A

PROJECT REPORT

ON

"A Study on Financial Analysis of Merger & Acquisition of Tata Steel & Bhushan Steel."

Submitted To

Rashtrasant Tukadoji Maharaj Nagpur University,

Nagpur.

For the award of degree of

Bachelor of Business Administration.

Submitted by

Ankita R. Rathod

Under the guidance of

Dr. Afsar Sheikh.

G. S College of Commerce and Economics, Nagpur.

Academic year 2019-2020

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CERTIFICATE

This is to certify that **Ku. Ankita R. Rathod** has submitted the project report titled **"A Study on Financial Analysis of Merger & Acquisition of Tata Steel & Bhushan Steel"**, towards

partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University. It is further certified that she has ingeniously completed her project.

DR. AFSAR SHEIKH   **DR. ASHWINI PUROHIT**

(Project guide)   **(Co-Ordinator)**

Place: Nagpur
Date: 28-05-2020

G. S College of Commerce and Economics, Nagpur.

Academic year 2019-2020

DECLARATION

I here-by declare that the project with title **"A Study on Financial Analysis of Merger & Acquisition of Tata Steel & Bhushan Steel"**, has been completed by me in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not submitted for any other examination and does not form the part of any other course undertaken by me.

Place: Nagpur   **Ku. Ankita R. Rathod**

Date: 28-05-2020

Academic year 2019-2020

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. N. Y. Khandait, Principal, G. S. College of Commerce and Economics, Nagpur.

I am extremely thankful to my project guide Dr. Afsar sheikh for the guideline throughout the project. I tender my sincere regards to coordinator, Dr. Ashwini Purohit, for giving me outstanding guidance, enthusiastic suggestion and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the non-teaching staff of the college for their co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Place: Nagpur.   **Ku. Ankita R. Rathod**

Date: 28-05-2020

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<u>INTRODUCTION.</u>

Financial Management – Meaning, Definition, Scope, Objectives, Functions.

Meaning of Financial Management:

Financial management is the specialized function directly associated with the top management. It also refers to the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. It means planning, organising, directing, and controlling the financial activities such as procurement and utilization of funds. It includes how to raise the capital and how to allocate capital, i.e. capital budgeting.

Definition:

1) According to *Solomon*, "Financial management aims to effectively use the capital funds which also happens to be a significant economic resource."

2) According to *Weston and Brigham*, "Financial management is province of financial decision-making, harmonizing individual motives and enterprise goals".

3) According to *Howard and Upton*, "Financial management should be considered as an application of general managerial principles to the area of financial decision-making."

Scope:

- Estimating the Requirement of Funds: Businesses make forecast on funds needed in both short run and long run, hence, they can improve the efficiency of funding. The estimation is based on the budget, e.g. sales budget, purchase budget.

- Determining the Capital structure: Capital structure is how a firm finances its overall operations and growth by using different sources of funds. Once the requirement of funds has estimated, the financial manager should decide the mix of debt and equity and also types of debt.

- Investment plans: A good investment plan can bring businesses huge returns.

- To ascertain maximum profit as well as maintain the core value of the organization.

MERGER & ACQUISITION.

Merger is a topic under financial management. A merger is an agreement that unites two existing companies into one new company. There are several types of mergers and also several reasons why companies' complete mergers. Merger and acquisitions are commonly done to expand a company's reach, expand into new segments, or gain market share. All of these are done to increase shareholder value. Often, during a merger, companies have a no-shop clause to prevent purchases or mergers by additional companies.

HOW IT WORKS.

A merger & acquisition is the voluntary fusion of two companies on broadly equal terms into one new legal entity. The firms that agree to merge are roughly equal in terms of size, customers, scale of operations, etc. For this reason, the term "merger of equals" is sometimes used. Acquisitions, unlike mergers, or generally not voluntary and involve one company actively purchasing another.

Mergers are most commonly done to gain market share, reduce costs of operations, expand to new territories, unite common products, grow revenues, and increase profits—all of which should benefit the firms' shareholders. After a merger, shares of the new company are distributed to existing shareholders of both original businesses.

An acquisition is when one company purchases most or all of another company's shares to gain control of that company. Purchasing more than 50% of a target firm's stock and other assets allows the acquirer to make decisions about the newly acquired assets without the approval of the company's shareholders. Acquisitions, which are very common in business, may occur with the target company's approval, or in spite of its disapproval. With approval, there is often a no-shop clause during the process.

Financial Analysis

Financial analysis is the process of evaluating businesses, projects, budgets, and other finance-related transactions to determine their performance and suitability. Typically, financial analysis is used to analyse whether an entity is stable, solvent, liquid, or profitable enough to warrant a monetary investment.

Types of Financial Analysis:

There are two types of financial analysis: fundamental analysis and technical analysis.

A. Fundamental Analysis

Fundamental analysis uses ratios gathered from data within the financial statements, such as a company's earnings per share (EPS), in order to determine the business's value. Using ratio analysis in addition to a thorough review of economic and financial situations surrounding the company, the analyst is able to arrive at an intrinsic value for the security. The end goal is to arrive at a number that an investor can compare with a security's current price in order to see whether the security is undervalued or overvalued.

B. Technical Analysis

Technical analysis uses statistical trends gathered from trading activity, such as moving averages (MA). Essentially, technical analysis assumes that a security's price already reflects all publicly-available information and instead focuses on the statistical analysis of price movements. Technical analysis attempts to understand the market sentiment behind price trends by looking for patterns and trends rather than analysing a security's fundamental attributes.

Tools for financial analysis:

1. Comparative Statement:

   Comparative statements deal with the comparison of different items of the Profit and Loss Account and Balance Sheets of two or more periods. Separate comparative statements are prepared for Profit and Loss Account as Comparative Income Statement and for Balance Sheets.

As a rule, any financial statement can be presented in the form of comparative statement such as comparative balance sheet, comparative profit and loss account, comparative cost of production statement, comparative statement of working capital and the like.

2. Average Analysis:

Whenever, the trend ratios are calculated for a business concern, such ratios are compared with industry average. These both trends can be presented on the graph paper also in the shape of curves. This presentation of facts in the shape of pictures makes the analysis and comparison more comprehensive and impressive.

3. Statement of Changes in Working Capital:

The extent of increase or decrease of working capital is identified by preparing the statement of changes in working capital. The amount of net working capital is calculated by subtracting the sum of current liabilities from the sum of current assets. It does not detail the reasons for changes in working capital.

4. Fund Flow Analysis:

Fund flow analysis deals with detailed sources and application of funds of the business concern for a specific period. It indicates where funds come from and how they are used during the period under review. It highlights the changes in the financial structure of the company.

5. Cash Flow Analysis:

Cash flow analysis is based on the movement of cash and bank balances. In other words, the movement of cash instead of movement of working capital would be considered in the cash flow analysis. There are two types of cash flows. They are actual cash flows and notional cash flows.

6. Ratio Analysis:

   Ratio analysis is an attempt of developing meaningful relationship between individual items (or group of items) in the balance sheet or profit and loss account. Ratio analysis is not only useful to internal parties of business concern but also useful to external parties. Ratio analysis highlights the liquidity, solvency, profitability and capital gearing.

7. Cost Volume Profit Analysis:

   This analysis discloses the prevailing relationship among sales, cost and profit. The cost is divided into two. They are fixed cost and variable cost. There is a constant relationship between sales and variable cost. Cost analysis enables the management for better profit planning.

COMPANY PROFILE

TISCO

Tata Steel Limited, formerly **Tata Iron and Steel Company Limited (TISCO)**, is an Indian multinational steel-making company headquartered in Kolkata, West Bengal, India, and a subsidiary of the Tata Group.

It is one of the top steel producing companies globally with annual crude steel deliveries of 27.5 million tonnes (in FY17), and the second largest steel company in India (measured by domestic production) with an annual capacity of 13 million tonnes after SAIL.

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 as per Brand Finance.

Tata Steel has set a target of achieving an annual production capacity of 100 million tons; it is planning for capacity expansion to be balanced roughly 50:50 between greenfield developments and acquisitions. Overseas acquisitions have already added an additional 21.4 million tonnes of capacity, including Corus (18.2 million tonnes), NatSteel (2 million tonnes) and Millennium Steel (1.2 million tonnes). Tata plans to add another 29 million tonnes of capacity through acquisitions.

Major greenfield steel plant expansion projects planned by Tata Steel include:

1. A 6 million tonne per annum capacity plant in Kalinga nagar, Odisha, India;

2. An expansion of the capacity of its plant in Jharkhand, India from 6.8 to 10 million tonnes per annum;

3. A 5 million tonne per annum capacity plant in Chhattisgarh, India (Tata Steel signed a memorandum of understanding with the Chhattisgarh government in 2005; the plant is facing strong protest from tribal people);

4. A 3 million tonne per annum capacity plant in Iran;

5. A 2.4 million tonne per annum capacity plant in Bangladesh;

6. A 10.5 million tonne per annum capacity plant in Vietnam (feasibility studies are underway);

7. A 6 million tonne per annum capacity plant in Haveri, Karnataka.

BHUSHAN STEEL

Bhushan Power & Steel Limited (BPSL) is a bankrupt steel company that is engaged in the manufacturing and marketing of steel products. It was established in 1970. In July 2019, BPSL was allegedly involved in fraud worth ₹3805.15 crore rupees (US$535.23 million), as detected by Punjab National Bank. It is one of India's most indebted companies and appears among the 12 companies referred by the Reserve Bank of India (RBI) to a bankruptcy court for the purpose of debt resolution.

Vision:

"At BSL, we believe in the power of five – People, Products, Customers, Culture and Values."

Some of the products in which BSL ltd. was dealing is as follows:

- Hot rolled coil

- Technical data sheet for pre-painted galvanized product.

- Drawn tubes for OEM grade

- High tensile steel strapping, etc.

TATA STEEL BSL LIMITED.

Type	Public
Traded as	BSE: 500055 NSE: TATASTLBSL
Industry	Steel
Founded	2018
Headquarter	New Delhi, India
Key people	TV Narendran (chairman and non-executive director), Rajeev Singhal (MD).
Products	Cold rolled, galvanised, Bhushan Galume, colour coated tiles, drawn tubes, strips, wire rods, alloy billets, sponge iron.
Revenue	US$ 1.7 billion.
No. of employees	5000+
Parent	TATA Steel.
Website	http://tatasteelbsl.co.in/home.html

Tata Steel BSL Limited, formerly known as Bhushan Steel Limited is the largest manufacturer of auto-grade steel in India. Tata Steel BSL Limited, with a large amount of debt in proportion to its equity (3.5 times more), is a highly leveraged company. The company's consolidated debt stands at ₹31,839 crore, having risen 18 per cent from a year ago. The Company is spending Rs. 260 billion to expand its capacity to 12 million tonnes annually, from the present installed capacity of around one million tonnes.

Insolvency proceedings were initiated against the former company on 26 July 2017 under the Insolvency and Bankruptcy Code, 2016.

Tata Steel on 18 May 2018 announced the completion of its acquisition of the then Bhushan Steel (BSL) through its wholly owned subsidiary Bamnipal Steel Ltd (BNPL), wrapping up the resolution of the first case under Insolvency and Bankruptcy Code, 2016. The bankrupt firm was among the 12 stressed assets the RBI had referred for NCLT proceedings last year. On November 27, 2018 the company was renamed as Tata Steel BSL Limited from Bhushan Steel Limited.

This company is distinct from Bhushan Power & Steel Ltd (with Sanjay Singal as Chairman & Managing Director) with major claims by creditors against it, including the Punjab National Bank.

In April 2019, the Tata Steel board approved the merger of Bamnipal Steel and Tata Steel BSL (formerly Bhushan Steel Ltd) with itself.

Structuring of the deal

As a part of resolution plan, BMSL (subsidiary of TATA) paid Rs. 35,100 crores to the financial creditors of Bhushan Steels to settle their claims. Amount was infused by way of issue of equity shares and inter-corporate deposits. Detail break-up is as follows:

Table 1: Resolution Plan Break-Up

TREATMENT	(All Figs in ₹ Lacs)
Issue of shares to BMSI (2 Rs. each share)	15,888.58
Treated as inter-corporate Deposit	34,97,369
UTILISATION	
CIRP and employee's payment	3,258
Payment to financial creditors	35,10,000

Impact of M&A on Shareholdings of BSL.

Particulars	Mar – 19		Mar – 18	
	% holding	Mkt cap (in Cr.)	% holding	Mkt cap (in Cr.)
Promoters	72.65%	2,228.37	43.90%	398.02
Public	27.35%	838.78	56.10%	508.71
Total	100%	3,067.10	100%	906.74

[NOTE: There was no extinguishment of share capital of existing promoters of the company, as usually happens in the other resolution plans, they are still holding shares in the company, now classified in the public category.]

PROBLEM DEFINATION

INTRODUCTION

In the merger of two companies, the investors must know the following necessaries:

What are the benefits of merger to the investors? Will investors like new management of the company? How company see their future by merging? Etc.

RELEVANCE OF THE STUDY

- Assessing the operational efficiency and managerial effectiveness of the company.

- Analysing the financial strengths and weaknesses and creditworthiness of the company.

- Analysing the current position of financial analysis.

- Assessing the types of assets owned by a business enterprise and the liabilities which are due to the enterprise.

- Providing information about the cash position, the company is holding and how much debt the company has in relation to equity.

- Studying the reasonability of stock and debtors held by the company.

OBJECTIVES OF THE STUDY

- To predict the future prospects of the company, past performance is analysed. Past performance is analysed by reviewing the trend of past sales, profitability, cash flows, return on investment, debt-equity structure and operating expenses, etc.

- Examining the current profitability & operational efficiency of the enterprise so that the financial health of the company can be determined. For long-term decision making, assets & liabilities of the company are reviewed. Analysis helps in finding out the earning capacity & operating performance of the company.

- The top management is concerned with future prospects of the company. Financial analysis helps them in reviewing the investment alternatives for judging the earning potential of the enterprise. With the help of financial statement analysis, assessment and prediction of the bankruptcy and probability of business failure can be done.

- Financial analysis helps the financial institutions, loan agencies & banks to decide whether a loan can be given to the company or not. It helps them in determining the credit risk, deciding the terms and conditions of a loan if sanctioned, interest rate, maturity date etc.

NEEDS OF THE STUDY

- To analyze the financial position of "TATA Steel BSL ltd." on the basis of calculation and interpretation of some important parameter of liquidity such as current ratio, inventory turnover ratio, profitability ratio, quick ratio etc.

- To give the overview of the company in which the project is carried out.

- To find out the financial position of the company.

- To find out profitability of the company.

- To know the assessing operating efficiency.

<u>HYPOTHESIS</u>

The hypothesis taken into consideration for this study:

H_0 = Merger and acquisition does not help to improve the profitability of the company.

H_1 = Merger and acquisition helps to take necessary steps to improve the profitability of the company.

<u>DATA COLLECTION</u>

TYPE OF RESEARCH USED.

Research can be classified in many different ways on the basis of methodology of the research, the knowledge it creates, the user groups, the research problem it investigates, etc. Following is the methodology that we have used in research:

Quantitative Research:

In natural and social sciences, and sometimes in other fields, quantitative research is the systematic empirical investigation of observable phenomena via statistical, mathematical, or computational techniques. The objective of quantitative research is to develop and employ mathematical models, theories, and hypotheses pertaining to phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of quantitative relationships.

Quantitative research is generally closely affiliated with ideas from 'the scientific method', which can include:

- The generation of models, theories and hypotheses.
- The development of instruments and methods for measurement.
- Experimental control and manipulation of variables.
- Collection of empirical data.
- Modelling and analysis of data.

QUANTITATIVE RESEARCH

ADVANTAGES	DISADVANTAGES
●Specific research problem ●Clear independent and dependent variable ●High level of reliability ●Minimum personal judgement	●Limited outcomes due to structured method ●Unability to control the environment ●Expensive(large number of respondents)

TYPES OF DATA USED
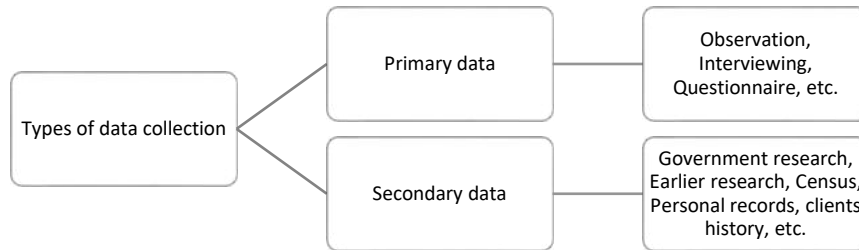
Here, we have used Secondary Data while conducting research.

What is Secondary Data?

Secondary data is the data that have been already collected by and readily available from other sources. Such data are cheaper and more quickly obtainable than the primary data and also may be available when primary data can not be obtained at all.

Advantage	Disadvantage
Easy to calculate	Not Relevant
Inexpensive	Not sufficient
Immediately Available	Incomplete Information.

Also, the method of data collection used in this project is Quantitative method, which aims to produce about the generalizable knowledge about the cause of a phenomenon.

DATA ANALYSIS & INTERPRETATION.

DATA ANALYSIS.

Analysis of data is a process of inspecting, cleaning, transforming, and modelling data with the goal of discovering useful information, suggesting conclusion, and supporting decision making.

The process of evaluating data using analytical and logic reasoning to examine each component of data provided… Data from various source is gathered, reviewed and then analysed to form some sort of finding or conclusion.

Why do we analyze data?

The purpose of analyzing data is to get usable and useful information. The analysis, irrespective of whether data is quantitative or qualitative, may:

- Describe and summarize the data.

- Identify relationship between variables.

- Compare variables.

- Identify difference between variables.

- Forecast outcomes.

Comparative Statement Analysis of TATA steel BSL ltd.

Balance sheet analysis:

	FY-2017	**FY-2018**	**FY-2019**
Current Asset	7980.71	6922.37	5795.29
Current Liabilities	4183.67	65096.75	27539.10
Reserve & Surplus	798.40	-26105.36	-1288.96
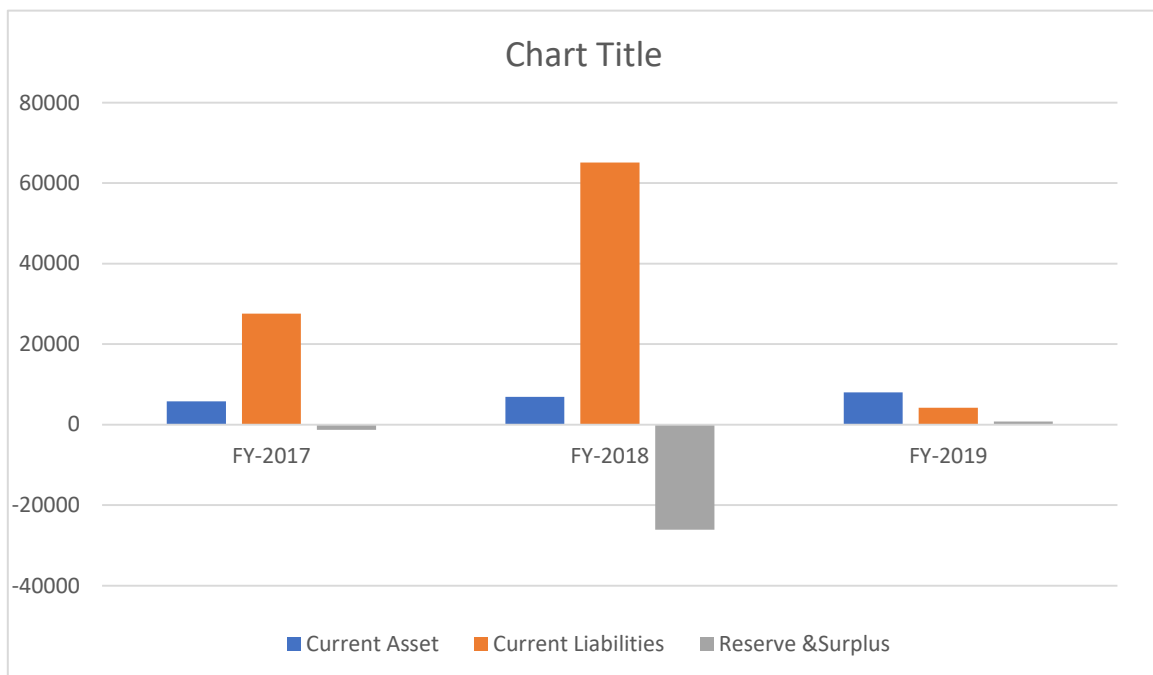
Interpretation:

Current assets from FY 2017-2019 goes on decreasing during analysis.

Current liabilities of the company go on increasing till 2018. But after acquired by tata steel in 2018 the liability of company decreases to 27540 lakhs approx. during analysis.

Reserve & Surplus goes on decreasing till 2018 for Bhushan steel. But after merger company started to retain it back.

Ratio Analysis

1)Liquidity Ratios

To help identify the short-term liquidity of a firm, this ratio is used. It has mainly two types of ratio under this. Current ratio which let us know the short-term solvency of a firm.

$$\text{Current ratio} = \frac{Current\ assets}{Current\ liabilities}$$

Quick ratio helps us find the solvency for six months and the reason why inventory is subtracted is that inventory usually take more than six months to convert into liquid asset.

$$\text{Quick ratio} = \frac{(Total\ current\ ratio - Inventory)}{Total\ Current\ liabilities.}$$
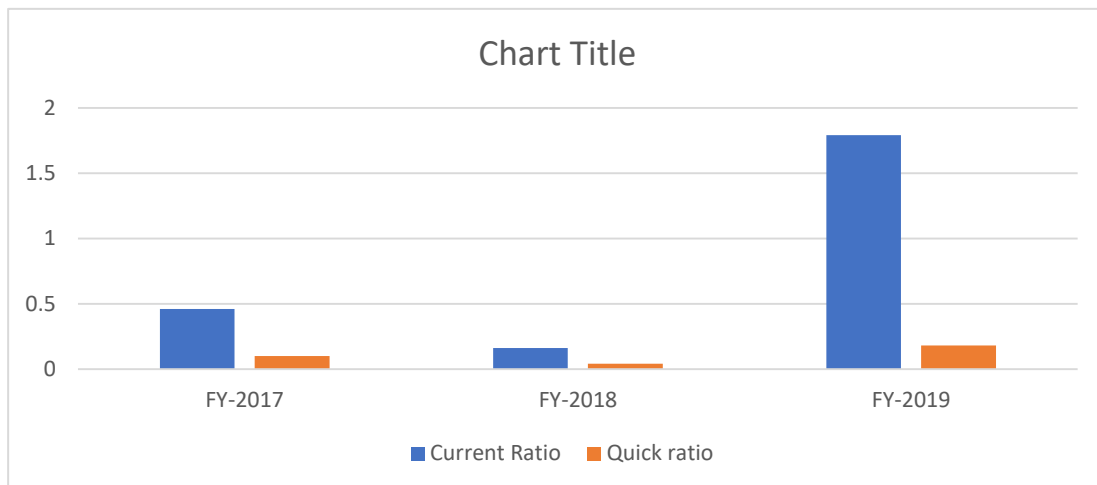
	FY-2017	FY-2018	FY-2019
Current Ratio	0.21	0.11	1.91
Quick Ratio	0.10	0.04	0.81

Interpretation:

The ratio of asset and liability goes on decreasing till 2018. But after acquired by Tata steel, current ratio increases from 0.11 to 1.91.

Same trend follows with Quick ratio analysis. It also decreased till 2018 to 0.04 then after M&A process it started to increase to 0.81.

2)Profitability Ratios

Profit is the main objective of business. All business needs to be operating on profit. These ratios are used to know the profitability of a business and the measure the success effectively over a period of time.

These ratios are used by the business owners, creditors, government officials to know how the business is faring. If a business is asking for loan from a bank, then the bank with by default check the profitability status using these ratios.

The main ratios covered within this category are:

$$\text{Gross profit ratio} = \frac{Gross\ profit}{Net\ Sales} * 100$$

$$\text{Operating ratio} = \frac{Operating\ Cost}{Net\ Sales} * 100$$

Chart Title
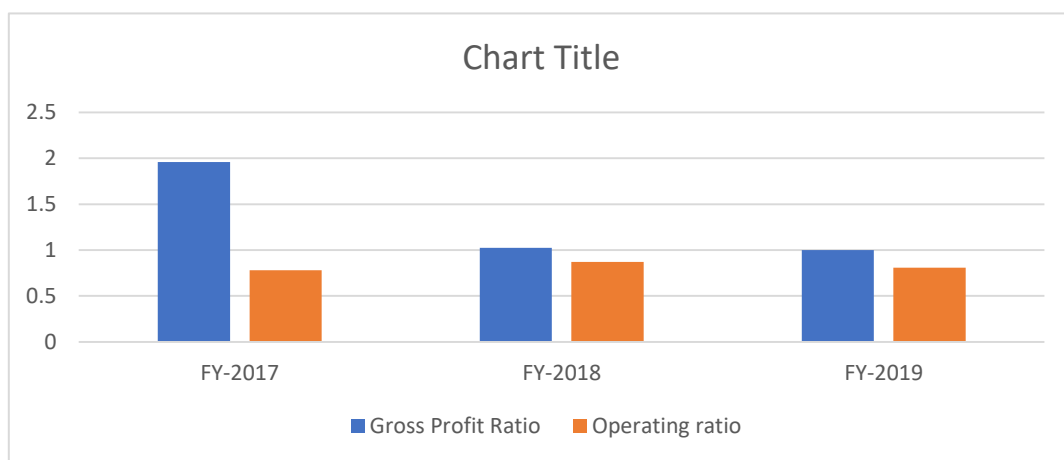
	FY-2017	FY-2018	FY-2019
Gross Profit Ratio	1.96	1.023	1
Operating Ratio	0.78	0.87	0.81

Interpretation:

During analysis we observe that there is a decreasing trend in Gross profit ratio from 1.96 to 1 from year 2017 to 2019.
Operating ratio increased from 0.78 to 0.87 from year 2017 to 2018. And it show fall from 2018 to 2019 from 0.87 to 0.81.

3)Activity Ratios

This ratio is also known as turnover ratio, this ratio measures the efficiency of a firm and converting its products into cash. The ratio is measured in days.

The ratios under this category are:

- This ratio helps in letting the business know how many times the product is turning into cash during a specified period of time.

$$\text{Inventory Turnover Ratio} = \frac{Cost\ of\ goods\ sold}{Average\ Inventory}$$

- Receivables turnover Ratio helps in knowing how many times the credit is collected in a given period of time.

$$\text{Receivable turnover ratio} = \frac{Net\ Credit\ Sales}{Average\ Trade\ Receivable.}$$

Inventory Turnover Ratio
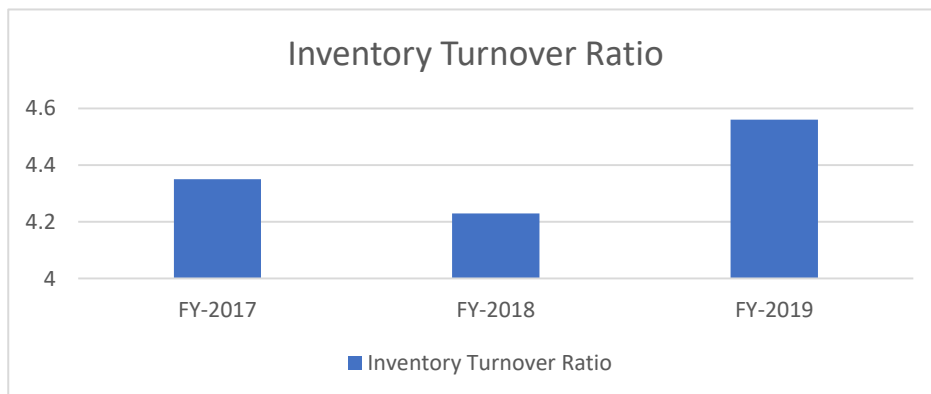
	FY-2017	FY-2018	FY-2019
Inventory Turnover Ratio	4.35	4.23	4.56

Interpretation:

Inventory turnover ratio show fall till 2018. But after M&A in 2018, due to investment of new capital into business, the inventory turnover got a boost to 4.56 from 4.23.

4)Solvency Ratios

To see if the business can survive for the long-term period, solvency ratios are used. This ratio helps evaluate the ability to pay the long-term debt of a business.

- Debt – Equity Ratio: To see the soundness of long-term financial policies of a business, debt equity ratio is used. IT simply means the total liabilities divided by total stakeholder's equity.

Mathematically it is written as:

$$Debt\ Equity\ Ratio = \frac{Total\ Liabilities}{Shareholder's\ Equity.}$$

- Proprietary Ratio: is used to evaluate the soundness of capital structure of a business. Different business uses different capital structure, it could be 50% equity and 50% debt, while for some it might 30% equity and 70% debt.

The ratio is given as:

$$Proprietary\ Ratio = \frac{Shareholder's\ Equity}{Total\ assets.} * 100$$
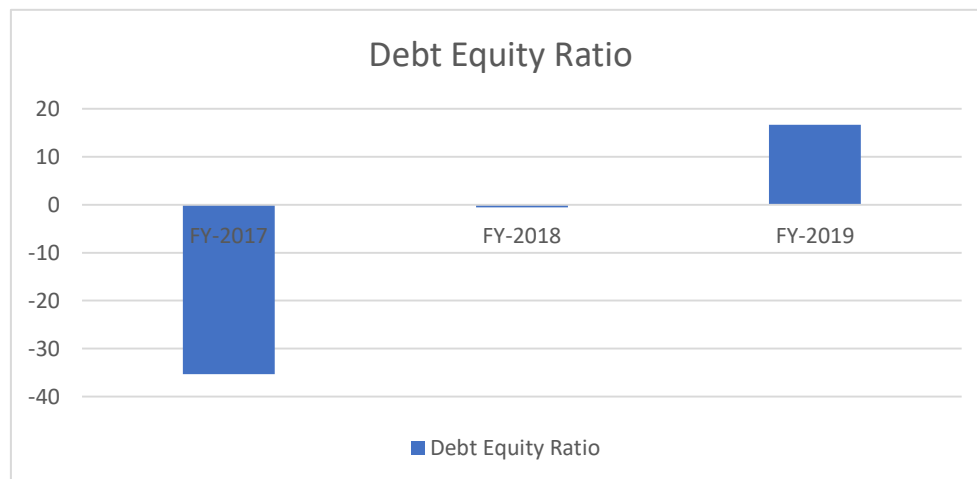
Interpretation:

Debt equity ratio till 2018 was negative or zero. After Tata steel involvement into working of Bhushan steel it got a boost during year 2019.

Cost Volume Analysis

	FY-2017	FY-2018	FY-2019
Income	13777.91	17107.64	21024.05
Expense	17896.30	22898.26	22286.96
Profit/Loss	-4118.39	-5790.63	-1262.92
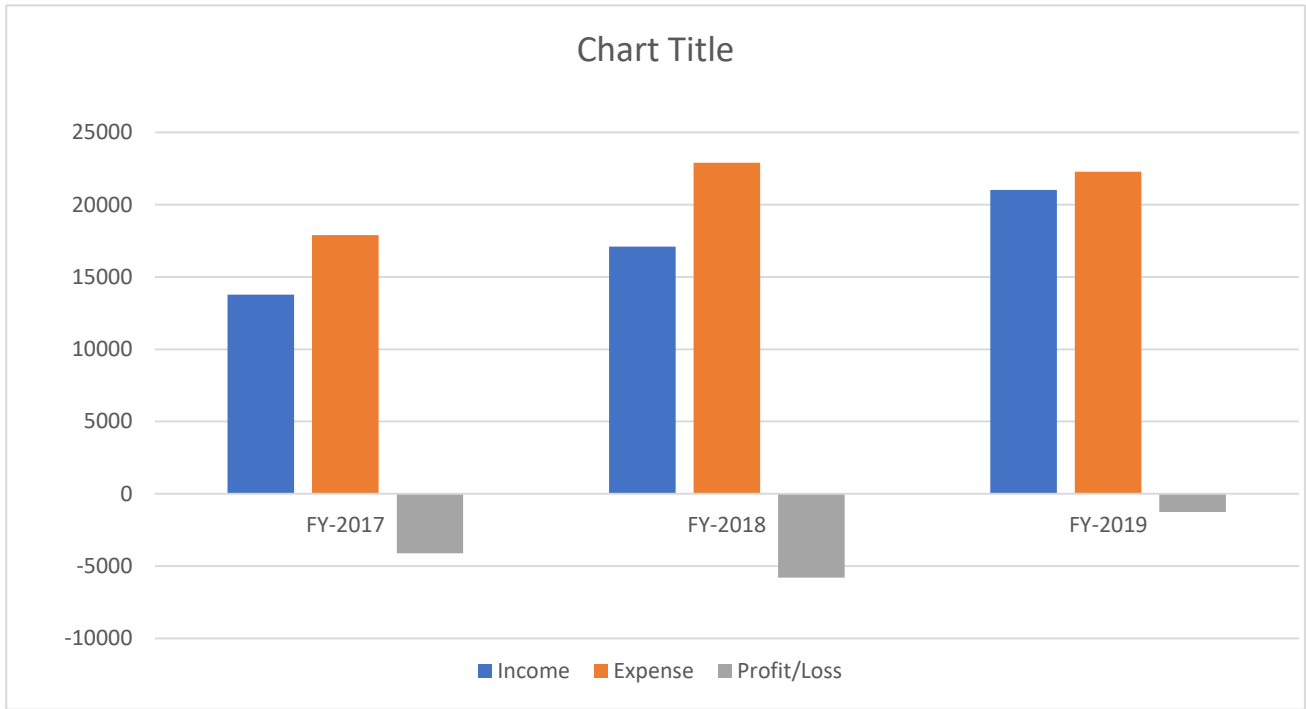
Interpretation:

After facing huge loss till 2018, company started to gain profit in year 2019.

Working Capital Analysis

Working Capital is a daily necessity for businesses, as they require a regular amount of cash to make routine payments, cover unexpected costs, and purchase basic materials used in the production of goods.
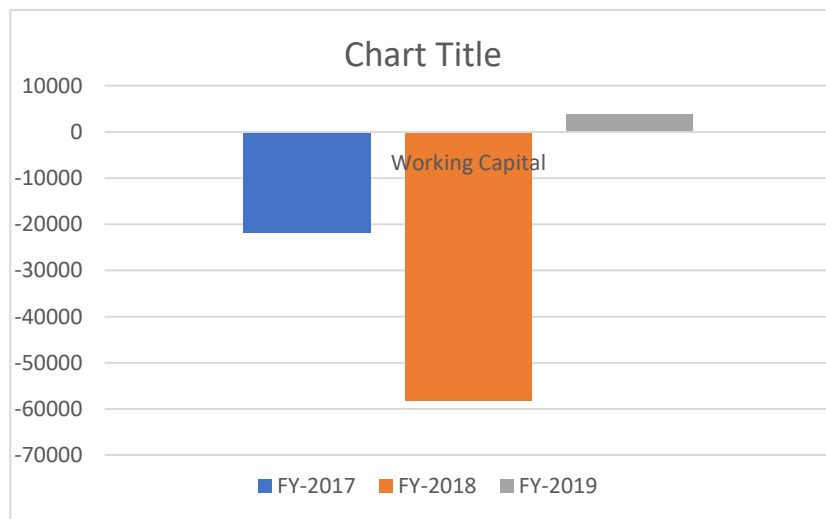
Working capital management is essential to a company's fundamental financial health and operational success as a business.

> **Working Capital = Current Assets – Current Liabilities**

(Figures In Rs CR.)	FY-2017	FY-2018	FY-2019
Current Assets	5795.29	6922.37	7980.71
Current Liabilities	27539.10	65096.75	4183.67
Working Capital	-21743.81	-58174.38	3797

Interpretation:

During analysis, we came to know that till 2018 the working capital was running negative. After M&A in 2018, the company's working capital shows a positive trend in graph. This shows that company's current assets increase by being acquired by TATA steel. This shows that now the company is moving towards growth after facing the crisis.

CONCLUSION & LIMITATION.

CONCLUSION

Due to CIRP process, valuable and productive assets could be saved and various stakeholders in BSL, including employees continued to be gained fully employed. It also leads to profitable utilisation of assets and generating positive EBITDA. As a next step, it is getting merged with Tata Steel Ltd giving big opportunities to all the stakeholders to become part of one of the largest steel producers and get returns.

This can be considered as a classic case under IBC which fulfil aspirations of all the stakeholders and achieved the objectives as envisaged under the law. Let us hope that all assets heavy corporate debtor under stressed (e.g. steel, cement, metal comp

anies) get revived similarly and in the process productive assets and infrastructure are not required to be dismantled and sold in open for recovery.

During analysis we can see that M&A by tata steel have open wide scope for BSL. After 2018 acquisition, TATA steel BSL shows a growing trend of improvement. With Tata's huge availability of capital, A company can recover from all its debt in a short period of time.

Testing of hypothesis:

In this process our alternative hypothesis got proved. By sharing management with TATA steel, BSL will get a better support in investment & working decision. But it doesn't mean that company will earn profit immediately after M&A.

<u>LIMITATION OF THE STUDY</u>

- This project has limited time period to study.

- It just considers one type of data collection- Secondary data. There is limitation on primary data collection because of confidentiality.

- This study is based on one-year financial statement conclusion and recommendations are based on such limited data.

- The ratios are computed on the basis of past results. It doesn't help properly to predict the future to predict budget and estimates since the business policy is constantly changing.

Bibliography & Annexure

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Annexure

BALANCE SHEET OF TATA STEEL BSL LTD. AS ON 31ST MARCH - 2017, 2018, 2019

Particulars	Mar'19	Mar'18	Mar'17
Liabilities	12 Months	12 Months	12 Months
Share Capital	218.69	45.30	2402.31
Reserves & Surplus	798.40	-26105.36	-1288.96
Net Worth	1017.09	-26060.06	1113.35
Secured Loan	34268.13	14519.39	40176.28
Unsecured Loan	.00	.00	3728.94
TOTAL LIABILITIES	35285.22	-11540.67	45018.57
Assets			
Gross Block	54553.39	30361.66	55169.08
(-) Acc. Depreciation	25398.81	.00	3404.85
Net Block	29154.58	30361.66	51764.23
Capital Work in Progress	1154.14	1179.65	1170.61
Investments	1596.06	1.23	369.91
Inventories	4581.88	4025.20	3148.92
Sundry Debtors	697.01	1219.58	1525.55
Cash and Bank	404.31	917.73	154.73
Loans and Advances	1997.86	2136.54	2329.45
Total Current Assets	7681.07	8299.05	7158.65
Current Liabilities	4240.90	51318.64	15399.76
Provisions	59.74	63.63	45.07
Total Current Liabilities	4300.64	51382.27	15444.83
NET CURRENT ASSETS	3380.43	-43083.22	-8286.18
Misc. Expenses	.00	.00	.00
TOTAL ASSETS(A+B+C+D+E)	35285.22	-11540.67	45018.57

PROFIT AND LOSS ACCOUNT OF TATA STEEL BSL LTD. FOR THE YEAR - 17, 18 & 19.

	Mar'19	Mar'18	Mar'17
	12Months	12Months	12Months
INCOME:			
Sales Turnover	20891.60	17404.43	15027.30
Excise Duty	.00	391.87	1321.36
NET SALES	**20891.60**	**17012.56**	**13705.94**
Other Income	132.4407	95.0806	71.9646
TOTAL INCOME	**21024.04**	**17107.64**	**13777.91**
EXPENDITURE:			
Manufacturing Expenses	1176.38	972.29	1254.13
Material Consumed	12714.39	10767.52	7293.05
Personal Expenses	362.51	593.30	490.62
Selling Expenses	.00	.00	.00
Administrative Expenses	2839.77	2474.59	1746.13
Expenses Capitalised	.00	.00	.00
Provisions Made	.00	.00	.00
TOTAL EXPENDITURE	**17093.04**	**14807.70**	**10783.93**
Operating Profit	3798.56	2204.85	2922.02
EBITDA	**3931.00**	**2299.94**	**2993.98**
Depreciation	1441.74	1785.67	1685.61
Other Write-offs	.00	.00	.00
EBIT	**2489.26**	**514.27**	**1308.37**
Interest	3752.18	6304.90	5426.76
EBT	**-1262.92**	**-5790.63**	**-4118.39**
Taxes	.00	-4321.83	-623.97
Profit and Loss for the Year	**-1262.92**	**-1468.79**	**-3494.43**
Non Recurring Items	2981.24	-23347.73	-6.69
Other Non Cash Adjustments	.00	.00	.00
Other Adjustments	-5.24	3.05	.00
REPORTED PAT	**1713.09**	**-24813.47**	**-3501.12**
KEY ITEMS			
Preference Dividend	.00	.00	.00
Equity Dividend	.00	.00	.00
Equity Dividend (%)	.00	.00	.00
Shares in Issue (Lakhs)	10934.40	2265.15	2265.15
EPS - Annualised (Rs)	15.67	-1095.45	-154.56

CASH FLOW OF TATA STEEL BSL LTD. FOR THE YEAR 2015, 16, 17, 18 & 2019.

Particulars	Mar'19	Mar'18	Mar'17
Profit Before Tax	1713.09	.00	-4125.09
Net Cash Flow from Operating Activity	5800.12	1788.90	752.07
Net Cash Used in Investing Activity	-1617.18	-644.65	-80.01
Net Cash Used in Financing Activity	-4499.73	-674.85	-579.14
Net Inc/Dec In Cash and Cash Equivalent	-316.79	469.40	92.92
Cash and Cash Equivalent - Beginning of the Year	594.21	124.81	31.89
Cash and Cash Equivalent - End of the Year	277.42	594.21	124.81