

**Czech University of Life Sciences Prague**  
**Faculty of Economics and Management**  
**Economics Policy and Administration**



## **Master's Thesis**

**Assessment of the Financial Position and Performance of  
the Chosen Companies Operating in the Steel Industry in  
India**

**Dheeraj Na**

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# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

## DIPLOMA THESIS ASSIGNMENT

Dheeraj Na

Economics and Management

Thesis title

**Assessment of the Financial Position and Performance of the Chosen Companies Operating in the Steel Industry in India**

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### Objectives of thesis

The aim of this diploma thesis is to assess and compare the financial position and performance of the chosen companies operating in the steel industry in India by analyzing the companies' financial statements with focus on the representation and changes of the reported assets, liabilities, expenses, revenues, profit and cash-flow for a chosen period and to identify the potential financial problems and the most significant factors influencing the profit from the companies and the industry point of view.

### Methodology

Methodology for the literature overview is based on data collection from the relevant legal framework, specialized publications and other written or online sources. The practical part of the thesis will be based on the information gained from the published annual reports of the chosen companies. Vertical and horizontal analysis and ratio analysis of the financial statements will be used to assess the financial position and performance of the companies and to prepare the practical part of the thesis. The methods of analysis, synthesis, comparison and deduction will be used to formulate the conclusions of the thesis.



**The proposed extent of the thesis**

60-80

**Keywords**

financial statements, financial position, balance sheet, assets, liabilities, equity, financial performance, income statement, expenses, revenues, profit, cash-flow, financial analysis, steel industry

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**Recommended information sources**

ALEXANDER, J. *Financial Planning & Analysis and Performance Management*. USA : John Wiley & Sons, Inc. Hoboken, 2018, 640 p., ISBN-13: 978-1119491484

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Prague on 29. 11. 2023

### **Declaration**

I declare that I have worked on my master's thesis titled "Assessment of the Financial Position and Performance of the Chosen Companies Operating in the Steel Industry in India" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the master's thesis, I declare that the thesis does not break any copyrights.

In Prague on 30.11.2023

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## **Acknowledgement**

I want to express my gratitude to Ing. Enikő Lőrinczová, Ph.D., my thesis adviser, for her insightful advice and criticism. Her persistent encouragement, patience, inspiration, knowledge sharing, and support of my study and investigation helped me while I was writing this thesis.

# **Assessment of the Financial Position and Performance of the Chosen Companies Operating in the Steel Industry in India**

## **Abstract**

This thesis examines the assessment of the financial position and performance of the three chosen companies operating in the Steel Industry in India which are J.S.W, Steel Authority India Limited (S.A.I.L) and Tata Steel Ltd. The characteristics of the balance sheet, income statement, cash flow statement, and selected financial ratios used in the financial analysis of companies are examined. Assets and liabilities are represented in the balance sheets, and the income statement is reporting the profit. Financial years 2018 to 2022 will be used to determine any increases in sales and profits using both vertical and horizontal analysis of income and expenses. Costs and revenues are just two of the variables that affect a company's financial performance. Financial stability may be impacted by the steel industry's operational and financial efficiency. All three companies had a profit in the last monitored years. The calculated financial ratios of liquidity and profitability show, that all three companies had a less than favorable liquidity ratio. The profitability ratios show that the best use of assets has the company Tata Steel, Ltd, which has with the company J.S.W also the best return on equity in the latest years.

**Keywords:** Financial statements, financial position, balance sheet, assets, liabilities, equity, financial performance, income statement, expenses, revenues, profit, financial analysis, ratio analysis.

# Posouzení finanční pozice a výkonnosti vybraných společností působících v ocelářském průmyslu v Indii

## Abstrakt

Tato práce se zabývá hodnocením finanční pozice a výkonnosti tří vybraných společností působících v ocelářském průmyslu v Indii, kterými jsou J.S.W, Steel Authority India Limited (S.A.I.L) and T.S. Ltd. Budou zkoumány charakteristiky výkazu peněžních toků, výkazu zisku a ztráty, rozvahy a několika finančních ukazatelů používaných ve finanční analýze ocelářského podnikání. Aktiva a pasiva jsou zachycena v rozvaze a je vykázána finanční úspěšnost výkazu zisku a ztráty. Finanční roky 2018 až 2022 budou použity k určení jakéhokoli zvýšení tržeb a zisků pomocí vertikální i horizontální analýzy příjmů a nákladů. Náklady a výnosy jsou jen dvě z proměnných, které ovlivňují finanční výkonnost společnosti. Analýza finančních informací, finančních metrik a dalších výkonnostních ukazatelů pro ocelářský obchod, jako je poměrová analýza, finanční výkonnost. Finanční stabilita může být ovlivněna provozní a finanční efektivitou ocelářského průmyslu. Všechny tři vybrané společnosti dosáhly zisku za poslední monitorovaná léta. Výpočet finančních ukazatelů likvidity a ziskovosti ukázaly, že všechny tři společnosti měly méně příznivou likviditu. Ukazatelé ziskovosti ukázaly, že nejlepší využití aktiv k dosažení zisku dosáhla společnost Tata Steel, Ltd, která spolu se společností J. S.W. měla také nejlepší návratnost vlastního kapitálu za poslední roky.

**Klíčová slova:** Účetní závěrka, finanční situace, rozvaha, aktiva, pasiva, vlastní kapitál, finanční výkonnost, výsledovka, náklady, výnosy, zisk, finanční analýza, poměrová analýza.

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## **List of Abbreviations**

Ind-AS - Indian Accounting Standards

ASB – Accounting Standards Board

IFRS – International Financial Reporting Standards

IPSAS – International Public Sector Accounting Standards

INR (₹) – Indian Rupee

MT – Million Tonnes

FX – Foreign Exchange

PPE – Plant, Property and

Equipment SLM – Straight Line

Method

T.S. Ltd. – TATA Steel Ltd.

J.S.W – Jindal Steel Works

S.A.I.L – Steel Authority of India Ltd.

MW – Mega Watt

NSP – National Steel Policy

ROA – Return on Assets

ROE – Return on Equity

FY – Fiscal Year

# 1. Introduction

Indian steel companies have performed well in the steel industry in the world. The business is gathering every element required for quick growth. Indian policies were now supporting the Make in India project where the Government was giving subsidies to the private organizations and encouraging them to boost the production.

With an output of 10.14 million tonnes, the nation is presently the second-largest producer of crude steel in the world (MT). The World Steel Association (WSA) predicted that the sector will grow by 6.1% in India by the year 2022. This shows the Indian Steel Company's bravery and resilience in the face of outside risk factors. Indian steel companies are currently rated second in the world for steel production. (Ministry of Steel, India, 2022)

Steel forms the foundation of contemporary commerce and human civilization. It is one of the main forces driving economic development in a nation. The global economy benefits greatly from the steel industry. By exporting, it earns money and creates employment opportunities. The expansion of the steel industry is fueling the expansion of the manufacturing, construction and infrastructure sectors, all of which are important engines of economic growth. Due to the significant innovation contributions of the steel industry, technology and manufacturing processes have evolved significantly. The expansion of the steel sector encourages research and development, which stimulates further innovation and increases quality and productivity. (Wiedmann, 2013)

## **2. Objectives and Methodology**

### **2.1 Objectives**

The main objectives of the thesis are to evaluate the financial position and performance of selected Indian companies in the steel industry by examining their financial statements, to spot any potential issues with their finances, to pinpoint the main factors affecting their profit, and to examine some financial ratios of which were important to check the health of the company. Therefore, the following are the thesis' primary objectives:

1. To assess the financial health of the companies J.S.W Steel, Steel Authority of India (S.A.I.L.) and Tata Steel Ltd by using financial ratios related to liquidity and profitability
2. To find the most significant factors which were influencing the company's performance and the liquidity status.
3. To identify in which areas the company is performing well and in which areas they need to improve and focus more.
4. To determine the growth of the companies by analyzing the balance sheet (reported assets, liabilities) and the income statement (reported expenses, revenues, and profit).

### **2.2 Methodology**

The material used in the methodology for the literature research was taken from the publicly available financial data of Indian steel companies. A number of publications, records, and papers were used to gather additional data for the thesis.

The annual financial reports will serve as the foundation for the practical part of the thesis. Selected profitability and liquidity ratios will be calculated in order to prepare the practical portion of the thesis, and vertical and horizontal analysis of the financial statements will be utilized to evaluate the financial situation and performance of the companies.

The three chosen companies are mentioned as the most significant companies in the steel industry in India (Statista, 2023)

The analyzed financial statements cover the financial years 2018 through 2022.

The findings of both the vertical and horizontal analyses will be expressed as percentages (%) and we can use some values as well for better understanding, and for the horizontal

analysis, each item will be compared with the identical item that was immediately preceding it from the previous year, each item will also be compared to the total assets, equity, and liabilities for vertical analysis. In the literature study for this thesis, definitions for the balance sheet, income statement, cash flow statement, vertical and horizontal analysis, definitions and formulas for the chosen ratios used in financial analysis will be provided. Introductory information about the selected companies has also been provided.

### **3. Literature Review**

The literature background reveals the theoretical pillars of the thesis and focuses on the characteristics of the selected financial statements prepared according to IAS standards. The literature review highlights the specifics of the Indian steel sector and describes some methods of financial analysis along with the history of the cited companies.

#### **3.1 Indian accounting system**

The Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act 2013, have been formulated keeping the Indian economic and legal environment in view and with a view to converge with IFRS Standards, as issued by and copyright of which is held by the IFRS Foundation.

Notwithstanding anything contained in the above para, Ind AS notified under the Companies Act 2013 are governed by the provisions of Indian Copyright Act, 1957 and the copyright in Ind AS vests in Government of India. (MCA, 2022)

A complete set of financial statements comprises the following: balance sheet, statement of profit and loss, statement of changes in equity, statement of cash flows, Notes, including accounting policies. (KPMG, 2020)

#### **3.2 Financial statements**

Since most companies at the time were not required by law to disclose their financial information, investors were effectively forced to make sound investment decisions when the stock market exploded in the 1920s. The government passed legislation to prevent a repeat of the 1929 stock market crash. These reforms still require listed companies to regularly disclose certain information about their operations and financial condition.

The key qualitative characteristics of a financial information should be relevance, reliability and consistency. (Young, 2019)

The financial statements to be filed are the income statement, the balance sheet and the cash flow summary. These three statements can be used as a teaching tool by traders to assess a company's financial health and quickly determine its underlying value.

The scope of financial statements differs from country to country. In India, for corporate enterprises, the term financial statements comprise balance sheet, profit and loss account and the notes forming part. If a company is listed in a stock exchange, it is required to prepare and present some additional financial statements, e.g. cash flow statement and segment report. As to the meaning of term “profit and loss account” and income



statement, the accounting terminology of AICPA has used these terms interchangeably. (Rao, 2022)

### **3.2.1 Income Statement – Statement of financial performance**

An organization's business activities for a specific quarter or year are disclosed in the income statement. You can see the influx of new assets into a company and calculate the outlays necessary to generate revenue by looking at the income summary. Revenues—what a business receives in exchange for the products or services it offers—less expenses—all costs associated with operating the business—and taxes paid—are used to determine profitability. Start by reading the revenues, also known as the "top line," of the income summary from top to bottom. Taxes are deducted first, and then prices and expenses. Before paying any dividends, the outcome is the company's net revenue, or profit. The phrase "bottom line" originated in this context. (Chen, 2022)

### **3.2.2 Balance Sheet – Statement of financial position**

The consolidated balance sheet is a snapshot of a company's financial position at a specific moment in time, while the income statement is a record of the money flowing in and out of a company over a specified time period. In other terms, the balance sheet displays the assets, liabilities, and stockholders' equity of an organization. The discrepancy is the stockholders' interest in the company's book worth. Because both parts of the equation—assets equal liabilities plus stockholders' equity—must balance, the document is known as a balance sheet.

According to the balance statement, those assets' portion that was funded by debt (liability). The equity part (retained earnings and stock shares). Assets are enumerated in order of decreasing liquidity (in other words, assets that can be most quickly converted to cash are listed first). Liabilities listed in priority order (those with the highest priority claim against a company's assets are mentioned first). (Fernando, 2022)

### **3.2.3 Cash Flow Statement**

The statement of cash flows depicts the financial activity of a business over time, much like an income statement does. It demonstrates how a business generates money, where it originates from, and how it is invested or used to fund operations. The statement of cash flows, which demonstrates how a business has controlled cash inflows and outflows, may provide a more accurate picture of a business's liquidity than either the income statement or the balance sheet, which measures the capacity to pay obligations to creditors and finance

future expansion. (Hayes, 2022)

### **3.2.4 Statement of changes in Equity**

The beginning and ending equity balances of a business during a reporting period are reconciled in the statement of changes in equity. The likelihood that it will not be released is the highest of all the financial statements because it is not regarded as a necessary component of the monthly financial statements. However, it is a typical component of the yearly financial statements. Starting with the starting equity balance, the statement adds or subtracts things like profits and dividend payments to get the ending balance. The statement's basic computation structure is as follows:

Beginning equity + Net revenue - Dividends - Other changes = final equity.

(AccountingTools, 2022)

### **3.3 Comparative Financial Analysis**

Comparative financial analysis involves comparing financial statements and ratios of companies within the same industry. This analysis helps identify strengths, weaknesses, opportunities, and threats. By benchmarking against industry peers, companies can gain insights into their relative performance and areas for improvement. Comparative financial analysis is a method used to assess the financial performance of a company by comparing its financial statements and key financial ratios with those of its industry peers, competitors, or historical benchmarks. This approach provides valuable insights into the company's relative position within the industry, identifies trends, and helps in making informed strategic decisions. The primary goal is to understand how well a company is performing compared to others in similar economic environments. (Gibson, 2019)

#### Components of Comparative Financial Analysis:

##### **1. Financial Statements Comparison:**

- Income Statement: Analyzing revenue, expenses, and profitability metrics over time or against industry averages.
- Balance Sheet: Examining the company's assets, liabilities, and equity structure in comparison with similar firms.
- Cash Flow Statement: Assessing the company's ability to generate and manage cash compared to

industry standards.

- Statement of Changes in Equity: Understanding changes in shareholders' equity relative to industry benchmarks. (Gibson, 2019)

## 2. Key Financial Ratios:

- Liquidity Ratios: Comparing the company's ability to meet short-term obligations with industry averages.

- Profitability Ratios: Assessing the company's ability to generate profits relative to competitors.

- Solvency Ratios: Evaluating the company's long-term financial health compared to industry peers.

- Efficiency Ratios: Analyzing how efficiently the company utilizes its assets in comparison with industry standards. (Gibson, 2019)

## 3. Benchmarking Against Industry Peers:

- Identifying and selecting appropriate industry benchmarks for comparison.

- Analyzing financial metrics to identify areas of strength or weakness relative to competitors.

(Gibson, 2019)

## 4. Identifying Trends and Anomalies:

- Recognizing patterns and trends in financial performance over multiple periods.

- Investigating anomalies or deviations from industry norms that may require further investigation.

(Gibson, 2019)

## Importance and Benefits of Comparative Financial Analysis:

1. Helps in formulating and adjusting business strategies based on industry best practices.

2. Provides a basis for understanding potential risks by comparing the financial health of the company with industry averages.

3. Enhances investor confidence by showcasing the company's performance in comparison with industry peers.

4. Identifies areas of operational inefficiency or excellence by comparing key efficiency ratios.

5. Enables the measurement of financial performance over time and in relation to industry standards.

(Penman, 2013)

### Challenges to Comparative Financial Analysis:

1. Ensuring that data used for comparison is accurate, consistent, and adheres to accounting standards.
2. Recognizing industry-specific nuances and variations that may impact the comparability of financial metrics.
3. Adapting analyses to account for evolving industry trends and economic conditions.

In conclusion, comparative financial analysis is a powerful tool for assessing a company's financial health within the broader industry context. It provides a comprehensive understanding of how the company performs relative to competitors and helps stakeholders make informed decisions to enhance overall financial performance. (Penman, 2013)

### **3.4 Selected ratios of Financial Analysis**

Ratio analysis is the study of different financial data points found in the financial statements of an organization. External experts primarily use them to assess a company's profitability, liquidity, and solvency, among other factors.

For information to assess a company's financial performance, analysts depend on the company's most recent and prior financial statements. They use the information to compare a company to its rivals' businesses and to determine whether a company's financial health is trending upward or downhill.

Utilizing ratio analysis to assess a company's place in the market involves comparing its financial performance to that of other companies in the same sector. Management can examine its competitive advantages, strengths, and weaknesses and identify market gaps by obtaining financial ratios from well-known rivals and comparing them to the company's own ratios. The management can then make decisions that are intended to strengthen the company's standing in the market using the information.

(CFI, 2023)

**Vertical analysis**, each line item on a financial statement is displayed as a percentage of another item in a vertical analysis, which is a proportional analysis of a financial statement. As a result, each line item on an income statement is expressed as a percentage of gross revenue, whereas each line item on a balance sheet is expressed as a percentage of total assets. (AccountingTools, 2022)

**Horizontal analysis**, by contrasting specific financial data from one accounting era with data from other periods. It is used to analyze financial statements. Values from the present year and those from the base year are contrasted to determine trends or changes. The objective is to identify any rise or fall numbers. Horizontal analysis may involve a percentage or an exact comparison.

In a similar way to vertical analysis, horizontal analysis can be contrasted. Horizontal analysis contrasts a specific financial statement with other periods or the cross-sectional analysis of a business against another company, whereas vertical analysis analyses a specific financial statement using only one base financial statement of the reporting period. (CFI, 2022)

The following financial ratios were chosen for use in the examination of all three companies:

**a. Cash Ratio**

A company's capacity to service its debt using its present assets is gauged by its liquidity ratios. If a business is having trouble making ends meet and is unable to pay its bills, it can sell its assets to raise cash, which it can then use to more easily pay off any outstanding obligations. The cash ratio, and current ratio are a few popular liquidity measures. Banks, creditors, and vendors use liquidity ratios to assess a client's capacity to pay debts when they become due. (CFI, 2022)

*Figure 1: Cash Ratio Formula*

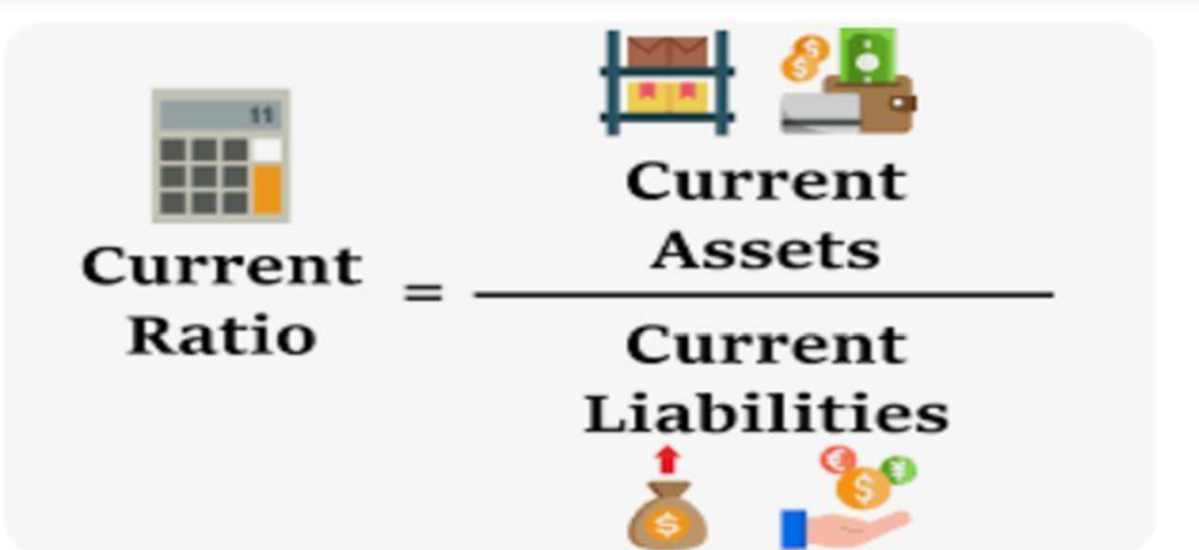


(Mukhopadhyay, 2022)

**b. Current Ratio**

The result of a company's current ratio calculation tells you whether it's a decent investment or not. As a result of having a higher proportion of liabilities than current assets, a business with a current ratio of less than one does not have enough capital to pay off its short-term debts. As opposed to this, a business with a current ratio higher than 1 will probably pay off its current liabilities because it has no immediate liquidity issues. If the current ratio is excessively high, it may mean that the business can pay off its obligations twice as quickly as they are due. Additionally, it might indicate that the business isn't handling its finances well. (CFI, 2023)

*Figure 2: Current Ratio Formula*

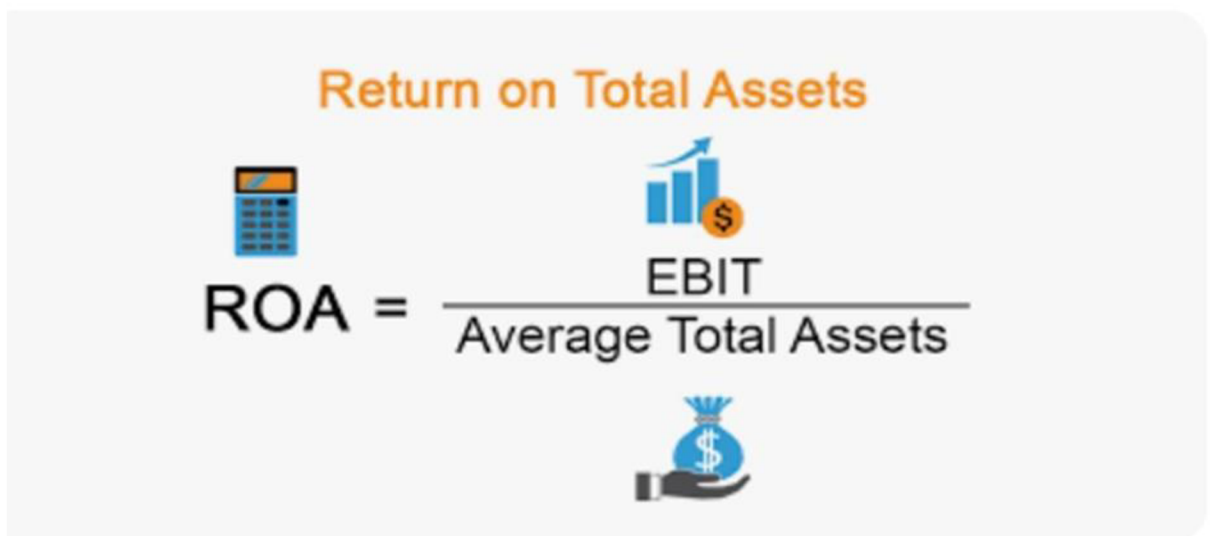

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

(Thakur, n.d.)

**c. Return on Asset (ROA)**

The return on assets (ROA) metric, a subset of return on investment (ROI), assesses a company's profitability in relation to its overall assets. By comparing the profit (net income) a business generates to the money it has invested in assets, this ratio shows how well a business is doing. Greater productivity and efficiency in managing the use of economic resources are demonstrated by higher returns. (CFI, 2022)

*Figure 3: ROA Formula*



The diagram illustrates the Return on Total Assets (ROA) formula. At the top, the title "Return on Total Assets" is written in orange. Below the title, the formula is presented as  $ROA = \frac{EBIT}{Average\ Total\ Assets}$ . The "ROA" is accompanied by a calculator icon. The "EBIT" is accompanied by a bar chart icon with a dollar sign. The "Average Total Assets" is accompanied by a money bag icon with a dollar sign.

(Thakur, n.d.)

**d. Return on Equity (ROE)**

The Return on Equity ratio essentially calculates the rate of return that stockholders in a business receive on their investments. How effectively a company generates returns on the investments it has gotten from its shareholders is indicated by its return on equity. Investors favor companies with better ROEs in general. To choose only stocks from that industry, this can be used as a benchmark. Profit and income amounts differ considerably between sectors. If a business decides to pay dividends rather than keep the profit as idle cash, the ROE levels could differ even within the same industry. (The Economic Times, 2022)

*Figure 4: ROE Formula*

$$\text{Return on Equity Formula (ROE)} = \frac{\text{Net Income}}{\text{Shareholders Equity}}$$

(Thakur, n.d.)



### 3.5 Steel Industry in India

Steel is regarded as the foundation of human civilization and is essential to the growth of any contemporary economy. One of the key indicators of a nation's degree of socioeconomic development and citizens' standard of living is the amount of steel consumed per capita. It is a by-product of a sizable, technologically sophisticated industry with robust forward and backward links in terms of material flows and revenue production. All-important industrial economies are distinguished by the presence of a robust steel industry, and the development of many of these economies has been significantly influenced by the strength of their steel industries in their early stages of development.

The steel industry is one of India's core industries, contributing to slightly more than 2 percent of GDP (Mishra, 2021). India now produces 29.27 million tonnes of completed steel annually, up from just 1.1 million tonnes in 2000-2001.

The average annual growth rate of steel production exceeded 8% during periods of economic prosperity, such as 1950–60 and 1960–70. However, in the decades that followed, this development rate was unable to be sustained. The growth rate of steel output decreased to 5.7% per year between 1970 and 1980, increased only slightly to 6.4% per year between 1980 and 1990, and then increased to 6.65% per year between 1990 and 2000. Despite beginning steel manufacturing in 1911, India didn't start exporting steel until 1964. The first five years' exports were primarily a result of the local steel market's downturn.

Exports fell after local demand picked up. Only in 1975 did India resume exporting steel, reaching 1.4 million tonnes of steel export in 1976–1977 and 1 million tonnes of pig iron sale in the same year. After that, exports started to increase again only in 1991–1992, when the major producers shipped 3.87 lakh tonnes, before rising to 2.79 million tonnes in 1995–1996. In 1999–2000, there were 2.36 million tonnes of steel exported; in 2000–01, there were 2.57 million tonnes. (Ministry of Steel, India, 2022)

With a growth rate of 17.9% over the same time last year, India will produce 118.20 million tonnes (MT) of crude steel, making it the second-largest producer in the world.

India is the world's top producer of Direct Reduced Iron (DRI), also known as sponge iron, in the period of January to December 2021, making 39.04 MT, an increase of 16.2% over the

same period in the previous year. According to the World Steel Association, China will be the top user of finished steel in 2021, followed by India (106.23 MT).

With a compound annual growth rate of 3.7% over a five-year span, domestic crude steel capacity increased from 137.97 MT in 2017–18 to 154.06 MT in 2021–22.

From 103.13 MT in 2017–18 to 120.29 MT in 2021–22, crude steel output increased at a CAGR of 4.2% per year. Compared to the same time last year, the industry scenario for April through July 2021–22 is as follows: Increasing by 8.9%, primary steel production reached 41.09 MT. S.A.I. L, RINL, TSL Group, AM/NS, J.S. WL, and JSPL collectively produced 24.75 MT (60.0% share) during this time frame, an increase of 4.5%. The Other Producers provided 16.2% more (16.34 MT) of the total. In comparison to the PSUs' 17% contribution (down 1.8%), which accounted for the majority (83%; 34.10 MT, an increase of 11.3%) in crude steel output. (Ministry of Steel, India 2022)

### **3.6 Impact of Economic Factors on the Steel Industry**

The steel industry is sensitive to macroeconomic factors. Inflation, interest rates, and government policies can significantly affect steel production, demand, and pricing. Understanding these factors is essential for assessing the financial health of steel companies. The steel industry is highly sensitive to various economic factors that influence its performance, growth, and overall sustainability. Understanding these economic factors is crucial for stakeholders, policymakers, and industry participants to navigate challenges, capitalize on opportunities, and make informed decisions. (Shapiro, 2014)

Global Economic Trends: The steel industry is intricately linked to global economic trends. Economic growth, recession, or stagnation in major economies directly impact steel demand and pricing. During periods of economic expansion, construction, infrastructure projects, and manufacturing activities increase, boosting steel demand. Conversely, economic downturns can lead to reduced demand and overcapacity.

Construction and Infrastructure Spending: Construction and infrastructure projects are major consumers of steel. Economic factors influencing spending in these sectors, such as government policies, interest rates, and investor confidence, significantly impact the steel industry. Increased spending on infrastructure, residential, and commercial construction drives steel demand, while a slowdown or funding constraints can lead to reduced consumption. (Shapiro, 2014)

Global Trade and Protectionist Policies: The steel industry is sensitive to international trade dynamics and protectionist measures. Tariffs, trade agreements, and geopolitical tensions can affect the flow of steel across borders. Trade barriers can disrupt supply chains, alter pricing structures, and influence market dynamics. Policy changes may lead to challenges or opportunities for steel producers.

Technological Advancements: Technological innovations, including automation, advanced manufacturing processes, and digitalization, can impact the efficiency and competitiveness of steel production. Adoption of advanced technologies can enhance productivity, reduce costs, and improve the environmental sustainability of the steel industry. However, implementation challenges and the need for skilled labor may pose hurdles. (Fabozzi, 2012)

Energy Prices and Input Costs: Steel production is energy-intensive. Fluctuations in energy prices, especially for raw materials like iron ore and coal, can significantly influence production costs. Higher energy prices can lead to increased production costs, affecting profit margins. Conversely, stable or lower energy prices contribute to cost efficiency.

Environmental and Regulatory Considerations: Increasing emphasis on environmental sustainability and stringent regulations regarding emissions impact the steel industry's operations and investment decisions. Companies adopting eco-friendly practices may face initial investment costs but can benefit from improved public relations, regulatory compliance, and long-term sustainability. (Fabozzi, 2012)

Consumer and Industrial Demand: Economic factors influencing consumer spending, manufacturing activities, and the automotive sector have a direct impact on steel demand. Economic downturns can lead to reduced consumer spending and industrial activity, affecting steel consumption. Conversely, growth in manufacturing and consumer goods industries boosts demand.

Currency Exchange Rates: Steel is a globally traded commodity, and currency exchange rates influence the competitiveness of steel exports and imports. Fluctuations in currency values can affect the cost of raw materials, impact export competitiveness, and influence global market dynamics. (Shapiro, 2014)

The impact of economic factors on the steel industry is multifaceted and dynamic. Stakeholders must continuously monitor and adapt to changes in economic conditions, global trade dynamics, and

regulatory landscapes to ensure the industry's resilience and sustainability. An in-depth understanding of these factors is essential for informed decision-making, risk management, and strategic planning within the steel industry. (Fabozzi, 2012)

### **3.7 Corporate Governance in the Steel Sector**

Corporate governance plays a vital role in ensuring that companies in the steel sector operate ethically and efficiently. Examining the corporate governance practices of selected companies helps in understanding their commitment to transparency, accountability, and stakeholder interests. Corporate governance plays a pivotal role in shaping the trajectory of businesses, ensuring transparency, accountability, and ethical conduct. In the steel sector, characterized by complex operations, significant capital investments, and environmental considerations, effective corporate governance is crucial for long-term sustainability and stakeholder trust. (Mallin, 2013)

Board Structure and Composition: The composition of the board of directors is a cornerstone of corporate governance. A diverse and skilled board ensures effective decision-making, risk management, and strategic oversight. A well-structured board enhances the company's ability to navigate challenges, make informed decisions, and represent the interests of various stakeholders.

Ethical Practices and Integrity: Corporate governance in the steel sector emphasizes ethical practices, transparency, and integrity. Adherence to ethical standards builds trust among investors, customers, and the wider community. Companies promoting ethical behavior are better positioned to attract investments, maintain customer loyalty, and navigate regulatory scrutiny. (Mallin, 2013)

Risk Management and Compliance: Given the inherent risks in the steel industry, effective risk management is integral to corporate governance. Compliance with industry standards and regulations safeguards the company against legal and operational challenges. Robust risk management practices enhance resilience, protect assets, and foster a culture of compliance, ensuring the company operates within legal and ethical boundaries.

Stakeholder Engagement: Engaging with a diverse range of stakeholders, including investors, employees, communities, and regulatory bodies, is a key aspect of corporate governance. This fosters transparent communication and aligns the company's goals with stakeholder expectations. Positive stakeholder relations contribute to brand reputation, minimize conflicts, and create a supportive environment for sustainable business practices. (Monks, 2011)

Environmental and Social Responsibility: Corporate governance in the steel sector encompasses environmental and social responsibility. Companies are increasingly expected to minimize their environmental footprint, engage in community development, and contribute to societal well-being. Demonstrating commitment to environmental and social responsibility enhances the company's standing in the eyes of investors, customers, and the broader community.

Executive Compensation and Incentive Structures: Transparent and fair executive compensation practices are crucial for corporate governance. Aligning executive incentives with long-term performance goals ensures accountability and strategic alignment. Well-structured compensation packages motivate executives to pursue sustainable growth, innovation, and value creation, aligning their interests with those of shareholders. (Monks, 2011)

Financial Reporting and Disclosure: Timely and accurate financial reporting is a fundamental aspect of corporate governance. Transparent disclosure practices provide stakeholders with insights into the company's financial health and performance. Reliable financial reporting builds trust among investors and facilitates better-informed decision-making by shareholders and other stakeholders.

Technology and Digital Governance: With the increasing integration of technology, corporate governance in the steel sector involves digital governance. This includes cybersecurity measures, data privacy, and leveraging technology for efficient decision-making. Robust digital governance safeguards against cyber threats, enhances operational efficiency, and ensures secure handling of sensitive data. (Mallin, 2013)

Corporate governance in the steel sector is a dynamic and evolving framework that seeks to balance the interests of various stakeholders while fostering responsible business practices. A commitment to ethical conduct, environmental sustainability, and transparent governance contributes not only to the industry's success but also to its positive impact on society and the environment. Companies in the steel sector must continually adapt their governance practices to meet evolving expectations and global standards. (Mallin, 2013)

### **3.8 Introduction of the company Tata Steel, Ltd**

In 1907, Tata Steel, Ltd was founded in India as the continent's first integrated private steel business. We also created Jamshedpur, India's first industrial metropolis, with this. We are currently one of the top steel producers in the world. With a turnover of INR 91,037 crore in FY21, our yearly crude steel capacity across all Indian businesses is close to 20 MnTPA. We also opened a second greenfield steel factory in the eastern state of Odisha in 2016 with a 3 MnTPA capacity; an 8 MnTPA expansion is presently under construction. Our captive quarries, which we own and run, provide us with a steady supply of raw materials, allowing us to keep our production costs low and efficiency high. This is how we make sure we continue to be Asia's lowest-cost steel supplier. The Indian product range is broken down into the following four categories: Automotive and Special Products; Industrial Products, Projects and Exports; Branded Products and Retail; and Services and Solutions. The supplier offers branded solution options, hot-rolled and cold-rolled metals, galvanized metal, and more. (TATA, 2022)

### **3.9 Introduction of the company J.S.W**

One of India's top steel manufacturers is J.S.W. (carbon and alloy steel products). The J.S.W Group's main business is J.S.W Steel Ltd. The business produced nearly 19 million tonnes of liquid steel in 2021, placing it as the world's 19th biggest steel producer. Jindal Group establishes a steel factory in Vasind, close to Mumbai, in 1982. In 1982, Piramal Steel Limited was purchased. (later renamed JISCO). Jindal Vijayanagar Steel Ltd. is founded in 1994. (JVSL). 2004: Salem Steel Works is purchased by J.S.W. The merger of JISCO and JVSL creates J.S.W Steel Ltd. in 2005. Georgia's rebar JV is joined by J.S.W Steel in 2008. The Dolvi, Maharashtra, integrated steel factory was purchased in 2010. 2013: Joint Venture for electrified steel with Japan's JFE. Welspun Maxsteel is acquired in 2014 in a transaction worth \$1 billion. 2018: For 55 million euros, purchases a 100% share in Italy's Aferpi. 2018: A JV contract for the manufacturing of auto steel in India is signed with JFE. For a brand-new Texas plant, \$150 million was invested in the first installment in 2018. 2019: NCLT grants J.S.W approval to acquire the insolvent Bhushan Power. 2019: NCLT grants J.S.W approval to acquire the insolvent Bhushan Power. The sale of a sizable share in Geo Steel is announced for 2019. By 2020, three iron ore mines in Odisha will have a favored bidder. 2020: The NCLAT gives J.S.W protection in the purchase of Bhushan Power. 2020: The top court in India hears a case regarding J.S. W's acquisition of Bhushan Power. 2020: Concludes to purchase the final 26.45% of J.S.W Vallabh Tinplate. 2020: Acquires GSI Lucchini's final 31% ownership. Buys

Bhushan Power and Steel Ltd. in full in 2021. A 31% share in GSI Lucchini is purchased by J.S.W Steel Italy in 2021. 2021: A 1.95 ton per ton CO<sub>2</sub> goal is established for fiscal year 2030. Selling the Italian Piombino long product company in 2022. 2022: Plans are announced to combine the companies of JISPL and CSSL. (Steelonthenet.com, 2023)

### **3.10 Introduction of the company S.A.I.L**

Leading Indian steel producers include Steel Authority of India Limited (S.A.I.L). S.A.I.L, the 20th-largest steel manufacturer in the world, made about 17 mt of liquid steel in 2021.

In the year 1954, Hindustan Steel was first established. Soviet Union assistance helped to found Bhilai Steel in 1955. With assistance from the UK, the Durgapur Steel Plant was founded in 1956. Bhilai and Durgapur Steel are taken under Hindustan Steel's authority in 1957. In 1962, the Durgapur wheel and axle factory were opened. January 1964 saw the incorporation of Bokaro Steel Ltd. Wire rod manufacturing facility opened in Bhilai in 1967. Incorporated on January 24, 1973, the Steel Authority of India. S.A.I. L's privatization is the subject of unfounded rumors in 2000. For Rs 209 crore, 2009 saw the acquisition of the bankrupt Malvika Steel. signs an agreement to build a plant for railroad wagons in West Bengal in 2012. A joint partnership with ArcelorMittal for auto steel is announced in 2016. 2019: The auto jv talks shift to the Japanese and Koreans. 2019: There are rumors that the governor will reduce his ownership share. After inhaling toxic gas in Bhilai in 2020, staff members become sick. The 3 mt/year heated strip mill in Rourkela is put into operation in 2020. By 2030, the capability is proposed to rise to about 50 mt/yr. 2021: Production of head-hardened rails will begin, according to a proposal announced in 2020. The Bokaro factory suffers a serious fire in 2021 due to BF#2's leakage in the Torpedo Ladle. Plans to increase crude steel production capability to 35 MT by FY2031 are announced in 2022. (Steelonthenet.com, 2023)

## 4. Practical Part

We will examine the financial state and financial performance of the companies using vertical, horizontal, and ratio analysis. The figures were displayed in 100 crores Indian rupees (INR), where one crore is equivalent to 10 million in the global numbering system.

### 4.1 Financial Position Analysis of Tata Steel, Ltd

#### 4.1.1 Vertical Analysis of Assets of T.S. Ltd

Table 1: Vertical Analysis of Assets of T.S. Ltd

Particulars	2018	%	2019	%	2020	%	2021	%	2022	%
Property, plant and equipment	709.43	56.70	704.17	51.21	663.93	44.15	640.32	38.80	879.46	39.62
Capital work-in-progress	56.72	4.53	56.86	4.14	80.70	5.37	100.57	6.09	141.59	6.38
Intangible assets	7.8618	0.63	8.0502	0.59	7.2772	0.48	8.3933	0.51	8.0603	0.36
Intangible assets under development	0.3177	0.03	1.1027	0.08	1.7664	0.12	4.0879	0.25	3.8264	0.17
Investments in subsidiaries, associates and joint ventures	36.66	2.93	44.38	3.23	265.78	17.67	284.45	17.24	291.67	13.14
Financial Assets	0		0		0		0	0.00	0	0.00
Investments	59.70	4.77	344.91	25.09	202.83	13.49	226.22	13.71	142.34	6.41
Loans	2.14	0.17	2.31	0.17	1.99	0.13	75.09	4.55	301.95	13.60
Derivative assets	0.1213	0.01	0.0905	0.01	1.6246	0.11	0.4252	0.03	1.3321	0.06
Other financial assets	0.2121	0.02	3.1065	0.23	0.6042	0.04	0.9166	0.06	12.1181	0.55
Income tax assets (net)	10.44	0.83	14.28	1.04	15.58	1.04	16.45	1.00	36.21	1.63
Other assets	21.41	1.71	25.36	1.84	20.62	1.37	16.81	1.02	33.02	1.49
<b>Total Non-Current Assets</b>	<b>904.70</b>	<b>72.31</b>	<b>1,204.63</b>	<b>87.61</b>	<b>1,303.83</b>	<b>86.70</b>	<b>1,412.80</b>	<b>85.61</b>	<b>1,906.97</b>	<b>85.90</b>
Current Assets			0		0		0	0.00	0	0.00
Inventories	110.23	8.81	112.55	8.19	107.17	7.13	86.04	5.21	199.43	8.98
Financial Assets	0		0		0		0	0.00	0	0.00
Investments	146.40	11.70	4.77	0.35	32.35	2.15	64.04	3.88	0.96	0.04
Trade receivables	18.76	1.50	13.63	0.99	10.17	0.68	38.63	2.34	32.80	1.48
Cash and Cash equivalents	45.89	3.67	5.45	0.40	9.94	0.66	15.02	0.91	26.72	1.20
Other balances with Bank	1.0785	0.09	1.7326	0.13	2.3333	0.16	1.7	0.10	1.837	0.08
Loans	0.74	0.06	0.56	0.04	16.07	1.07	15.56	0.94	23.68	1.07
Derivatives assets	0.3007	0.02	0.1496	0.01	2.0996	0.14	0.6693	0.04	0.8954	0.04
Other financial assets	4.8062	0.38	9.4076	0.68	2.3041	0.15	3.5154	0.21	7.183	0.32
Other Assets	18.2294	1.46	22.0998	1.61	17.1592	1.14	8.5499	0.52	19.3908	0.87
<b>Total Current Asset</b>	<b>346.44</b>	<b>27.69</b>	<b>170.36</b>	<b>12.39</b>	<b>199.59</b>	<b>13.27</b>	<b>233.73</b>	<b>14.16</b>	<b>313.90</b>	<b>14.14</b>
Asset held for Sale	-		-		0.50	0.03	0.00		0.00	
<b>Total Assets</b>	<b>1,251.14</b>	<b>100.00</b>	<b>1,374.98</b>	<b>100.00</b>	<b>1,503.93</b>	<b>100.00</b>	<b>1,650.36</b>	<b>100.00</b>	<b>2,219.86</b>	<b>100.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the combined comparative analysis of the years 2018 through 2022 (shown in Table 1), we observe significant fluctuations in the composition of the company's assets. The total assets have experienced a notable surge of 77.62% from year 2018 through year 2022. This growth is primarily attributed to a consistent rise in both non-current and current assets. Notably, non-current assets have surged from 72.31% of total assets in 2018 to 85.90% in 2022, driven by substantial increases in property, plant and equipment, investments in subsidiaries, associates, and joint ventures, as well as investments. On the other hand, current assets, which constituted 27.69% of total assets in 2018, witnessed a marginal decline to 14.14% in 2022. This decline is mainly due to a reduction in investments, trade receivables, and other financial assets. Overall, the company's financial position appears robust, marked by a significant



expansion of its asset base, with a focus on long-term investments and non-current assets.

#### 4.1.2 Vertical Analysis of Equity and Liabilities of T.S. Ltd

Table 2: Vertical Analysis of Equity and Liabilities of T.S. Ltd

Particulars	2018	%	2019	%	2020	%	2021	%	2022	%
Equity Share Capital	11.46	0.92	11.46	0.83	11.46	0.76	11.99	0.73	12.22	0.55
Hybrid Perpetual Securities	22.75	1.82	22.75	1.65	22.75	1.51	7.75	0.47	0	0.00
Other Equity	603.69	48.25	693.09	50.41	734.17	48.82	892.93	54.11	1,242.11	55.95
<b>Total Equity</b>	<b>637.90</b>	<b>50.99</b>	<b>727.30</b>	<b>52.89</b>	<b>768.38</b>	<b>51.09</b>	<b>912.67</b>	<b>55.30</b>	<b>1,254.34</b>	<b>56.51</b>
Non-current liabilities	0		0		0		0	0.00	0	
Financial Liabilities	0		0		0		0	0.00	0	
Borrowings	245.69	19.64	266.51	19.38	313.82	20.87	273.14	16.55	202.91	9.14
Derivative Liabilities	0.7008	0.06	0.5982	0.04	1.2255	0.08	0.712	0.04	0.1018	0.00
Other financial liabilities	0.1978	0.02	1.2507	0.09	2.9359	0.20	4.1366	0.25	8.8323	0.40
Provisions	19.61	1.57	19.18	1.40	21.14	1.41	25.44	1.54	26.85	1.21
Retirement benefit Obligations	12.48	1.00	14.30	1.04	22.24	1.48	20.88	1.27	23.16	1.04
Deferred income	13.6561	1.09	7.4723	0.54	-		-		0.0074	
Deferred Tax liabilities (net)	62.59	5.00	78.07	5.68	58.62	3.90	61.12	3.70	80.88	3.64
Other liabilities	2.25	0.18	4.36	0.32	6.85	0.46	59.13	3.58	48.87	2.20
<b>Total Non-current liabilities</b>	<b>357.17</b>	<b>28.55</b>	<b>397.15</b>	<b>28.88</b>	<b>426.83</b>	<b>28.38</b>	<b>444.56</b>	<b>26.94</b>	<b>428.88</b>	<b>19.32</b>
Current Liabilities	0		0		0		0	0.00	0	
Financial Liabilities	0		0		0		0	0.00	0	
Borrowings	6.6988	0.54	0.0809	0.01	78.5727	5.22	-		119.8466	5.40
Trade Payables	112.43	8.99	109.70	7.98	106.01	7.05	106.39	6.45	210.91	9.50
Derivatives Liabilities	0.1641	0.01	1.3957	0.10	0.8169	0.05	0.6939	0.04	0.8148	0.04
Other financial liabilities	65.41	5.23	68.72	5.00	54.02	3.59	52.74	3.20	51.38	2.31
Provisions	7.35	0.59	7.78	0.57	6.64	0.44	10.74	0.65	10.82	0.49
Retirement benefit obligations	0.905	0.07	1.0212	0.07	1.0661	0.07	1.161	0.07	1.1499	0.05
Deferred Income	-		-		0.0615	0.00	0.3444	0.02	0.6784	0.03
Income tax liabilities (net)	4.54	0.36	3.58	0.26	2.77	0.18	40.93	2.48	10.80	0.49
Other Liabilities	58.57	4.68	63.66	4.63	58.76	3.91	80.13	4.86	125.03	5.63
<b>Total Current Liabilities</b>	<b>256.07</b>	<b>20.47</b>	<b>255.94</b>	<b>18.61</b>	<b>308.71</b>	<b>20.53</b>	<b>293.13</b>	<b>17.76</b>	<b>536.65</b>	<b>24.17</b>
<b>Total Liabilities</b>	<b>1,251.14</b>	<b>100</b>	<b>1,374.98</b>	<b>100</b>	<b>1,503.93</b>	<b>100</b>	<b>1,650.36</b>	<b>100.00</b>	<b>2,219.86</b>	<b>100.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the combined comparative vertical analysis of equities and liabilities for the years 2018 through 2022 (shown in Table 2), the company's financial structure has undergone notable shifts. Total equity has seen a consistent increase, growing from 50.99% of total capital in 2018 to 56.51% in 2022. This upward trend is predominantly driven by substantial growth in "Other Equity," which includes retained earnings and other comprehensive income. On the other hand, there has been a considerable decrease in Hybrid Perpetual Securities from 1.82% in 2018 to 0.55% in 2022, and a subsequent transition of a significant portion of these securities to "Other Equity." In terms of liabilities, the company has experienced changes in both non-current and current obligations. Non-current liabilities have decreased from 28.55% of total capital in 2018 to 19.32% in 2022. This decline is primarily attributed to reductions in borrowings and other financial liabilities. Conversely, current liabilities have seen a substantial increase from 20.47% in 2018 to 24.17% in 2022, mainly due to a rise in trade payables and borrowings. Overall, the company's financial position appears to be characterized by a strengthening equity base and a strategic shift

towards reducing non-current liabilities. However, the increase in current liabilities suggests a need for careful management of short-term obligations. The company's balance between equity and liabilities reflects a dynamic financial strategy aimed at optimizing capital structure and ensuring long- term sustainability.

### 4.1.3 Horizontal Analysis of Assets of T.S. Ltd

Table 3: Horizontal Analysis of Assets of T.S. Ltd

Particulars	2017	2018	%	2019	%	2020	%	2021	%	2022	%
Property, plant and equipment	717.79	709.43	-1.16	704.17	-0.74	663.93	-5.71	640.32	-3.55	879.46	37.35
Capital work-in-progress	61.25	56.72	-7.41	56.86	0.26	80.70	41.93	100.57	24.62	141.59	40.79
Intangible assets	7.88	7.86	-0.25	8.05	2.40	7.28	-9.60	8.39	15.34	8.06	-3.97
Intangible assets under development	0.37	0.32	-13.69	1.10	247.09	1.77	60.19	4.09	131.43	3.83	-6.40
Investments in subsidiaries, associates and joint ventures	33.98	36.66	7.90	44.38	21.04	265.78	498.91	284.45	7.02	291.67	2.54
Financial Assets	0.00	0.00		0.00		0.00		0.00		0.00	
Investments	49.58	59.70	20.42	344.91	477.72	202.83	-41.20	226.22	11.53	142.34	-37.08
Loans	2.12	2.14	0.72	2.31	8.27	1.99	-13.80	75.09	3668.61	301.95	302.10
Derivative assets	0.00	0.12	10008.33	0.09	-25.39	1.62	1695.14	0.43	-73.83	1.33	213.29
Other financial assets	0.79	0.21	-73.32	3.11	1364.64	0.60	-80.55	0.92	51.70	12.12	1222.07
Income tax assets (net)	8.68	10.44	20.29	14.28	36.84	15.58	9.06	16.45	5.60	36.21	120.09
Other assets	31.09	21.41	-31.13	25.36	18.46	20.62	-18.69	16.81	-18.47	33.02	96.39
<b>Total Non-Current Assets</b>	<b>913.35</b>	<b>904.70</b>	<b>-0.95</b>	<b>1204.63</b>	<b>33.15</b>	<b>1303.83</b>	<b>8.24</b>	<b>1412.80</b>	<b>8.36</b>	<b>1906.97</b>	<b>34.98</b>
Current Assets	0.00	0.00		0.00		0.00		0.00		0.00	
Inventories	102.37	110.23	7.68	112.55	2.10	107.17	-4.79	86.04	-19.72	199.43	131.79
Financial Assets	0.00	0.00		0.00		0.00		0.00		0.00	
Investments	53.10	146.40	175.72	4.77	-96.74	32.35	577.56	64.04	97.96	0.96	-98.50
Trade receivables	20.07	18.76	-6.52	13.63	-27.33	10.17	-25.41	38.63	279.97	32.80	-15.09
Cash and Cash equivalents	9.05	45.89	406.94	5.45	-88.13	9.94	82.37	15.02	51.13	26.72	77.90
Other balances with Bank	0.65	1.08	65.67	1.73	60.65	2.33	34.67	1.70	-27.14	1.84	8.06
Loans	0.27	0.74	173.14	0.56	-24.56	16.07	2774.32	15.56	-3.20	23.68	52.19
Derivatives assets	0.06	0.30	380.35	0.15	-50.25	2.10	1303.48	0.67	-68.12	0.90	33.78
Other financial assets	3.15	4.81	52.55	9.41	95.74	2.30	-75.51	3.52	52.57	7.18	104.33
Other Assets	12.38	18.23	47.20	22.10	21.23	17.16	-22.36	8.55	-50.17	19.39	126.80
<b>Total Current Asset</b>	<b>201.10</b>	<b>346.44</b>	<b>72.27</b>	<b>170.36</b>	<b>-50.83</b>	<b>199.59</b>	<b>17.16</b>	<b>233.73</b>	<b>17.10</b>	<b>313.90</b>	<b>34.30</b>
Asset held for Sale	-	-		-		0.50		-		0.00	
<b>Total Assets</b>	<b>1114.65</b>	<b>1251.14</b>	<b>12.24</b>	<b>1374.98</b>	<b>9.90</b>	<b>1503.93</b>	<b>9.38</b>	<b>1650.36</b>	<b>9.74</b>	<b>2219.86</b>	<b>34.51</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the combined horizontal analysis of the company's financial statements from 2017 to 2022 (shown in Table 3), several notable trends emerge. Total assets have experienced a significant surge of 34.51%. This growth is primarily driven by a consistent increase in both non-current and current assets. Non-current assets represent a growth of 34.98% from year 2017 to year 2022. This growth is mainly attributed to significant increases in property, plant and equipment, investments in subsidiaries, associates, and joint ventures, and capital work-in-progress. Current assets also witnessed a notable growth from year 2017 to year 2022, reflecting a substantial increase of 34.30%. This rise is primarily due to significant increases in inventories, investments, and trade receivables. The company's strategic investments in various assets, coupled with effective management of working capital, have contributed to the overall expansion of its asset base over the analyzed period. Overall, the company's horizontal analysis suggests a positive and robust financial position, marked by considerable growth in both non-current and current assets, contributing to the enhancement of its overall financial strength and stability.

#### 4.1.4 Horizontal Analysis of Equity and Liabilities of T.S. Ltd

Table 4: Horizontal Analysis of Equity and Liabilities of T.S. Ltd

Particulars	2017	2018	%	2019	%	2020	%	2021	%	2022	%
Equity Share Capital	9.71	11.46	17.99	11.46	0.00	11.46	0.00	11.99	4.59	12.22	1.97
Hybrid Perpetual Securities	22.75	22.75	0.00	22.75	0.00	22.75	0.00	7.75	-65.93	0.00	-100.00
Other Equity	486.88	603.69	23.99	693.09	14.81	734.17	5.93	892.93	21.62	1242.11	39.10
<b>Total Equity</b>	<b>519.34</b>	<b>637.90</b>	<b>22.83</b>	<b>727.30</b>	<b>14.01</b>	<b>768.38</b>	<b>5.65</b>	<b>912.67</b>	<b>18.78</b>	<b>1254.34</b>	<b>37.44</b>
Non-current liabilities	0.00	0.00		0.00		0.00		0.00		0.00	
Financial Liabilities	0.00	0.00		0.00		0.00		0.00		0.00	
Borrowings	246.94	245.69	-0.51	266.51	8.48	313.82	17.75	273.14	-12.96	202.91	-25.71
Derivative Liabilities	1.79	0.70	-60.92	0.60	-14.64	1.23	104.86	0.71	-41.90	0.10	-85.70
Other financial liabilities	0.18	0.20	8.56	1.25	532.31	2.94	134.74	4.14	40.90	8.83	113.52
Provisions	20.25	19.61	-3.14	19.18	-2.19	21.14	10.19	25.44	20.36	26.85	5.54
Retirement benefit Obligations	14.84	12.48	-15.93	14.30	14.64	22.24	55.52	20.88	-6.14	23.16	10.92
Deferred income	18.85	13.66	-27.56	7.47	-45.28	-		-		0.01	
Deferred Tax liabilities (net)	61.11	62.59	2.42	78.07	24.73	58.62	-24.91	61.12	4.25	80.88	32.33
Other liabilities	0.78	2.25	189.05	4.36	94.10	6.85	57.00	59.13	763.57	48.87	-17.35
<b>Total Non-current liabilities</b>	<b>364.75</b>	<b>357.17</b>	<b>-2.08</b>	<b>397.15</b>	<b>11.19</b>	<b>426.83</b>	<b>7.47</b>	<b>444.56</b>	<b>4.15</b>	<b>428.88</b>	<b>-3.53</b>
Current Liabilities	0.00	0.00		0.00		0.00		0.00		0.00	
Financial Liabilities	0.00	0.00		0.00		0.00		0.00		0.00	
Borrowings	32.40	6.70	-79.32	0.08	-98.79	78.57	97023.24	-	-	119.85	65.56
Trade Payables	107.17	112.43	4.90	109.70	-2.43	106.01	-3.36	106.39	0.35	210.91	98.25
Derivatives Liabilities	2.70	0.16	-93.93	1.40	750.52	0.82	-41.47	0.69	-15.06	0.81	17.42
Other financial liabilities	40.62	65.41	61.03	68.72	5.06	54.02	-21.40	52.74	-2.36	51.38	-2.59
Provisions	7.01	7.35	4.95	7.78	5.84	6.64	-14.70	10.74	61.85	10.82	0.74
Retirement benefit obligations	0.91	0.91	0.00	1.02	12.84	1.07	4.40	1.16	8.90	1.15	-0.96
Deferred Income	-	-		-		0.06		0.34	460.00	0.68	96.98
Income tax liabilities (net)	4.66	4.54	-2.50	3.58	-21.12	2.77	-22.58	40.93	1376.33	10.80	-73.62
Other Liabilities	35.44	58.57	65.28	63.66	8.68	58.76	-7.69	80.13	36.37	125.03	56.03
Total Current Liabilities	230.56	256.07	11.06	255.94	-0.05	308.71	20.62	293.13	-5.05	536.65	83.07
<b>Total Equity and Liabilities</b>	<b>1114.65</b>	<b>1251.14</b>	<b>12.24</b>	<b>1374.98</b>	<b>9.90</b>	<b>1503.93</b>	<b>9.38</b>	<b>1650.36</b>	<b>9.74</b>	<b>2219.86</b>	<b>34.51</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** Total equity is indicating a noteworthy surge of 37.44% in 2022 (shown in Table 4). This growth is primarily attributed to consistent increases in equity share capital and other equity, reflecting the company's efforts to strengthen its equity base over the analyzed period. On the liabilities side, there is a notable decrease in hybrid perpetual securities representing a decline of 100%. This shift may indicate a strategic decision to reduce reliance on certain types of securities. Non-current liabilities have seen a slight decrease down by 3.53%. This reduction is mainly attributed to decreases in borrowings and other financial liabilities. However, current liabilities have reflected a substantial growth of 83.07%. This surge is mainly driven by increased borrowings, trade payables, and other financial liabilities. The company may be taking advantage of short-term financing to support its operational activities. In summary, the company's financial position has strengthened, marked by a substantial increase in total equity. While non-current liabilities have slightly decreased, the significant growth in current liabilities suggests a need for careful management of short-term obligations. Overall, the company's financial strategy seems to focus on bolstering equity while carefully balancing short-term and long-term liabilities.

#### 4.1.5 Horizontal Analysis of Income Statement of T.S. Ltd

Table 5: Horizontal Analysis of Income Statement of T.S. Ltd

Particulars	2017.00	2018.00	%	2019.00	%	2020.00	%	2021.00	%	2022.00	%
Revenue from operations	532.61	605.19	13.63	706.11	16.67	604.36	-14.41	648.69	7.34	1290.21	98.90
Other Income	4.14	7.64	84.25	24.05	214.94	4.04	-83.20	6.38	57.85	12.22	91.61
Total Income	536.75	612.83	14.17	730.16	19.15	608.41	-16.67	655.07	7.67	1302.44	98.82
Expenses	0.00	0.00		0.00		0.00		0.00		0.00	
Raw material consumed	124.97	168.78	35.06	198.40	17.55	174.07	-12.26	138.69	-20.33	463.06	233.89
Purchases of finished, semi-finished and other products	8.81	6.47	-26.55	18.08	179.33	15.63	-13.54	11.46	-26.68	19.82	72.94
Changes in stock of finished goods, work-in-progress and work-in-process	-13.30	5.45	-141.02	-5.54	-201.64	-5.64	1.82	14.64	-359.41	18.21	24.37
Employee benefits expenses	46.05	48.29	4.86	51.31	6.26	50.37	-1.84	51.99	3.22	63.66	22.45
Finance costs	26.89	28.11	4.54	28.24	0.46	30.31	7.35	33.94	11.97	27.92	-17.73
Depreciation and amortization expenses	35.42	37.27	5.25	38.03	2.03	39.20	3.08	39.87	1.71	54.69	37.17
Other expenses	249.49	221.78	-11.11	246.23	11.02	238.03	-3.33	227.47	-4.44	185.08	-18.63
Total Expenses	476.15	516.15	8.40	566.75	9.80	525.26	-7.32	518.06	-1.37	832.45	60.69
	0.00	0.00		0.00		0.00		0.00		0.00	
Profit before exceptional items and tax	60.60	100.05	65.08	163.41	63.34	83.15	-49.12	150.22	80.67	469.99	212.86
Exceptional Items	-7.03	-33.66	378.59	-1.14	-96.61	-17.04	1391.36	27.73	-262.78	29.08	4.87
Profit before tax	53.57	66.38	23.92	162.27	144.45	66.11	-59.26	177.95	169.18	440.91	147.77
Tax Expenses	0.00	0.00		0.00		0.00		0.00		0.00	
Current Tax	14.01	15.87	13.30	62.97	296.85	17.88	-71.61	39.49	120.87	116.12	194.04
Deferred Tax	5.12	8.82	72.30	-6.03	-168.38	-19.21	218.51	2.39	-112.47	-5.32	-322.36
Total Tax Expenses	19.12	24.69	29.09	56.94	130.65	-1.33	-102.33	41.89	-3253.52	110.79	164.52
	0.00	0.00		0.00		0.00		0.00		0.00	
Profit for the year	34.45	41.70	21.05	105.33	152.62	67.44	-35.98	136.07	101.76	330.11	142.61

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the combined comparative horizontal analysis of the income statements from 2017 to 2022 (shown in Table 5), several notable trends emerge, reflecting the financial performance of the company over the years. The company experienced substantial revenue growth representing a significant surge of 142.61%, indicating a robust expansion of the company's core operations. Other income saw a considerable increase, reaching 91.61 crores rupees in 2022, compared to 4.14 crores rupees in 2017. This surge is primarily attributed to a significant increase in 2020, followed by a decline in 2021. The impact of exceptional items on profit before tax was notable, with both positive and negative fluctuations over the years. While total expenses increased from 476.15 crores rupees in 2017 to 832.45 crores rupees in 2022, the rate of growth was significant at 74.65%. Key contributors to this increase include raw material consumed, employee benefits, and exceptional items. Profit before exceptional items and tax demonstrated a substantial growth from 60.60 crores rupees in 2017 to 469.99 crores rupees in 2022, marking an impressive increase of 677.94%. The impact of exceptional items on profit before tax showcased volatility, influencing the overall profitability of the company. The tax expenses experienced significant fluctuations, with a notable increase in



2019, followed by a decline in 2020. Deferred tax played a crucial role, contributing to both positive and negative impacts on total tax expenses. Despite variations in expenses and taxes, the company's profit for the year consistently increased, reaching 330.11 crores rupees in 2022, compared to 34.45 crores rupees in 2017. This indicates a remarkable growth of 857.68%, showcasing the company's ability to enhance its profitability over the analyzed period. In summary, the company has demonstrated substantial revenue growth and improved profitability, with effective expense management. However, the impact of exceptional items and tax fluctuations highlights the need for strategic financial planning to ensure sustained and stable financial performance.

#### 4.1.6 Vertical Analysis of Revenues of T.S. Ltd

*Table 6: Vertical Analysis of Revenues of T.S. Ltd*

Particulars	2018	%	2019	%	2020	%	2021	%	2022	%
Revenue from Operations	605.19	98.75	706.11	96.71	604.36	99.33	648.69	99.03	1290.21	99.06
Other Income	7.64	1.25	24.05	3.29	4.04	0.66	6.38	0.97	12.22	0.94
<b>Total Income</b>	<b>612.83</b>	<b>100.00</b>	<b>730.16</b>	<b>100.00</b>	<b>608.41</b>	<b>100.00</b>	<b>655.07</b>	<b>100.00</b>	<b>13.02</b>	<b>100.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the comparative vertical analysis of the revenues from operations and other income combined for the years 2018 to 2022 (shown in Table 6), several noteworthy trends emerge, providing insights into the financial position of the company. The primary source of the company's income is revenue from operations, which saw a substantial increase from 605.19 crores rupees in 2018 to 1,290.21 crores rupees in 2022, marking a remarkable growth of 113.35%. This emphasizes the company's success in expanding its core business activities. While other income also increased, its contribution to the total income remained relatively modest compared to revenue from operations. Other income grew from 7.64 crores rupees in 2018 to 12.22 crores rupees in 2022, representing a 59.69% increase. Although a smaller proportion of the total income, other income's significance lies in its potential to contribute additional value to the company's overall financial picture. The vertical analysis reveals consistent growth in both revenue from operations and other income over the years, indicating a positive trend in the company's ability to generate income from its core activities and supplementary sources. The fact that revenue from operations constitutes the overwhelming majority of the total income (99.06% in 2022) underscores the company's reliance on its core business for financial strength. This indicates a healthy and sustainable revenue stream,

providing a solid foundation for the company's financial stability. In summary, the comparative vertical analysis highlights the significant and consistent growth in revenue from operations, reinforcing the company's robust performance in its primary business activities. The supplementary contribution from other income, although smaller in proportion, adds diversity to the income streams. This overall positive trend in revenue composition reflects a strong financial position for the company.

#### 4.1.7 Vertical Analysis of Expenses of T.S. Ltd

Table 7: Vertical Analysis of Expenses of T.S. Ltd

Particulars	2018	%	2019	%	2020	%	2021	%	2022	%
Raw Materials Consumed	168.78	31.40	198.40	31.81	174.07	33.22	138.69	26.77	463.06	0.48
Purchases of finished, semi-finished and other products	6.47	1.20	18.08	2.90	15.63	2.98	11.46	2.21	19.82	0.02
Changes in stock of finished goods, stock- in-trade and work-in-progress	5.45	1.01	-5.54	-0.89	-5.64	-1.08	14.64	2.83	18.21	0.02
Employee Benefits Expense	48.29	8.98	51.31	8.23	50.37	9.61	51.99	10.04	63.66	0.07
Finance Costs	28.11	5.23	28.24	4.53	30.31	5.79	33.94	6.55	27.92	0.03
Depreciation and Amortization expenses	37.27	6.94	38.03	6.10	39.20	7.48	39.87	7.70	54.69	0.06
Other expenses	221.78	41.26	246.23	39.48	238.03	45.43	227.47	43.91	185.08	0.19
Total Exceptional Items	-33.66	-6.26	-1.14	-0.18	-17.04	-0.18	27.73	5.35	29.08	0.03
Tax Expense	0.00		0.00		0.00		0.00	0.00	0.00	0.00
Current Tax	15.87	2.95	62.97	10.10	17.88	3.41	39.49	7.62	116.12	0.12
Deferred Tax	8.82	1.64	-6.03	-0.97	-19.21	-0.97	2.39	0.46	-5.32	-0.01
Total Tax Expenses	24.69	4.59	56.94	9.13	-1.33	-0.25	41.89	8.08	110.79	0.11
Total Expenses	537.47	100.00	623.69	100.00	523.93	100.00	518.06	100.00	972.32	100.00

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the comparative vertical analysis of the expenses for the years 2018 to 2022 (shown in Table 7), key trends emerge, shedding light on the financial position of the company. The percentage of raw materials consumed relative to total expenses decreased from 31.40% in 2018 to 26.77% in 2022. This suggests that the company has effectively managed its raw material costs, contributing to improved cost efficiency. The proportion of purchases of finished products to total expenses decreased slightly from 1.20% in 2018 to 2.21% in 2022. While this category remains a relatively small part of the overall expenses, it indicates a moderate increase in the company's investment in finished products. The percentage of employee benefits expense has remained relatively stable, ranging from 8.98% in 2018 to 10.04% in 2022. This suggests a consistent commitment to employee well-being and workforce management. Finance costs, as a percentage of total expenses, have shown a slight decrease from 5.23% in 2018 to 6.55% in 2022. This indicates a relatively stable financing structure and

prudent financial management. The proportion of depreciation and amortization expenses to total costs increased from 6.94% in 2018 to 7.70% in 2022. This rise may be attributed to increased investment in capital assets, signaling potential business expansion or modernization efforts. The category of other expenses, as a percentage of total costs, decreased from 41.26% in 2018 to 43.91% in 2022. While still representing a substantial portion of overall expenses, the decrease suggests efforts to manage and control miscellaneous costs. The percentage of exceptional items to total expenses has fluctuated, reaching a peak of -6.26% in 2018 and a peak of 5.35% in 2022. These exceptional items, which include gains or losses outside the ordinary course of business, significantly impact the overall financial performance. The percentage of tax expenses has varied, with a notable increase in 2019, likely influenced by specific tax events. However, it returned to a more typical range in subsequent years. In summary, the comparative vertical analysis reveals a strategic focus on managing raw material costs, maintaining stable employee benefits, and prudent financial management. The increase in depreciation and amortization expenses may indicate capital investment, while fluctuations in exceptional items underscore the influence of extraordinary events on overall expenses. Overall, the analysis suggests a balanced approach to cost management, contributing to the company's financial stability.

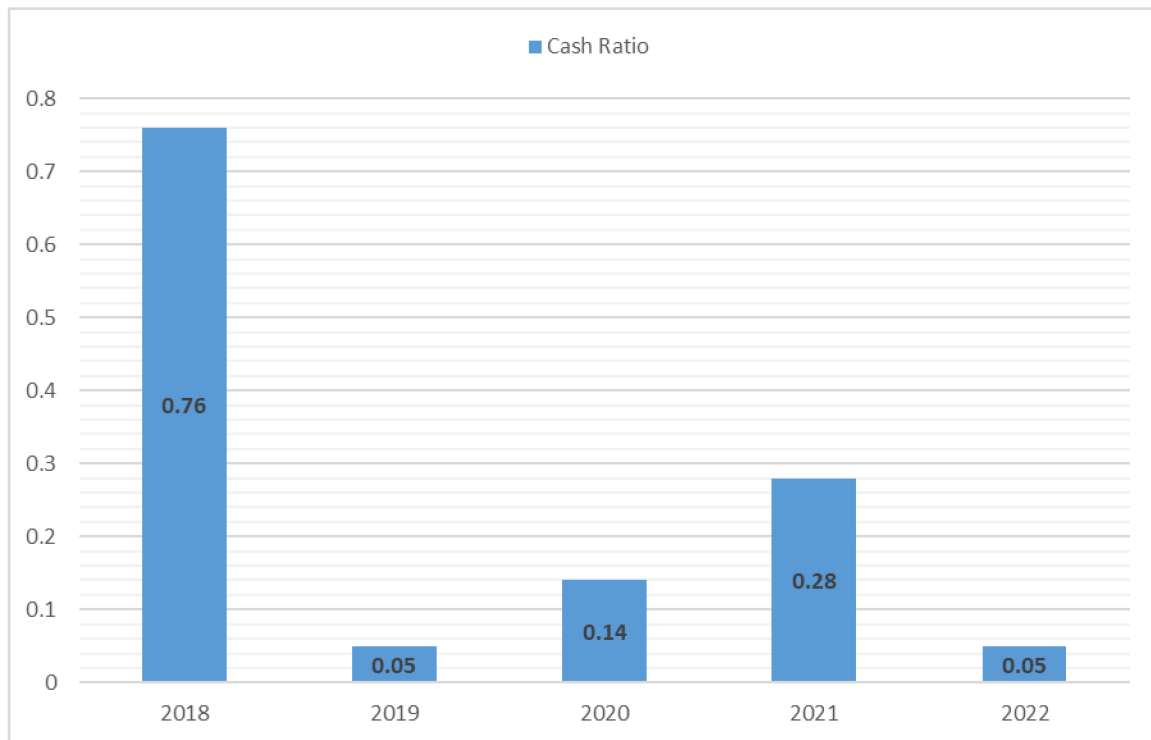
#### 4.1.8 Analysis of Cash Ratio

*Table 8: Analysis of Cash Ratio*

Cash Ratio					
Particulars	2018	2019	2020	2021	2022
Investments	146.40	4.77	32.35	64.04	0.96
Cash and Cash Equivalents	45.89	5.45	9.94	15.02	26.72
Other balances with Bank	1.08	1.73	2.33	1.70	1.84
Total Current Liabilities	256.07	255.94	308.71	293.13	536.65
<b>Cash Ratio</b>	<b>0.76</b>	<b>0.05</b>	<b>0.14</b>	<b>0.28</b>	<b>0.05</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 5: Cash Ratio - T.S. Ltd



Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** The analysis of the cash ratios for the years 2018 to 2022 (shown in Table 8) provides insights into the liquidity position of the company. In 2018, the cash ratio was 0.76, indicating that the company had 0.76 rupee in cash and cash equivalents for every rupee of current liabilities. This suggests a reasonably healthy liquidity position, with a substantial portion of short-term obligations covered by available cash. In 2019, a significant decrease in the cash ratio to 0.05 occurred in 2019. This sharp decline suggests a potential liquidity strain, with only 0.05 rupee in cash and cash equivalents for every rupee of current liabilities. It could be indicative of increased short-term obligations or a decrease in available liquid assets during this period. In 2020, the cash ratio improved to 0.14 in 2020, signaling a partial recovery in liquidity. The company had 0.14 rupee in cash and cash equivalents for every rupee of current liabilities. While an improvement from the previous year, the ratio remains relatively low, indicating continued attention to liquidity management. In 2021, the cash ratio further increased to 0.28 in 2021, reflecting a more favorable liquidity position. The company had 0.28 rupee in cash and cash equivalents for every rupee of current liabilities. This suggests successful efforts in enhancing liquidity, possibly through effective working capital management or increased cash reserves. In 2022, the cash ratio experienced a decrease to 0.05 in 2022, reverting to a level similar to that of 2019. This reduction may raise concerns about liquidity, highlighting



the need for careful monitoring of cash positions and potential adjustments in managing short-term liabilities. In summary, the cash ratio analysis reveals fluctuations in the company's liquidity position over the years. While 2021 showed improvement, the subsequent decrease in 2022 indicates potential challenges. It emphasizes the importance of maintaining a balance between liquid assets and short-term obligations for sustained financial health and adaptability to changing economic conditions.

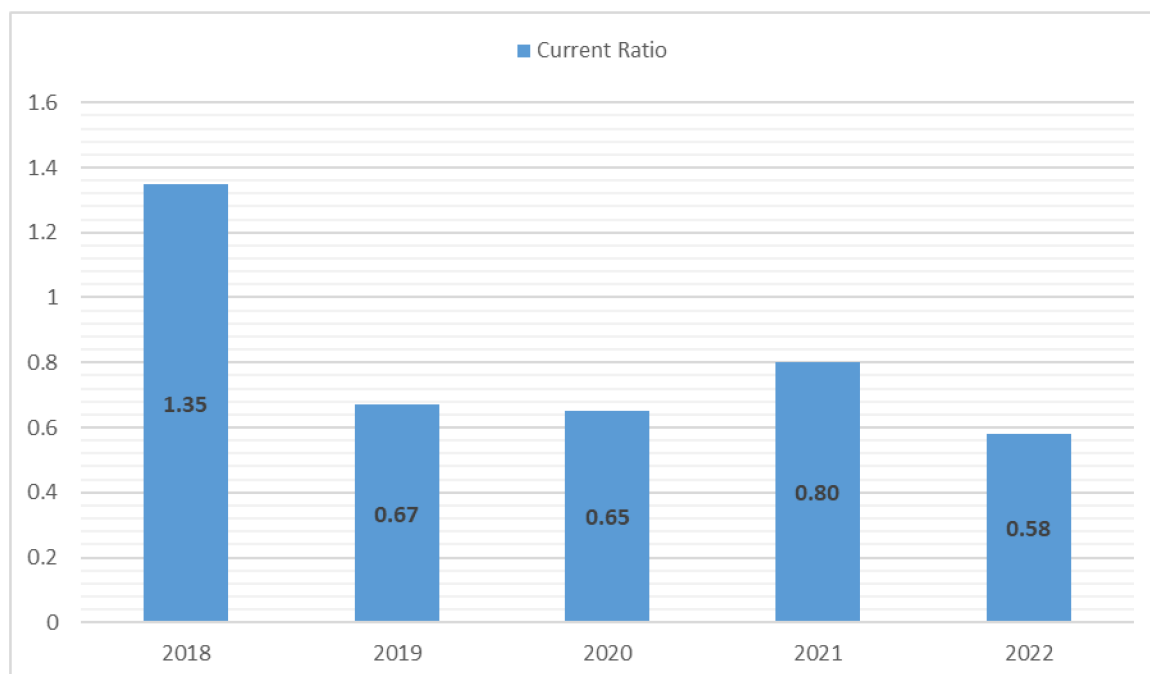
#### 4.1.9 Analysis of Current Ratio

*Table 9: Analysis of Current Ratio*

CA / CL Ratio					
Particulars	2018	2019	2020	2021	2022
Current Assets	346.44	170.36	199.59	233.73	312.90
Current Liabilities	256.07	255.94	308.71	293.13	536.65
<b>CA / CL Ratio</b>	<b>1.35</b>	<b>0.67</b>	<b>0.65</b>	<b>0.80</b>	<b>0.58</b>

(Own processing based on the financial statements of the company., 2023)

*Figure 6: Current Ratio Analysis of T.S. Ltd*



(Own processing based on the financial statements of the company., 2023)

**Interpretation:** The analysis of the current ratios from 2018 to 2022 (shown in Table 9) provides insights into the company's short-term liquidity and its ability to meet immediate financial obligations. In 2018, the current ratio was 1.35, indicating a healthy liquidity position. This suggests the company had sufficient short-term assets to cover its immediate financial obligations, reflecting a robust financial position. A significant decrease in the current ratio to 0.67 in 2019 implies a notable decline in short-term liquidity. The company faced challenges in meeting immediate financial obligations, possibly due to increased liabilities or a reduction in current assets. The current ratio remained relatively low at 0.65 in 2020, indicating persistent challenges in short-term liquidity. This emphasized the need for effective liquidity management. The current ratio improved to 0.80 in 2021, signaling a partial recovery in short-term liquidity. Although still below the ideal ratio of 1, the increase suggests efforts to enhance liquidity, possibly through improved management of current assets and liabilities. A decrease in the current ratio to 0.58 in 2022 raises concerns about short-term liquidity. The company faces challenges in meeting immediate financial obligations. This decline underscores the importance of closely monitoring and managing short-term liquidity to ensure financial stability. In summary, the company experienced fluctuations in its current ratio over the years, with a significant decline in 2019 and subsequent improvements. The decrease in the current ratio in 2022 emphasizes the ongoing need for effective liquidity management to navigate potential financial challenges and maintain a robust financial position.

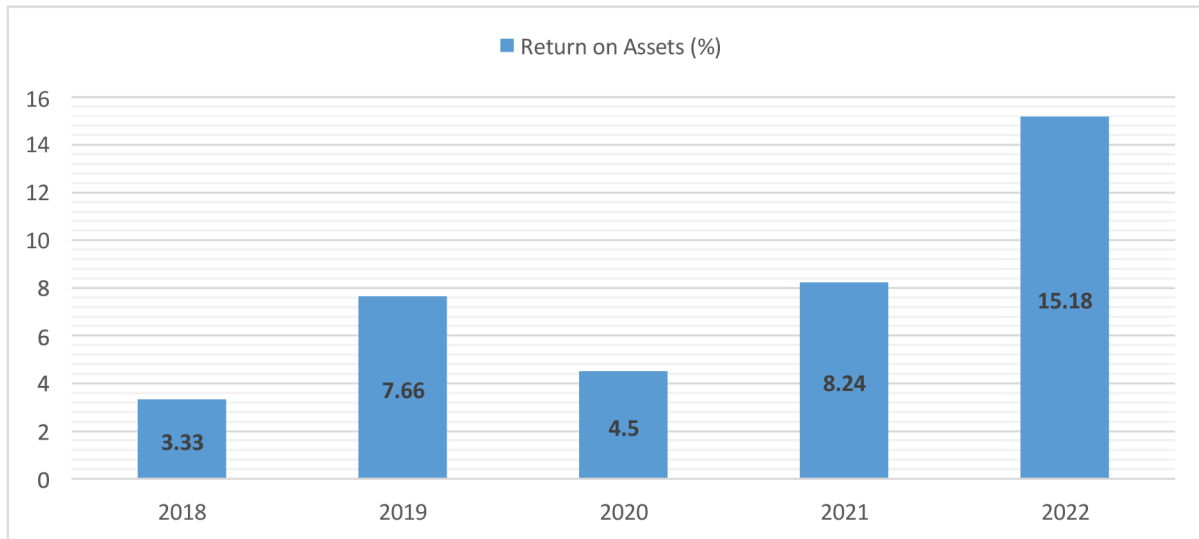
#### 4.1.10 Return on Assets (ROA)

*Table 10: Return on Assets (ROA)*

	Return on Assets (%)				
Particulars	2018.00	2019.00	2020.00	2021.00	<b>2022.00</b>
Net Income	41.70	105.33	67.44	136.07	337.06
Total Assets	1251.14	1374.98	1503.93	1650.36	22.20
<b>Return on Assets (%)</b>	<b>3.33</b>	<b>7.66</b>	<b>4.48</b>	<b>8.24</b>	<b>15.18</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 7: ROA - T.S. Ltd



Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** The Return on Assets (ROA) is a key financial metric that measures a company's efficiency in generating profits from its assets. Analyzing the ROA from 2018 to 2022 (shown in Table 10) provides insights into the company's ability to utilize its assets for profitability. In 2018, the ROA was 3.33%. This suggests a moderate efficiency in utilizing its assets to generate returns. The ROA significantly increased to 7.66% in 2019, reflecting improved efficiency in asset utilization. The ROA experienced a slight decline to 4.48% in 2020. While still positive, this decrease suggests a potential challenge in maintaining the previous year's level of profitability relative to its asset base. The ROA rebounded to 8.24% in 2021, indicating a renewed efficiency in utilizing assets to generate profits. The ROA further increased to 15.18% in 2022, showcasing a substantial improvement in asset efficiency and profitability. In summary, the company experienced fluctuations in ROA, with a notable increase in 2019, a temporary dip in 2020, and subsequent improvements in 2021 and 2022. The consistent positive ROA values suggest effective management in leveraging assets for profitability, culminating in a strong financial position in 2022.

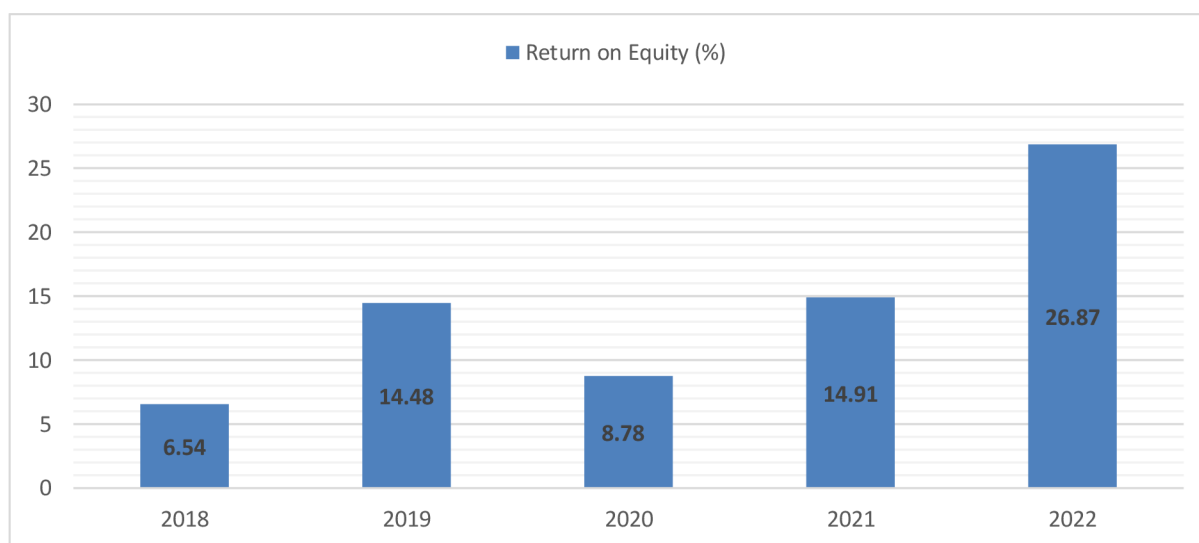
#### 4.1.11 Return on Equity (ROE)

Table 11: Return on Equity (ROE)

Particulars	Return on Equity (%)				
	2018	2019	2020	2021	2022
Net Income	0.42	1.05	0.67	1.36	3.37
Total Equity	6.38	7.27	7.68	9.13	12.54
<b>Return on Equity (%)</b>	<b>6.54</b>	<b>14.48</b>	<b>8.78</b>	<b>14.91</b>	<b>26.87</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 8: ROE - T.S. Ltd



(Own processing based on the financial statements of the company., 2023)

**Interpretation:** The Return on Equity (ROE) is a critical financial metric that measures a company's profitability in relation to its shareholder equity. Analyzing the ROE from 2018 to 2022 (shown in Table 11) provides insights into the company's ability to generate returns for its shareholders. In 2018, the ROE was 6.54%. This suggests a moderate level of profitability relative to the equity base. The ROE significantly increased to 14.48% in 2019, reflecting improved profitability and an enhanced ability to generate returns for shareholders. This substantial uptick suggests effective utilization of equity to drive higher profits. The ROE experienced a slight decline to 8.78% in 2020. While still positive, this decrease suggests a potential challenge in maintaining the previous year's level of return relative to shareholder equity. The ROE rebounded to 14.91% in 2021, indicating a renewed ability to generate higher returns for shareholders. The company demonstrated improved profitability. The ROE further increased to 26.87% in 2022, showcasing a substantial improvement in the company's ability to

generate returns for its shareholders. This significant uptrend suggests robust financial performance and effective use of equity to drive profitability. In summary, the company experienced fluctuations in ROE, with a notable increase in 2019, a temporary dip in 2020, and subsequent improvements in 2021 and 2022. The consistently positive ROE values, particularly the substantial increase in 2022, indicate a strong financial position and effective management in generating returns for shareholders.

## 4.2 Financial Position Analysis of J.S.W

### 4.2.1 Vertical Analysis of Assets of J.S.W Steel

Table 12: Vertical Analysis of Assets of J.S.W Steel

Particulars	2018	%	2019	%	2020	%	2021	%	2022	%
Property, plant and equipment	495.03	57.86	516.00	48.03	461.17	37.79	461.17	34.61	658.62	40.44
Capital work-in-progress	30.71	3.59	100.99	9.40	238.10	19.51	289.14	21.70	124.59	7.65
Intangible assets	0.65	0.08	1.72	0.16	3.23	0.26	16.14	1.21	18.79	1.15
Intangible assets under development	3.21	0.38	3.44	0.32	3.31	0.27	1.28	0.10	1.40	0.09
Investments in subsidiaries, associates and joint ventures	38.48	4.50	39.80	3.70	47.57	3.90	66.76	5.01	135.22	8.30
Financial Assets	0.00		0.00		0.00		0.00		0.00	
Investments	10.30	1.20	14.17	1.32	12.42	1.02	57.82	4.34	45.06	2.77
Loans	51.65	6.04	76.75	7.14	87.05	7.13	53.82	4.04	57.63	3.54
Other financial assets	7.46	0.87	0.48	0.04	5.62	0.46	19.71	1.48	35.34	2.17
Income tax assets (net)	2.50	0.29	2.17	0.20	3.40	0.28	2.30	0.17	3.18	0.20
Other non-current assets	22.99	2.69	34.75	3.23	23.78	1.95	23.94	1.80	34.73	2.13
<b>Total Non-Current Assets</b>	<b>662.98</b>	<b>77.50</b>	<b>790.27</b>	<b>73.56</b>	<b>926.67</b>	<b>75.93</b>	<b>1035.29</b>	<b>77.71</b>	<b>1153.85</b>	<b>70.84</b>
Current Assets	0.00		0.00		0.00		0.00		0.00	
Inventories	100.82	11.78	108.15	10.07	96.23	7.88	106.92	8.03	210.28	12.91
Financial Assets	0.00		0.00		0.00		0.00		0.00	
Investments	-	-	-	-	-	-	0.00		0.00	
Trade receivables	46.92	5.48	67.70	6.30	31.66	2.59	33.33	2.50	61.46	3.77
Cash and Cash equivalents	4.51	0.53	53.66	5.00	34.38	2.82	111.21	8.35	76.70	4.71
Other balances with Bank	1.50	0.18	4.47	0.42	79.63	6.52	6.25	0.47	78.57	4.82
Loans	1.58	0.18	1.36	0.13	3.21	0.26	7.33	0.55	2.65	0.16
Derivative assets	1.47	0.17	2.29	0.21	2.75	0.23	0.86	0.06	4.03	0.25
Other financial assets	5.03	0.59	26.44	2.46	27.94	2.29	13.48	1.01	11.51	0.71
Other Assets	30.70	3.59	19.91	1.85	17.95	1.47	17.65	1.32	29.65	1.82
<b>Total Current Assets</b>	<b>192.53</b>	<b>22.50</b>	<b>283.98</b>	<b>26.44</b>	<b>293.75</b>	<b>24.07</b>	<b>297.03</b>	<b>22.29</b>	<b>474.85</b>	<b>29.16</b>
<b>Total Assets</b>	<b>855.51</b>	<b>100.00</b>	<b>1074.25</b>	<b>100.00</b>	<b>1220.42</b>	<b>100.00</b>	<b>1332.32</b>	<b>100.00</b>	<b>1628.70</b>	<b>100.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** Over the five-year period from 2018 to 2022 (shown in Table 12), the company's asset structure underwent notable changes. In 2018, property, plant, and equipment dominated the assets, constituting 57.86%, while investments in subsidiaries accounted for 4.50%. Over subsequent years, there was a shift, with a decrease in the percentage of property, plant, and equipment and an increase in capital work-in-progress and investments. Notably, 2022 saw a significant surge in property, plant, and equipment to 40.44%, reflecting intensified investment. Investments in subsidiaries also grew substantially to 8.30%. Concurrently, the composition of current assets expanded, particularly in cash and cash equivalents, indicating enhanced liquidity. This dynamic asset management strategy suggests the company's adaptability to evolving business landscapes and strategic efforts to balance fixed and liquid assets for sustained financial health.

## 4.2.2 Vertical Analysis of Equity and Liabilities of J.S.W Steel

Table 13: Vertical Analysis of Equity and Liabilities of J.S.W Steel

Particulars	2018	%	2019	%	2020	%	2021	%	2022	%
<b>EQUITY</b>										
Equity Share Capital	3.02	0.35	3.01	0.28	3.01	0.25	3.02	0.23	3.01	0.18
Other Equity	276.05	32.27	345.92	32.20	380.61	31.19	466.75	35.03	632.00	38.83
<b>Total Equity</b>	<b>279.07</b>	<b>32.62</b>	<b>348.93</b>	<b>32.48</b>	<b>383.62</b>	<b>31.43</b>	<b>469.77</b>	<b>35.26</b>	<b>635.01</b>	<b>39.01</b>
<b>LIABILITIES</b>										
Non-Current Liabilities	0.00		0.00		0.00		0.00		0.00	
Financial Liabilities	0.00		0.00		0.00		0.00		0.00	
<b>Borrowings</b>	<b>295.51</b>	<b>34.54</b>	<b>276.66</b>	<b>25.75</b>	<b>392.47</b>	<b>32.16</b>	<b>395.51</b>	<b>29.69</b>	<b>411.76</b>	<b>25.30</b>
Lease liabilities	-		-		27.16	2.23	24.13	1.81	17.67	1.09
Derivative liabilities	-		-		1.30	0.11	0.57	0.04	0.07	0.00
Other financial liabilities	6.98	0.82	10.30	0.96	13.08	1.07	11.73	0.88	10.35	0.64
Provisions	1.15	0.13	2.35	0.22	3.22	0.26	7.53	0.57	12.92	0.79
Deferred Tax liabilities (net)	20.71	2.42	33.31	3.10	13.15	1.08	30.95	2.32	69.35	4.26
Other non-current liabilities	0.04	0.00	40.83	3.80	30.48	2.50	21.73	1.63	10.23	0.63
<b>Total Non-current liabilities</b>	<b>324.39</b>	<b>37.92</b>	<b>363.45</b>	<b>33.83</b>	<b>480.86</b>	<b>39.40</b>	<b>492.15</b>	<b>36.94</b>	<b>532.35</b>	<b>32.70</b>
Current Liabilities	0.00		0.00		0.00		0.00		0.00	
Financial Liabilities	0.00		0.00		0.00		0.00		0.00	
Borrowings	21.72	2.54	53.71	5.00	68.13	5.58	120.73	9.06	92.59	5.69
Trade Payables	139.88	16.35	133.54	12.43	131.28	10.76	121.55	9.12	243.28	14.95
Derivative liabilities	0.90	0.11	3.32	0.31	1.89	0.15	0.96	0.07	1.05	0.06
Other financial liabilities	71.11	8.31	154.71	14.40	119.80	9.82	9.25	0.69	66.93	4.11
Lease liabilities	-		-		7.73	0.63	185.50	13.92	9.84	0.60
Provisions	1.11	0.13	0.53	0.05	0.64	0.05	2.43	0.18	2.27	0.14
Other current liabilities	13.81	1.61	16.39	1.53	23.02	1.89	32.54	2.44	41.53	2.55
Income tax liabilities (net)	3.52	0.41	1.93	0.18	1.19	0.10	5.37	0.40	3.85	0.24
<b>Total Current Liabilities</b>	<b>252.05</b>	<b>29.46</b>	<b>361.87</b>	<b>33.69</b>	<b>355.94</b>	<b>29.17</b>	<b>370.40</b>	<b>27.80</b>	<b>461.34</b>	<b>28.34</b>
<b>Total Liabilities</b>	<b>855.51</b>	<b>100.00</b>	<b>1074.25</b>	<b>100.00</b>	<b>1220.42</b>	<b>100.00</b>	<b>1332.32</b>	<b>100.00</b>	<b>1627.80</b>	<b>100.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** Over the five-year period from 2018 to 2022 (shown in Table 13), there have been significant shifts in the composition of equities and liabilities, providing insights into the financial structure of the company. The equity portion, comprising equity share capital and other equity, increased consistently from 32.62% in 2018 to 39.01% in 2022. Notably, other equity played a pivotal role in this growth, rising from 32.27% to 38.83%. On the liabilities side, non-current liabilities witnessed a slight decline from 37.92% in 2018 to 32.70% in 2022, primarily due to variations in borrowings and other financial liabilities. Current liabilities, on the other hand, displayed an increasing trend, climbing from 29.46% in 2018 to 28.34% in 2022. The overall total liabilities increased, showcasing the company's strategic management of its capital structure. This dynamic interplay between equities and liabilities reflects the company's financial adaptability and efforts to maintain a balanced and sustainable financial position over the years.



### 4.2.3 Horizontal Analysis of Assets of J.S.W Steel

Table 14: Horizontal Analysis of Assets of J.S.W Steel

Particulars	2017	2018	%	2019	%	2020	%	2021	%	2022	%
Property, plant and equipment	502.15	495.03	-1.42	516	4.24	461.17	-10.63	461.17	0.00	658.62	42.82
Capital work-in-progress	27.45	30.71	11.88	100.99	228.85	238.1	135.77	289.14	21.44	124.59	-56.91
Intangible assets	0.51	0.65	27.45	1.72	164.62	3.23	87.79	16.14	399.69	18.79	16.42
Intangible assets under development	2.82	3.21	13.83	3.44	7.17	3.31	-3.78	1.28	-61.33	1.4	9.38
Investments in subsidiaries, associates and joint ventures	37.72	38.48	2.01	39.8	3.43	47.57	19.52	66.76	40.34	135.22	102.55
Financial Assets	0	0		0		0		0		0	
Investments	9.78	10.3	5.32	14.17	37.57	12.42	-12.35	57.82	365.54	45.06	-22.07
Loans	27.71	51.65	86.39	76.75	48.60	87.05	13.42	53.82	-38.17	57.63	7.08
Other financial assets	6.48	7.46	15.12	0.48	-93.57	5.62	1070.83	19.71	250.71	35.34	79.30
Income tax assets (net)	3.03	2.5	-17.49	2.17	-13.20	3.4	56.68	2.3	-32.35	3.18	38.26
Other non-current assets	13.96	22.99	64.68	34.75	51.15	23.78	-31.57	23.94	0.67	34.73	45.07
<b>Total Non-Current Assets</b>	<b>631.61</b>	<b>662.98</b>	<b>4.97</b>	<b>790.27</b>	<b>19.20</b>	<b>926.67</b>	<b>17.26</b>	<b>1035.29</b>	<b>11.72</b>	<b>1153.85</b>	<b>11.45</b>
Current Assets	0	0		0		0		0		0	
Inventories	92.7	100.82	8.76	108.15	7.27	96.23	-11.02	106.92	11.11	210.28	96.67
Financial Assets	0	0		0		0		0		0	
Investments	-	-		-		-		0		0	
Trade receivables	39.48	46.92	18.84	67.7	44.29	31.66	-53.23	33.33	5.27	61.46	84.40
Cash and Cash equivalents	7.12	4.51	-36.66	53.66	1089.80	34.38	-35.93	111.21	223.47	76.7	-31.03
Other balances with Bank	3.15	1.5	-52.38	4.47	198.00	79.63	1681.43	6.25	-92.15	78.57	1157.12
Loans	1.21	1.58	30.58	1.36	-13.92	3.21	136.03	7.33	128.35	2.65	-63.85
Derivative assets	4.34	1.47	-66.13	2.29	55.78	2.75	20.09	0.86	-68.73	4.03	368.60
Other financial assets	3.28	5.03	53.35	26.44	425.65	27.94	5.67	13.48	-51.75	11.51	-14.61
Other Assets	23.7	30.7	29.54	19.91	-35.15	17.95	-9.84	17.65	-1.67	29.65	67.99
<b>Total Current Assets</b>	<b>177.98</b>	<b>192.53</b>	<b>8.18</b>	<b>283.98</b>	<b>47.50</b>	<b>293.75</b>	<b>3.44</b>	<b>297.03</b>	<b>1.12</b>	<b>474.85</b>	<b>59.87</b>
<b>Total Assets</b>	<b>809.59</b>	<b>855.51</b>	<b>5.67</b>	<b>1074.25</b>	<b>25.57</b>	<b>1220.42</b>	<b>13.61</b>	<b>1332.32</b>	<b>9.17</b>	<b>1628.7</b>	<b>22.25</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the horizontal analysis of the company's assets from 2017 to 2022 (shown in Table 14), several noteworthy trends emerge. Property, plant, and equipment witnessed a slight decrease of -1.42% in 2018 but rebounded with a substantial increase of 4.24% in 2019. However, there was a significant dip of -10.63% in 2020, followed by a stable year in 2021 and a remarkable surge of 42.82% in 2022. Capital work-in-progress experienced fluctuations, notably soaring by 228.85% in 2019 and plummeting by -56.91% in 2022. Intangible assets demonstrated varying patterns, with a notable increase in 2019 and a subsequent decline in 2020. Investments in subsidiaries, associates, and joint ventures showed consistent growth, especially in 2022 with a remarkable increase of 102.55%. Total non-current assets demonstrated an overall upward trajectory, reflecting the company's strategic investments and capital allocation decisions. Similarly, current assets, influenced by significant changes in inventories, trade receivables, and cash equivalents, exhibited a substantial overall increase of 59.87%. This comprehensive horizontal analysis provides insights into the company's evolving asset composition and its efforts to adapt to changing market conditions and strategic objectives over the analyzed period.



#### 4.2.4 Horizontal Analysis of Equity and Liabilities of J.S.W Steel

Table 15: Horizontal Analysis of Equity and Liabilities of J.S.W Steel

Particulars	2017	2018	%	2019	%	2020	%	2021	%	2022	%
<b>EQUITY</b>											
Equity Share Capital	3.01	3.02	0.33	3.01	-0.33	3.01	0	3.02	0.33	3.01	-0.33
Other Equity	237.97	276.05	16.00	345.92	25.31	380.61	10.03	466.75	22.63	632	35.40
<b>Total Equity</b>	<b>240.98</b>	<b>279.07</b>	<b>15.81</b>	<b>348.93</b>	<b>25.03</b>	<b>383.62</b>	<b>9.94</b>	<b>469.77</b>	<b>22.46</b>	<b>635.01</b>	<b>35.17</b>
<b>LIABILITIES</b>											
Non-Current Liabilities	0	0		0		0		0		0	
Financial Liabilities	0	0		0		0		0		0	
<b>Borrowings</b>	<b>283.58</b>	<b>295.51</b>	<b>4.21</b>	<b>276.66</b>	<b>-6.38</b>	<b>392.47</b>	<b>41.86</b>	<b>395.51</b>	<b>0.77</b>	<b>411.76</b>	<b>4.11</b>
Lease liabilities	-	-		-		27.16		24.13	-11.16	17.67	-26.77
Other financial liabilities	0.74	1.15	55.41	2.35	104.35	3.22	37.02	0.57	-82.30	10.35	1715.79
Provisions	9.69	6.98	-27.97	10.3	47.56	13.08	26.99	11.73	-10.32	12.92	10.14
Deferred Tax liabilities (net)	13.29	20.71	55.83	33.31	60.84	13.15	-60.52	7.53	-42.74	69.35	820.98
Other non-current liabilities	0.03	0.04	33.33	40.83	101975.00	30.48	-25.35	30.95	1.54	10.23	-66.95
<b>Total Non-current liabilities</b>	<b>307.33</b>	<b>324.39</b>	<b>5.55</b>	<b>363.45</b>	<b>12.04</b>	<b>480.86</b>	<b>32.30</b>	<b>492.15</b>	<b>2.35</b>	<b>532.35</b>	<b>8.17</b>
Current Liabilities	0	0		0		0		0		0	
Financial Liabilities	0	0		0		0		0		0	
<b>Borrowings</b>	<b>48.75</b>	<b>21.72</b>	<b>-55.45</b>	<b>53.71</b>	<b>147.28</b>	<b>68.13</b>	<b>26.85</b>	<b>12.85</b>	<b>-81.14</b>	<b>92.59</b>	<b>620.54</b>
Trade Payables	116.04	139.88	20.54	133.54	-4.53	131.28	-1.69	121.55	-7.41	243.28	100.15
Derivative liabilities	3.82	0.9	-76.44	3.32	268.89	1.89	-43.07	0.96	-49.21	1.05	9.38
Other financial liabilities	81.12	71.11	-12.34	154.71	117.56	119.8	-22.56	9.25	-92.28	66.93	623.57
Lease liabilities	-	-		-		7.73		185.5	2299.74	9.84	-94.70
Provisions	1.32	1.11	-15.91	0.53	-52.25	0.64	20.75	2.43	279.69	2.27	-6.58
Other current liabilities	9.89	13.81	39.64	16.39	18.68	23.02	40.45	32.54	41.36	41.53	27.63
Income tax liabilities (net)	0.34	3.52	935.29	1.93	-45.17	1.19	-38.34	5.37	351.26	3.85	-28.31
<b>Total Current Liabilities</b>	<b>261.28</b>	<b>252.05</b>	<b>-3.53</b>	<b>361.87</b>	<b>43.57</b>	<b>355.94</b>	<b>-1.64</b>	<b>370.4</b>	<b>4.06</b>	<b>461.34</b>	<b>24.55</b>
<b>Total Liabilities</b>	<b>809.59</b>	<b>855.51</b>	<b>5.67</b>	<b>1074.25</b>	<b>25.57</b>	<b>1220.42</b>	<b>13.61</b>	<b>1332.32</b>	<b>9.17</b>	<b>1627.8</b>	<b>22.18</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the horizontal analysis of the company's equities and liabilities from 2017 to 2022 (shown in Table 15), there are notable trends. Equity share capital remained relatively stable, with minor fluctuations throughout the period. Other equity experienced consistent growth, increasing by 25.31% in 2018, followed by more gradual increases in subsequent years, culminating in a substantial 35.40% rise in 2022. Total equity demonstrated a steady upward trajectory, indicating the company's efforts to strengthen its financial position and enhance shareholder value. Non-current liabilities saw a noteworthy increase of 12.04% in 2019, primarily driven by significant growth in borrowings and other financial liabilities. However, there was a subsequent decline of -32.30% in 2020, followed by a modest increase in the following years. Current liabilities exhibited fluctuations, with a significant spike of 43.57% in 2019, largely attributable to increased borrowings and trade payables. Despite a slight decrease in 2020, there was an overall upward trend, with a 24.55% increase in 2022. The total liabilities demonstrated a generally positive trajectory, reflecting the company's strategic financial management. This comprehensive analysis provides insights into the evolving financial structure and stability of the company over the analyzed period.

## 4.2.5 Horizontal Analysis of Income Statement of J.S.W Steel

Table 16: Horizontal Analysis of Income Statement of J.S.W Steel

Particulars	2017	2018	%	2019	%	2020	%	2021	%	2022	%
Revenue from operations	569.13	662.34	16.38	771.87	16.54	642.62	-16.75	707.27	10.06	1188.2	68.00
Other Income	2.55	2.13	-16.47	4.05	90.14	6.28	55.06	6.69	6.53	19.29	188.34
<b>Total Income</b>	<b>571.68</b>	<b>664.67</b>	<b>16.27</b>	<b>775.92</b>	<b>16.74</b>	<b>648.9</b>	<b>-16.37</b>	<b>713.96</b>	<b>10.03</b>	<b>1207.49</b>	<b>69.13</b>
<b>Expenses</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
Cost of materials consumed	284	359.95	26.74	391.79	8.85	330.73	-15.58	287.43	-13.09	514.57	79.02
Purchases of stock-in-trade	9.45	10.63	12.49	4.99	-53.06	4.2	-15.83	1.99	-52.62	2.34	17.59
Changes in inventories of finish	-13.9	4.12	-129.64	-1.8	-143.69	-0.27	-85.00	-8.72	3129.63	-31.12	256.88
Employee benefits expenses	11.68	12.6	7.88	14.35	13.89	14.96	4.25	15.01	0.33	18.7	24.58
Finance costs	36.43	35.91	-1.43	37.89	5.51	40.22	6.15	35.65	-11.36	38.49	7.97
Depreciation and amortization	30.25	30.54	0.96	34.21	12.02	35.22	2.95	37.81	7.35	45.11	19.31
Other expenses	162.46	137.63	-15.28	177.42	28.91	167.83	-5.41	149.25	-11.07	365.03	144.58
<b>Total Expenses</b>	<b>520.37</b>	<b>591.38</b>	<b>13.65</b>	<b>658.85</b>	<b>11.41</b>	<b>592.89</b>	<b>-10.01</b>	<b>588.14</b>	<b>-0.80</b>	<b>953.12</b>	<b>62.06</b>
Profit before exceptional item	51.31	73.09	42.45	117.07	60.17	56.01	-52.16	125.82	124.64	254.37	102.17
Exceptional Items	-	2.34		-		13.09		3.86	-70.51	7.22	87.05
Profit before tax	51.31	70.75	37.89	117.07	65.47	42.92	-63.34	121.96	184.16	247.15	102.65
Tax Expenses	0	0		0		0		0		0	
Current Tax	-0.53	15.78	-3077.36	23.56	49.30	7.89	-66.51	21.62	174.02	44.11	104.02
Deferred Tax	16.07	8.72	-45.74	12.3	41.06	-17.88	-245.37	16.41	-191.78	36.02	119.50
<b>Total Tax Expenses</b>	<b>15.54</b>	<b>24.5</b>	<b>57.66</b>	<b>35.86</b>	<b>46.37</b>	<b>-9.99</b>	<b>-72.14</b>	<b>38.03</b>	<b>280.68</b>	<b>80.13</b>	<b>110.70</b>
<b>Profit for the year</b>	<b>35.77</b>	<b>46.25</b>	<b>29.30</b>	<b>81.21</b>	<b>75.59</b>	<b>52.91</b>	<b>-34.85</b>	<b>83.93</b>	<b>58.63</b>	<b>167.02</b>	<b>99.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the comparative horizontal analysis of the income statement spanning from 2017 to 2022 (shown in Table 16), several noteworthy trends emerge. Revenue from operations demonstrated substantial growth, increasing by 68.00% in 2022 compared to 2017. This remarkable expansion highlights the company's ability to generate increased sales over the years, with a peak in 2022. Other income exhibited significant fluctuations, notably with a sharp decline of -16.47% in 2018 but experienced a substantial surge of 188.34% in 2022. Total income followed a similar pattern to revenue, experiencing a surge of 69.13% in 2022. However, it's essential to note that while the top line (revenue) saw robust growth, expenses increased at a slightly higher rate of 62.06%, impacting profitability. The cost of materials consumed, employee benefits, and other expenses increased notably, contributing to a 102.17% rise in profit before tax in 2022. The company's ability to manage costs in tandem with revenue growth reflects its overall financial health and efficiency. Overall, this analysis provides insights into the dynamics of the company's income statement and its financial performance over the analyzed period.

#### 4.2.6 Vertical Analysis of Revenues of J.S.W Steel

Table 17: Vertical Analysis of Revenues of J.S.W Steel

Total Income	2018	%	2019	%	2020	%	2021	%	2022	%
Revenue from Operations	662.34	99.65	771.87	99.48	642.62	99.03	707.27	99.06	1188.2	98.40
Other Income	2.13	0.32	4.05	0.52	6.28	0.97	6.69	0.94	19.29	1.60
<b>Total Income</b>	<b>664.67</b>	<b>100</b>	<b>775.92</b>	<b>100</b>	<b>648.9</b>	<b>100.00</b>	<b>713.96</b>	<b>100.00</b>	<b>1207.49</b>	<b>100.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the comparative vertical analysis of the company's total income from 2018 to 2022 (shown in Table 17), notable trends can be observed. The primary component, revenue from operations, remained the dominant contributor to total income, accounting for 99.65% in 2018, 99.48% in 2019, 99.03% in 2020, 99.06% in 2021, and 98.40% in 2022. This consistency suggests a stable reliance on core operational activities for generating income. However, the proportion of other income relative to total income increased from 0.32% in 2018 to 1.60% in 2022. This rise may indicate a diversification of income sources or a strategic focus on increasing non-operational revenue streams. While the core revenue from operations remains the predominant driver, the growing significance of other income components could signify evolving financial strategies or business activities. Overall, this vertical analysis provides insights into the composition of the company's total income, emphasizing the consistent reliance on operational revenue while acknowledging the growing role of other income sources in the overall financial structure.

#### 4.2.7 Vertical Analysis of Expenses of J.S.W Steel

Table 18: Vertical Analysis of Expenses of J.S.W Steel

Expenses:	2018	%	2019	%	2020	%	2021	%	2022	%
<b>Cost of materials consumed</b>	<b>359.95</b>	<b>58.44</b>	<b>391.79</b>	<b>56.40</b>	<b>330.73</b>	<b>56.74</b>	<b>287.43</b>	<b>48.87</b>	<b>514.57</b>	<b>53.99</b>
Purchases of stock-in-trade	10.63	1.73	4.99	0.72	4.2	0.72	1.99	0.34	2.34	0.25
Changes in inventories of finished goods, stock- in-trade and work-in	4.12	0.67	-1.8	-0.26	-0.27	-0.05	-8.72	-1.48	-31.12	100.00
Employee Benefits Expense	12.6	2.05	14.35	2.07	14.96	2.57	15.01	2.55	18.7	1.96
Finance Costs	35.91	5.83	37.89	5.45	40.22	6.90	35.65	6.06	38.49	4.04
Depreciation and Amortization expenses	30.54	4.96	34.21	4.92	35.22	6.04	37.81	6.43	45.11	4.73
<b>Other expenses</b>	<b>137.63</b>	<b>22.35</b>	<b>177.42</b>	<b>25.54</b>	<b>167.83</b>	<b>28.79</b>	<b>149.25</b>	<b>25.38</b>	<b>365.03</b>	<b>38.30</b>
Total Exceptional Items	2.34	-	-	-	13.09	-	3.86	0.66	7.22	0.76
Tax Expense	0		0		0		0		0	
Current Tax	15.78	2.56	23.56	3.39	7.89	1.35	21.62	3.68	44.11	4.63
Deferred Tax	8.72	1.42	12.3	1.77	-17.88	-3.07	16.41	2.79	36.02	3.78
Total Tax Expenses	24.5	3.98	35.86	5.16	-9.99	-1.71	38.03	6.47	80.13	8.41
<b>Total Expenses</b>	<b>615.88</b>	<b>100</b>	<b>694.71</b>	<b>100.00</b>	<b>582.9</b>	<b>100.00</b>	<b>588.14</b>	<b>100.00</b>	<b>953.12</b>	<b>100</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the comparative vertical analysis of the company's expenses from 2018 to 2022, (shown in Table 18) several trends and changes are evident. The cost of materials consumed, as a percentage of total expenses, decreased from 58.44% in 2018 to 53.99% in

2022. Despite this reduction, it remained a significant portion of overall expenses, suggesting the ongoing importance of raw materials in the company's operations. Purchases of stock-in-trade and changes in inventories both experienced fluctuations, with the former declining from 1.73% in 2018 to 0.25% in 2022, while the latter showed a substantial increase from 0.67% to 100%. Employee benefits expenses remained relatively stable, ranging from 2.05% to 2.57%, indicating a consistent commitment to workforce well-being. Finance costs slightly decreased from 5.83% to 4.04%, reflecting potential refinancing or cost management strategies. Depreciation and amortization expenses increased from 4.96% to 4.73%, possibly signaling increased investment in long-term assets. Other expenses witnessed a notable rise from 22.35% to 38.30%, suggesting increased operational or administrative costs. The presence of exceptional items in certain years may indicate unique events affecting expenses. Overall, this analysis provides insights into the evolving composition of the company's expenses, highlighting areas of stability, fluctuations, and potential areas of strategic focus or operational changes.

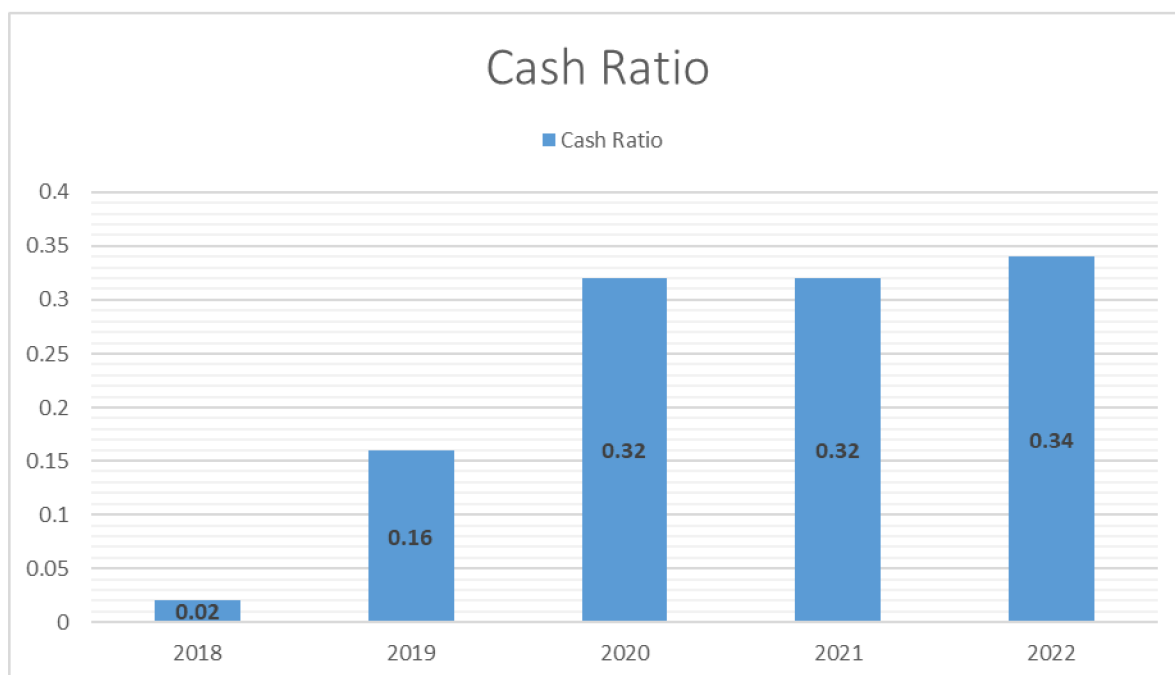
#### 4.2.8 Cash Ratio Analysis

*Table 19: Cash Ratio Analysis J.S.W.*

Cash Ratio					
Particulars	2018	2019	2020	2021	2022
Cash and Cash Equivalents	4.51	53.66	34.38	111.21	76.7
Other balances with Bank	1.5	4.47	79.63	6.25	78.57
Total Current Liabilities	252.05	361.87	355.94	370.4	461.34
<b>Cash Ratio</b>	<b>0.02</b>	<b>0.16</b>	<b>0.32</b>	<b>0.32</b>	<b>0.34</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 9: Cash Ratio – J.S.W



(Own processing based on the financial statements of the company., 2023)

**Interpretation:** The cash ratio is a liquidity metric that assesses a company's ability to cover its short-term liabilities with its available cash and cash equivalents. In the case of the company from 2018 to 2022 (shown in Table 19), there has been a notable improvement in the cash ratio. In 2018, the cash ratio was a modest 0.02, indicating a relatively low ability to cover current liabilities with cash on hand. However, over the subsequent years, the cash ratio experienced significant growth, reaching 0.34 in 2022. This improvement suggests that the company has enhanced its liquidity position, potentially by increasing cash reserves or managing short-term liabilities more effectively. A higher cash ratio generally signifies a healthier liquidity position and a reduced risk of financial strain in meeting immediate obligations. This positive trend in the cash ratio reflects well on the financial health and management strategy of the company, showcasing an improved capacity to navigate short-term financial obligations with available cash resources.

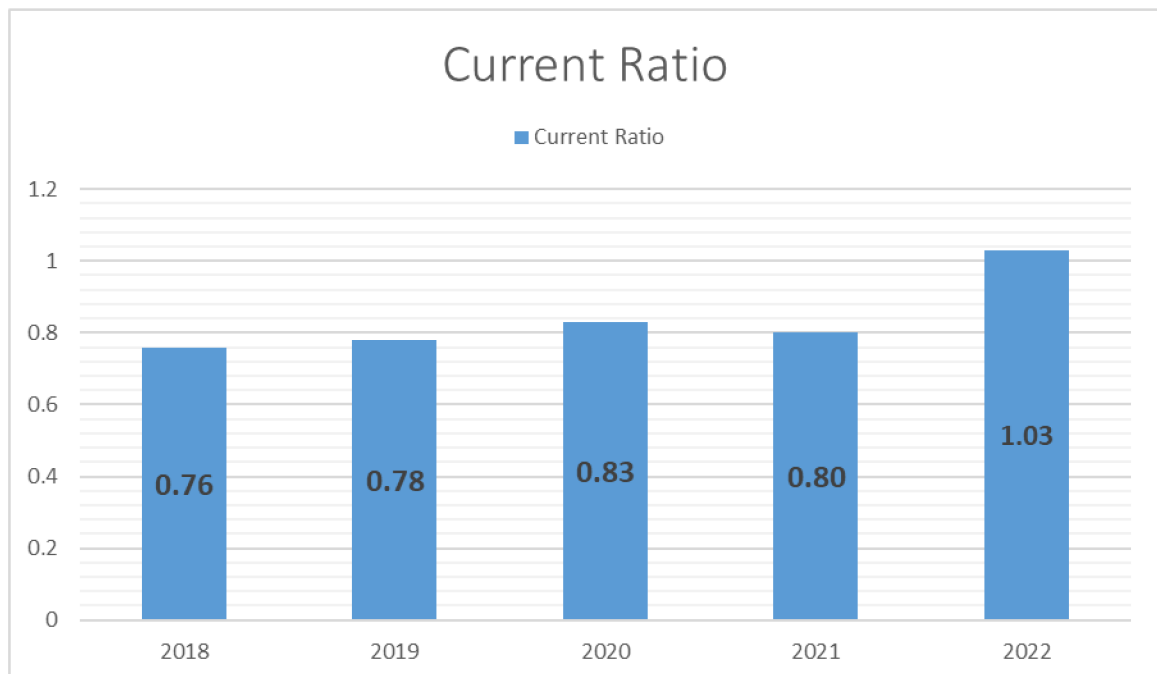
#### 4.2.9 Current Ratio Analysis

Table 20: Current Ratio Analysis J.S.W

CA / CL Ratio					
Particulars	2018	2019	2020	2021	2022
Current Assets	192.53	283.98	293.75	297.03	474.85
Current Liabilities	252.05	361.87	355.94	370.4	461.34
<b>CA / CL Ratio</b>	<b>0.76</b>	<b>0.78</b>	<b>0.83</b>	<b>0.80</b>	<b>1.03</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 10: Current Ratio – J.S.W



(Own processing based on the financial statements of the company., 2023)

**Interpretation:** The current ratio, also known as the working capital ratio, is a measure of a company's ability to cover its short-term liabilities with its short-term assets. A ratio above 1 indicates that a company has more current assets than current liabilities, suggesting it may be able to meet its short-term obligations. In the case of the company from 2018 to 2022 (shown in Table 20), the current ratio has shown a fluctuating trend. In 2018, the current ratio was 0.76, indicating that the company had more short-term liabilities than assets available to cover them. However, over the following years, there was an improvement, with the current ratio reaching its highest point at 1.03 in 2022. This suggests that the company has strengthened its ability to meet short-term obligations, possibly by increasing current assets or efficiently managing current liabilities. A current ratio above 1 generally indicates a healthier financial position in



terms of short-term liquidity. The increasing trend in the current ratio over the analyzed period suggests an enhanced capacity to cover short-term liabilities with current assets, reflecting positively on the company's financial stability and liquidity management.

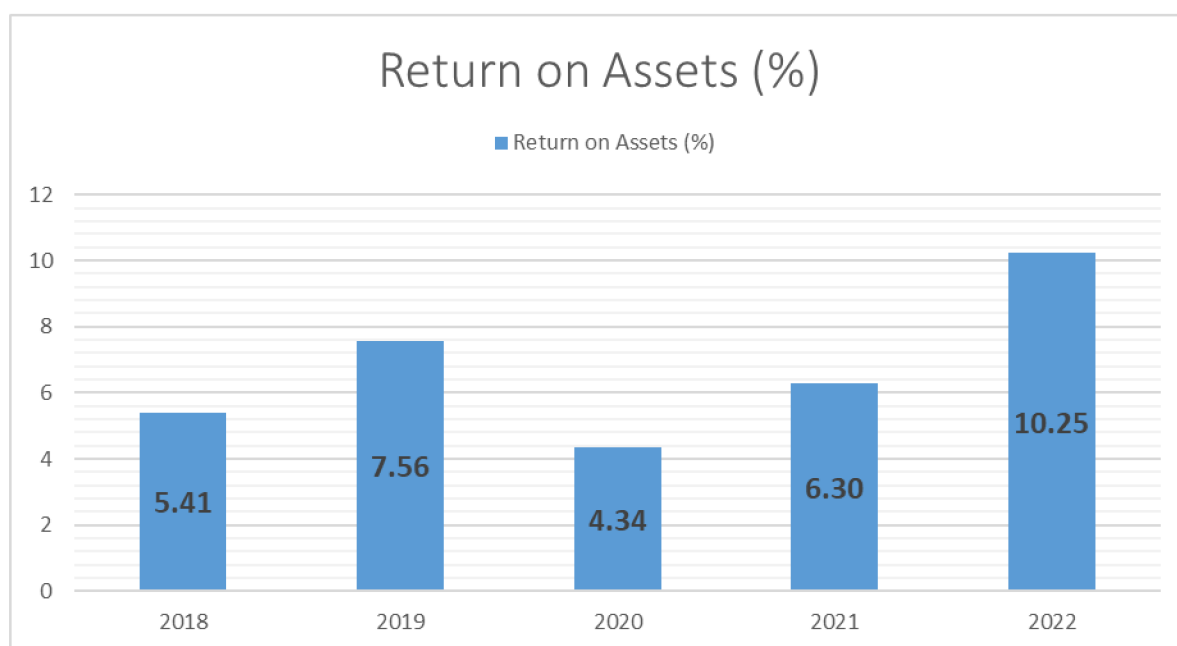
#### 4.2.10 Return on Assets (ROA)

Table 21: Return on Assets (ROA), J.S.W.

Particulars	ROA				
	2018	2019	2020	2021	2022
Net Income	46.25	81.21	52.91	83.93	167.02
Total Assets	855.51	1074.25	1220.42	1332.32	1628.7
<b>Return on Assets (%)</b>	<b>5.41</b>	<b>7.56</b>	<b>4.34</b>	<b>6.30</b>	<b>10.25</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 11: ROA – J.S.W



(Own processing based on the financial statements of the company., 2023)

**Interpretation:** Return on Assets (ROA) is a financial metric that measures a company's ability to generate profit from its assets. It is calculated by dividing net income by total assets, expressed as a percentage. ROA indicates how efficiently a company utilizes its assets to generate earnings. In the case of the company from 2018 to 2022 (shown in Table 21), the ROA has shown a fluctuating trend. The ROA was 5.41% in 2018, indicating that the company generated a profit of 5.41 cents for every dollar of assets. In 2019, there was an

increase to 7.56%, suggesting improved asset utilization and profitability. However, in 2020, the ROA decreased to 4.34%, signaling a relative decline in profitability concerning the company's asset base. Subsequently, there was a notable recovery in 2021, with the ROA increasing to 6.30%. The most significant improvement occurred in 2022, where the ROA surged to 10.25%, indicating a substantial enhancement in the company's ability to generate profit from its assets. The increasing trend in ROA from 2018 to 2022 suggests that the company has become more efficient in using its assets to generate earnings. The substantial rise in 2022 is particularly noteworthy and may indicate successful strategic initiatives, improved operational efficiency, or effective financial management, contributing to a stronger financial position.

#### 4.2.11 Return on Equity (ROE)

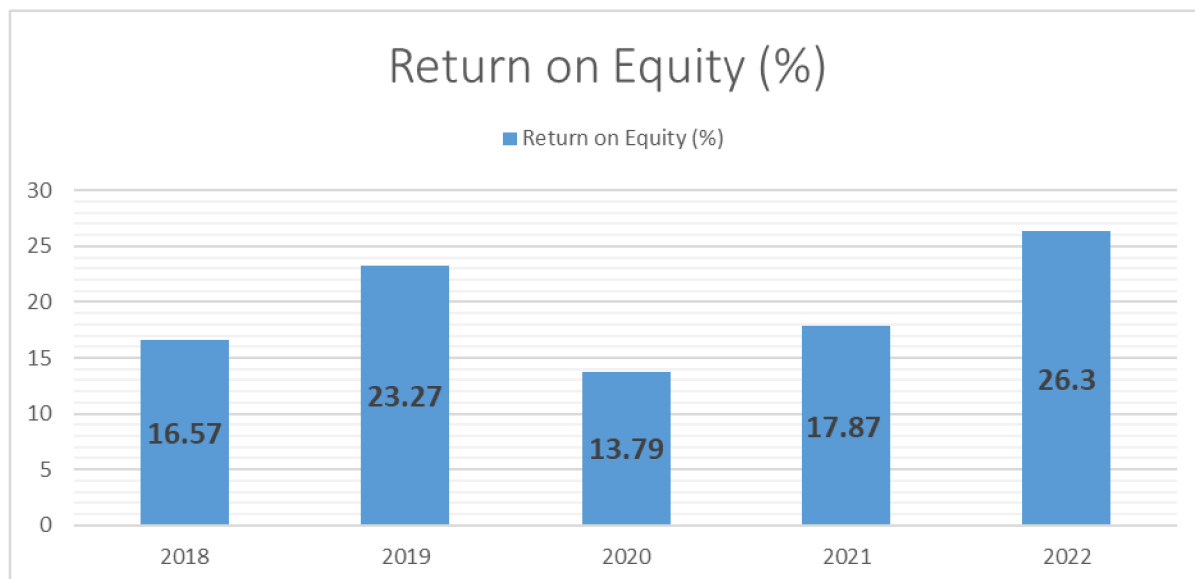
*Table 22: Return on Equity (ROE) J.S.W.*

	ROE				
Particulars	2018	2019	2020	2021	2022
Net Income	46.25	81.21	52.91	83.93	167.02
Total Equity	279.07	348.93	383.62	469.77	635.01
<b>Return on Equity (%)</b>	<b>16.57</b>	<b>23.27</b>	<b>13.79</b>	<b>17.87</b>	<b>26.30</b>

Source: Own processing based on the financial statements of the company, 2023

*Figure 12: ROE – J.S.W*





(Own processing based on the financial statements of the company., 2023)

**Interpretation:** Return on Equity (ROE) is a financial metric that measures a company's profitability in relation to its equity, indicating how well it uses shareholder funds to generate earnings. ROE is calculated by dividing net income by total equity, expressed as a percentage. In the case of the company from 2018 to 2022 (shown in Table 22), the ROE exhibited variations, reflecting changes in the company's ability to generate returns for its shareholders. In 2018, the ROE was 16.57%. There was a substantial improvement in 2019, with the ROE increasing to 23.27%, suggesting more effective use of shareholder funds and increased profitability. However, in 2020, the ROE decreased to 13.79%, indicating a relative decline in the company's ability to generate returns for shareholders. There was a rebound in 2021, where the ROE increased to 17.87%, indicating improved profitability and more efficient utilization of equity. The most significant improvement occurred in 2022, where the ROE surged to 26.30%, suggesting a substantial enhancement in the company's ability to generate returns for its shareholders. The increasing trend in ROE from 2018 to 2022, with a notable spike in 2022, suggests that the company has become more effective in utilizing shareholder funds to generate profits. This improvement in ROE may be attributed to successful strategic initiatives, enhanced operational efficiency, or effective financial management, contributing to a stronger financial position and increased value for shareholders.

### 4.3 Financial Position Analysis of S.A.I.L

#### 4.3.1 Vertical Analysis of Assets of S.A.I.L

Table 23: Vertical Analysis of Assets of S.A.I.L

Particulars	2018	%	2019	%	2020	%	2021	%	2022	%
ASSETS										
Non-Current Assets										
Property, plant and equipment	571.56	50.05	599.07	51.45	653.69	52.25	641.15	54.72	683.63	58.06
Capital work-in-progress	183.95	16.11	160.14	13.75	87.52	7.00	88.78	7.58	40.17	3.41
Right use of assets	-		-		22.05	1.76	20.54	1.75	38.34	3.26
Intangible assets	14.55	1.27	14.51	1.25	14.43	1.15	14.29	1.22	14.59	1.24
Investment property	0.01	0.00	0.01	0.00	0.01	0.00	42.36	3.62	45.59	3.87
Financial Assets	0.00		0.00		0.00		0.00		0.00	
Investments	14.91	1.31	15.85	1.36	15.85	1.27	15.95	1.36	16.24	1.38
Loans	4.51	0.40	5.64	0.48	6.65	0.53	7.56	0.65	5.60	0.48
Other financial assets	1.66	0.15	2.58	0.22	4.47	0.36	3.34	0.29	2.39	0.20
Income tax assets (net)	43.76	3.83	30.52	2.62	22.31	1.78	2.17	0.19	2.94	0.25
Other non-current assets	10.60	0.93	13.57	1.17	14.81	1.18	15.67	1.34	41.17	3.50
<b>Total Non-Current Assets</b>	<b>845.52</b>	<b>74.04</b>	<b>841.88</b>	<b>72.30</b>	<b>841.79</b>	<b>67.29</b>	<b>851.84</b>	<b>72.71</b>	<b>890.67</b>	<b>75.65</b>
Current Assets	0.00		0.00		0.00		0.00		0.00	
Inventories	169.97	14.88	194.42	16.70	237.47	18.98	152.72	13.04	195.69	16.62
Financial Assets	0.00		0.00		0.00		0.00		0.00	
Trade receivables	38.70	3.39	44.95	3.86	88.12	7.04	71.24	6.08	47.37	4.02
Cash and Cash equivalents	0.79	0.07	0.35	0.03	1.53	0.12	4.68	0.40	0.60	0.05
Other balances with Bank	1.75	0.15	1.85	0.16	2.10	0.17	2.12	0.18	5.88	0.50
Loans	0.63	0.06	0.53	0.05	0.50	0.04	0.50	0.04	0.43	0.04
Other financial assets	27.87	2.44	21.61	1.86	21.89	1.75	24.78	2.12	13.41	1.14
Other current assets	56.34	4.93	58.67	5.04	57.30	4.58	63.54	5.42	23.22	1.97
<b>Total Current Assets</b>	<b>296.06</b>	<b>25.93</b>	<b>322.38</b>	<b>27.69</b>	<b>408.91</b>	<b>32.69</b>	<b>319.59</b>	<b>27.28</b>	<b>286.60</b>	<b>24.34</b>
<b>Total Assets</b>	<b>1141.90</b>	<b>100.00</b>	<b>1164.38</b>	<b>100.00</b>	<b>1250.98</b>	<b>100.00</b>	<b>1171.60</b>	<b>100.00</b>	<b>1177.41</b>	<b>100.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In a vertical analysis of the company's assets from 2018 to 2022 (shown in Table 23), it's evident that the composition of its asset structure has undergone some noteworthy changes. Non-current assets, comprising property, plant, and equipment, have consistently represented a substantial portion, ranging from 74.04% in 2018 to 75.65% in 2022, demonstrating the company's reliance on long-term assets for its operations. Within this category, there was a decline in capital work-in-progress, reflecting a shift from ongoing projects. Notably, financial assets and investments remained relatively stable as a percentage of total assets. On the other hand, the proportion of current assets witnessed fluctuations, with a significant decrease in 2022. The reduction in trade receivables and other current assets contributed to this decline. Overall, the vertical analysis reveals a strategic reliance on non-current assets, with variations in the current asset composition impacting the company's overall asset structure.

### 4.3.2 Vertical Analysis of Equity and Liabilities of S.A.I.L

Table 24: Vertical Analysis of Equity and Liabilities of S.A.I.L

Particulars	2018	%	2019	%	2020	%	2021	%	2022	%
<b>EQUITY</b>										
Equity Share Capital	41.31	9.52	41.31	3.55	41.31	3.30	41.31	3.53	41.31	3.51
Other Equity	315.83	27.66	340.21	29.22	356.47	28.50	393.64	33.60	478.87	40.67
<b>Total Equity</b>	<b>357.14</b>	<b>31.28</b>	<b>381.52</b>	<b>32.77</b>	<b>397.77</b>	<b>31.80</b>	<b>434.95</b>	<b>37.12</b>	<b>520.17</b>	<b>44.18</b>
<b>LIABILITIES</b>										
Non-Current	0.00		0.00		0.00		0.00		0.00	
Financial Liabilities	0.00		0.00		0.00		0.00		0.00	
<b>Borrowings</b>	<b>297.77</b>	<b>26.08</b>	<b>308.03</b>	<b>26.45</b>	<b>345.60</b>	<b>27.63</b>	<b>179.07</b>	<b>15.28</b>	<b>81.36</b>	<b>6.91</b>
Other financial liabilities	11.79	1.03	13.31	1.14	12.96	1.04	12.31	1.05	13.90	1.18
Provisions	39.73	3.48	42.95	3.69	41.09	3.28	45.26	3.86	53.31	4.53
Other non-current liabilities	1.38	0.12	2.53	0.22	3.98	0.32	4.40	0.38	26.83	2.28
<b>Total Non-current liabilities</b>	<b>350.75</b>	<b>30.72</b>	<b>366.89</b>	<b>31.51</b>	<b>403.69</b>	<b>32.27</b>	<b>271.76</b>	<b>23.20</b>	<b>264.06</b>	<b>22.43</b>
Current Liabilities	0.00		0.00		0.00		0.00		0.00	
Financial Liabilities	0.00		0.00		0.00		0.00		0.00	
<b>Borrowings</b>	<b>122.44</b>	<b>10.72</b>	<b>106.31</b>	<b>9.13</b>	<b>166.41</b>	<b>13.30</b>	<b>177.01</b>	<b>15.11</b>	<b>52.50</b>	<b>4.46</b>
Trade Payables	75.41	6.60	72.58	6.23	63.20	5.05	70.13	5.99	167.77	14.25
<b>Other financial liabilities</b>	<b>141.70</b>	<b>12.41</b>	<b>146.93</b>	<b>12.62</b>	<b>137.32</b>	<b>10.98</b>	<b>140.17</b>	<b>11.96</b>	<b>116.11</b>	<b>9.86</b>
Provisions	23.04	2.02	23.09	1.98	23.55	1.88	75.55	6.45	40.77	3.46
Other current liabilities	71.42	6.25	67.08	5.76	57.24	4.58	20.40	1.74	11.70	0.99
Tax liabilities (net)	-		-		1.80	0.14	0.12	0.01	0.00	
<b>Total Current Liabilities</b>	<b>434.02</b>	<b>38.01</b>	<b>415.97</b>	<b>35.73</b>	<b>449.52</b>	<b>35.93</b>	<b>464.89</b>	<b>39.68</b>	<b>393.18</b>	<b>33.39</b>
<b>Total Equity and Liabilities</b>	<b>1141.90</b>	<b>100.00</b>	<b>1164.38</b>	<b>100.00</b>	<b>1250.98</b>	<b>100.00</b>	<b>1171.60</b>	<b>100.00</b>	<b>1177.41</b>	<b>100.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** - In a vertical analysis of the company's equities and liabilities from 2018 to 2022 (shown in Table 24), several notable trends emerge. The equity structure remained relatively stable over the years, with equity share capital consistently representing around 3.5% and other equity ranging from 28.50% to 40.67%. This signifies a steady financial base and an increase in retained earnings or additional investments. On the liabilities side, non-current liabilities experienced a decrease from 32.27% in 2020 to 22.43% in 2022, primarily driven by a decline in borrowings. Conversely, current liabilities increased from 35.93% in 2020 to 39.68% in 2021 but decreased to 33.39% in 2022. This fluctuation is attributed to variations in borrowings, trade payables, and other financial liabilities. Overall, the vertical analysis indicates a balanced and stable capital structure, with effective management of both short-term and long-term obligations, contributing to the company's robust financial position.

### 4.3.3 Horizontal Analysis of Assets of S.A.I.L

Table 25: Horizontal Analysis of Assets – S.A.I.L

Particulars	2017	2018	%	2019	%	2020	%	2021	%	2022	%
ASSETS											
Non-Current Assets											
Property, plant and equipment	487.62	571.56	17.21	599.07	4.81	653.69	9.12	641.15	-1.92	683.63	6.62
Capital work-in-progress	232.75	183.95	-20.97	160.14	-12.95	87.52	-45.35	88.78	1.45	40.17	-54.76
Right use of assets	-	-		-		22.05		20.54	-6.85	38.34	86.65
Intangible assets	15.23	14.55	-4.46	14.51	-0.26	14.43	-0.51	14.29	-0.98	14.59	2.10
Investment property	0.01	0.01	-3.49	0.01	31.33	0.01	2.75	42.36	378137.50	45.59	7.62
Financial Assets	0.00	0.00		0.00		0.00		0.00		0.00	
Investments	13.95	14.91	6.87	15.85	6.27	15.85	0.01	15.95	0.63	16.24	1.85
Loans	4.54	4.51	-0.45	5.64	24.92	6.65	17.84	7.56	13.79	5.60	-26.01
Other financial assets	2.62	1.66	-36.67	2.58	55.50	4.47	72.81	3.34	-25.16	2.39	-28.49
Income tax assets (net)	42.42	43.76	3.16	30.52	-30.25	22.31	-26.89	2.17	-90.28	2.94	35.71
Other non-current assets	10.80	10.60	-1.85	13.57	27.97	14.81	9.19	15.67	5.77	41.17	162.77
<b>Total Non-Current Assets</b>	<b>809.94</b>	<b>845.52</b>	<b>4.39</b>	<b>841.88</b>	<b>-0.43</b>	<b>841.79</b>	<b>-0.01</b>	<b>851.84</b>	<b>1.19</b>	<b>890.67</b>	<b>4.56</b>
Current Assets	0.00	0.00		0.00		0.00		0.00		0.00	
Inventories	157.71	169.97	7.77	194.42	14.39	237.47	22.15	152.72	-35.69	195.69	28.14
Financial Assets	0.00	0.00		0.00		0.00		0.00		0.00	
Trade receivables	29.22	38.70	32.46	44.95	16.15	88.12	96.05	71.24	-19.16	47.37	-33.51
Cash and Cash equivalents	1.21	0.79	-34.30	0.35	-56.46	1.53	343.57	4.68	205.29	0.60	-87.24
Other balances with Bank	1.68	1.75	3.84	1.85	5.85	2.10	13.52	2.12	1.10	5.88	177.23
Loans	0.61	0.63	3.16	0.53	-16.04	0.50	-6.71	0.50	1.61	0.43	-14.60
Other financial assets	22.68	27.87	22.90	21.61	-22.47	21.89	1.30	24.78	13.21	13.41	-45.91
Other current assets	42.82	56.34	31.58	58.67	4.14	57.30	-2.35	63.54	10.89	23.22	-63.45
<b>Total Current Assets</b>	<b>255.33</b>	<b>296.06</b>	<b>15.95</b>	<b>322.38</b>	<b>8.89</b>	<b>408.91</b>	<b>26.84</b>	<b>319.59</b>	<b>-21.84</b>	<b>286.60</b>	<b>-10.32</b>
<b>Total Assets</b>	<b>1065.39</b>	<b>1141.90</b>	<b>7.18</b>	<b>1164.38</b>	<b>1.97</b>	<b>1250.98</b>	<b>7.44</b>	<b>1171.60</b>	<b>-6.35</b>	<b>1177.41</b>	<b>0.50</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the comparative horizontal analysis of the company's assets from 2017 to 2022 (shown in Table 25), several noteworthy trends are observed. The total non-current assets have experienced a marginal increase of 4.39%, reaching 845.52 in 2018 and further growing to 890.67 in 2022. Within this category, property, plant, and equipment exhibited steady growth, while capital work-in-progress initially decreased sharply in 2019 but gradually recovered by 2022. Notably, investment property showed a substantial surge of 378137.50% from 2019 to 2020, indicating a significant change. On the other hand, total current assets witnessed a more substantial growth of 15.95%, reaching 296.06 in 2018 and slightly decreasing to 286.60 in 2022. This fluctuation is mainly attributed to changes in inventories, trade receivables, and cash equivalents. Despite some variations, the total assets grew by 7.18% from 2017 to 2022, showcasing the company's ability to maintain a stable and expanding financial position over the analyzed period.

#### 4.3.4 Horizontal Analysis of Equity and Liabilities of S.A.I.L

Table 26: Horizontal Analysis of Equity and Liabilities – S.A.I.L

Particulars	2017	2018	%	2019	%	2020	%	2021	%	2022	%
<b>EQUITY</b>											
Equity Share Capital	41.31	41.31	0.00	41.31	0.00	41.31	0.00	41.31	0.00	41.31	0.00
Other Equity	318.79	315.83	-0.93	340.21	7.72	356.47	4.78	393.64	10.43	478.87	21.65
<b>Total Equity</b>	<b>360.09</b>	<b>357.14</b>	<b>-0.82</b>	<b>381.52</b>	<b>6.83</b>	<b>397.77</b>	<b>4.26</b>	<b>434.95</b>	<b>9.35</b>	<b>520.17</b>	<b>19.59</b>
<b>LIABILITIES</b>											
Non-Current	0.00	0.00		0.00		0.00		0.00		0.00	
Financial Liabilities	0.00	0.00		0.00		0.00		0.00		0.00	
Borrowings	190.87	297.77	56.00	308.03	3.44	345.60	12.20	197.26	-42.92	81.36	-58.76
Other financial liabilities	13.66	11.79	-13.66	13.31	12.83	12.96	-2.63	12.31	-4.98	13.90	12.93
Provisions	35.94	39.73	10.55	42.95	8.11	41.09	-4.34	45.26	10.15	53.31	17.79
Other non-current liabilities	1.51	1.38	-8.57	2.53	83.03	3.98	57.00	4.40	10.68	26.83	509.77
<b>Total Non-current liabilities</b>	<b>242.06</b>	<b>350.75</b>	<b>44.90</b>	<b>366.89</b>	<b>4.60</b>	<b>403.69</b>	<b>10.03</b>	<b>271.76</b>	<b>-32.68</b>	<b>264.06</b>	<b>-2.83</b>
	0.00	0.00		0.00		0.00		0.00		0.00	
Current Liabilities	0.00	0.00		0.00		0.00		0.00		0.00	
Financial Liabilities	0.00	0.00		0.00		0.00		0.00		0.00	
Borrowings	198.13	122.44	-38.20	106.31	-13.17	166.41	56.53	158.50	-4.75	52.50	-66.88
Trade Payables	52.19	75.41	44.48	72.58	-3.75	63.20	-12.92	70.13	10.97	167.77	139.22
Other financial liabilities	127.66	141.70	11.00	146.93	3.69	137.32	-6.54	140.17	2.07	116.11	-17.17
Provisions	29.15	23.04	-20.95	23.09	0.20	23.55	2.00	20.40	-13.38	40.77	99.86
Other current liabilities	56.07	71.42	27.38	67.08	-6.08	57.24	-14.67	75.55	31.99	11.70	-84.51
Tax liabilities (net)	0.05	-		-		1.80		0.12	-93.28	0.00	
<b>Total Current Liabilities</b>	<b>463.24</b>	<b>434.02</b>	<b>-6.31</b>	<b>415.97</b>	<b>-4.16</b>	<b>449.52</b>	<b>8.06</b>	<b>464.89</b>	<b>3.42</b>	<b>393.18</b>	<b>-15.43</b>
<b>Total Equity and Liabilities</b>	<b>1065.39</b>	<b>1141.90</b>	<b>7.18</b>	<b>1164.38</b>	<b>1.97</b>	<b>1250.98</b>	<b>7.44</b>	<b>1171.60</b>	<b>-6.35</b>	<b>1177.41</b>	<b>0.50</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the comparative horizontal analysis of the company's equities and liabilities from 2017 to 2022 (shown in Table 26), significant trends and changes are observed. The equity share capital remained constant at 41.31 throughout the period, showing no change. However, other equity witnessed fluctuations, with a slight decrease of 0.93% in 2018, followed by gradual increases in subsequent years, reaching 478.87 in 2022. This growth in other equity, reflecting retained earnings and other comprehensive income, indicates the company's ability to generate and accumulate wealth over time. Total equity, the sum of equity shares capital and other equity, experienced a decrease of 0.82% in 2018 but demonstrated a consistent upward trajectory thereafter, reaching 520.17 in 2022. The non-current liabilities, comprising borrowings, other financial liabilities, provisions, and other non-current liabilities, exhibited a significant increase of 44.90% in 2018, followed by fluctuations in subsequent years. The current liabilities, including borrowings, trade payables, other financial liabilities, provisions, and other current liabilities, showed a decrease of 6.31% in 2018 but gradually increased in the following years. Despite some fluctuations, the total equity and liabilities grew by 7.18% from 2017 to 2022, reflecting the company's overall financial stability and strategic management of its capital structure.



### 4.3.5 Horizontal Analysis of Income Statement of S.A.I.L

Table 27: Horizontal Analysis of Income Statement of S.A.I.L

Particulars	2017	2018	%	2019	%	2020	%	2021	%	2022	%
Revenue from operations	497.67	589.62	18.48	669.67	13.58	616.61	-7.92	691.10	12.08	1034.73	49.72
Other Income	5.36	4.84	-9.55	5.33	9.98	9.85	84.90	10.12	2.69	10.42	3.00
Total Income	503.03	594.47	18.18	675.00	13.55	626.46	-7.19	701.22	11.93	1045.15	49.05
Expenses	0.00	0.00		0.00		0.00		0.00		0.00	
Cost of materials consumed	211.26	266.79	26.29	322.91	21.04	292.13	-9.53	231.36	-20.80	427.76	84.89
Changes in inventories of finished goods, work	1.21	11.35	841.30	-27.17	-339.25	-55.56	104.51	42.69	176.83	-2.85	-106.68
Employee benefits expenses	89.48	88.50	-1.09	88.30	-0.22	88.71	0.46	104.46	17.75	128.46	22.98
Finance costs	25.28	28.23	11.67	31.55	11.77	34.87	10.52	28.17	-19.20	16.98	-39.73
Depreciation and amortization expenses	26.80	30.65	14.36	33.85	10.43	37.55	10.94	41.02	9.24	42.74	4.20
Other expenses	142.20	162.76	14.46	188.29	15.68	190.23	1.03	185.31	-2.59	268.13	44.69
Total Expenses	549.37	602.32	9.64	637.73	5.88	587.03	-7.95	633.01	7.83	881.23	39.21
Profit before exceptional items and tax	-46.34	-7.85	-83.05	37.27	-574.59	39.42	5.77	68.21	73.01	163.92	140.33
Exceptional Items	-2.17	-0.26	-87.81	3.89	-1573.33	7.72	98.19	-0.58	-107.57	3.53	-704.84
Profit before tax	-48.51	-7.59	-84.35	33.38	-539.81	31.71	-5.01	68.79	116.96	160.39	133.15
Tax Expenses	0.00	0.00		0.00		0.00		0.00		0.00	
Current Tax	0.15	0.36	136.00	0.05	-86.45	2.24	4530.99	0.12	-94.62	-	
Deferred Tax	-20.33	-3.13	-84.60	11.54	-468.81	10.74	-6.97	30.17	180.98	40.24	33.37
Total Tax Expenses	-20.18	-2.77	-86.26	11.59	-518.09	11.49	-0.86	30.29	163.59	40.24	32.84
Profit for the year	-28.33	-4.82	-83.00	21.79	-552.31	20.22	-7.22	38.50	90.45	120.15	212.08

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** The revenue from operations experienced a substantial increase of 18.48% in 2018, followed by a slight decline in 2019, a further dip in 2020, and subsequent significant growth in 2021 and 2022 (shown in Table 27). Other income, despite a decrease of 9.55% in 2019, demonstrated substantial growth in the following years, particularly in 2021 with an 84.90% increase. The total income, representing the sum of revenue from operations and other income, grew consistently, with a remarkable surge of 49.05% in 2022 compared to 2017. On the expenses side, the cost of materials consumed exhibited a substantial increase of 26.29% in 2018, followed by fluctuations in subsequent years. Notably, changes in inventories showed a drastic percentage change in 2018 due to a base effect. Employee benefits expenses, finance costs, and depreciation and amortization expenses demonstrated relatively stable growth patterns. Other expenses increased consistently, reaching a peak of 44.69% in 2022 compared to 2017. Despite some fluctuations, the company's profit before exceptional items and tax showed a remarkable turnaround, with a positive growth of 140.33% in 2022 compared to 2017. Exceptional items, while exhibiting significant fluctuations, had a substantial negative impact on the profit in 2020 and 2022. Overall, the company demonstrated resilience, recovering from losses and achieving significant growth in subsequent years, reflecting its adaptability and strategic financial management.

### 4.3.6 Vertical Analysis of Revenues of S.A.I.L.

Table 28: Vertical Analysis of Revenues of S.A.I.L

Particulars	2018	%	2019	%	2020	%	2021	%	2022	%
Revenue from Operations	589.62	99.19	669.67	99.21	616.61	98.43	691.10	98.56	1034.73	99.00
Other Income	4.84	0.81	5.33	0.79	9.85	1.57	10.12	1.44	10.42	1.00
Total Income	594.47	100.00	675.00	100.00	626.46	100.00	701.22	100.00	1045.15	100.00

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the vertical analysis of the company's revenues from 2018 to 2022 (shown in Table 28), there are several noteworthy observations. Revenue from operations, representing the primary income source, consistently comprised a substantial portion of the total income, accounting for 99.19% in 2018, 99.21% in 2019, 98.43% in 2020, 98.56% in 2021, and 99.00% in 2022. This indicates the company's reliance on its core business activities for generating revenue. Other income, while remaining a smaller proportion, exhibited a notable increase from 0.81% in 2018 to 1.00% in 2022. Despite fluctuations in total income, the dominance of revenue from operations emphasizes its significance in contributing to the overall financial health of the company. The consistent high percentage of revenue from operations suggests stability and strength in the core business, while the slight increase in the contribution of other income reflects potential diversification or improved ancillary income streams over the analyzed period.

### 4.3.7 Vertical Analysis of Expenses of S.A.I.L

Table 29 Vertical Analysis of Expenses of S.A.I.L

Expenses	2018	%	2019	%	2020	%	2021	%	2022	%
Cost of materials consumed	266.79	44.52	322.91	53.26	292.13	44.72	231.36	36.55	427.76	48.54
Changes in inventories of finished goods and work-in-progress	11.35	1.89	-27.17	-4.48	-55.56	-8.51	42.69	6.74	-2.85	-0.32
Employee Benefits Expense	88.50	14.77	88.30	14.57	88.71	13.58	104.46	16.50	128.46	14.58
Finance Costs	28.23	4.71	31.55	5.20	34.87	5.34	28.17	4.45	16.98	1.93
Depreciation and Amortization expenses	30.65	5.11	33.85	5.58	37.55	5.75	41.02	6.48	42.74	4.85
Other expenses	162.76	27.16	188.29	31.06	190.23	29.12	185.31	29.27	268.13	30.43
Total Exceptional Items	-0.26	-0.04	3.89	0.64	7.72	1.18	-0.58	-0.09	3.53	0.40
Tax Expense	0.00		0.00		0.00		0.00		0.00	
Current Tax	0.36	0.06	0.05	0.01	2.24	0.34	0.12	0.02	0.00	0.00
Deferred Tax	-3.13	-0.52	11.54	1.90	10.74	1.64	30.17	4.77	40.24	4.57
Total Tax Expenses	-2.77	-0.46	11.59	1.91	11.49	1.76	30.29	4.79	40.24	4.57
<b>Total Expenses</b>	<b>599.29</b>	<b>100.00</b>	<b>606.24</b>	<b>100.00</b>	<b>653.21</b>	<b>100.00</b>	<b>633.01</b>	<b>100.00</b>	<b>881.23</b>	<b>100.00</b>

Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** In the vertical analysis of the company's expenses from 2018 to 2022 (shown in Table 29), several key insights can be gleaned. Cost of materials consumed consistently represented a significant portion of total expenses, ranging from 44.52% in 2018 to 48.54% in 2022. This indicates the substantial impact of raw material costs on the company's overall expenditure. Employee benefits expense remained relatively stable, accounting for around 14.57% to 16.50% of total expenses over the analyzed period, reflecting a consistent commitment to workforce welfare. Notably, changes in inventories of finished goods and work-in-progress, finance costs, and depreciation and amortization expenses showed fluctuations but generally maintained a proportionate relationship with total expenses. Other expenses increased from 27.16% in 2018 to 30.43% in 2022, suggesting potential growth in operational or administrative costs. The impact of exceptional items was minimal, with fluctuations in tax expenses. This analysis underscores the company's cost structure, highlighting areas of stability and potential areas that may require attention or optimization to enhance overall financial performance.



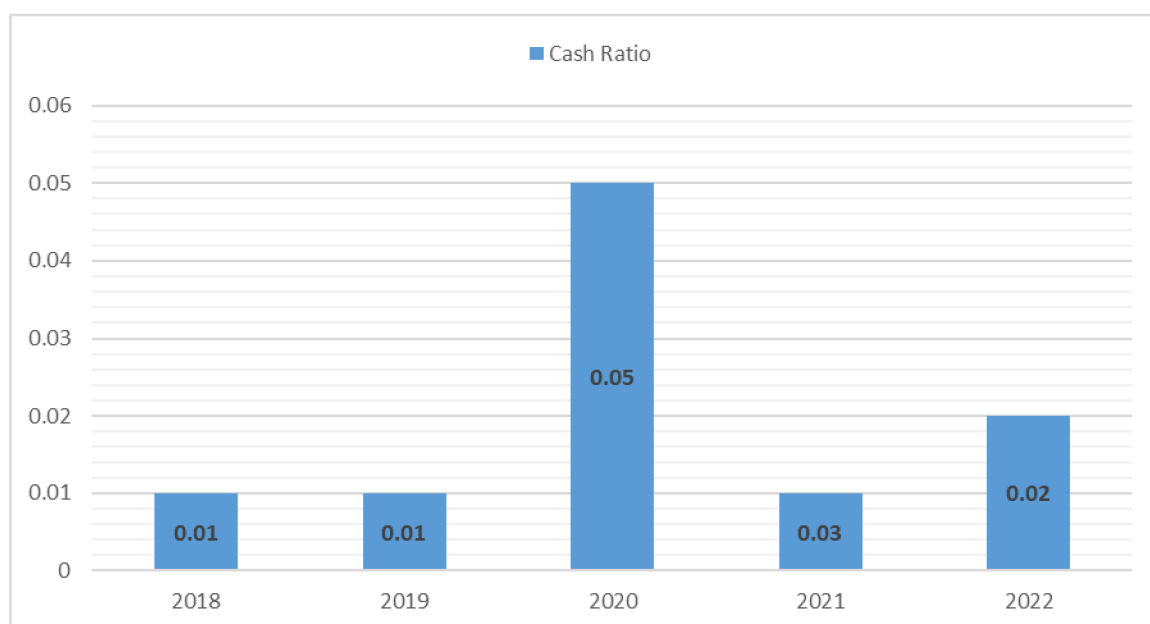
### 4.3.8 Cash Ratio Analysis

Table 30 Cash Ratio Analysis S.A.I.L.

Cash Ratio					
	2018	2019	2020	2021	2022
Cash and Cash Equivalents	0.79	0.35	1.53	4.68	0.60
Other balances with Bank	1.75	1.85	20.20	2.12	5.88
Total Current Liabilities	434.02	415.97	449.52	464.89	393.18
<b>Cash Ratio</b>	<b>0.01</b>	<b>0.01</b>	<b>0.05</b>	<b>0.01</b>	<b>0.02</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 13: Cash Ratio - S.A.I. L



Source: Own processing based on the financial statements of the company, 2023

**Interpretation:** The cash ratio, which measures a company's ability to cover its short-term liabilities with its most liquid assets, reveals interesting trends from 2018 to 2022 (shown in Table 30). In 2018 and 2019, the company's cash ratio remained low at 0.01, indicating a marginal ability to cover immediate obligations with available cash and equivalents. A notable increase was observed in 2020, reaching 0.05, primarily driven by a significant surge in cash and cash equivalents. However, in subsequent years, the ratio decreased, standing at 0.01 in 2021 and 0.02 in 2022. These fluctuations suggest variations in the company's liquidity position. The sharp rise in 2020 might have been influenced by strategic decisions or external factors, while the subsequent decline could be attributed to changes in operating cash flows or increased current liabilities. Overall, the cash ratio analysis underscores the importance of

monitoring liquidity trends to assess a company's ability to meet its short-term obligations and adapt to changing financial circumstances.

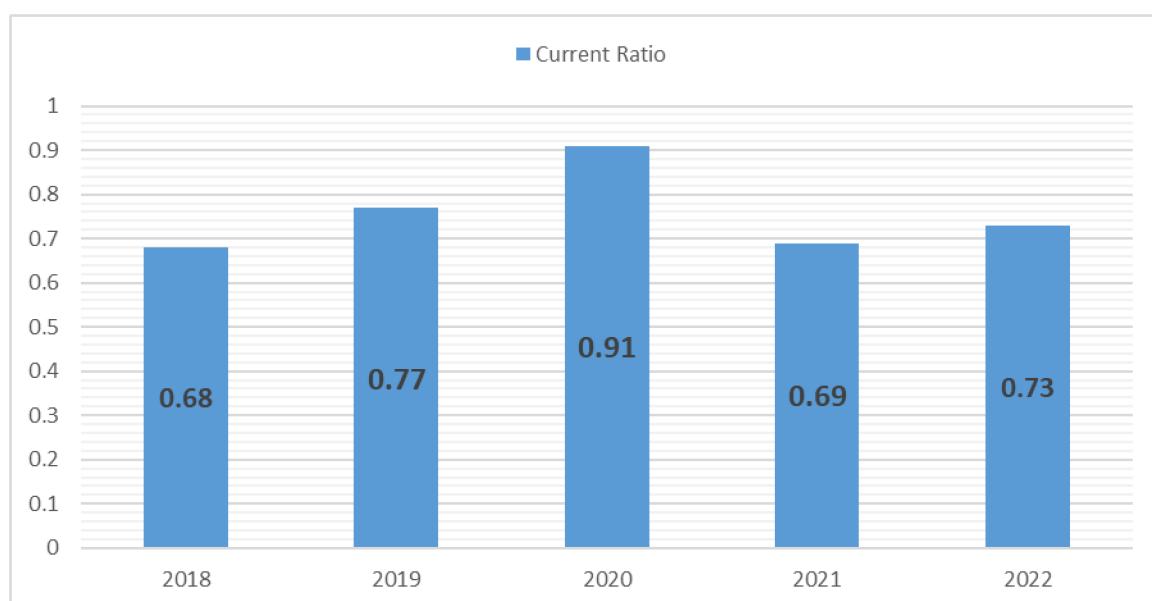
#### 4.3.9 Current Ratio Analysis

Table 31 Current Ratio Analysis S.A.I.L.

CA / CL Ratio					
	2018	2019	2020	2021	2022
Current Assets	296.06	322.38	408.91	319.59	286.60
Current Liabilities	434.02	415.97	449.52	464.89	393.18
<b>CA / CL Ratio</b>	<b>0.68</b>	<b>0.77</b>	<b>0.91</b>	<b>0.69</b>	<b>0.73</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 14: Current Ratio - S.A.I.L.



(Own processing based on the financial statements of the company., 2023)

**Interpretation:** The current ratio, a key indicator of a company's short-term liquidity and its ability to cover current liabilities with current assets, exhibits interesting trends from 2018 to 2022 (shown in Table 31). In 2018, the current ratio was 0.68. Over the next two years, there was an increase in the current ratio, reaching 0.91 in 2020, signaling an improvement in the company's short-term liquidity position. However, a significant drop occurred in 2021, reducing the ratio to 0.69, which may be attributed to changes in the composition of current

assets and liabilities. In 2022, there was a slight recovery, with the current ratio standing at 0.73. These fluctuations suggest that the company experienced shifts in its working capital management, possibly influenced by changes in sales, inventory levels, or accounts payable. Monitoring the current ratio over time is crucial for understanding a company's liquidity risk and its ability to meet short-term obligations effectively.

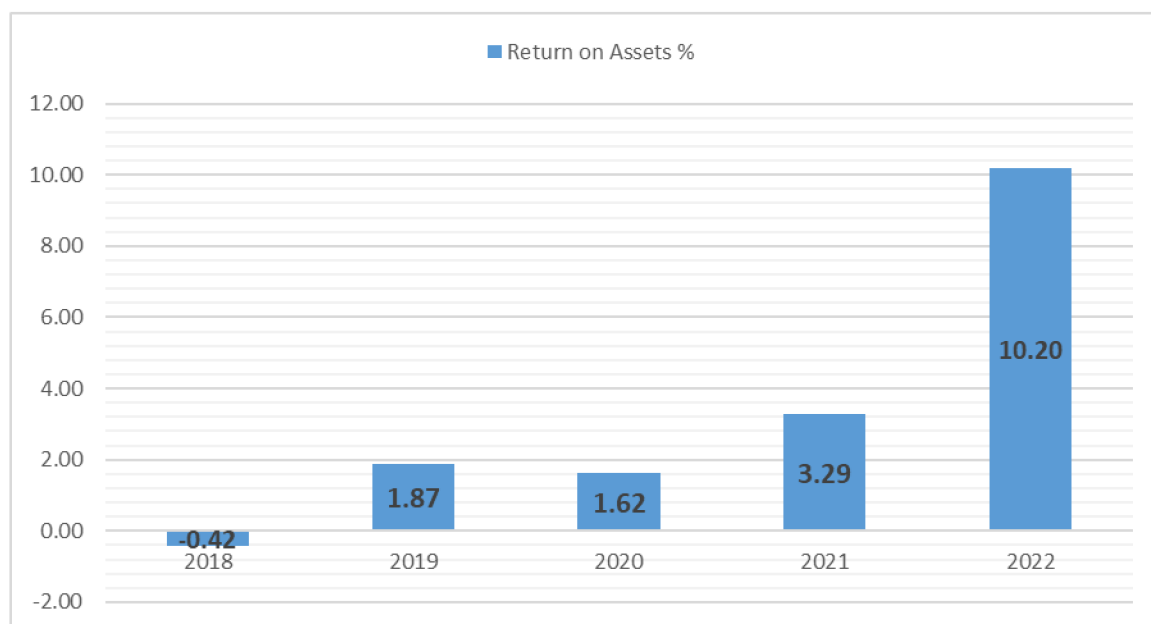
#### 4.3.10 Return on Assets (ROA)

Table 32 Return on Assets (ROA) S.A.I.L

ROA					
	2018	2019	2020	2021	2022
Net Income / Loss	-4.82	21.79	20.22	38.50	120.15
Total Assets	1141.90	1164.38	1250.98	1171.60	1177.41
<b>Return on Assets (%)</b>	<b>-0.42</b>	<b>1.87</b>	<b>1.62</b>	<b>3.29</b>	<b>10.20</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 15: ROA - S.A.I.L



(Own processing based on the financial statements of the company., 2023)

**Interpretation:** The return on assets (ROA), a key financial metric indicating the efficiency with which a company utilizes its assets to generate profit, demonstrates a notable progression from 2018 to 2022 (shown in Table 32). In 2018, the ROA was negative at -0.42%, suggesting that the company experienced a net loss relative to its total assets. Subsequently, there was a significant improvement in 2019, with the ROA rising to 1.87%, indicating a more effective utilization of assets to generate profit. The trend continued with a slight increase in 2020 to 1.62%. In 2021, there was a more substantial improvement, reaching 3.29%, reflecting enhanced profitability in relation to the total assets. The most remarkable surge occurred in 2022, where the ROA surged to an impressive 10.20%, indicating a substantial increase in the company's ability to generate profit relative to its asset base. These positive changes in the ROA over the years suggest that the company has been successful in enhancing its profitability and operational efficiency, showcasing a favorable financial position.

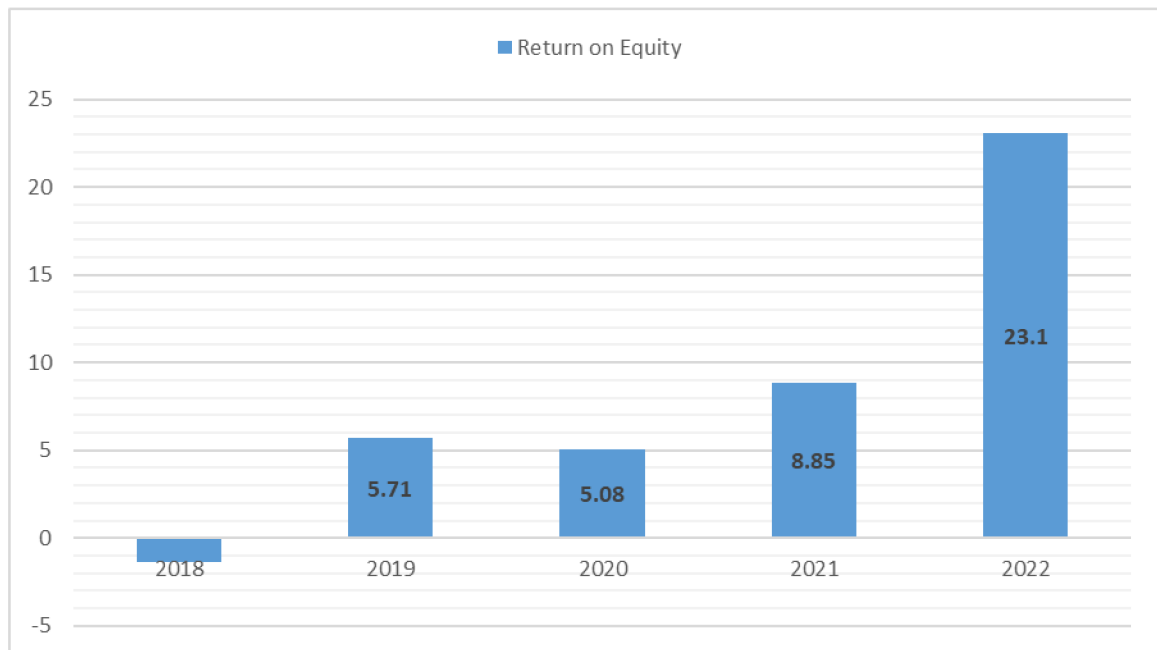
#### 4.3.11 Return on Equity (ROE)

*Table 33 Return on Equity (ROE) S.A.I.L*

ROE					
	2018	2019	2020	2021	2022
Net Income / Loss	-4.82	21.79	20.22	38.50	120.15
Total Equity	357.14	381.52	397.77	434.95	520.17
<b>Return on Equity (%)</b>	<b>-1.35</b>	<b>5.71</b>	<b>5.08</b>	<b>8.85</b>	<b>23.10</b>

Source: Own processing based on the financial statements of the company, 2023

Figure 16: ROE - S.A.I.L



(Own processing based on the financial statements of the company., 2023)

**Interpretation:** The return on equity (ROE), a crucial financial metric reflecting a company's profitability in relation to shareholders' equity, illustrates a compelling upward trajectory from 2018 to 2022 (shown in Table 33). In 2018, the ROE was negative at -1.35%, indicating a net loss concerning shareholder equity. Subsequently, there was a substantial improvement in 2019, with the ROE increasing to 5.71%, signifying a positive return on equity. The positive trend continued, reaching 5.08% in 2020 and experiencing further growth to 8.85% in 2021. The most noteworthy leap occurred in 2022, where the ROE soared to an impressive 23.10%, indicating substantial profitability in relation to shareholders' equity. These positive changes in ROE over the years suggest that the company has successfully enhanced its profitability and created value for its shareholders, underscoring a robust and improving financial position.

## 5. Results and Discussions

### 5.1 Main variables affecting profit of steel industry

Demand and supply: Steel's supply and demand both have a big impact on how much it costs, which in turn affects how profitable the steel business is. Prices will rise if demand for steel is strong and supply is limited, resulting in higher profits for steel producers. The profitability of the business will be impacted, on the other hand, if supply is high and demand is low.

Price of raw materials: The cost of raw materials like iron ore, coal, and scrap metal can have a big effect on how profitable steel producers are. If the expense of production rises due to higher raw material prices, profits may decline. On the other hand, if basic material costs fall, the sector's profitability may increase.

Production effectiveness: The profitability of the steel business may be affected by the effectiveness of the production process. A steel company can make more money if it produces steel more effectively and for less money.

Costs of energy: Energy is a major expense for steel producers. The expense of production may rise with an increase in energy prices, which could reduce industry profitability.

Trade regulations: Trade regulations, like tariffs and quotas, can have a big influence on how profitable the steel industry is. When a nation places high tariffs on imported steel, it can lessen rivalry on the domestic market, which boosts profits for domestic steel producers.

### 5.2 Risk factors for Steel industry

1. Risk related to safety: - The steel business uses powerful equipment and potentially dangerous substances. To protect the wellbeing of their employees, steel producers must adopt stringent safety procedures.
2. Regulatory risk: - India's steel business is very regulated, and any non-compliance with the rules can result in fines and reputational harm.
3. Transportation issues: - The purchase of raw materials, transportation, and logistics are all important components of the steel industry's intricate supply chain. Every break in the supply chain has the potential to affect output, cause delays, and increase costs.

4. Technical dependency: - The steel industry is becoming more and more dependent on technology, and any malfunction or failure of technological systems can have an effect on the manufacturing process and result in losses.

### 5.3 Comparative Analysis of Ratios of T.S. Ltd, J.S.W Steel and S.A.I.L

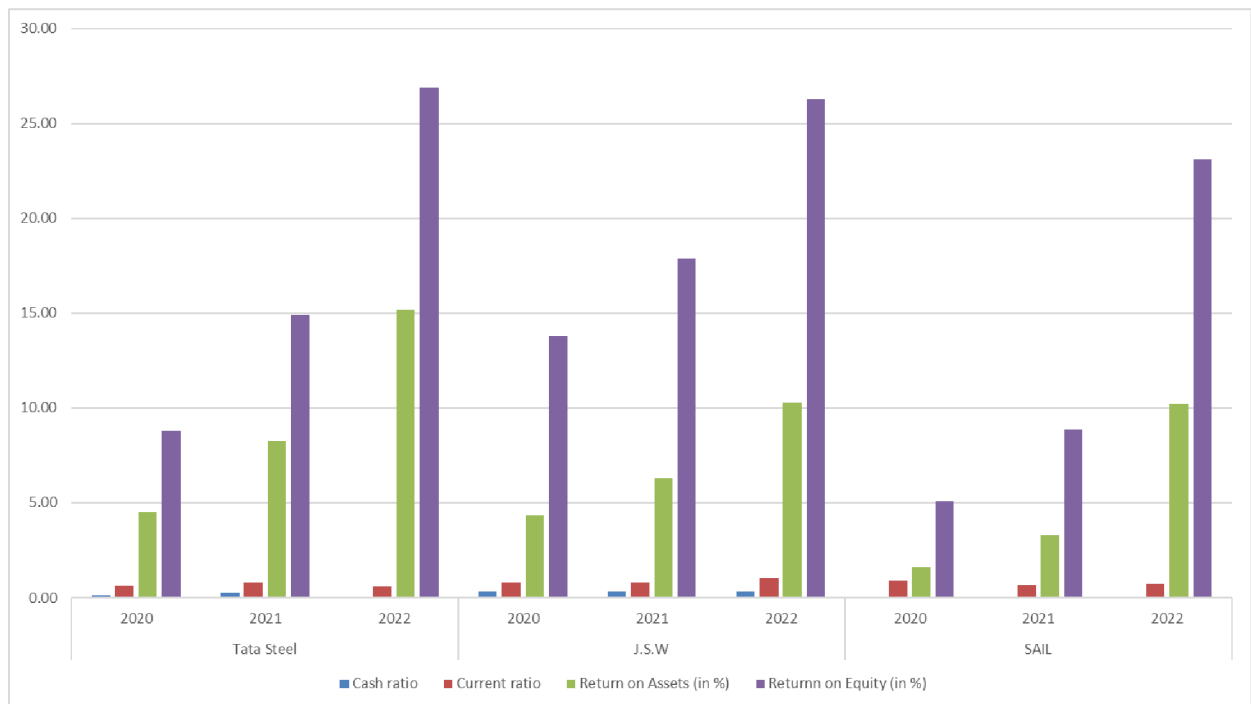
In this chapter, a comparative analysis of financial ratios for T.S. Ltd, J.S.W Steel, and S.A.I.L. over the last three years (2020, 2021, and 2022) is presented. Ratios are tools for assessing the financial health and performance of companies, offering valuable insights into various aspects such as liquidity, profitability, solvency, and efficiency. By juxtaposing the key financial metrics of T.S. Ltd, J.S.W Steel, and S.A.I.L., this analysis aims to discern patterns, variations, and trends within the steel industry. The examination of these ratios provides a comprehensive understanding of each company's financial position, allowing stakeholders and decision-makers to make informed judgments about their operational efficiency and overall health in the dynamic economic landscape. This comparative analysis sets the stage for a nuanced exploration of the strengths and areas for improvement across these industry players, contributing to the evaluation of their financial performance.

*(Own processing based on the financial statements of the company., 2023)*

*Table 34: Comparison of Financial Ratios of 3 companies*

Ratio's/Time	Tata Steel			J.S.W			SAIL		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Cash ratio	0.14	0.28	0.05	0.32	0.32	0.34	0.05	0.01	0.02
Current ratio	0.65	0.80	0.58	0.83	0.80	1.03	0.91	0.69	0.73
Return on Assets (in %)	4.48	8.24	15.18	4.34	6.30	10.25	1.62	3.29	10.20
Returnn on Equity (in %)	8.78	14.91	26.87	13.79	17.87	26.30	5.08	8.85	23.10

Figure 17: Graph of Comparison of Financial Ratios



(Own processing based on the financial statements of the company., 2023)

The comparative analysis of the financial ratios for Tata Steel, Jindal Steel, and SAIL over the years 2020, 2021, and 2022 reveals noteworthy trends and variations in their financial positions. In terms of liquidity, the cash ratio indicates Tata Steel's consistent strength, maintaining a healthy cash position, while Jindal Steel demonstrates stability and SAIL experiences fluctuations. Assessing the current ratio, Jindal Steel exhibits resilience, consistently surpassing industry peers in maintaining short-term solvency. The return on assets (ROA) and return on equity (ROE) portray compelling stories of profitability and shareholder value creation. Tata Steel and Jindal Steel show impressive ROA and ROE growth, reflecting efficient asset utilization and robust shareholder returns. SAIL exhibits remarkable improvement, especially in ROE, signaling a positive turnaround. Collectively, this comparative analysis underscores the diverse financial strategies and performances of these steel industry leaders, providing stakeholders with valuable insights into their overall financial health and strategic positioning.



#### 5.4 Comparative Analysis of Development of Profit of T.S. Ltd, J.S.W Steel and S.A.I.L

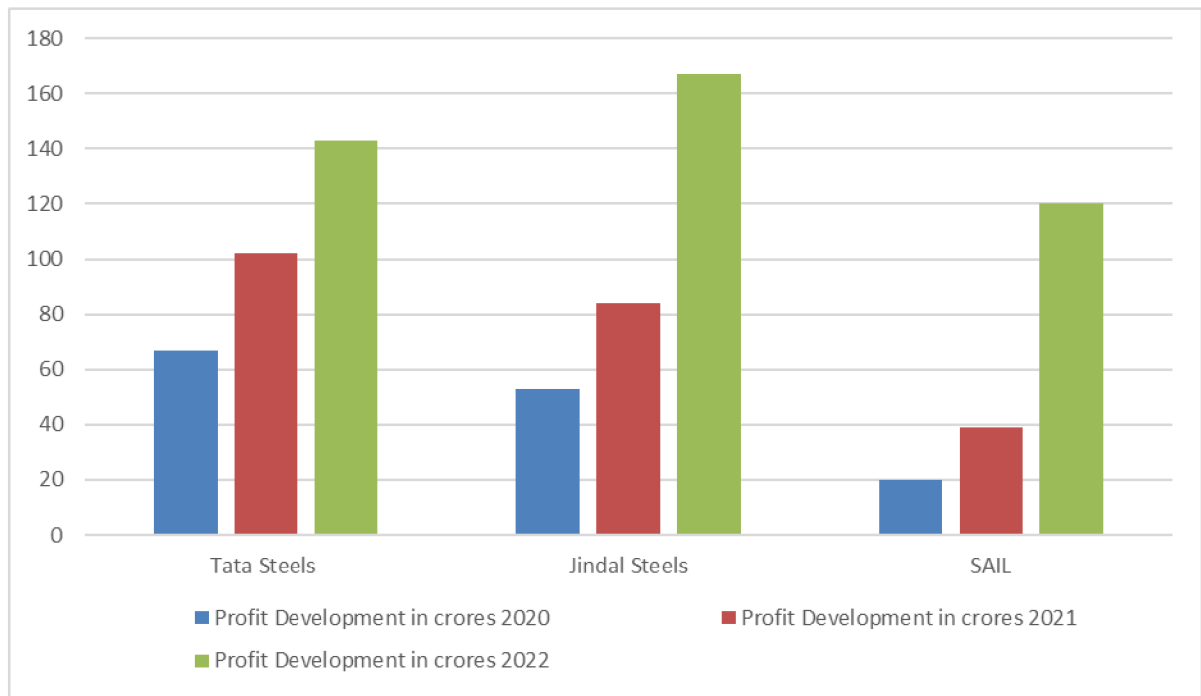
In this section, we delve into a comprehensive comparative analysis of the profit development of T.S. Ltd, J.S.W Steel, and S.A.I.L. throughout the years 2020, 2021, and 2022. Profitability is a key indicator of a company's financial success and operational efficiency, reflecting its ability to generate earnings relative to various financial elements. By closely examining the profit-related metrics of these three companies over the specified timeframe, this analysis aims to unveil trends, trajectories, and variations that may offer valuable insights into their financial strategies and market positioning within the steel industry. Evaluating the nuances of profit development provides stakeholders, investors, and industry observers with a nuanced understanding of how T.S. Ltd, J.S.W Steel, and S.A.I.L. have navigated the dynamic economic landscape, adapt to market changes, and position themselves for sustained growth. This comparative analysis serves as a strategic lens for comprehending the evolving financial narratives of these industry players, contributing to a holistic view of their respective profit trajectories.

*Table 35: Comparison of Development of Profits of 3 companies*

	Profit Development in hundred crores		
	2020	2021	2022
<b>Tata Steels</b>	67	102	143
<b>Jindal Steels</b>	53	84	167
<b>SAIL</b>	20	39	120

*(Own processing based on the financial statements of the company., 2023)*

Figure 18: Graph of Comparison of Development of Profits



(Own processing based on the financial statements of the company., 2023)

The comparative analysis of profit development for Tata Steel, Jindal Steel, and SAIL over the years 2020, 2021, and 2022 reveals substantial positive changes and underscores the financial strength of these companies in the steel industry. Tata Steel exhibits a consistent upward trend, with profits growing from 67 hundred crores in 2020 to 143 hundred crores in 2022, showcasing robust financial performance. Jindal Steel follows suit with remarkable profit development, increasing from 53 hundred crores in 2020 to 167 hundred crores in 2022, indicating sustained profitability and strategic success. SAIL demonstrates a significant leap, with profits surging from 20 hundred crores in 2020 to 120 hundred crores in 2022, reflecting a remarkable improvement in financial health. This collective analysis underscores the financial resilience and growth trajectories of these key players in the steel industry, highlighting their adept management and strategic initiatives for sustained profitability.

## **5.5 Comparative assessment of financial position of T.S. Ltd, J.S.W Steel and S.A.I.L**

TATA - We investigated T.S. Ltd vertically. Starting with the high value asset class, or PPE in our case, we saw that initially for first two years it was not showing much variance and stable at around 50% but then it started to decline. The main reason was that the company did a revaluation of assets and reinstated the PPE to current value. Investments in subsidiaries, a second important asset class, were considerably impacted. where investments increased significantly in 2022 compared to the previous four years. The business is not investing much in short-term or current investments, as evidenced by the fact that the current investment has decreased in 2022 compared to the previous four years. Retained Earnings and General Reserves, two other types of equity, have also shown a similar upward tendency over time, rising from 48% in 2018 to 56% in 2022. From 2018 to 2020, long term borrowings followed a similar pattern before declining to 9% in 2022. DTL is exhibiting a similar pattern over time, but it doesn't carry as much weight in comparison to other liabilities. Trade payable initially displays consistency but then increases in 2022. Over time, short-term borrowings significantly increased, almost rising by 5% in 2022.

J.S.W - We observed a declining trend in PPE over time; in 2022, it showed 41% compared to 58% in 2018. The primary cause of the decline was that the business revalued its assets and restored PPE to its current value and condition. Investments in subsidiaries, which saw a significant increase in investment in 2022 compared to the previous four years, were the second important asset class that was greatly affected. In 2022 compared to 2018, the business also decreased the loan percentage by 50%. The company's collection efforts were now on the correct track because trade receivables were also down from earlier years. Other equity, such as retained earnings and general reserves, has also shown a comparable upward trend over time, rising from 33% in 2018 to 38% in 2022. In comparison to 2021, other financial liabilities rose by 3.5% in 2022. Trade receivable, which has a cyclical pattern over time and increased by 4.5% in 2022 compared to the previous year.

S.A.I.L -Over time, we observed some significant changes in the asset categories. To start, let's look at the high value asset category in our case, PPE. In 2022, it showed a 58% value, up from

50% in 2020, and the primary factor driving this increase was the company's adoption of new technologies. Investments and the right to use assets were the second important asset class that experienced a significant effect in 2022 compared to the previous four years. Trade receivables were also down from the previous year, indicating that the business's collection efforts are now on the correct track. The rise in other equity, which includes retained earnings and general reserves, has increased total equity. This trend has increased over time, beginning at 31% in 2018 and rising to 44% in 2022. In comparison to 2018, total non-current liabilities have been considerably reduced by more than 200%, which is attributable to a decrease in borrowing, indicating that the business has made some repayments. Trade due has a cyclical pattern over time and increased by 8% in 2022 compared to 2021.

#### **5.6 Comparative assessment of financial performance of T.S. Ltd, J.S.W Steel and S.A.I.L**

TATA - From 2018 to 2022, operations' revenue grew considerably and is expected to more than double from that year. On the other hand, raw material consumption, the cost of finished and semi-finished products, and employee costs have all increased. which indicates that the company is expanding its clientele, as is evident from the pattern in annual profits.

J.S.W - From 2018 to 2022, operating revenue grew considerably and is now almost twice as high as it was in 2018. On the other hand, raw material consumption, changes in finished and semi-finished products, and employee costs have all increased. which indicates that the company is expanding its clientele, as is evident from the pattern in annual profits.

S.A.I.L - Revenue from operations has grown considerably from 2021 to 2022, or by about 50%, compared to 2021, but raw material consumption and labor costs have gone up. which indicates that the company is expanding its clientele, as is evident from the pattern in annual profits.

## 6. Conclusion

The main objectives of the thesis were to evaluate the financial position and performance of the selected Indian companies in the steel industry by examining their financial statements, to spot any potential issues with their finances, to pinpoint the main factors affecting their profit, and to examine some financial ratios of which were important to check the health of the company.

The chosen companies operating in the steel industry in India were Tata Steel, Ltd., J.S.W and S.A.I.L. All three companies had a profit in the last monitored years. The calculated financial ratios of liquidity and profitability show, that all three companies had a less than favorable liquidity ratio. The profitability ratios show that the best use of assets has the company Tata Steel, Ltd, which has with the company J.S.W also the best return on equity in the latest years.

T.S. Ltd. and J.S.W we can see a drop in PPE (Property, Plant and Equipment) in the year 2021 and 2022 which means that the company must direct their focus more on new technologies to enhance the productivity and profitability but if we compare the PPE with SAIL, it is showing a good increase in the current years. The steel industry is highly competitive, with many players operating in the market. Steel companies need to focus on innovation, differentiation, and cost optimization to stay ahead of the competition. To be a leader in the market it is also required to invest or acquire other subsidiaries and joint ventures which we can see that all the 3 companies were increasing the investment but J.S.W is focusing more on it as compared to the other 2 companies. If we talk about the liquidity position of a company, it is required to maintain strong liquidity to meet short-term financial commitments and is a key indicator of the company's financial health. The availability of funds or assets that can be quickly converted into cash to satisfy urgent financial needs is very much recommended for all the companies but in our case all the 3 companies having bad liquidity ratio which is less than 1.

The author also analyzed that all the 3 companies were performing well now a days with respect to ROA (Return on Assets) but initially in 2018 it was not so good. Now all the 3 companies were giving the return of more than 10% in 2022 and T.S. Ltd. is the leader with compared to the other 2. T.S. Ltd. is giving a return of more than 15% on ROA which is considered as very good.

There is also a creditable return on Equity in all the 3 companies in 2022 which is 23% in SAIL and more than 26% in JSW and T.S. Ltd. But initially in 2018 SAIL is giving negative returns on equity due to losses but T.S. Ltd. and JSW still managed to give some return, but when we

compare all the 3 companies together, we can say that J.S.W is the leader in giving the returns of equity with a constant growth over the years except 2020.

The conclusion that the author draws from all of the research conducted in the thesis is that the steel industry is very capital-intensive industry and to compete in the market they must invest a good amount of money in PPE to get all the new technologies and which finally leads in improved efficiency, enhanced product quality, and reduced costs.

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## 8. Appendix

### Annexure 1 – Standalone Balance Sheet – T.S. Ltd.

**TATA STEEL**

### BALANCE SHEET

as at March 31, 2022

	Note	Page	As at March 31, 2022	As at March 31, 2021
(₹ crore)				
<b>Assets</b>				
<b>I Non-current assets</b>				
(a) Property, plant and equipment	3	310	87,946.22	90,404.59
(b) Capital work-in-progress	3	312	14,159.32	10,499.49
(c) Right-of-use assets	4	314	5,538.18	5,882.96
(d) Intangible assets	5	316	806.03	855.73
(e) Intangible assets under development	5	317	382.64	408.79
(f) Investments in subsidiaries, associates and joint ventures	6	318	29,167.38	28,197.11
(g) Financial assets				
(i) Investments	7	323	14,234.05	890.22
(ii) Loans	8	328	30,195.27	7,570.10
(iii) Derivative assets			133.21	42.52
(iv) Other financial assets	9	330	1,211.81	341.67
(h) Non-current tax assets (net)			3,620.76	3,496.49
(i) Other assets	11	333	3,301.78	2,626.86
<b>Total non-current assets</b>			<b>1,90,696.65</b>	<b>1,51,216.53</b>
<b>II Current assets</b>				
(a) Inventories	12	334	19,942.94	12,857.51
(b) Financial assets				
(i) Investments	7	323	96.11	7,096.80
(ii) Trade receivables	13	334	3,280.30	2,578.58
(iii) Cash and cash equivalents	14	336	2,671.59	2,221.31
(iv) Other balances with banks	15	336	183.70	175.59
(v) Loans	8	328	2,368.01	1,564.37
(vi) Derivative assets			89.54	66.93
(vii) Other financial assets	9	330	718.30	869.61
(c) Current tax assets			-	71.58
(d) Other assets	11	333	1,939.08	1,088.50
<b>Total current assets</b>			<b>31,289.57</b>	<b>28,890.78</b>
<b>III Assets held for sale</b>				
			-	383.62
<b>Total assets</b>			<b>2,21,986.22</b>	<b>1,80,490.93</b>
<b>Equity and liabilities</b>				
<b>IV Equity</b>				
(a) Equity share capital	16	337	1,222.37	1,198.78
(b) Hybrid perpetual securities	17	341	-	775.00
(c) Other equity	18	341	1,24,211.39	93,211.34
<b>Total equity</b>			<b>1,25,433.76</b>	<b>95,185.12</b>
<b>V Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	19	346	20,290.81	31,545.41
(ii) Lease liabilities			3,726.90	4,013.62
(iii) Derivative liabilities			10.18	71.20
(iv) Other financial liabilities	20	351	883.23	458.61
(b) Provisions	21	351	2,685.00	2,572.23
(c) Retirement benefit obligations	22	352	2,315.91	2,144.45
(d) Deferred income	23	353	0.74	1.51
(e) Deferred tax liabilities (net)	10	331	8,087.57	8,517.78
(f) Other liabilities	24	353	4,887.29	5,913.40
<b>Total non-current liabilities</b>			<b>42,887.63</b>	<b>55,238.21</b>
<b>VI Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	19	346	11,984.66	984.68
(ii) Lease liabilities			522.14	521.78
(iii) Trade payables	25	354	678.20	316.74
(a) Total outstanding dues of micro and small enterprises			20,412.94	13,109.47
(b) Total outstanding dues of creditors other than micro and small enterprises			81.48	84.43
(iv) Derivative liabilities			5,137.54	4,618.54
(v) Other financial liabilities	20	351	1,082.42	1,076.91
(b) Provisions	21	351	1,114.99	116.10
(c) Retirement benefit obligations	22	352	67.84	34.44
(d) Deferred income	23	353	1,079.69	653.75
(e) Current tax liabilities (net)			12,502.93	8,550.76
(f) Other liabilities	24	353	53,664.83	30,067.60
<b>Total current liabilities</b>			<b>83,664.83</b>	<b>30,067.60</b>
<b>Total equity and liabilities</b>			<b>2,21,986.22</b>	<b>1,80,490.93</b>
Notes forming part of the financial statements	1-52			

In terms of our report attached

For and on behalf of the Board of Directors

sd/- <b>For Price Waterhouse &amp; Co Chartered Accountants LLP</b> Firm Registration Number: 304026E/E-300009	sd/- <b>N. Chandrasekaran</b> Chairman DIN: 00121863	sd/- <b>Noel Naval Tata</b> Vice-Chairman DIN: 00024713	sd/- <b>Mallika Srinivasan</b> Independent Director DIN: 00037022	sd/- <b>O. P. Bhatt</b> Independent Director DIN: 00548091	sd/- <b>Farida Khambata</b> Independent Director DIN: 06954123	sd/- <b>David W. Crane</b> Independent Director DIN: 09354737
sd/- <b>Russell I Pareira</b> Partner Membership Number 042190	sd/- <b>V. K. Sharma</b> Independent Director DIN: 02449088	sd/- <b>Saurabh Agrawal</b> Non-Executive Director DIN: 02144558	sd/- <b>T. V. Narendran</b> Chief Executive Officer & Managing Director DIN: 03083605	sd/- <b>Koushik Chatterjee</b> Executive Director & Chief Financial Officer DIN: 00004989	sd/- <b>Parvathesam Kanchinadham</b> Company Secretary & Chief Legal Officer (Corporate & Compliance) ACS: 15921	

Mumbai, May 3, 2022

## Annexure 2 – Standalone Income Statement – T.S. Ltd.



Performance  
Snapshot

About  
Tata Steel

Leadership

Strategy

Stakeholders  
and Materiality

Value  
Creation

Statutory  
Reports

Financial  
Statements



### STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

				(₹ crore)	
	Note	Page	Year ended March 31, 2022	Year ended March 31, 2021	
<b>I</b>	Revenue from operations	26	355	1,29,021.35	84,132.92
<b>II</b>	Other income	27	356	1,452.02	755.11
<b>III</b>	<b>Total income</b>			<b>1,30,473.37</b>	<b>84,888.03</b>
<b>IV</b>	<b>Expenses:</b>				
(a)	Cost of materials consumed			35,256.98	20,757.04
(b)	Purchases of stock-in-trade			4,089.03	1,688.84
(c)	Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress	28	356	(1,820.87)	2,176.56
(d)	Employee benefits expense	29	357	6,365.80	5,741.94
(e)	Finance costs	30	357	2,792.08	4,541.02
(f)	Depreciation and amortisation expense	31	357	5,463.69	5,469.26
(g)	Other expenses	32	358	36,458.65	27,966.07
				<b>88,605.36</b>	<b>68,340.73</b>
	Less: Expenditure (other than interest) transferred to capital and other accounts			2,458.09	1,321.24
	<b>Total expenses</b>			<b>86,147.27</b>	<b>67,019.49</b>
<b>V</b>	<b>Profit before exceptional items and tax (III-IV)</b>			<b>44,326.10</b>	<b>17,868.54</b>
<b>VI</b>	<b>Exceptional items:</b>	33	359		
(a)	Profit/(loss) on sale of non-current investments			343.68	1,084.85
(b)	Provision for impairment of investments/doubtful advances (net)			(93.22)	149.74
(c)	Employee separation compensation			(330.81)	(443.55)
(d)	Restructuring and other provisions			(204.84)	-
(e)	Gain/(loss) on non-current investments classified as fair value through profit and loss (net)			49.74	(49.74)
	<b>Total exceptional items</b>			<b>(235.45)</b>	<b>741.30</b>
<b>VII</b>	<b>Profit before tax (V+VI)</b>			<b>44,090.65</b>	<b>18,609.84</b>
<b>VIII</b>	<b>Tax expense:</b>				
(a)	Current tax			11,611.94	(1,329.78)
(b)	Deferred tax			(532.47)	2,861.65
	<b>Total tax expense</b>			<b>11,079.47</b>	<b>1,531.87</b>
<b>IX</b>	<b>Profit for the year (VII-VIII)</b>			<b>33,011.18</b>	<b>17,077.97</b>
<b>X</b>	<b>Other comprehensive income/(loss)</b>				
<b>A</b>	<b>(i) Items that will not be reclassified subsequently to profit and loss</b>				
(a)	Remeasurement gain/(loss) on post-employment defined benefit plans			7.57	84.64
(b)	Fair value changes of investments in equity shares			654.92	333.55
	<b>(ii) Income tax on items that will not be reclassified subsequently to profit and loss</b>			<b>(69.79)</b>	<b>(27.40)</b>
<b>B</b>	<b>(i) Items that will be reclassified subsequently to profit and loss</b>				
(a)	Fair value changes of cash flow hedges			136.57	27.56
	<b>(ii) Income tax on items that will be reclassified subsequently to profit and loss</b>			<b>(34.37)</b>	<b>(6.94)</b>
	<b>Total other comprehensive income/(loss) for the year</b>			<b>694.90</b>	<b>411.41</b>
<b>XI</b>	<b>Total comprehensive income/(loss) for the year (IX+X)</b>			<b>33,706.08</b>	<b>17,489.38</b>
<b>XII</b>	<b>Earnings per share</b>	34	360		
	Basic (₹)			270.33	145.00
	Diluted (₹)			270.13	144.99
<b>XIII</b>	<b>Notes forming part of the financial statements</b>	1 - 52			

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026/E-300009

sd/-  
**N. Chandrasekaran**  
Chairman  
DIN: 00121863

sd/-  
**Noel Naval Tata**  
Vice-Chairman  
DIN: 00024713

sd/-  
**Mallika Srinivasan**  
Independent Director  
DIN: 00037022

sd/-  
**O. P. Bhatt**  
Independent Director  
DIN: 00548091

sd/-  
**Farida Khambata**  
Independent Director  
DIN: 06954123

sd/-  
**David W. Crane**  
Independent Director  
DIN: 09354737

sd/-  
**Russell I Parera**  
Partner  
Membership Number 042190

sd/-  
**V. K. Sharma**  
Independent  
Director  
DIN: 02449088

sd/-  
**Saurabh Agrawal**  
Non-Executive  
Director  
DIN: 02144558

sd/-  
**T. V. Narendran**  
Chief Executive Officer  
& Managing Director  
DIN: 03083605

sd/-  
**Koushik Chatterjee**  
Executive Director  
& Chief Financial Officer  
DIN: 00004989

sd/-  
**Parvtheesam Kanchinadham**  
Company Secretary &  
Chief Legal Officer  
(Corporate & Compliance)  
ACS: 15921

Mumbai, May 3, 2022

## Annexure 3 – Standalone Balance Sheet – J.S.W.

### STANDALONE FINANCIALS

# Standalone Balance Sheet

As at 31 March, 2022

	Notes	As at 31 March, 2022	As at 31 March, 2021
₹ in crores			
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	65,862	46,167
(b) Capital work-in-progress	5	12,459	28,914
(c) Right-of-use assets	6	3,905	4,161
(d) Intangible assets	7	1,879	1,614
(e) Intangible assets under development	7	140	128
(f) Investments in subsidiaries, associates and joint ventures	8	13,522	6,676
(g) Financial assets			
(i) Investments	9	4,506	5,782
(ii) Loans	10	5,763	4,872
(iii) Derivative assets	17	24	110
(iv) Other financial assets	11	3,534	2,481
(h) Current tax assets (net)		318	230
(i) Other non-current assets	12	3,473	2,394
<b>Total non-current assets</b>		<b>1,15,385</b>	<b>1,03,529</b>
<b>Current assets</b>			
(a) Inventories	13	21,028	10,692
(b) Financial assets			
(i) Trade receivables	14	6,146	3,333
(ii) Cash and cash equivalents	15	7,670	11,121
(iii) Bank balances other than (ii) above	16	7,857	625
(iv) Loans	10	265	602
(v) Derivative assets	17	403	86
(vi) Other financial assets	11	1,151	1,479
(c) Other current assets	12	2,965	1,765
<b>Total current assets</b>		<b>47,485</b>	<b>29,703</b>
<b>Total assets</b>		<b>1,62,870</b>	<b>1,33,232</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	18	301	302
(b) Other equity	19	63,200	46,675
<b>Total equity</b>		<b>63,501</b>	<b>46,977</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	41,176	39,551
(ia) Lease liabilities	6	1,767	2,413
(ii) Derivative liabilities	27	7	57
(iii) Other financial liabilities	21	1,035	1,310
(b) Provisions	22	1,292	753
(c) Deferred tax liabilities (net)	23	6,935	3,095
(d) Other non-current liabilities	24	1,023	2,036
<b>Total non-current liabilities</b>		<b>53,235</b>	<b>49,215</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	9,259	12,073
(ia) Lease liabilities	6	984	925
(ii) Trade payables	26		
(a) Total outstanding, dues of micro and small enterprises		330	205
(b) Total outstanding, dues of creditors other than micro and small enterprises		23,998	11,945
(iii) Derivative liabilities	27	105	96
(iv) Other financial liabilities	28	6,693	7,762
(b) Provisions	22	227	243
(c) Other current liabilities	29	4,153	3,254
(d) Current tax liabilities (net)		385	537
<b>Total current liabilities</b>		<b>46,134</b>	<b>37,040</b>
<b>Total liabilities</b>		<b>99,369</b>	<b>86,255</b>
<b>Total equity and liabilities</b>		<b>1,62,870</b>	<b>1,33,232</b>

See accompanying notes to the Standalone Financial Statements

As per our report of even date  
**For S R B C & CO LLP**  
 Chartered Accountants  
 ICAI Firm Reg. No.: 324982E/E300003

per **VIKRAM MEHTA**  
 Partner  
 Membership No.:105938  
 Place: Mumbai  
 Date : 27 May, 2022

For and on behalf of the Board of Directors

**RAJEEV PAI**  
 Chief Financial Officer

**LANCY VARGHESE**  
 Company Secretary

**SAJJAN JINDAL**  
 Chairman & Managing Director  
 DIN 00017762

**SESHAGIRI RAO M.V.S**  
 Jt. Managing Director & Group CFO

## Annexure 4 – Standalone Income Statement – J.S.W.

CORPORATE OVERVIEW

MANAGEMENT DISCUSSION AND ANALYSIS

STATUTORY REPORTS

FINANCIAL STATEMENTS



# Standalone Statement of Profit and Loss

For the year ended 31 March, 2022

	Notes	For the year ended 31 March, 2022	For the year ended 31 March, 2021
₹ in crores			
<b>I Revenue from operations</b>	30	1,18,820	70,727
<b>II Other income</b>	31	1,929	669
<b>III Total income (I + II)</b>		<b>1,20,749</b>	<b>71,396</b>
<b>IV Expenses:</b>			
Cost of materials consumed		51,457	28,743
Purchases of stock-in-trade		234	199
Changes in inventories of finished and semi-finished goods, work-in-progress and stock-in-trade	32	(3,112)	(872)
Mining premium and royalties (refer note 54)		13,894	6,972
Employee benefits expense	33	1,870	1,501
Finance costs	34	3,849	3,565
Depreciation and amortisation expense	35	4,511	3,781
Other expenses	36	22,609	14,925
<b>Total expenses</b>		<b>95,312</b>	<b>58,814</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>25,437</b>	<b>12,582</b>
<b>VI Exceptional items</b>	57	722	386
<b>VII Profit before tax (V-VI)</b>		<b>24,715</b>	<b>12,196</b>
<b>VIII Tax expense:</b>	23		
Current tax		4,411	2,162
Deferred tax		3,602	1,641
		<b>8,013</b>	<b>3,803</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>16,702</b>	<b>8,393</b>
<b>X Other comprehensive income</b>			
<b>A</b> i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of the defined benefit plans		(75)	27
(b) Equity instruments through other comprehensive income		2,083	385
ii) Income tax relating to items that will not be reclassified to profit or loss		(246)	(10)
<b>Total (A)</b>		<b>1,762</b>	<b>402</b>
<b>B</b> i) Items that will be reclassified to profit or loss			
(a) The effective portion of gains and loss on hedging instruments		(22)	369
ii) Income tax relating to items that will be reclassified to profit or loss		8	(129)
<b>Total (B)</b>		<b>(14)</b>	<b>240</b>
<b>Total Other comprehensive income / (loss) (A+B)</b>		<b>1,748</b>	<b>642</b>
<b>XI Total comprehensive income (IX + X)</b>		<b>18,450</b>	<b>9,035</b>
<b>XII Earnings per equity share of ₹ 1 each</b>	38		
Basic (in ₹)		69.48	34.92
Diluted (in ₹)		69.10	34.72

See accompanying notes to the Standalone Financial Statements

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Reg. No.: 324982E/E300003

per **VIKRAM MEHTA**

Partner

Membership No.:105938

Place: Mumbai

Date : 27 May, 2022

For and on behalf of the Board of Directors

**RAJEEV PAI**

Chief Financial Officer

**SAJJAN JINDAL**

Chairman & Managing Director

DIN 00017762

**LANCY VARGHESE**

Company Secretary

ICSI Membership No. FCS 9407

Place: Mumbai

**SESHAGIRI RAO M.V.S**

Jt. Managing Director & Group CFO

DIN 00029136



## Annexure 5 – Standalone Balance Sheet – S.A.I.L

Golden Year of India's Industrial Growth



### Standalone Balance Sheet

As at 31<sup>st</sup> March, 2022

(₹ in crore)

	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	68362.72	64115.26
(b) Capital work-in-progress	5	4016.72	8878.48
(c) Right of use assets	4a	3834.04	2054.13
(d) Investment property	6	1.06	1.09
(e) Intangible assets	7	1459.35	1429.28
(f) Inventories	7a	4559.16	4236.26
(g) Financial assets			
(i) Investments	8	1624.49	1595.01
(ii) Trade receivables	9	-	-
(iii) Loans	10	559.54	636.45
(iv) Other financial assets	11	239.00	453.99
(h) Current tax assets (net)	13	294.19	216.78
(i) Other non-current assets	14	4117.13	1566.81
		<b>89067.40</b>	<b>85183.54</b>
<b>Current Assets</b>			
(a) Inventories	15	19569.31	15272.04
(b) Financial assets			
(i) Trade receivables	16	4736.83	8138.84
(ii) Cash and cash equivalents	17 (i)	59.76	468.40
(iii) Bank balances other than (ii) above	17 (ii)	588.07	212.12
(iv) Loans	18	43.10	36.42
(v) Other financial assets	19	1340.51	1477.32
(c) Other current assets	20	2322.16	4926.74
		<b>28659.74</b>	<b>30531.88</b>
Assets classified as held for sale	21	14.00	17.01
		<b>117741.14</b>	<b>115732.43</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	22	4130.53	4130.53
(b) Other equity	23	47886.61	39364.35
		<b>52017.14</b>	<b>43494.88</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	8135.81	17906.57
(ia) Lease liabilities		3606.41	1819.39
(ii) Trade payables	25	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iii) Other financial liabilities	26	1390.28	1231.07
(b) Provisions	27	5331.02	4525.89
(c) Deferred tax liabilities (net)	12	5259.93	1253.16
(d) Other non-current liabilities	28	2682.82	439.97
		<b>26406.27</b>	<b>27176.05</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	29	5249.84	17701.46
(ia) Lease liabilities		292.04	249.16
(ii) Trade payables	30	-	-
(a) total outstanding dues of micro enterprises and small enterprises		140.65	103.57
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		16777.36	7938.49
(iii) Other financial liabilities	31	11610.62	10889.11
(b) Other current liabilities	32	4076.75	6127.81
(c) Provisions	33	1170.47	2039.84
(d) Current tax liabilities (net)	34	-	12.06
		<b>39317.73</b>	<b>45061.50</b>
		<b>117741.14</b>	<b>115732.43</b>

Significant Accounting Policies 3

The accompanying notes are an integral part of these standalone financial statements.

Sd/-  
[ M.B. Balakrishnan ]  
Company Secretary  
M. No. A17770

For and on behalf of the Board of Directors

Sd/-  
[ Soma Mondal ]  
Chairman  
DIN: 06845389

In terms of four report of even date

For Tej Raj & Pal  
Chartered Accountants  
Firm Registration No.304124E

For S. Jaykishan  
Chartered Accountants  
Firm Registration No.309005E

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm Registration No.001076N/N500013

For KASG & Co.  
Chartered Accountants  
Firm Registration No.002228C

Sd/-  
[ B. Vijay ]  
Partner  
M. No. 214678

Sd/-  
[ Vivek Newatia ]  
Partner  
M. No. 062636

Sd/-  
[ Neeraj Sharma ]  
Partner  
M. No. 502103

Sd/-  
[ Keshaw Kumar Harodia ]  
Partner  
M. No. 034751

Place: New Delhi  
Dated: May 23, 2022

## Annexure 6 – Standalone Income Statement – S.A.I.L



ANNUAL REPORT 2021-22

### Standalone Statement of Profit and Loss

For the year ended 31<sup>st</sup> March, 2022

(₹ in crore)

	Note No.	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Income</b>			
Revenue from operations	35	103473.32	69110.02
Other income	36	1042.03	1011.69
<b>Total Income</b>		<b>104515.35</b>	<b>70121.71</b>
<b>Expenses</b>			
Cost of materials consumed	37	42776.46	23136.17
Changes in inventories of finished goods, work in progress and by-products	38	(284.99)	4268.58
Employee benefits expense	39	12846.24	10445.94
Finance costs	40	1697.88	2817.14
Depreciation and amortisation expense		4274.17	4102.00
Other expenses	41	26813.46	18531.28
<b>Total expenses</b>		<b>88123.22</b>	<b>63301.11</b>
<b>Profit before Exceptional items and tax</b>		<b>16392.13</b>	<b>6820.60</b>
Less: Exceptional items	41a	353.41	(58.43)
<b>Profit before tax</b>		<b>16038.72</b>	<b>6879.03</b>
<b>Tax expense</b>			
Current tax		-	12.05
Deferred tax		4023.68	3016.96
<b>Total tax expense</b>		<b>4023.68</b>	<b>3029.01</b>
<b>Profit for the year</b>		<b>12015.04</b>	<b>3850.02</b>
<b>Other Comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(112.09)	357.49
Gain and losses from investments in equity instruments designated at fair value through OCI		24.87	16.67
(ii) Income tax relating to items that will not be reclassified to profit or loss		22.77	(93.63)
<b>Other Comprehensive Income/(Loss) for the year</b>		<b>(64.45)</b>	<b>280.53</b>
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>11950.59</b>	<b>4130.55</b>
<b>Earnings per equity share</b>			
Number of equity shares (face value ₹10/- each)		4130525289	4130525289
Basic and diluted earnings per share (₹)	41b	29.09	9.32

Significant Accounting Policies

The accompanying notes are an integral part of these standalone financial statements.

For and on behalf of the Board of Directors

Sd/-  
[ M.B. Balakrishnan ]  
Company Secretary  
M. No. A17770

Sd/-  
[ Soma Mondal ]  
Chairman  
DIN: 06845389

In terms of our report of even date

For Tej Raj & Pal  
Chartered Accountants  
Firm Registration No.304124E

For S. Jaykishan  
Chartered Accountants  
Firm Registration No.309005E

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No.001076N/N500013

For KASG & Co.  
Chartered Accountants  
Firm Registration No.002228C

Sd/-  
[ B. Vijay ]  
Partner  
M. No. 214678

Sd/-  
[ Vivek Newatia ]  
Partner  
M. No. 062636

Sd/-  
[ Neeraj Sharma ]  
Partner  
M. No. 502103

Sd/-  
[ Keshaw Kumar Harodia ]  
Partner  
M. No. 034751

Place : New Delhi  
Dated: May 23, 2022