

**AN ORGANIZATIONAL STUDY REPORT OF
TATA STEEL LIMITED**

SUBMITTED BY

**PRIYA M
1CR19MBA65**

**Submitted To
VISVESVARAYA TECHNOLOGY UNIVERSITY, BELAGAVI**



In partial fulfilment of the requirement for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under Guidance of

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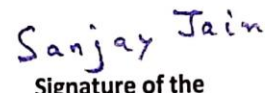
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CERTIFICATE BY THE INSTITUTION

This is to certify that **Ms. PRIYA M** bearing **USN 1CR19MBA65** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **TATA STEEL LIMITED** is prepared by her under the guidance of **Mrs. Sabeha Mufti**, Assistant Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.


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 30/07/2020
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DECLARATION

I **MS.PRIYA M** bearing “**1CR19MBA65**” hereby like to declare that the “**ORGANIZATIONAL STUDY REPORT OF TATA STEEL LIMITED**” prepared by me under the guidance and supervision of **MS. SABEHA MUFTI**, faculty of department of management studies, CMR Institute of Technology. I also declare that this organisation study is towards the partial of university regulation for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone an organisation study for a period of four week. I further declare that this organisation study is based on the original study undertaken by me and not been submitted for the award of any degree from any other University/Institution.

Disclaimer

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Place: Bangalore
Date: 30/08/2020


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1. INTRODUCTION ON TATA STEEL LIMITED



The TATA GROUP was founded by Jamsetji Nusserwanji Tata in 1868 and headquartered in India; the Tata group is a global business conglomerate operating in over 100 countries across 5 continents. From an early foray into steel and automobiles, to staying abreast of the latest technologies, the Tata group today has a strong presence across diverse industries such as agrochemicals, automotive, chemicals, construction, finance, consumer products, and hospitality.

Tata Group is an Indian multinational conglomerate holding company headquartered in Mumbai, Maharashtra, India. The company gained international recognition after purchasing several global companies. One of India's largest conglomerates, Tata Group is owned by Tata Sons. It is one of the biggest and oldest industrial groups in the country, founded 153 years ago in 1868. Each Tata company operates independently under the guidance and supervision of its own board of directors and shareholders.

Tata companies have made significant investments in different geographies. With our ever increasing international footprint, we are now reaching out to customers in the farthest corners of the world. They touch upon lives across the globe and we have an employee strength of over 660,800 employees, representing the rock-solid company that we are. Several Tata Group companies have achieved leadership positions globally in their areas of operation.

The Tata Group's value system directs the growth and business of all sectors we operate in. Two-thirds of the equity of Tata Sons, the Tata group holding company, is held by philanthropic Trusts that have created national institutions for science and technology, medical research, social studies and the performing arts. Cutting-edge innovation, a stringent focus on quality, sustainable operations and business excellence are the hallmark of the trust the Tata name is best recognised.

TATA GROUP OF COMPANIES

The Tata group of companies has always believed strongly in the concept of collaborative growth. Significant Tata companies and subsidiaries include Tata Communications, Tata Consultancy Services, Tata Consumer Products, Tata Motors, Tata Power, Tata Steel, Tata global beverages, Indian Hotels Company Limited, Tata communication, Tata Chemicals.

Tata Sons is the principal investment holding company and promoter of Tata companies. Sixty-six percent of the equity share capital of Tata Sons is held by philanthropic trusts, which support education, health, livelihood generation and art and culture. In 2018-19, the revenue of Tata companies, taken together, was \$113.0 billion (INR 792,710 crore). These companies collectively employ over 720,000 people. Each Tata company or enterprise operates independently under the guidance and supervision of its own board of directors. There are 28 publicly-listed Tata enterprises with a combined market capitalisation of over \$160 billion (INR 11,10,308 crore) as on March 31, 2019.

Tata Motors is India's largest automobile company by revenue and is among the top five commercial vehicle manufacturers in the world. Jaguar and land rover are now a part of motor's portfolio.

Tata Consultancy Services (TCS) is an integrated software provider with delivery centres in more than 18 countries. It ranked fifth overall, and topped the list for IT service, in Bloomberg business week's 12th annual 'tech 100', a ranking of the world's best performing tech companies.

Tata Power has pioneered hydro-power generation in India and is the largest power generator (production capacity of 2300 MW) in India in the private sector.

Indian Hotels Company Limited (Taj hotels, resorts and palaces) happens to be the leading chain of hotels in India and one of the largest hospitality groups in Asia. It has a presence in 12 countries in 5 continents.

Tata Global Beverages (formerly Tata tea) with its major acquisitions like Tetley and good earth is at present the second largest global branded tea operation.

When jamsetji Tata gave shape to his vision of nation building by forming what was to become the Tata group in 1868, he had envisaged India as an independent strength-politically, economically and socially. In order to become a force that the world has to reckon

with, the Tata group has always ventured into path breaking territory and pioneered developments in industries of national importance.

1. ORAGANIZATION PROFILE

Tata iron and steel co ltd established in Jamshedpur (India) in 1907 the Company took shape from the vision of founder Jamsetji N Tata and is today one of the world's most geographically-diversified steel producers with operations and commercial presence across the world. Tata Steel group is spread across five continents with an employee base of over 65,000. The first steel ingot was manufactured on 16 February 1912. During the First World War (1914-1918), the company made rapid progress. By 1939, it operated the largest steel plant in the British Empire. The company launched a major modernization and expansion program in 1951. Later, in 1958, the program was upgraded to 2 million metric tonnes per annum (MTPA) project. By 1970, the company employed around 40,000 people at Jamshedpur, and a further 20,000 in the neighbouring coal mines. In 1971 and 1979, there were unsuccessful attempts to nationalise the company. In 1990, the company began to expand, and established its subsidiary, Tata Inc., in New York. The company changed its name from TISCO to Tata Steel Ltd. in 2005.

Focusing on Innovation, Technology, Sustainability & People, the Company strives to be the global steel industry benchmark for value creation and corporate citizenship and become the most admired brand in metals and minerals space.

Currently, Tata Steel's consolidated India crude steel production capacity stands at 19.6 MTPA with manufacturing facilities in Jamshedpur in Jharkhand, Kalinganagar and Dhenkanal in Odisha, Sahibabad in Uttar Pradesh and Khopoli in Maharashtra. Recently, Tata Steel has commenced the phase 2 expansion of its Kalinganagar steel plant to 8 MTPA.

In addition, the Company has several downstream product extensions with manufacturing facilities for Wires, Tubes, Bearings, Agriculture Equipment and Industrial By-products. It also has a Ferro-alloys and Minerals division and a heavy-duty engineering and fabrication unit, Tata Growth Shop.

Tata Steel successfully delivered 16.26 MTPA of steel to the Indian market in FY 2019, recording an increase of 34% over the previous year due to the acquisition of Bhushan Steel (now renamed as TSBSL) and a ramp up at both Kalinganagar and Tata Steel BSL.

In India, Tata Steel operates an end-to-end value chain that extends from mining to finished steel goods, catering to an array of market segments such as automotive, construction, general engineering etc.

The Company possesses and operates captive mines that ensure cost-competitiveness and production efficiencies through an uninterrupted supply of raw material. Tata Steel's iron ore mines in Jharkhand and Odisha enable 100% captive iron ore usage and the coal mines in West Bokaro & Jharia ensure ~30% captive coal usage in operations. Tata Steel additionally has a dolomite mine, a chromite mine and manganese mines that ensures steady and cost-efficient supply of raw materials to its ferro alloy plants. A robust presence across the value chain helps the Company achieve higher economic efficiencies and customer satisfaction standards which is one of the best in the industry.

In Europe, Tata Steel is amongst the largest steel producers with a crude steel production capacity of over 12.3 MTPA. It established its presence in the European continent after acquiring Corus in 2007. With steelmaking facilities in the UK and Netherlands and downstream plants across Europe, it supplies high quality strip steel products to demanding markets such as automotive, construction, packaging and engineering.

In South-East Asia, Tata Steel operations began in 2004 with the acquisition of NatSteel, Singapore. In 2005, it acquired a majority stake in Thailand-based steelmaker Millennium Steel, which further strengthened its South-East Asian operations.

Tata Steel operates in 26 countries with key operations in India, Netherlands and United Kingdom, and employs around 80,500 people. Its largest plant (10 MTPA capacity) is located in Jamshedpur, Jharkhand. In 2007, Tata Steel acquired the UK-based steel maker Corus. It was ranked 486th in the 2014 Fortune Global 500 ranking of the world's biggest corporations. It was the seventh most valuable Indian brand of 2013 according to Brand Finance.

Tata Steel on Thursday, 12 February 2015 announced buying three strip product services centres in Sweden, Finland and Norway from SSAB to strengthen its offering in Nordic region. The company, however, did not disclose the value of the transactions.

In September 2017, ThyssenKrupp of Germany and Tata Steel announced plans to combine their European steel-making businesses. The deal will structure the European assets as Thyssenkrupp Tata Steel, an equal joint venture. The announcement estimated that the company would be Europe's second-largest steelmaker, and listed future headquarters in Amsterdam.

Tata Steel India: 113 years old still young and flourishing

Building and nurturing long term relationship with customers: large percentage of them have greater than 10 years of business relationship (many distributors for two generations).

Only private company in India maintaining a township.

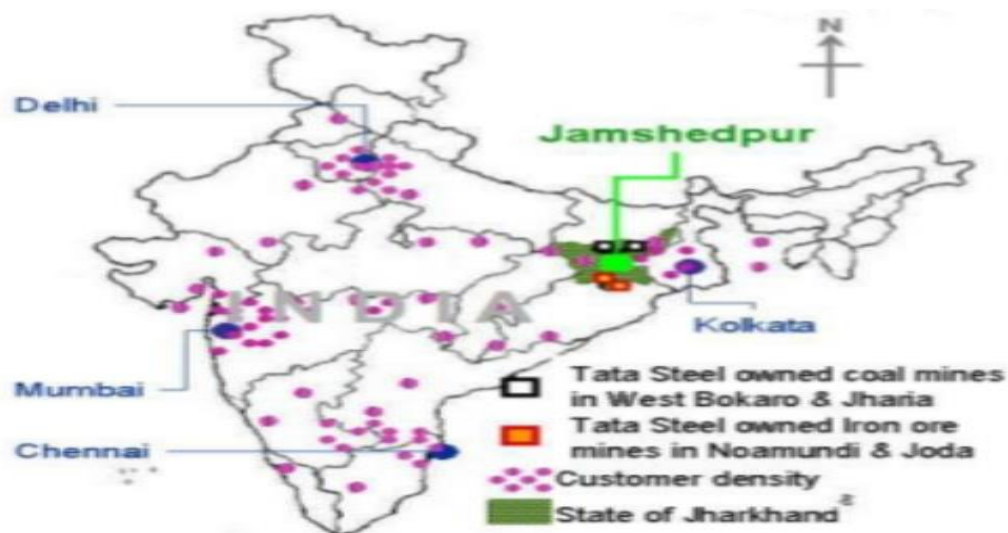
Large employee base (35000 employees) and respect for people (many, for many generations).

Pioneer in industrial harmony: 85 years without any labour unrest.

Sustaining cost leadership by ensuring raw material security: 100% iron ore, 45% coal.

Global Network

The Tata steel group has a balanced global presence in over 50 developed European and fast growing Asian countries, with manufacturing operations in 26 countries and various ongoing projects in different parts of the world. It is the first integrated steel plant in Asian and the world's second most geographically diversified steel producer.



Tata steel group: Global presence

The Tata steel group's growth and globalisation strategy by its business expansion while maintaining profitability and mitigating risks. The Tata steel group over the years has focused on enhancing raw materials security and announced major joint ventures in various parts of the globe.



PROEILE OF THE PRODUCTS

The endeavour at Tata Steel is one of vision and enterprise, a combination which has made the Company an integral part of Indian economy.

In keeping with commitment to redefine the future of Indian Steel, Flat products business group at Tata Steel, today, is country's largest manufacturer of world class steel products. Integrated supply chain starting with captive raw materials, state of the art technology, continuous pursuit for innovation & knowledge and an elaborate domain of highly skilled manpower has steered this business group to enviable performance records.

With a stretched capacity of 2.5 million MT of Hot Rolled, Cold rolled & Coated Products, Flat Products business group produces approx. 65% of total saleable steel. A constant pursuit

to increase customer focus, enrich product mix, energy efficient technologies & optimum utilisation of raw materials have resulted in a long term competitive advantage.

RAW MATERIALS

With a century of experience in sourcing raw material through scientific research and development and sustainable mining, Tata Steel's three main areas of raw material operations are iron-ore, chromite's and coal. The Company's long-term strategy has been designed to have greater control over raw material resources and achieve its security across global operations.

A pioneer in prospecting, discovering and mining ore, coal and other minerals, Tata Steel has nearly a century of experience in scientific and sustainable mining: mine planning, development and research. Company-owned and operated mines and collieries have since its inception, met most of the raw material needs of the Company's Steel Works. The Raw Materials Division of Tata Steel raises over 14 million tonnes of ores from its captive collieries, iron ore mines and quarries spread over the states of Jharkhand and Orissa. Division that acts a separate profit centre. Iron-ore and coal being the two key raw materials for steel making, efficient and scientific mining operations give the Company a competitive edge in steel production.

Steel production in India is projected to grow to over 120 million tonnes by the year 2015. To cater to the raw materials requirement of increasing steel demand and other mineral based industries, Tata Steel has entered into an agreement with MMTC Limited, a Central Government undertaking to establish a joint venture company for acquiring, developing and operating mines and processing of minerals and metals. The company has also signed a Memorandum of Understanding (MOU) for exploring possibilities of entering into joint ventures for the purpose of acquisition, exploration and development of mines, extraction and processing of minerals, setting up integrated steel plant etc.

Iron Ore and Coal

Ever since the discovery of the mineral in 1903, Iron ore mining has become an integral part of steel making at Tata Steel. The iron ore units are located in Noamundi, Joda and Katamati in the states of Jharkhand and Orissa. Tata Steel Limited also has manganese mines and dolomoite quarries in Orissa, located around 150 kms from Jamshedpur, home to the Steel Company's manufacturing facility. The Steel Company's iron ore units produce various

grades of high quality iron ore including rich blue dust ore. Operations at the mines, including services are managed by Integrated Management Systems.

Ferro Alloys and Minerals

Tata Steel's Ferro Alloys & Minerals Division (FAMD) is the market leader of chrome in India and is among the top six chrome alloy producers in the world, with operations spanning two continents. It is also the leading manganese alloy producer in India and is a leading supplier of dolomite and pyroxenite. FAMD has leveraged the core strengths of Tata Steel to grow successfully into a strategic business unit and separate profit centre within the company. FAMD produces and supplies charge chrome, high carbon ferro chrome, high carbon silico manganese, high carbon manganese, chrome concentrate, pyroxenite and dolomite.

FAMD operates the largest chromite mine and the largest reserves of high grade manganese ore in India. It has state of the art chrome beneficiation and ferro alloy plants in Bamnival, Joda and Attaghar, Cuttack (as a wholly owned subsidiary, TS Alloys Ltd.) besides rendering marketing services for Tata Steel Kwa Zulu Natal Pty Ltd. (TSKZN- a subsidiary of TSL in Richards Bay, South Africa).

In Financial Year 2011-12, FAMD achieved year-on-year growth of 17% in Ferro Alloys sales. Going forward, there are plans to augment the production of Ferro Alloys. Accordingly 55,000k tonnes of Ferro Chrome and Silico Manganese each are expected to be operational in Gopalpur and Nayagarh respectively by 2014. Order for capital equipment for the Gopalpur project has already been placed post the environmental clearances. Preliminary jobs for site clearances are underway at Nayagarh.

BEARINGS

A wide variety of bearings and auto assemblies are manufactured by Tata Steel at its Bearings Division, with a production capacity of 30 million bearing numbers per annum. Tata Bearings and auto components happen to be the preferred choice of key players in the targeted industry segment.

Over the years, a highly performance-driven approach has helped Tata Bearings achieve an influential and crucial position in its target industry segment. Tata Bearings Division of Tata Steel Limited is one of India's largest quality bearing manufacturers, with a production capacity of 37 million bearing numbers. It is the only bearings manufacturer in India to win the TPM Award (2004) from Japan Institute of Plant Maintenance, Tokyo.

The company is foremost in the manufacturing of a wide variety of bearings and auto assemblies and the product range includes:

1. Ball Bearings
2. Tapered Roller Bearings
3. Magneto Bearings
4. Double Row Angular Contact Bearings
5. Clutch Release Assemblies
6. Fan Support Assemblies
7. Cylindrical Roller Bearings (under development)

Tata Bearings is supported by Tata Steel's wide network of offices in India and abroad. It has technical collaboration with NACHI Fujikoshi Corp., of Japan for development and testing of new generation automotive bearings and special application bearings. Tata Steel's bearings and auto components happen to be the preferred choice for key players of the Indian Industry.

Tata Bearings was one of the first to start the concepts of ship to line and JIT delivery and it is presently extending such facilities to customers in different segments.

FLAT PRODUCTS

Galvanised corrugated sheets under brand name Tata Shaktee has been consistently delivering on its promises of longevity and strength. Tata Steelium, another product of the Flat Products Division happens to be the world's first branded Cold Rolled Steel and has a strong presence in the retail segment through exclusive shops called Steelium zones.

World class steel products are manufactured at the Flat Products Division of Tata Steel under three basic categories- Hot Rolled Products, Cold Rolled Products and Galvanised Products. With commanding brands like Tata Shaktee, Tata Steelium and Galvano under its umbrella, the Company is continuously surging ahead in its commitment to re-define the future of Indian Steel.

LONG PRODUCTS

Thermo Mechanically Treated (TMT) rebars from the Long Products Division are produced under the brand name Tiscon and are the first of its kind to have been introduced in India.

Tiscon has been the first rebar in the country to be awarded the 'Super brand' status in the construction rebars category.

The Long Products Division of Tata Steel operates as a separate profit centre and was the first to introduce the Thermo Mechanically Treated (TMT) rebar under the brand name Tata Tiscon in the Country. Controlled processes, supervision by expert metallurgists and engineers coupled with highly advanced processes make Tata Tiscon the leading rebar in the country. Tata Tiscon is available for both residential and project applications. The residential segment is catered to by the Company's extensive dealer / distributor network and the project applications segment is handled by the Division's sales offices.

TUBES

Pipes manufactured by the Company's strategic business unit Tata Tubes, is the most prominent brand in the industry today which is retailed through a wide distribution network. A deeply thought out branding exercise was undertaken in order to unleash the power of the Tata Pipes' brand in the welded steel category.

In 1985, the Indian Tube Company (a joint venture between Tata Steel and Stewarts & Lloyds of UK) merged with Tata Steel to form the Tata Steel-Tubes Division. The Tubes Strategic Business Unit (SBU) today is a leading manufacturer of welded pipes and tubes in the Country with an annual production capacity of around 4,00,000 tonnes, with expansion plans for the future. Its market share at present is 16%. The tubes Division's main works is situated at Jamshedpur and the marketing Head Office is in Kolkata.

Its three main lines of business are-

1. Commercial Tubes -for the conveyance segments, sold under the brand name of "Tata Pipes".
2. Structural Tubes- for the construction segment, sold under the brand name of "Tata Structura"
3. Precision Tubes - for the Auto, Boiler and Engineering segments.

WIRES

Steel wires under the brand name Tata Wiron comprise 30% market share of the organised wire market in India. A wide range of wires manufactured by Tata Steel's Wire Division cater

to the needs of the various industry segments such as automobile, infrastructure, power and general engineering.

To bring about a greater focus to the steel wires business, Tata Steel has brought all its wire manufacturing under the scope of the Global Wires Business. It is amongst the largest steel wire manufacturers in the world (and largest in India, Thailand & Sri Lanka) in terms of product portfolio, production volumes and market share in each product segment. The Division was the first to brand its galvanised wires for the retail segment under the TATA Wiron brand.

Tata Steel Wires is the first choice for key players in the wire industry and it services the discerning needs of its customers across global markets. It has a 30% market share of the organised wire market in India. Tata Steel Wires meets the most exacting specifications and requirements of customers and is manufactured with the latest technology coupled with a wealth of experience and expertise in the wire industry. A wide range of wires cater to the needs of various industry segments such as automobile, infrastructure, power and general engineering. The products are well established across the markets of Europe, USA, Middle East Asia, Australia, South Asia and Asia Far East. The range includes:

1. Auto Segment (Tyre Bead Wire, Spring Wire, Spoke Wire, Ball Bearing Wire)
2. Construction Segment (LRPC, PC Wires)
3. Power Segment (Cable armour, ACSR)
4. Textile industry (Card Clothing Wire)
5. Galvanised Wires (Farming/ Fencing)
6. Welding (Mig Welding Wire)
7. Steel Wool Wires for miscellaneous use.

Tata Steel's Global Wires Business has manufacturing facilities spread across the geographies of India, China, Thailand and Sri Lanka. The products are manufactured in fully integrated manufacturing cycles, from sourcing of raw materials to in-house steel making and wire rod rolling facilities. All the units of operation adhere to strict quality parameters and are ISO certified.

The Wire Division in India operates Wire Plant 1 and Wire Plant 2 at Tarapur, two wire plants at Indore and one wire plant in Bangalore. It has been the sole supplier of pre-stressed concrete strands used in the construction of precast segments for the 4.7 kms , 8-lane-cable-stayed Bandra-Worli Sea Link at Mumbai, India.

A holistic approach to the use of natural resources led to improvements in the productivity of customers who manufacture continuous electrodes for the auto industry from WR3M/Low Ca ER70S6 grades of wire rods. The 100% increase in speed and productivity has led to a reduction in power consumption and water that makes up for consumption in different parts of the product's value chain.

PLANTS AND EQUIPMENT

Multidisciplinary engineering approach for design, manufacture and supply of high precision equipment is offered to various industry sectors by Tata Steel's Growth Shop division. Services include erection and commissioning of all types of equipment in plants and industrial buildings in addition to a wide variety of jobs in machining and assembly.

Tata Steel Growth Shop (TGS), a division of Tata Steel Ltd. is one of the largest designers and manufacturers of plants and equipment in India. Spread over an expanse of more than 350 acres of land at Gamharia, Dist -Seraikela, about 16 Kms from steel city Jamshedpur, TGS has a massive and advanced manufacturing unit accredited with ISO: 9001 and ISO: 14001 certifications. The Company is at par with the finest international companies supplying heavy engineering plant facilities and equipment and has also been certified with the ASME U-Stamp certification.

Mission

Consistent with the vision and values of the founder Jamshetji Tata, Tata Steel strives to strengthen India's industrial and effective utilization of men and matters. The means envisaged to achieve this are high technology and productivity consistent with modern management practices. Tata Steel recognizes that while honesty and integrity are the essential ingredients of a strong and stable enterprise and profitability provides the main spark for economic activity. Overall, the company seeks to scale the heights of excellence in all that it does in an atmosphere free from fear and thereby reaffirms its faith in democratic values

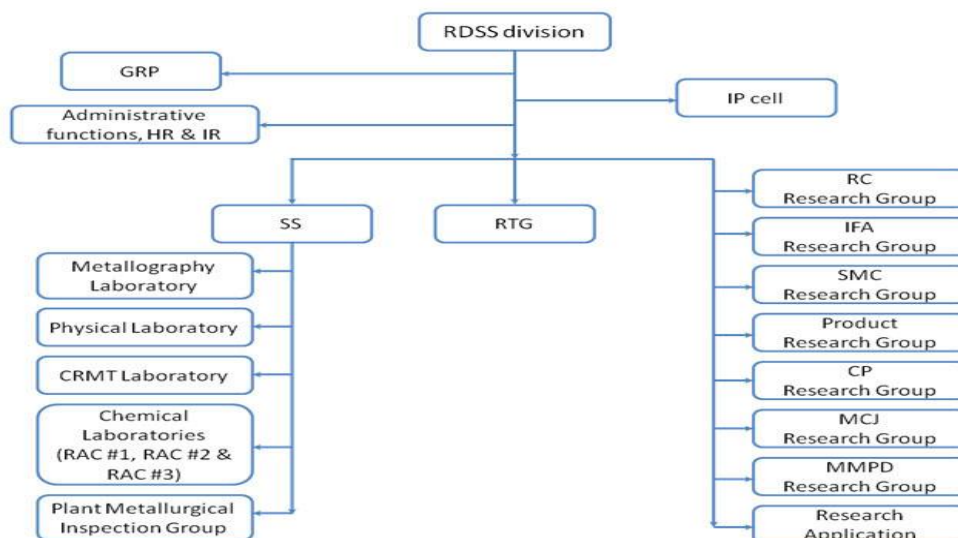
Vision and values

TISCO's vision is to be the global steel industry benchmark for value creation and corporate citizenship.

It will make a difference through:

- People
By fostering teamwork, nurturing talent, enhancing leadership capability and acting with pace, pride and passion.
- Offer
By becoming the supplier of choice, delivering premium products and services and creating value for our customers.
- Innovative approach
By developing leading edge solutions in technology, processes and products.

Organizational Structure OF TATA STEEL



RDSS: Research & Development and Scientific Services

GRP: Global Research Programme

IP: Intellectual Property

SS: Scientific Services **RTG:** Refractory Technology Group

RC: Raw materials and Coke making

CRMT: Central Raw Material Testing

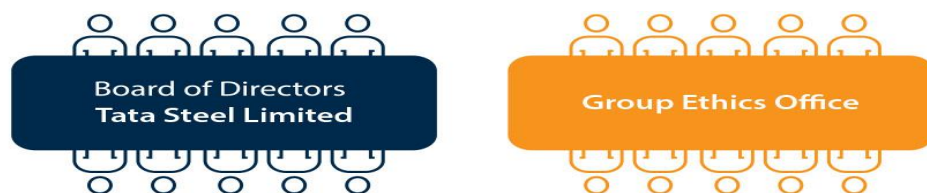
IFA: Iron and Ferro Alloys

SMC: Steel Making and Casting

CP: Coated Product

MCJ: Materials Characterization and Joining

MMPD: Materials Modelling and Product Design



Integration of the Group's Comprehensive Strengths



Tata Steel Board Group

Management of Tata steel

Name	Designation
Rattan N Tata	Chairman Emeritus
T V Narendra	Managing Director & CEO
V K Sharma	Non- Executive Director
Aman Mehta	Independent Director
O P Bhatt	Independent Director
Peter Blawhoff	Independent Director
N Chandrasekaran	Chairman & Non-Executive Director
Koushik Chatterjee	Executive Director & CEO
Saurabh Agrawal	Non -Executive Director
Deepak Kapoor	Independent Director
Mallika Srinivasan	Independent Director

Shareholding Pattern - Tata Steel Ltd.

Holder's Name	No of Shares	% Share Holding
No. Of Shares	1204126999	100%
Promoters	414358657	34.41%
Foreign Institutions	142614234	11.84%
N Banks Mutual Funds	163229828	13.56%
Central Government	2680620	0.22%
Others	66713722	5.54%
General Public	219050581	18.19%
Financial Institutions	195479357	16.23%

POLICIES

AFFIRMATIVE ACTION POLICY

- Tata Steel recognizes that diversity in the workplace positively impacts business. The company will ensure employment opportunities and provide training to develop the socially disadvantaged.
- Tata Steel will volunteer its training resources to the extent possible to improve employability of disadvantaged sections of society. The company will encourage business entrepreneurs from socially disadvantaged communities through monitoring and inclusion in supply chain on the basis of equal merit.
- Tata Steel will assist in upward mobility of talented youth from marginalized communities by increasing their access to quality higher education.
- Tata Steel will report Affirmative Action initiatives in its annual sustainability report.

ALCOHOL AND DRUGS POLICY

Tata Steel believes that the loyalty and commitment of its employees depend upon the quality of life they are offered at work and at home. We recognize that indiscriminate use of alcohol and drugs is injurious to the wellbeing of individuals, their families and the community as a whole. We acknowledge that the misuse of these psychoactive substances is a major health and safety hazard. Tata Steel is therefore committed to creating an alcohol drug-free environment at the work place. This would be achieved through the involvement of all employees and the Joint Department Councils in spearheading appropriate initiatives. The initiatives would include:

- Raising awareness, through the dissemination of information education, education and training and by promoting healthy life styles among our employees and their families.
- Motivating those employees who have an alcohol / drug problem, to seek assistance, while maintaining confidentiality about such cases.

HIV/AIDS POLICY

Tata Steel is committed to contribute to the global effort towards halting and reversing the course of HIV/AIDS.

The Company would take measures to actively disseminate information & education regarding HIV/AIDS within our workplace and surrounding communities, with the objective to reduce its transmission.

The Company would ensure a safe working environment, confidentially and non-discrimination of affected employees, if any. The Company would provide appropriate medical management for all affected employees and their families.

CSR AND ACCOUNTABILITY POLICY

- Tata Steel believes that the primary purpose of a business is to improve the quality of life of people.
- Tata Steel shall volunteer its resources, to the extent it can reasonably afford, to sustain and improve healthy and prosperous environment and to improve the quality of life of the employees and the communities it serves.
- Tata Steel shall conduct its business ever mindful of its social accountability, respecting applicable laws and with regard for human dignity.
- Tata Steel shall positively impact and influence its partners in fostering a sense of social commitment for their stakeholders.

QUALITY POLICY

Consistent with the group purpose, Tata Steel constantly strives to improve the quality of life of the communities it serves through excellence in all facets of its activities. We are committed to create value for all our customers and key stakeholders by continually standardizing, improving and innovating our offerings, systems and processes involving all our employees.

This policy shall form the basis of establishing and reviewing the Business Objectives and Strategies and shall be communicated across the organization. The policy will be reviewed to align with business direction and to comply with all the requirements of TQM Principles.

HUMAN RESOURCE POLICY

Tata Steel is an equal opportunity employer.

Tata Steel recognizes that its people are the primary source of its competitiveness. It will pursue management practices designed to enrich the quality of life of its employees, develop their potential and maximize their productivity. It will aim at ensuring transparency, fairness and equality in all its dealings with its employees.

Tata Steel shall strive continuously to foster a climate of openness, mutual trust and teamwork.

In the process Tata Steel shall strive to be the employer of choice by attracting the best available talent and ensuring a cosmopolitan workforce.

SAFETY PRINCIPLES AND OCCUPATIONAL HEALTH POLICY

Tata Steel's safety and occupational responsibilities are driven by our commitment to ensure zero harm to people we work with and society at large and are integral to the way we do business.

Safety Principles

- Safety is a line management responsibility.
- All injuries can be prevented.
- Felt concern and care for the employee on "24 hours safety" shall be demonstrated by Leaders.
- Employees shall be trained to work safely.
- Working safely shall be condition of employment.
- Every job shall be assessed for the risk involved and shall be carried out as per authorized procedures/ checklist/ necessary work permit and using necessary work permit and using necessary personal protective equipment.

We are committed to continual improvement in our S&OH performance.

- We shall set objective-targets, develop, implement and maintain management standards and systems, and go beyond compliance of the relevant industry standards, legal and other requirements.

ENVIRONMENTAL POLICY

Tata Steel's environmental responsibilities are driven by our commitment to preserve the environment and are integral to the way we do business.

We are committed to deal proactively with climate Change issue by efficient use of natural resources & energy; reducing and preventing pollution; promoting waste avoidance and recycling measures; and product stewardship.

- We shall identify, assess and manage our environmental impact.
- We shall regularly monitor, review and report publicly our environmental performance.

- We shall develop & rehabilitate abandoned sites through a forestation and landscaping and shall protect and preserve the bio-diversity in the areas of our operations.
- We shall enhance awareness, skill and competence of our employees and contractors so as to enable them to demonstrate their involvement, responsibility and accountability for sound environmental performance.
- We are committed to continual improvement in our environmental performance.
- We shall set objective-targets, develop, implement and maintain management standards and system, and go beyond compliance of the relevant industry standards legal and other requirements.
- We will truly succeed when we sustain our environmental achievement and are valued by the communities in which we work.

RESEARCH POLICY

Tata Steel believes that research provides the foundation for sustained, long-term, stakeholder delight.

Tata Steel shall nurture and encourage innovative research in a creative ambience to ensure that the competitive advantages in its overall business is retained and surpassed. Towards this goal, the Company commits itself to providing all necessary resources and facilities for use by motivated researchers of the highest calibre.

Research in Tata Steel shall be aligned to the technological initiatives necessary to evolve and fulfil the overall business objectives of the Company.

Achievements/Awards

- ❖ CII-EXIM Bank confers business excellence award upon Tata steel-January 01, 2001
- ❖ Economic times awards for corporate excellence conferred upon Tata steel-August 11, 2001
- ❖ Economic times awards for corporate excellence- August 10, 2001
- ❖ Tata steel conferred SAP star installation award- August 08, 2001
- ❖ EEPC award for Tata steel- January 09, 2001
- ❖ DSIR national award for Tata steel- October 31, 2001
- ❖ British safety council award for Tata steel- October 09, 2001
- ❖ National energy conservation award 2002 for Tata steel- December 05. 2002

- ❖ Tata steel bags national awards in value engineering- November 09, 2002
- ❖ IIM awards for Tata steel executives- September 27, 2002
- ❖ MD Tata steel conferred IIM'S Tata gold medal- September 26, 2002
- ❖ National safety award for Tata steel – September 18, 2002
- ❖ Tata steel wins FIMI'S environment award 2001-2002 September 11, 2002
- ❖ Dr jamshed irani award for excellence in education- January 16, 2002
- ❖ Forging ahead – Tata steel bags “leadership in excellence “ award at the 10th JRD QV AWARDS CEREMONY – July 30, 2004
- ❖ Tayo rolls won global peacock innovation award 2004- August 20, 2004
- ❖ Varun jha, CIO,tata steel wins best CIO award- August 28, 2008
- ❖ Mr. Muthu Raman conferred the ‘CEO of the years ‘award by Asia brand summit- September 27, 2007
- ❖ Tata steel conferred with the ‘five star award’ – July 05, 2016
- ❖ Overall performance for the year 2015-16- October 04, 2016
- ❖ Tata steel bags two awards for excellence in value engineering- November 28, 2017
- ❖ Awards galore for iron ore, manganese and chromite mines of Tata steel- September 04, 2018
- ❖ Tata steel awarded the CII environmental best practices trophy 2018- July ,2018
- ❖ Tata steel recognised among India’s best workplaces large organisation, 2020 - December 24, 2019
- ❖ Tata steel wins IFSEC India disaster management excellence award - December 20.2019
- ❖ Tata steel limited and Tata steel Europe recognised by world steel as 2019 steel sustainability champions- June 02,2020

Future growth prospects

Terming the takeover of bhushan steel as “Strategic Investment”, Tata steel has said it will continue to pursue growth opportunities in India through both the organic and in organic routes in future.

OBJECTIVES AND TARGET IS

- Sustainability issues are reflected through specific social and environmental objectives and targets accepted by the top management as a part of Vision.

- To achieve its sustainability goals, the organization has identified 12 key enterprise processes critical to the growth and success of the organization. Mapping and identifying stakeholder concerns through a structured engagement and feedback process has been initiated. These stakeholder concerns are analysed, prioritized and are the prescribed goals for Corporate Sustainability Management. The senior management of Tata Steel tracks the performance of the targets against each strategic goal.
- Sustainability at the Tata Group and Tata Steel has always been value-driven. The five core values underpinning the way the Tata companies conduct business are
 - **Integrity:** We must conduct our business fairly, with honesty and transparency. Everything we do must stand the test of public scrutiny.
 - **Understanding:** We must be caring, show respect, compassion and humanity for our colleagues and customers around the world, and always work for the benefit of the communities we serve.
 - **Excellence:** We must constantly strive to achieve the highest possible standards in our day-to-day work and in the quality of the goods and services we provide.
 - **Unity:** We must work cohesively with our colleagues across the group and with our customers and partners around the world, building strong relationships based on tolerance, understanding and mutual cooperation.
 - **Responsibility:** We must continue to be responsible, sensitive to the countries, communities and environments in which we work, always ensuring that what comes from the people goes back to the people many times over.

2. MCKINSEY'S 7'S FRAME WORK AND PORTER'S FIVE FORCE MODEL

Mckinsey's 7's Framework

While some models of organizational effectiveness go in and out of fashion, one that has persisted is the McKinsey 7S framework. Developed in the early 1970s by Tom Peters and Robert Waterman, two consultants working at the McKinsey & Company consulting firm in United States to diagnose the causes of organizational problems and to formulate programs for improvement. The basic premise of the model is that there are seven internal aspects of an organization that need to be aligned if it is to be successful.

The 7-S model can be used in a wide variety of situations where an alignment perspective is useful, for example to help you:

- Improve the performance of a company.
- Examine the likely effects of future changes within a Company.
- Align departments and processes during a merger or acquisition.
- Determine how best to implement a proposed strategy.

THE SEVEN ELEMENTS

The McKinsey 7's model can be applied to elements of a team or a project as well. The alignment issues apply, regardless of how you decide the scope of the areas you study.

The McKinsey 7S model involves seven interdependent factors which are categorized as either "hard" or "soft" elements:

Hard element	Soft element
Strategy	Super- ordinate goals
Structure	Skills
Systems	Style
	Staff

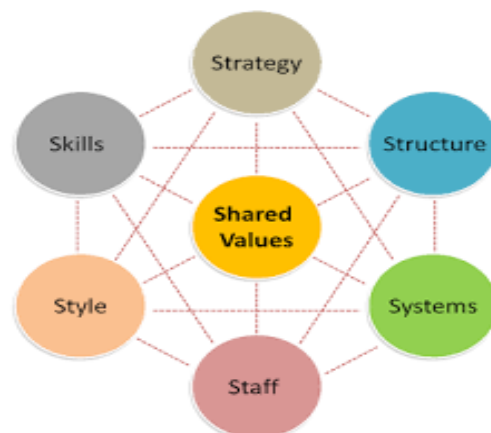
“Hard” elements are easier to define or identify and management can directly influence them. These are strategy statements; organisation charts and reporting lines; and formal processes and IT systems.

“Soft” elements, on the other hand, can be more difficult to describe, and are less tangible and more difficult to describe, and are less tangible and more influenced by culture. However, these soft elements are as important as the hard elements if the organization is going to be successful.

The McKinsey 7’s model

The way the model is presented in depicts the interdependency of the elements and indicates how a change in one affects all the others.

McKinsey 7S Framework



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<http://yourfreetemplates.com>

HOW TO USE THE MODEL

The model is based on the theory that, for an organization to perform well, these seven elements need to be aligned and mutually reinforcing. So, the model can be used to help identify what needs to be realigned to improve performance, or to maintain alignment (and performance) during other types of change.

Whatever the type of change restructuring, new processes, organizational merger, new systems, change of leadership, and so on the model can be used to understand how the organizational elements are interrelated, and so ensure that the wider impact of changes made in one area is taken into consideration.

The McKinsey 7S's model is one that can be applied to almost any organizational or team effectiveness issue. If something within your organization or team isn't working, chances are there is inconsistency between some of the elements identified by this classic model. Once these inconsistencies are revealed, you can work to align the internal elements to make sure they are all contributing to the shared goals and values.

Now, we will see the 7s Framework in accordance with the Tata Steel Company.

➤ **Organisation structure of Tata steel limited**

The composition of board and the board of directors

The structure of the board was modified in the year 2007 post the Corus UK acquisition to suitably incorporate changes which will lead to the adequate realisation of synergies from the deal within the given stipulated time frame to reap the maximum benefits from the much talked about and criticized deal.

➤ **Staffing of Tata Steel Limited**

Tata Steel's recruitment policy is designed to attract the right talent at the right time, to enhance the net worth of human capital and to obtain the best possible person-to-job, effectiveness.

The Company's Recruitment Policy aims at:

- Being fair and consistent;
 - Being non-discriminatory on the grounds of sex, race, age, religion or disability;
- Conform to statutory regulations

Human resources management

Tata Steel recognizes that its people are the primary source of its competitiveness and is committed to equal employment opportunities for attracting the best available talent and ensuring a cosmopolitan workforce. TSL aims to pursue management practices designed to enrich the quality of life of its employees, develop their productivity. It also aims at ensuring transparency, fairness and equity in all its dealing with its employees. TSL has been in

pioneer in its HR Policy over the years with the basic underlying principle of "Sharing and Caring and a Sense of Belonging" amongst all employees who are considered to be a part of the TSL family. The company has been known as a leader in introducing various HR practices and setting benchmarks in the global as well as Indian industry.

Some of these initiatives include:

- 1920: Tata Steel introduced initiatives like leave with pay (enforced by law in 1948), Workers' Provident Fund Scheme (enforced by law in 1952) and Workmen's Accident Compensation Scheme (Enforced by law in 1924).
- Tata Steel introduced eight-hour working days in 1912, much before such a system was implemented by law even in most western countries.
- Free medical aid was introduced in 1915 (enforce by law in 1948).
- Maternity benefits were introduced by Tata Steel in 1928 (implemented by law in 1946).
- Profit Sharing Bonus was granted for the first time in India by Tata Steel as early as in 1934 (enforced by law in 1965).
- A scheme of retiring gratuity was introduced by Tata Steel in 1937 (enforced by law in 1972)
- Tejaswini, launched in 2003, is a women Empowerment programme -the first of its kind – that trains women to take up unconventional jobs in the steel works.
- Shabash -a weekly scheme launched in 2002 –offers instant rewards and recognition to employees for exemplary behaviour.

Training and Development:

- E-learning facilities available on the Company's Intranet which was facilitated by Computer Literacy training.
- Computer Based Training packages and Multimedia training materials.
- Safety training received special attention based on the DuPont Guidelines identification of skill gaps; there is a plan in place to introduce a technical competency assessment system.
- Faculty support
- Up-skilling employees through process based, on the job training and diploma courses through premium engineering institutes.

- Directed Learning - strengthening the leadership pipeline coupled with emerging needs of growth projects across geographies.

➤ **Skills in TATA Steel Limited**

Managing the surplus manpower with a human touch has and always will be the cornerstone of the HR Policy of Tata Steel. In times to come, certain modifications may have to be made in view of economic considerations, but the underlying philosophy as envisaged by the Founder has a stamp of permanence in Tata Steel. The factors that helped the success of rightsizing at Tata Steel could be summarized as under:

Cultural Issues

- Steps to understand employees needs/ expectations
- Preparation of mind and attitudinal attuning
- Creation of excitement and motivation through intense counselling and information sharing

Leadership

- Open and collaborative leadership.
- Identification of key development of "soft skills" in handling the delicate process of redundancy leaders (drivers of change) and
- Empowerment of leaders at all levels to take quick decisions -- act on idea/issue relating to success of ESS immediately

Communication/Education

- Develop climate of trust and openness
- Making employees aware of business
- scenario and need for rightsizing
- Share/communicate settlement earnings well in advance plans/housing
- Educate employees plans/post retirement life style plans through expert interventions on investment
- Communicate policies, rules, procedures and modify or redefine the rules/procedures, if needed.

➤ **Systems used for completion of work in TATA Steel Limited**

The present system has been designed keeping in mind any organization in the service industry where the primary resource is manpower. This system can be customized and implemented in any service organization. It gives a tool to manage the human resource through efficient deployment a resource management of manpower. The top management can use this system to manage the implementation of strategies by checking that the human resources are deployed in a proper manner to achieve the business goals.

Process

- Simplified and easy processing of ESS application -one window concept (high customer focus)
- Ensure timely payment of settlement dues and monthly pension
- Share life style of separated employees role model to others
- Evaluate/reposition the scheme based on feedback from the employees, line and personnel executives
- Deal with rumours and inaccurate information quickly
- Develop communication and counselling techniques and skills
- Develop survivors' support plan

Care after Separation

- Render help/assistance to separated employees through "Ex-employees Help Line Desk"
- Help employees to protect from environment threats like money lenders and other unscrupulous agencies
- Nomination form for the nominee given to employees in advance to avoid any hassle of payment to family members in the event of death of separated employee before 60 years of age
- Monthly pension remitted to any bank anywhere in the country within 10 days of the month.

Safeguards

- Organization values
- Anxieties and stress
- Low employee morale

- Feelings of being deceived and frustration

Credibility in regard to timely payment and care after separation

Development and marketing of ESS package

- Develop an attractive and marketable package based on survey feedback
- Launch the scheme carefully and at an appropriate time (avoid festivity time, marriage time, school/college changeover time, exams time, etc.)

➤ Style of working in Tata steel limited

Steel junction, the new steel retail outlet from Tata steel, combines innovation, functionality and style, to offer a never-before range in steel lifestyle products.

If the employee is still not satisfied with the reply, he may appeal to the Chairman of the Zonal Works Committee concerned, on Grievance Form-I, within seven working days of the receipt of the reply at stage two.

Appeals against orders of discharge or dismissal should be addressed to the Chairman of the Zonal Works Committee concerned, on Grievance Form-III (copies of which are available at the Employment Bureau), or on ordinary paper, and these will be considered at Stage Three, in the first instance. This should be done within six weeks of the receipt of the orders, except that in cases where employees discharged or dismissed are out of Jamshedpur at the time the order is issued, the time limit should be three months from the date of issue of such orders.

The decision reached by the Management after due consideration of the recommendations of the Zonal Works Committee will be communicated to the employee on Grievance Form-III through proper channels. The Zonal Works Committee's unanimous recommendations, to which the Management or the Union raises no objection within 10 days of the receipt of such recommendations, shall be final.

Where such recommendations are not unanimous or have not been accepted by the Management or the Union, the Zonal Works Committee will refer the case to the Central Works Committee or the Special Central Works Committee for consideration.

➤ Strategy used by TATA Steel Limited

Proposed strategy:

- Strengthen Indian Operation

- Realize Synergies from the Corus Acquisition
- Seek and Maintain control over Raw Material
- Focus on High Growth in Emerging Markets and Pricing Stability in Developed Markets
- Increasing Focus on High Value Added Steel Products
- Encourage cashing on the carbon market/ CDM projects

GROWTH STRATEGY NEW PROJECTS:

- 2.9 mtpa expansion at Jamshedpur
- 6.0 mtpa Greenfield project at Orissa
- 0.5 mtpa Mini Blast Furnace Project in Thailand
- Orissa Project -Kalinganagar
 - a) 6 mtpa integrated steel making facility to be completed in two phases of 3mtpa each
 - b) Orders placed for Steel Melting Shop, Blast Furnace, Sinter Plant, and Coke Plant
Orders for Hot Strip Mill, Raw Material Handling System, Water System, and Oxygen Plant
- Thailand - 0.5 mtpa Mini Blast Furnace Project
 - a) Tentative completion Sep 2009
 - b) Signed Contract for machinery supply Contractor employment and
 - c) Entitlement of tax incentives from Board of Investments, Thailand

GROWTH AND GLOBALIZATION PLANS:

- 2.4 mtpa expansion at Jamshedpur to be Commissioned by 2008
- Limestone JV in Thailand for establishing globally low cost raw material sources
- 1 mtpa expansion at Jamshedpur
- Mascon's
- Disintegrated Production facility at Orissa at the planning stage
- Ferro Chrome Project in South Africa by 2006
- Coke plant at Halide
- Dharma Project
- Looking for Acquisitions in India and Overseas.

NEW VENTURESS GROWTH THROUGH COLLABORATION:

Vietnam Steel Project Understanding (MOU) with Vietnam Steel Corporation.

Iron Ore Project in Ivory Coast -JV with SODEMI (State Owned Company for Mineral Development in Ivory Coast) in December for the development of Mount Nimba Iron ore deposits in Ivory.

VN Coking Coal Project in Mozambique (Riversdale) JV with Riversdale held by Riversdale in Mozambique.

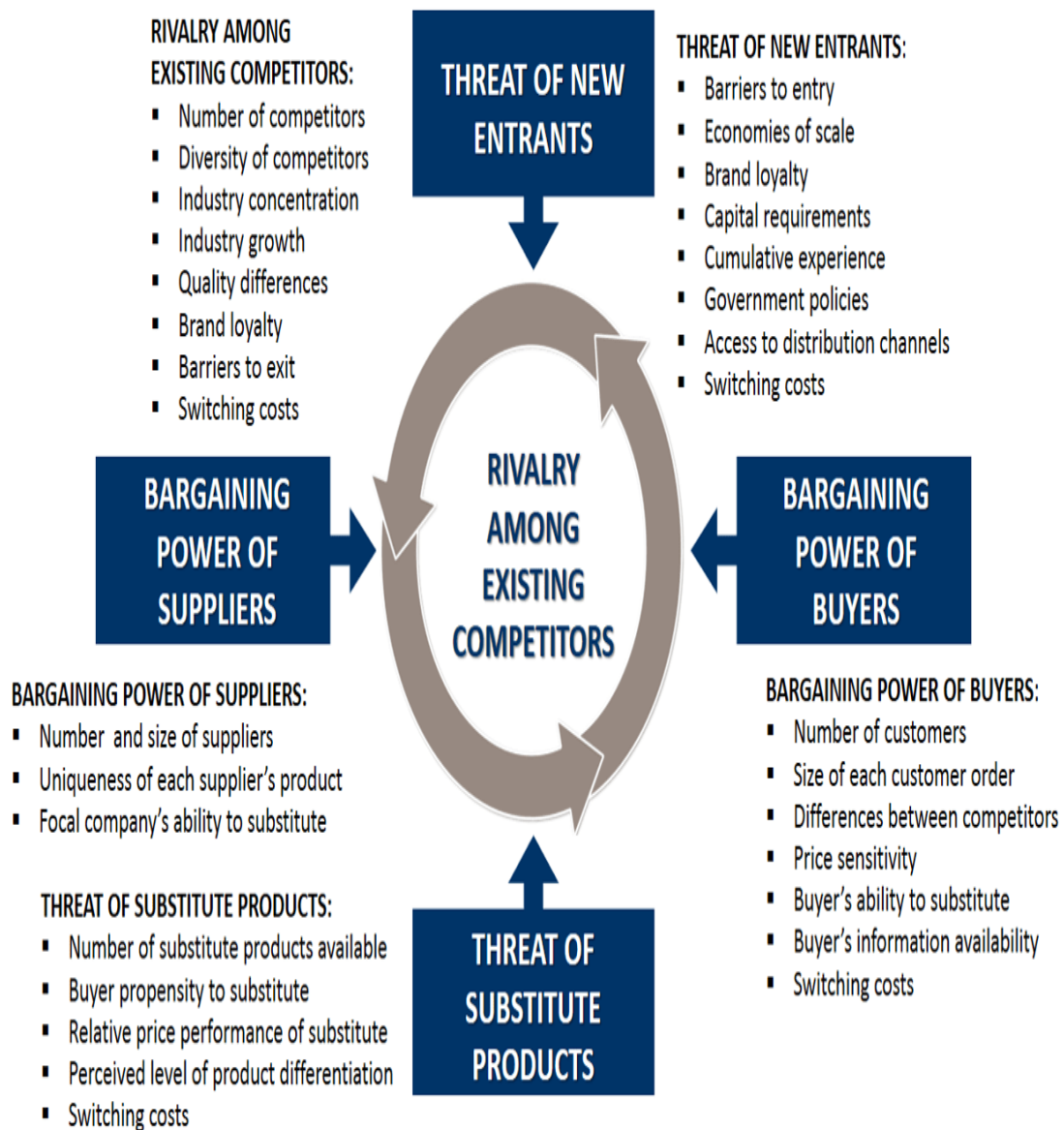
Limestone Project in Oman: JV with the members of the Al Bahja Group. Tata Steel has a 70% stake in the Joint Venture.

Coal Mining Project in Australia- JV with Vale in Australia for a Coking Coal mine

Tata steel sail joint venture for coking coal properties Tata steel has signed an equal stakes joint venture agreement with steel authority of India (sail), for coal mining activities in india.

Porter's Five force Model

Porter's five forces is a simple but powerful tool for understanding the competitiveness of your business environment, and for identifying your strategy's potential profitability.



Porter's five forces Analysis of Tata Steel Limited

- ❖ Competitor
- ❖ New Entrants Threat
- ❖ Threat to Substitutes
- ❖ Bargaining Power of Customers
- ❖ Bargaining Power of Suppliers

Competitor

- Jindal steels
- Reliance steels
- Aditya Birla group
- Coal junction
- Essar
- Micom
- ISPAT
- ArcelorMittal

New Entrants Threat

The Tata steel authority members had been said in a recent interview that they see no threat to their business. The words said by administration are-the quality of steel we produce and the technology along with cost efficiencies and product mix at their best.

Threat to Substitutes

- Plastics and composites
- Aluminium waste
- steel

Bargaining Power of Customers

Some of the steel consumption sectors like automobiles, oil and gas, shipping consumer's durable and power generation enjoy high bargaining power and get favourable deals. However, small and retail Consumers who are scattered and consume a significant part do not enjoy these benefits.

Bargaining Power of Suppliers

The bargaining power of suppliers is low for the fully integrated steel plants as they have their own mines of key raw materials like iron ore coal fit. Tata steel is also one of the least cost markers of steel in the world.

For limestone Tata steel has entered into a joint venture with the Al Bahja group of Oman.

NMDC is a major supplier to standalone and non-integrated still mills. In order to safeguard itself from high bargaining power of buyers, Tata steel has forayed much earlier in it the strategy of "backward integration'.

Porter's Competitive

- ❖ Cost Reduction
- ❖ Differentiation Strategy
- ❖ Innovation Strategy
- ❖ Growth Strategy
- ❖ Alliance Strategy

Cost Reduction Strategy

Tata's competitive advantage and value chain hard work, preparation, research, thinking, getting the value proposition right and serving the customer better, can take care of the economic challenges. When things change, reacting appropriately to the change helps.

Differentiation Strategy

- By building efficient supply chain with multiple Suppliers.
- By experimenting with product designs using different materials so that if the prices go up of one raw material then company can shift to another.
- New products will also reduce the defection of existing customers of Tata Motors Limited to its Competitors.
- By understanding the core need of the customer rather than what the customer is buying.

Innovation Strategy

- Tata steel is one of the few steel companies that are fully integrated
- The company also involves in prospecting discovering and mining

- Tata steel Europe has invested significantly in the development of life cycle assessment models for many sectors. It helps us advise our customers at the design stage of their products made from steel to help minimize energy usage.
- Tata Steel Europe is also working with other steelmakers in Europe on major research and development project, ULCOS (ultra-low CO2 steelmaking), to develop breakthrough technologies which can reduce CO2 emissions per tonne of steel produced by at least 50%.

Growth Strategy

Strategy at Tata Steel is driven by continuous efforts to stay alert to changing market requirements and to respond through initiatives that drive change

- ✓ Customer focus
- ✓ Innovation
- ✓ Operational excellence
- ✓ Responsible behaviour
- ✓ Restructuring initiatives
- ✓ Alliance

Alliance Strategy

- Tata steel as entered into a strategic pact worth Canadian dollar 30 million with Labrador Iron Mines Holdings and the agreement includes transfer of 51 per cent stake in one of the deposits owned by the Canadian entity to it.
- A 50:50 joint venture of SAIL and Tata Steel, S&T Mining's main objective is to work in the coking coal and mineral space domestically and internationally.
- JAMIPOL Ltd. is a joint venture between Tata Steel (42%), SKW Stahl-Metallurgie, Germany (30%) and TAI Industries and associates (27%). With a key purpose of improving the quality of life through leadership in sectors of national economic significance.

3. SWOT ANALYSIS OF TATA STEEL LIMITED

STRENGTH

- Strong Brand name of TSL and Tata Group.
- India operations capable of meeting its Own iron ore requirements.
- Raw material security building through global operations.
- Leading Sales and Distribution capability.
- Low wage labour availability.

WEAKNESS

- Low R&D Investment.
- Unscientific Mining.
- Low Productivity.

OPPURTUNITY

- Unexplored rural markets.
- Growing domestic markets.
- Growing global demands.
- Developing countries not restrained under the Kyoto Protocol.
- Carbon credits trading on the rise.
- High investment in infrastructure development.

THREATS

- World's big producers entering Indian markets.
- China set to becoming a net exporter.
- High duties and taxes by the Government
- Global laws relating to pollution control and high energy cost.
- Global economic slowdown.

4. ANALYSIS OF FINANCIAL STATEMENT OF TATA STEEL LIMITED

Tata Steel has announced its results for the year ended March 2019. Let us have a look at the detailed performance review of the company during FY18-19.

Tata Steel Income Statement Analysis

No. of Months Ending	Year		12 Mar-2018	12 Mar-2019	% Change
Net Sales		Rs m	1,241,097	1,576,690	27.0%
Other income		Rs m	8,811	14,206	61.2%
Total Revenues		Rs m	1,249,908	1,590,896	27.3%
Gross profit		Rs m	216,723	297,880	37.4%
Depreciation		Rs m	57,417	73,418	27.9%
Interest		Rs m	54,547	76,601	40.4%
Profit before tax		Rs m	113,570	162,067	42.7%
Tax		Rs m	33,923	67,184	98.0%
Profit after tax		Rs m	178,029	95,920	-46.1%
Gross profit margin		%	17.5	18.9	
Effective tax rate		%	29.9	41.5	
Net profit margin		%	14.2	6.0	

- Operating income during the year rose 27.0% on a year-on-year (YoY) basis.
- The company's operating profit increased by 37.4% YoY during the fiscal. Operating profit margins witnessed a fall and down at 18.9% in FY19 as against 17.5% in FY18.
- Depreciation charges increased by 27.9% and finance costs increased by 40.4% YoY, respectively.
- Other income grew by 61.2% YoY.
- Net profit for the year declined by 46.1% YoY.

→ Net profit margins during the year declined from 14.2% in FY18 to 6.0% in FY19.

Tata Steel Balance Sheet as on March 2019

No. of Months Ending	Year	12 Mar-18*	12 Mar-19*	% Change
Net worth	Rs m	585,956	666,501	13.7
Current Liabilities	Rs m	556,613	596,080	7.1
Long-term Debt	Rs m	158,850	108,021	-32.0
Total Liabilities	Rs m	2,097,579	2,335,824	11.4
Current assets	Rs m	677,747	548,487	-19.1
Fixed Assets Rs m		1,127,193	1,450,061	28.6
Total Assets	Rs m	2,097,579	2,335,824	11.4

→ The company's current liabilities during FY19 stood at Rs 596 billion as compared to Rs 557 billion in FY18, thereby witnessing an increase of 7.1%.

→ Long-term debt down at Rs 108 billion as compared to Rs 159 billion during FY18, a fall of 32.0%.

→ Current assets fell 19% and stood at Rs 548 billion, while fixed assets rose 29% and stood at Rs 1,450 billion in FY19.

→ Overall, the total assets and liabilities for FY19 stood at Rs 2,336 billion as against Rs 2,098 billion during FY18, thereby witnessing a growth of 11%.

Tata Steel Cash Flow Statement 2018-19

Particulars	No. of months	12	12	% Change
	Year ending	Mar-18	Mar-19	
Cash Flow from Operating Activities	Rs m	80,234	253,360	215.8%
Cash Flow from Investing Activities	Rs m	-120,256	-299,018	-
Cash Flow from Financing Activities	Rs m	66,399	-6,727	-
Net Cash Flow	Rs m	29,330	-52,041	-

→ Tata Steel's cash flow from operating activities (CFO) during FY19 stood at Rs 253 billion, an improvement of 215.8% on a YoY basis.

→ Cash flow from investing activities (CFI) during FY19 stood at Rs -299 billion, an improvement of 148.7% on a YoY basis.

→ Cash flow from financial activities (CFF) during FY19 stood at Rs -7 billion on a YoY basis.

→ Overall, net cash flows for the company during FY19 stood at Rs -52 billion from the Rs 29 billion net cash flows seen during FY18.

Per Share Data/Valuations

No. of Months Year Ending		12 Mar-2018	12-Mar-2019
Sales per share (Unadj.)	Rs	108.3	137.6
TTM Earnings per share	Rs	15.5	8.4
Diluted earnings per share	Rs	183.3	98.8
Price to Cash Flow	x	17.6	2.1
TTM P/E ratio	x	53.5	4.5

Price / Book Value ratio	x	11.9	9.4
Market Cap	Rs m	4,109,413	348,231
Dividends per share (Unadj.)	Rs	10.0	13.0

- The trailing twelve-month earnings per share (EPS) of the company stands at Rs 8.4, and decline from the EPS of Rs 15.5 recorded last year.
- The price to earnings (P/E) ratio, at the current price of Rs 358.6, stands at 4.5 times its trailing twelve months earnings.
- The price to book value (P/BV) ratio at current price levels stands at 9.4 times, while the price to sales ratio stands at 4.0 times.
- The company's price to cash flow (P/CF) ratio stood at 2.1 times its end-of-year operating cash flow earnings.

Ratio Analysis

No. of Months Year Ending		12-Mar-2018	12-Mar-2019
Current ratio	x	1.2	0.9
Debtors' Days	Days	37	27
Interest coverage	x	3.1	3.1
Debt to equity ratio	x	0.3	0.2
Return on assets	%	11.1	7.4
Return on equity	%	30.4	14.4
Return on capital employed	%	35.8	30.9

Solvency Ratios

- **Current Ratio:** The Company's current ratio deteriorated and stood at 0.9x during FY19, from 1.2x during FY18. The current ratio measures the company's ability to pay short-term and long-term obligations.
- **Interest Coverage Ratio:** The Company's interest coverage ratio improved and stood at 3.1x during FY19, from 3.1x during FY18. The interest coverage ratio of a

company states how easily a company can pay its interest expense on outstanding debt. A higher ratio is preferable.

Profitability Ratios

- **Return on Equity (ROE):** The ROE for the company declined and down at 14.4% during FY19, from 30.4% during FY19. The ROE measures the ability of a firm to generate profits from its shareholders capital in the company.
- **Return on Capital Employed (ROCE):** The ROCE for the company declined and down at 30.9% during FY19, from 35.8% during FY18. The ROCE measures the ability of a firm to generate profits from its total capital (shareholder capital plus debt capital) employed in the company.
- **Return on Assets (ROA):** The ROA of the company declined and down at 7.4% during FY19, from 11.1% during FY18. The ROA measures how efficiently the company uses its assets to generate earnings.

Tata Steel Share Price Performance

Over the last one year, TATA STEEL share price has moved down from Rs 619.0 to Rs 358.6, registering a loss of Rs 260.5 or around 42.1%.

Meanwhile, the S&P BSE METAL Index is trading at Rs 8,828.5 (up 0.8%). Over the last one year it has moved down from 14,045.5 to 8,828.5, a loss of 5,217 points (down 37.1%).

Overall, the S&P BSE SENSEX is down 2.7% over the year.

Tata Steel Profit and Loss account

Particular	Mar 2020(RS).Cr	Mar 2019(RS).Cr	Mar 2018(RS).Cr	Mar 2017(RS).Cr	Mar 2016(RS).Cr
Income :	139816.65	157668.99	124109.69	117419.94	106339.92
Sales turnover					
Excise duty	0.00	0.00	860.62	5120.52	4375.20
Net sales	139816.65	157668.99	123249.07	112299.42	101964.72
Other income	2221.08	1825.41	15149.95	643.69	7331.64
Stock adjustments	565.24	96.71	-99.31	4538.13	-1925.19
Total income	142602.97	159591.11	138299.71	117481.24	107371.17
Expenditure	58039.99	60877.05	46137.01	43843.03	38696.27
Raw materials					
Power & fuel cost	5319.92	5316.56	4440.43	5220.83	4993.89
Employee cost	18533.58	18758.87	17077.51	17252.22	17587.63
Other manufacturing expenses	21232.69	20734.28	16955.79	15799.14	1603.28
Selling and Administration expenses	15599.07	16917.14	14423.87	13772.32	12908.42
Miscellaneous expenses	11616.29	7808.96	7934.36	13003.89	8523.02
Less:Pre-operative expenses capitalised	2318.00	1664.28	1000.86	764.71	1092.97
Total expenditure	128023.54	128748.54	105968.11	108126.72	97650.54
Operating profit	14579.43	30842.53	32331.60	9354.52	9720.63

Interest	7533.46	7660.10	5454.74	5072.20	4221.41
Gross profit	7045.97	23182.43	2687.86	4282.32	5499.22
Depreciation	8440.73	7341.83	5741.70	5672.88	5306.35
Minority interest (Before tax)	0.00	0.00	0.00	0.00	0.00
Profit before tax	-1394.76	15840.60	21135.16	-1390.56	192.87
Tax	2084.52	1584060	1980.24	1741.70	1321.02
Fringe benefit tax	0.00	0.00	0.00	0.00	0.00
Deferred tax	-4652.93	-9.71	1412.09	1036.31	-631.06
Net profit	1173.65	9122.17	17742.83	-4168.57	-497.09
Minority interest(After tax)	-382.89	-1096.16	4308.50	72.23	-114.31
Profit/Loss of associate company	0.00	0.00	0.00	0.00	0.00
Net profit after minority interest & P/L asso.co.	1556.54	1021.33	13434.33	-4240.80	-382.78
Extraordinary items	1786.92	491.55	8587.72	-1545.10	1693.21
Adjustment net profit	-230.38	9726.78	4846.61	-2695.70	-2075.99
Adjustment below net profit	4002.98	-2819.13	6784.72	-4013.75	4670.01
P&L balance brought forward	14056.43	7801.99	-11447,01	-2415.49	-9525.75
Statutory	0.00	0.00	0.00	0.00	0.00

appropriations					
Appropriations	1488.13	1144.76	970.05	776.97	776.97
P&L balance carried down	18127.82	14056.43	780.99	-11447.01	-2415.49
Dividend	0.00	0.00	0.00	0.00	0.00
Preference dividend	0.00	0,00	0.00	0.00	0.00
Equity dividend (%)	100.00	100.00	100.00	100.00	80.00
EPS before minority interest (unit curr.)	10.25	130.00	154.97	0.00	0.00
EPS before minority interest (adj) (unit curr.)	10.25	79.67	154.97	0.00	0.00
EPS after minority interest (unit curr.)	13.59	89.25	117.34	0.00	0.00
EPS after minority interest (adj) (unit curr.)	13.59	89.25	117.34	0.00	0.00
Book value (unit curr.)	622.75	582.13	511.77	327.30	427.29

TATA STEEL BALANCE SHEET

Particular	Mar 2020 (RS).CR	Mar 2019 (RS).CR	Mar 2018 (RS).CR	Mar 2017 (RS).CR	Mar 2016 (RS).CR
SOURCE OF FUNDS:					
Share capital	1146.13	1146.12	1146.12	971.41	971.41
Reserves total	73416.99	69308.59	60368.70	48687.59	45665.97
Equity share warrants	0.00	0.00	0.00	0.00	0.00
Equity application money	2275.00	2275.00	2275.02	0.01	2275.00
Total shareholders' funds	76838.12	72729.71	63789.84	49659.01	48912.38
Secured loans	5618.78	2572.19	2528.86	2435.03	2360.37
Unsecured loans	35804.09	27129.28	25596.94	25849.60	28483.14
Total debt	41422.87	29701.47	28125.80	28284.63	30843.51
Total liabilities	118260.99	102431.18	91915.64	77943.64	79755.89
Application of funds: Gross block	91825.67	87965.86	84681.58	81823.38	55808.43
Less: Accumulated depreciation	20550.62	16702.17	12913.89	9217.62	5682.58
Less: Impairment of assets	41.67	41.67	38.61	38.61	37.46
Net block	71233.38	71222.02	71729.08	72567.15	50088.39
Lease adjustment	0.00	0.00	0.00	0.00	0.00
Capital work in progress	8247.05	5796.29	5673.27	6163.96	28205.88
Producing properties	0.00	0.00	0.00	0.00	0.00
Investments	50096.07	39406.72	24276.93	13265.17	11185.42
Current assets, loans & advance					
Inventories	10716.66	11255.34	11023.41	10236.85	7137.38
Sundry debtors	1016.73	13631.04	1875.63	2006.52	1133.17
Cash and Bank	1226.87	718.11	4696.74	970.31	9036.13

Loans and Advance	3813.77	3221.62	2407.76	1586.91	1321.56
Total current assets	16774.03	16558.11	20003.54	14800.59	10628.25
Less: current liabilities and provisions					
Current liabilities	19889.27	21407.00	20861.15	18299.75	12802.36
Provisions	941.12	1136.37	1189.34	1166.32	1013.22
Total current liabilities	20830.39	22543.37	22050.49	19466.07	13815.58
Net current assets	-4053.36	-5985.26	-2046.95	-4665.48	-3187.33
Miscellaneous expenses not written off	0.00	0.00	0.00	0.00	0.00
Deferred tax assets	5220.70	6238.60	7223.77	6714.48	5158.36
Deferred tax liability	11082.98	14045.60	13482.86	12825.75	10769.06
Net deferred tax	-5862.28	-7807.00	-6259.09	-6111.27	-5610.70
Total assets	119657.86	102632.77	93373.24	81620.07	81281.66
Contingent liabilities	24969.62	28295.62	24083.82	22165.31	21085.56

5. LEARNING EXPERIENCE

After conducting an in depth study of India's most admired companies, I find that the company has many strengths and opportunities which it may capitalize on to truly become a world leader in steel making along with setting standards for corporate citizenship and social responsibility towards a long term sustainable growth. Though some of its projects and acquisitions have met with widespread criticism, it is up to the company to realize the synergies from the deals to raise the bar for its own performance. We believe that the domestic steel industry will likely to maintain its momentum in the long term. However, the growth may get affected in short run. Investors need to focus on companies that are integrated, have economies of scale and sell premium quality products.

BIBLIOGRAPHY

- https://en.m.wikipedia.org/wiki/Tata_Steel
- www.tatasteel.com
- www.capitalmarket.com

WEEKLY PROGRESS REPORT

Student Name	Priya M
USN	1CR19MBA65
Title of the Study	An Organization Study on Tata Steel Limited
Organization	Tata Steel Limited
WEEK-1	
Duration (start date - End date)	6.8.2020 - 12.8.2020
Chapter's covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
WEEK-2	
Duration (start date - End date)	13.8.2020 - 18.8.2020
Chapter's covered	Chapter 3
Descriptions of activities performed during the week	McKenzie's 7S framework, Porter's Five Force Model.
WEEK-3	
Duration (start date - End date)	19.8.2020 - 26.8.2020
Chapter's covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
WEEK-4	
Duration (start date - End date)	27.8.2020 - 30.8.2020
Chapter's covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography



Signature of the Student



Signature of the Guide