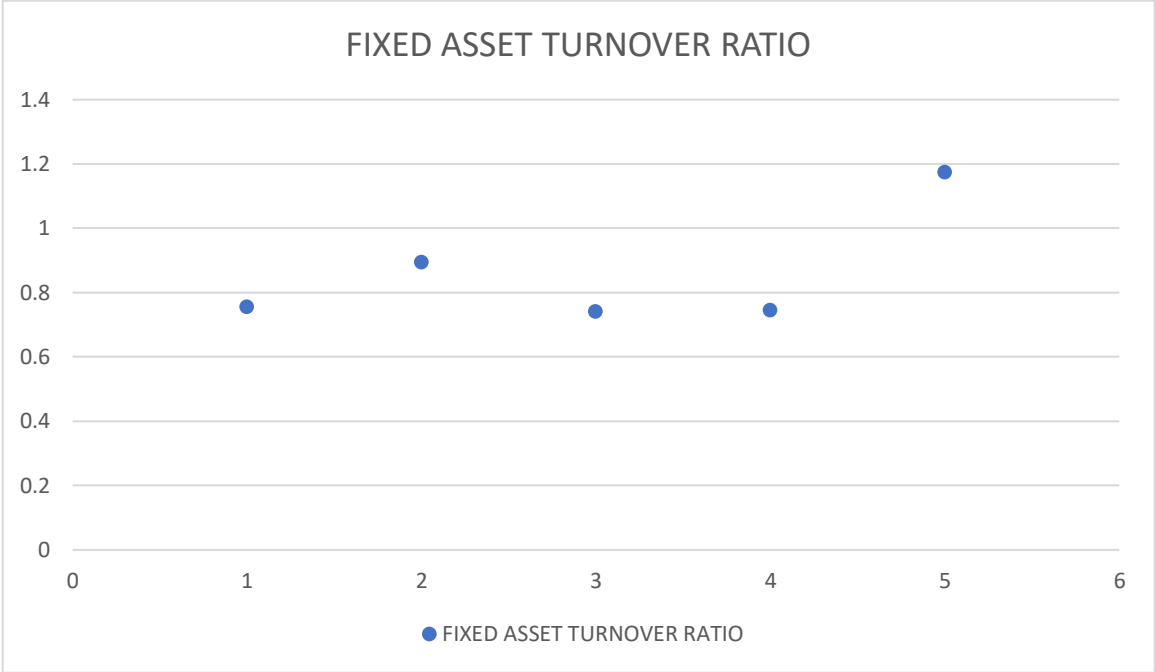
Fixed Assets Turnover Ratio = Net revenue From Operations / Fixed Asset

The fixed asset turnover ratio measures a company's effectiveness in generating sales from its fixed assets. To calculate this ratio, divide net sales by the average amount of fixed assets. A higher ratio suggests that the management is utilizing its fixed assets more efficiently.

Table 5.5

YEAR	NET REVENUE FROM OPERATION	FIXED ASSETS	FIXED ASSET TURNOVER RATIO
2017-2018	58550.68	77402.35	0.756
2018-2019	68923.15	77018.31	0.895
2019-2020	58815.57	79480.43	0.740
2020-2021	82828.16	108051.56	0.744
2021-2022	127681.40	108832.39	1.173

Chart 5.5



This Ratio shows a moderate increase during the years from 2017-2018 to 2020-2021 and it suddenly hiked to 1.173 in the year 2021-2022 therefor it measn that sales has gone up in the year 2021-2022

6) Working Capital Turnover Ratio

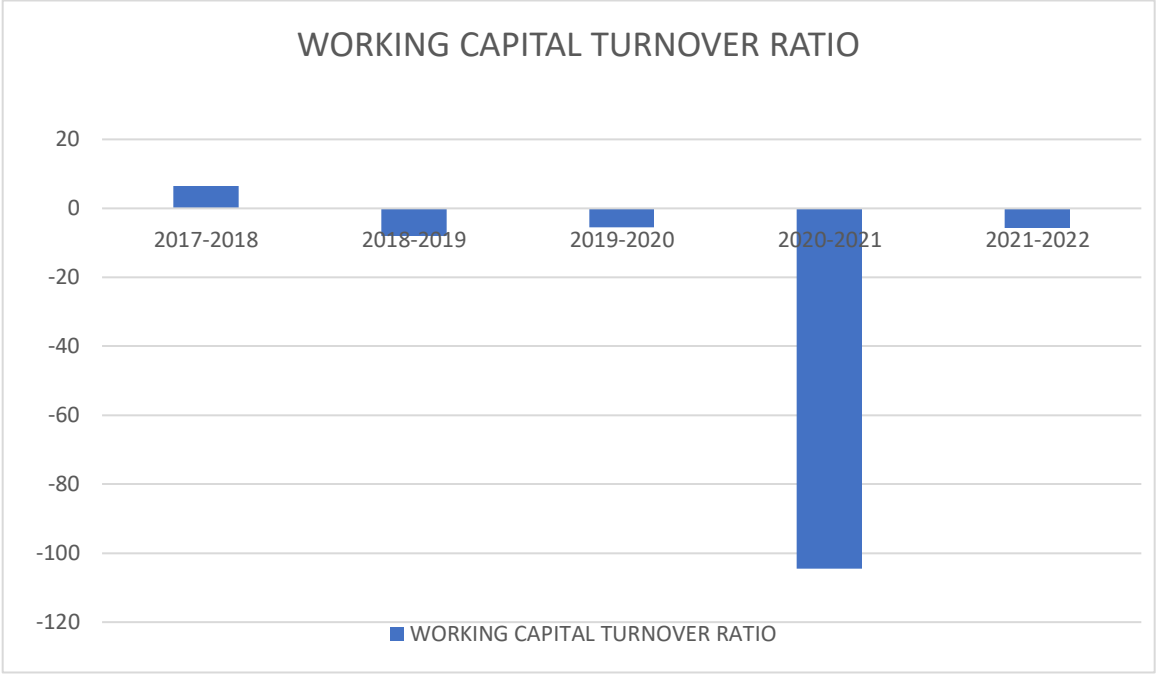
Working Capital Turnover Ratio = Net sales / Net Working capital

The Working Capital Turnover Ratio is a measure of efficiency that evaluates how effectively a company is utilizing its working capital to support sales and promote business growth

Table 5.6

YEAR	SALE	NET WORKING CAPITAL	WORKING CAPITAL TURNOVER RATIO
2017-2018	58550.68	9036.57	6.47
2018-2019	68923.15	-8558.07	-8.05
2019-2020	58815.57	-10862.11	-5.41
2020-2021	82828.16	-793.2	-104.42
2021-2022	127681.4	-22375.26	-5.70

Chart 5.6



The study shows that in the past 5 years the comapny only worked efficiently in the year 2017-2018 and in all the other years the total liabilities of the company is exceeding the total assets and working capital ratios are going negative

7)Debtors Turnover Ratio

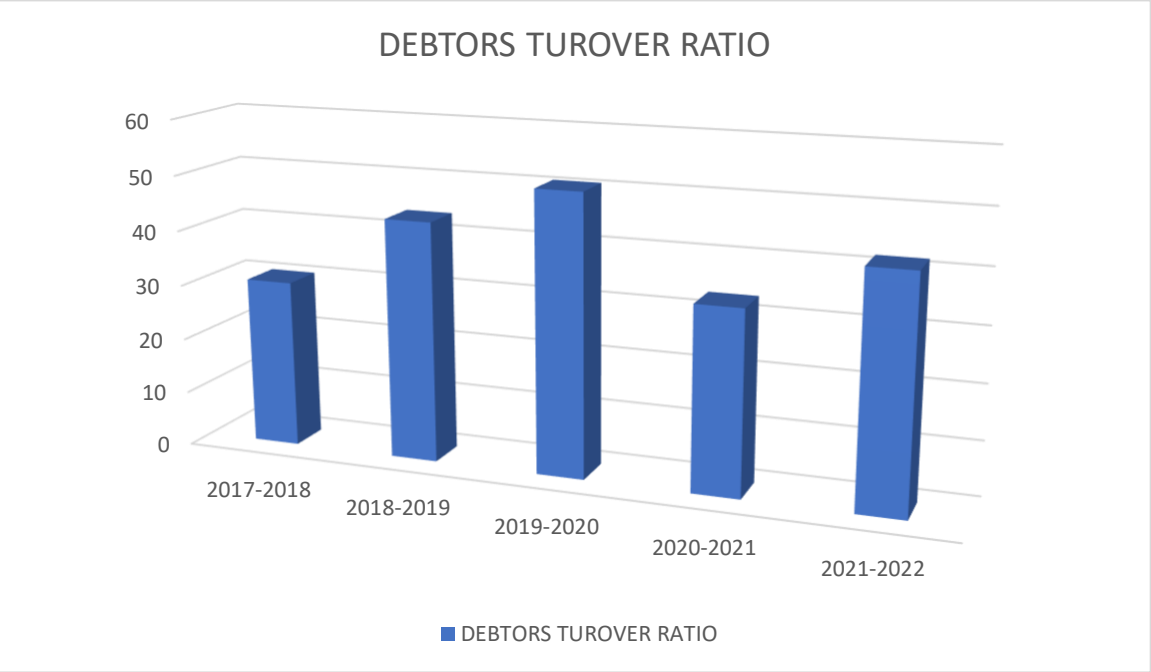
Debtors Turnover Ratio =Net sales / Average Trade Receivables

The ratio known as Accounts Receivables Turnover is also called the Debtors Turnover ratio. It represents the number of times the average amount of money owed by customers has been collected as cash within a year. This ratio measures the effectiveness of the company in collecting its revenues, and is therefore considered an efficiency ratio.

Table 5.7

YEAR	AVERAGE DEBTORS	NET SALES	DEBTORS TURNOVER RATIO
2017-2018	5373.36	59160.79	11.01
2018-2019	5423.26	70610.92	13.02
2019-2020	3994.44	60435.97	15.13
2020-2021	3816.55	64869.00	17.94
2021-2022	575.98	12902.13	22.40

Chart 5.7



Interpretation:

The ratio was 30.478 during the year 2017-2018 and it increased during the year 2018-2019 and 2019-2020 to 50.790. After which it decreased to 33.306 and again increased during the year 2021-2022 to 41.898

8)Debt Collection Period

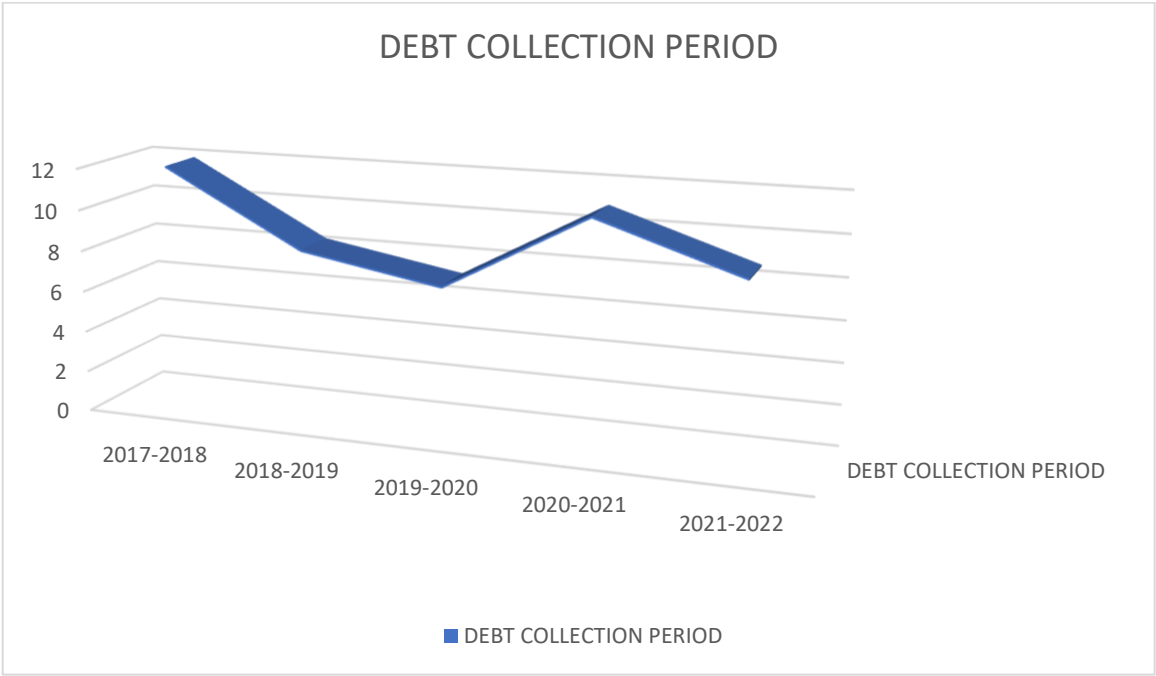
Debt Collection Period = 365/ Debtors Turnover Ratio

The average duration it takes to collect trade debts is known as the Debtor Collection Period. A shorter period implies greater efficiency. It enables a company to compare the actual collection time with the granted or theoretical credit period.

Table 5.

YEAR	DEBTORS TURNOVER RATIO	DEBT COLLECTION PERIOD
2017-2018	30.478	11.97
2018-2019	43.605	8.37
2019-2020	50.790	7.186
2020-2021	33.306	10.96
2021-2022	41.898	8.712

Chart 5.8



The debt collection period was 11.97 during the year 2017-2018 after which it decreased constantly during the years 2018-2019 and 2019-2020 to 7.186. After a jump in the year 2020- 2021 to 10.96 , it again decreased to 8.712 during the year 2021-2022

9) Net Profit Ratio

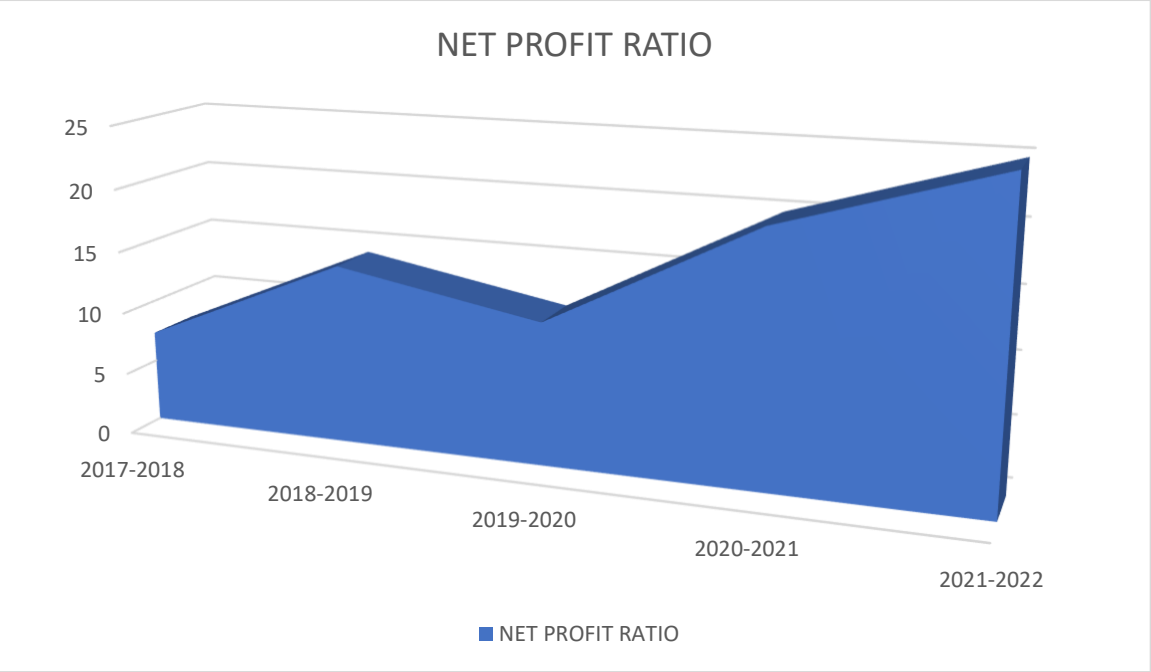
Net Profit Ratio = Net Profit / Revenue

The Net Profit Ratio, also referred to as the Net Profit Margin Ratio, measures a company's profitability by comparing its net profits to its total revenue.

Table 5.9

YEAR	NET PROFIT	REVENUE FROM OPERATIONS	NET PROFIT RATIO
2017-2018	4169.55	56624.22	7.36
2018-2019	10533.19	73459.77	14.33
2019-2020	6743.80	59355.73	11.36
2020-2021	17077.97	85516.78	19.97
2021-2022	33011.18	132064.46	24.99

Chart 5.9



The study shows that companies net profit is increasing year by year but there is a sudden decrease in the year 2019-2020 but they managed to come back in the next year and has the highest net profit ratio in 2021-2022 at 24.99.

10) Expense Ratio

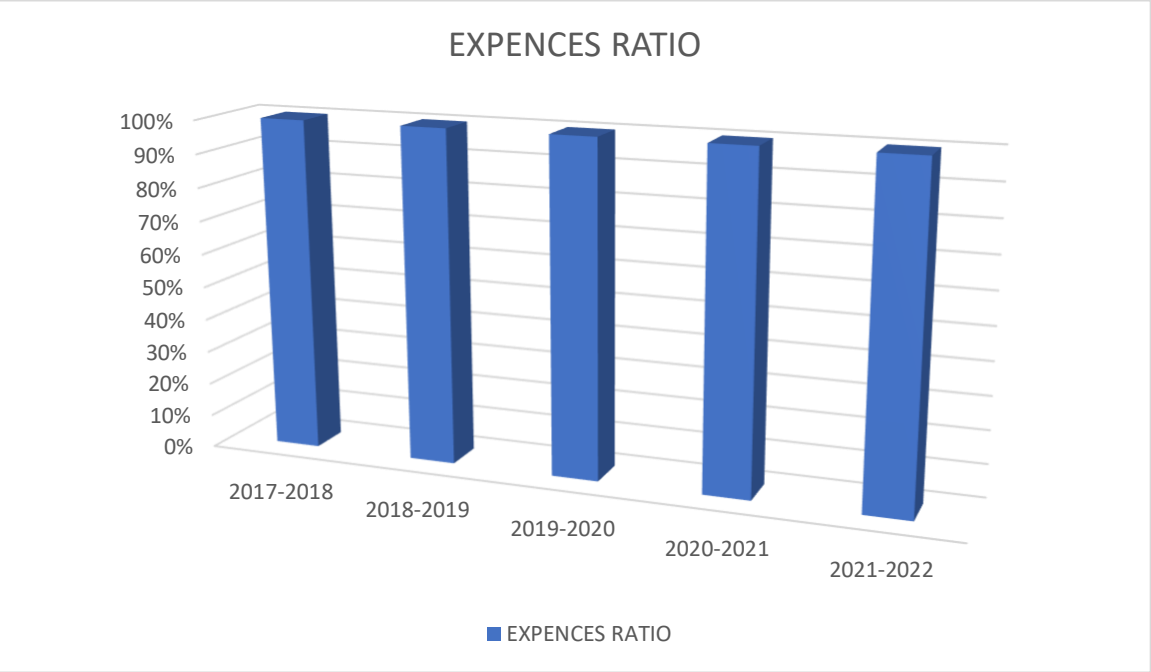
Expenses Ratio = total expenses / Revenue from operation*100

The expense ratio refers to the fees incurred in owning a mutual fund or exchange-traded fund, and can be viewed as the management fee paid to the fund company for managing the fund. It is presented as a percentage of the fund investment.

Table 5.10

YEAR	EXPENCES	REVENUE FROM OPERATION	EXPENCES RATIO
2017-2018	50375.94	58550.68	86.03
2018-2019	56674.31	68923.15	82.22
2019-2020	52525.53	58815.57	89.30
2020-2021	67019.49	82828.16	80.91
2021-2022	86147.27	127681.40	67.47

Chart 5.10



Interpretation:

The expenses ratio shows that it is increasing and decreasing in each year but it shows a huge decrease in the year 2021-202 at 67.47 as compared to the past 5 years. also it is high in the year 2019-202 at 89.30

11) Total Assets Turnover Ratio

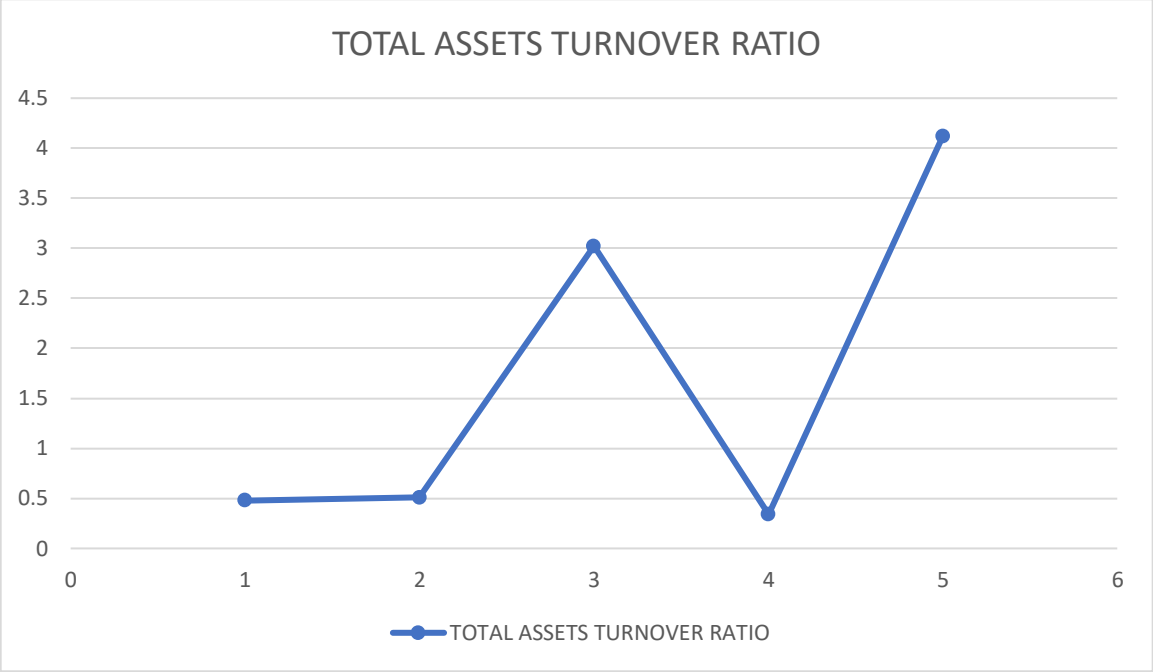
Total Assets Turnover Ratio = Net Sales / Average Total Assets

The asset turnover ratio assesses the efficiency with which a company's assets generate revenue or sales. It computes an annualised percentage by comparing the dollar amount of sales (revenues) to total assets. Divide net sales or revenue by the average total assets to determine the asset turnover ratio.

Table 5.11

YEAR	SALES	TOTAL ASSETS	TOTAL ASSETS TURNOVER RATIO
2017-2018	60519.37	125114.34	0.48
2018-2019	70610.92	137498.36	0.51
2019-2020	60435.97	150396.56	3.02
2020-2021	84132.92	180490.93	0.34
2021-2022	129012.35	31289.57	4.12

Chart 5.11



The study shows that the companys assets performed well in 2019-2020 and 2021-2021 at 3.02 and 4.12 but the perfromance was low on the rest 3 years , this means that the performance is not stable but changing every year at a large rate.

12) Current Assets Turnover Ratio

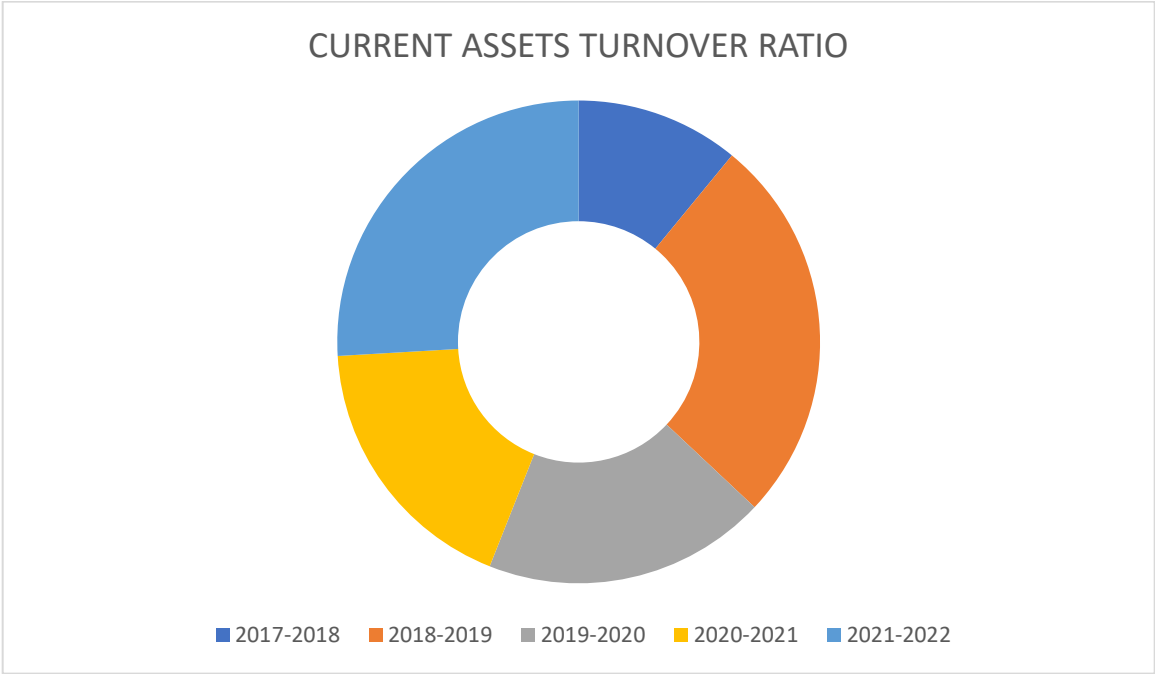
Current Assets Turnover Ratio = Net Sales / Average Current Assets

The current assets turnover ratio is a metric that shows how often a company's current assets are converted into sales within a specific timeframe. A higher ratio implies a greater percentage of sales. Thus, the company's ability to generate sales is stronger when the current asset turnover ratio is higher.

Table 5.12

YEAR	SALES	CURRENT ASSETS	CURRENT ASSETS TURNOVER RATOI
2017-2018	60519.37	34643.91	1.74
2018-2019	70610.92	17035.58	4.14
2019-2020	60435.97	20009.19	3.02
2020-2021	84132.92	29274.40	2.87
2021-2022	129012.35	31289.57	4.12

Chart 5.12



The company has good and equal performance in 2018-2019 and 2021-2022 at 4.14 and 4.12 , the rest of the year is not bad and has the lowerst performance at 2017-2018 at 1.74.

CHAPTER 6

FINDINGS, SUGGESTIONS AND CONCLUSION

1) Current ratio The short-term solvency of a company, or its ability to meet short-term obligations, can be assessed using the current ratio. Tata Steel's current ratio falls below the ideal ratio of 2:1,

indicating its unsatisfactory short-term financial position due to insufficient working capital. The low ratio suggests that the company may struggle to pay its current liabilities promptly.

2) Quick ratio: The ideal quick ratio is 1:1 which means that the quick assest of a company can meet its quick liablities. But in the case of Tata Steel the quick ratio is below the ideal ratio , which shows that the quick assets of Tata steel cannot meet its quick liabilities.

3)Working capital turnover ratio: The net working captial of the company is negative which shows that the liabilities of the company exceeds the assets. It shows that the company does not use its assets efficeintly.

4)Expense ratio: From the data we can see that the expense ratio of Tata steel lies between 0.5 and 1 , which is the ideal expense ratio . An ideal expense ratio indicates high profitability.

5) Proprietary ratio:Proprietary ratio shows the financial strenght of the company. Even though the ideal propriatery ratio is above 0.5 , the proprietary ratio of Tata Steel is still somewhat satisfactory as it averages 0.5 throught the years 2018-2022. It indicates the long term solvency of the company and also indicates a secure position to the lenders and vice versa.

6) Debt equity ratio : Debt equity ratio between 0.5 and 1.5 is considered good for most companies. It means that the company relies more on the equity than on the debt. Because there is very less risk of payback and thus less risk for bankruptcy.

7)Debt equity ratio : Debt equity ratio between 0.5 and 1.5 is considered good for most companies. It means that the company relies more on the equity than on the debt. Because there is very less risk of payback and thus less risk for bankruptcy

8) Debtors Turnover Ratio: This ratio indicates the speed at which the amount is collected from trade recievable. Higher ratio means the amount from trade recievables is being collected more quickly and vice versa. The Debtors turnover ratio is significanlty high which shows very less risk from debtors and ensures liquidity.

9) Debt collection period: This ratio assesses the creditworthiness of debtors by measuring the speed at which they pay their debts, indicating the efficiency or inefficiency of the collection process. The debt collection period of Tata Steel is highly favourable (lies between 7 and 12)which shows that the collection process is rapid.

10) Net Profit Ratio: The average considerable net profit ratio is between 10%-20%. The net profit ratio of Tata STeel lies between the considerable range , which shows that the company is carrying its operations efficeintly

SUGGESTIONS

1)Tata Steel has a current ratio less than the ideal ratio, 2:1 . It implies that the current assets are less than two times the current liabilities. In order to improve the short term financial performance, the company has to increase its current assets.

2)Proprietary ratio of the company is less than 1:3. The company has to increase the shareholders fund in order to meet the ideal ratio.

3)The negative net working capital of the company indicates that its liabilities surpass its assets. The company should focus on balancing its current assets and current liabilities.

4) It is recommended that they keep a quick ratio of 1 or higher.

5)Try to generate more revenue from other contries.

6) Inventory control management should incorporate new and innovative concepts to stay up-to-date.

7) Sufficient planning is necessary for the acquisition of store items.

CONCLUSIONS

Tata Steel's financial performance, particularly in terms of working capital and financial ratios, has been thoroughly examined. Efficient management of working capital is crucial for the smooth running of any organization as it requires adequate liquidity to meet its obligations on time. Ratio analysis is also an essential tool for assessing a company's liquidity, profitability, and other factors. It is critical for various stakeholders, including banks, investors, and creditors, and facilitates comparisons between companies. Therefore, introducing effective working capital management and conducting ratio analysis are crucial for a company's financial well-being.

Effective management of the company's liabilities is crucial, as they are consistently higher, resulting in low working capital. To enhance performance, an increase in shareholder contributions is necessary. Good working capital management requires accurate cash flow forecasting that takes into account unforeseen events, market fluctuations, decreased demand, lower selling prices, loss of key customers, and other factors. This is a crucial aspect that must not be overlooked. It is advisable to avoid making upfront payments, and if necessary, they should be secured by instruments such as bank guarantees.

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APPENDIX

Tata Steel

Previous Years »

Standalone Balance Sheet ---------- in Rs. Cr. ----------

	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	1,222.37	1,198.78	1,146.13	1,146.12	1,146.12
Total Share Capital	**1,222.37**	**1,198.78**	**1,146.13**	**1,146.12**	**1,146.12**
Reserves and Surplus	124,211.39	93,207.56	73,416.99	69,308.59	60,368.70
Total Reserves and Surplus	**124,211.39**	**93,207.56**	**73,416.99**	**69,308.59**	**60,368.70**
Total Shareholders Funds	**125,433.76**	**94,406.34**	**74,563.12**	**70,454.71**	**61,514.82**
Equity Share Application Money	0.00	3.78	0.00	0.00	0.02
Hybrid/Debt/Other Securities	0.00	775.00	2,275.00	2,275.00	2,275.00
NON-CURRENT LIABILITIES					
Long Term Borrowings	20,290.81	31,545.41	31,381.96	26,651.19	24,568.95
Deferred Tax Liabilities [Net]	8,087.57	8,517.78	5,862.28	7,807.00	6,259.09
Other Long Term Liabilities	11,824.25	12,602.79	3,325.34	2,798.63	2,927.91
Long Term Provisions	2,685.00	2,572.23	2,113.56	1,918.18	1,961.21
Total Non-Current Liabilities	**42,887.63**	**55,238.21**	**42,683.14**	**39,175.00**	**35,717.16**
CURRENT LIABILITIES					
Short Term Borrowings	11,984.66	984.68	7,857.27	8.09	669.88
Trade Payables	21,091.14	13,426.21	10,600.96	10,969.56	11,242.75
Other Current Liabilities	19,506.61	14,579.80	11,749.21	13,837.77	12,959.43
Short Term Provisions	1,082.42	1,076.91	663.86	778.23	735.28
Total Current Liabilities	**53,664.83**	**30,067.60**	**30,871.30**	**25,593.65**	**25,607.34**
Total Capital And Liabilities	**221,986.22**	**180,490.93**	**150,392.56**	**137,498.36**	**125,114.34**
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	93,484.40	96,287.55	70,505.66	70,416.82	70,942.90
Intangible Assets	806.03	855.73	727.72	805.20	786.18
Capital Work-In-Progress	14,159.32	10,499.49	8,070.41	5,686.02	5,641.50
Intangible Assets Under Development	382.64	408.79	176.64	110.27	31.77
Fixed Assets	**108,832.39**	**108,051.56**	**79,480.43**	**77,018.31**	**77,402.35**
Non-Current Investments	43,401.43	29,087.33	46,860.91	38,929.25	9,636.56
Long Term Loans And Advances	30,195.27	7,570.10	199.26	231.16	213.50
Other Non-Current Assets	8,267.56	6,507.54	3,842.77	4,284.06	3,218.02
Total Non-Current Assets	**190,696.65**	**151,216.53**	**130,383.37**	**120,462.78**	**90,470.43**
CURRENT ASSETS					
Current Investments	96.11	7,096.80	3,235.16	477.47	14,640.37
Inventories	19,942.94	12,857.51	10,716.66	11,255.34	11,023.41
Trade Receivables	3,280.30	2,878.58	1,016.73	1,363.04	1,875.63
Cash And Cash Equivalents	2,855.29	2,396.90	1,226.87	718.11	4,696.74

Short Term Loans And Advances	2,368.01	1,564.37	1,607.32	55.92	74.13
OtherCurrentAssets	2,746.92	2,480.24	2,206.45	3,165.70	2,333.63
Total Current Assets	**31,289.57**	**29,274.40**	**20,009.19**	**17,035.58**	**34,643.91**
Total Assets	**221,986.22**	**180,490.93**	**150,392.56**	**137,498.36**	**125,114.34**
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	37,797.38	33,426.07	32,650.32	34,622.43	28,359.61
CIF VALUE OF IMPORTS					
Trade/Other Goods	29,071.56	13,408.18	12,381.28	14,519.26	13,355.43
EXPENDITURE IN FOREIGN EXCHANGE					
Expenditure In Foreign Currency	505.33	412.85	509.47	450.04	334.94
REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS					
Dividend Remittance In Foreign Currency	-	-	-	-	-
EARNINGS IN FOREIGN EXCHANGE					
FOB Value Of Goods	-	-	-	-	5,898.19
Other Earnings	17,187.78	13,241.53	6,314.97	6,497.94	-
BONUS DETAILS					
Bonus Equity Share Capital	252.97	252.97	252.97	252.97	252.97
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	1,182.53	537.85	204.31	448.61	497.21
Non-Current Investments Unquoted Book Value	13,051.52	352.37	20,078.19	34,042.88	20,113.48
CURRENT INVESTMENTS					
Current Investments Quoted Market Value	-	-	-	-	-
Current Investments Unquoted Book Value	96.11	7,096.80	3,235.16	477.47	-

Tata Steel

Previous Years »

Standalone Profit & Loss account ---------- in Rs. Cr. ----------

	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18
	12 mths	12 mths	12 mths	12 mths	12 mths
INCOME					
Revenue From Operations [Gross]	**127,681.40**	**82,828.16**	**58,815.57**	**68,923.36**	**59,453.23**
Less: Excise/Sevice Tax/Other Levies	0.00	0.00	0.00	0.21	902.55
Revenue From Operations [Net]	**127,681.40**	**82,828.16**	**58,815.57**	**68,923.15**	**58,550.68**
Other Operating Revenues	1,339.95	1,304.76	1,620.40	1,687.56	1,066.14
Total Operating Revenues	**129,021.35**	**84,132.92**	**60,435.97**	**70,610.71**	**59,616.82**
Other Income	1,452.02	755.11	404.12	2,405.08	763.66
Total Revenue	**130,473.37**	**84,888.03**	**60,840.09**	**73,015.79**	**60,380.48**
EXPENSES					
Cost Of Materials Consumed	35,256.98	20,757.04	17,407.03	19,840.29	16,877.63
Purchase Of Stock-In Trade	4,089.03	1,688.84	1,563.10	1,807.85	647.21
Changes In Inventories Of FG,WIP And Stock-In Trade	-1,820.87	2,176.56	-564.40	-554.33	545.36
Employee Benefit Expenses	6,365.80	5,741.94	5,036.62	5,131.06	4,828.85
Finance Costs	2,792.08	4,541.02	3,031.01	2,823.58	2,810.62
Depreciation And Amortisation Expenses	5,463.69	5,469.26	3,920.12	3,802.96	3,727.46
Other Expenses	36,458.65	27,966.07	23,803.18	24,622.60	21,275.47
Less: Amounts Transfer To Capital Accounts	2,458.09	1,321.24	1,671.13	799.70	336.66
Total Expenses	**86,147.27**	**67,019.49**	**52,525.53**	**56,674.31**	**50,375.94**
	Mar 22	**Mar 21**	**Mar 20**	**Mar 19**	**Mar 18**
	12 mths	12 mths	12 mths	12 mths	12 mths
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	**44,326.10**	**17,868.54**	**8,314.56**	**16,341.48**	**10,004.54**
Exceptional Items	-235.45	741.30	-1,703.58	-114.23	-3,366.29
Profit/Loss Before Tax	**44,090.65**	**18,609.84**	**6,610.98**	**16,227.25**	**6,638.25**
Tax Expenses-Continued Operations					
Current Tax	11,611.94	-1,329.78	1,787.95	6,297.11	1,586.78
Deferred Tax	-532.47	2,861.65	-1,920.77	-603.05	881.92
Total Tax Expenses	**11,079.47**	**1,531.87**	**-132.82**	**5,694.06**	**2,468.70**
Profit/Loss After Tax And Before ExtraOrdinary Items	**33,011.18**	**17,077.97**	**6,743.80**	**10,533.19**	**4,169.55**
Profit/Loss From Continuing Operations	**33,011.18**	**17,077.97**	**6,743.80**	**10,533.19**	**4,169.55**
Profit/Loss For The Period	**33,011.18**	**17,077.97**	**6,743.80**	**10,533.19**	**4,169.55**
	Mar 22	**Mar 21**	**Mar 20**	**Mar 19**	**Mar 18**
	12 mths	12 mths	12 mths	12 mths	12 mths
OTHER ADDITIONAL INFORMATION					
EARNINGS PER SHARE					
Basic EPS (Rs.)	270.33	145.00	57.11	90.41	38.57

Diluted EPS (Rs.)	270.13	144.99	57.11	90.40	38.56
VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIALS					
STORES, SPARES AND LOOSE TOOLS					
DIVIDEND AND DIVIDEND PERCENTAGE					
Equity Share Dividend	3,007.08	1,145.92	1,489.67	1,145.92	1,237.35
Tax On Dividend	0.00	0.00	297.71	224.86	95.71
Equity Dividend Rate (%)	510.00	250.00	100.00	130.00	100.00