

**Term Project Report**

**On**

**“Corporate Restructuring – Tata Steels”**

**Submitting by:**

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**Enrollment No.: EMBA/2K14/520**

**Under the Guidance Of**

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## DECLARATION

I **Viresh Singla** student of EMBA 2014-2016 batch of Delhi School of Management, Delhi Technological University, Bawana road, Delhi-42 declares that term project **Corporate Restructuring – Tata Steels** submitted in partial fulfilment of Executive MBA programme is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This Report is not being submitted to any other University for award of any other Degree, Award and Fellowship.

Name of candidate with sign\_\_\_\_\_

Place: New Delhi

Date:

## Certificate

This is to certify that the Project Report titled **Corporate Restructuring – Tata Steels** which is submitted by **Viresh Singla** in partial fulfillment of the requirement for the award of MBA degree in DSM - DTU, Delhi is a record of the candidate's own work carried out by him under my supervision.

Dated:

(Prof. G.C. Maheswari)

Place: New Delhi

## Acknowledgement

“The successful completion of any task would be incomplete without accomplishing the people who made it all possible and whose constant guidance and encouragement secured us the success.”

I am grateful to Dr. G.C. Maheswari in Delhi School of Management, Delhi Technological University, Delhi, for her astute guidance, constant encouragement and sincere support for this project work. The knowledge and values inculcated have proved to be of immense help at the very start of our career.

I feel proud and privileged in expressing my deep sense of gratitude to all those who have helped me in presenting this project.

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## Introduction

March 29, 2016 Tata Steel announced to pull out of all its UK operation which was losing £ 1million per day. Tata said a plan aimed at saving plants including Port Talbot was unaffordable and that it was "deeply concerned" at the deteriorating financial performance of its UK subsidiary in the last year. According to the company's sources, Tata has been searching for potential buyer for its steel plants in the last 18 months. However, there were no candidates that wanted to take over the business as it would require billions of money to bring back the plant in business.

The announcement by Tata Steel that it proposes to sell its loss-making UK steel company Tata Steel UK (Corus), should not shock anyone though, as they say, when a far big tree falls, the earth shakes. The Rs 6.6 lakh crore (\$100 billion) Tata Group had bought the deep-in-the-red Corus at a huge premium for \$12.9 billion in 2007, when it was a boom period for global economies and the world was agog at the biggest acquisition ever.

## Objectives

To understand global steel business.

To analyze the performance of Corus steel Post acquisition.

To evaluate the prospect of restructuring the steel business.

## Literature Review

### **Asset sales and increase in focus by Kose John, Eli Ofek (Journal of Financial Economics 37 (1995) 105-126)**

We find that asset sales lead to an improvement in the operating performance of the seller's remaining assets in each of the three years following the asset sale. The improvement in performance occurs primarily in firms that increase their focus; this change in operating performance is positively related to the seller's stock return at the divestiture announcement. The announcement stock returns are also greater for focus-increasing divestitures. Further, we find evidence that some of the seller's gains result from a better fit between the divested asset and the buyer.

### **IMPACT OF DIVESTITURE ACTIVITIES ON CORPORATE PERFORMANCE: EVIDENCE FROM LISTED FIRM by Meijui Sun, Ming Chuan University (2012)**

This study examines how divestiture affects the performance of listed companies in Taiwan. Divestiture describes firms selling their assets, production lines, subsidiaries or other segments for either cash or securities. This study focuses on two types of divestiture activities: sell-offs and equity carve-outs. Specifically, this work employs a control group design to examine 266 sell-off and equity carve-out announcements between 1995 and 2004, and measures the short-term abnormal stock returns and long-term (5 years) operating performance using financial ratios. The analytical results show significant positive stock abnormal returns associated with divestiture announcements for listed companies in Taiwan. Furthermore, firms generally experienced enhanced performance after undertaking divestiture activities.

### **Why Do Firms Merge and Then Divest? A Theory of Financial Synergy by Zsuzsanna Fluck and Anthony W. Lynch, New York University**

This article develops a theory of mergers and divestitures wherein the motivation for mergers stems from the inability of firms to finance marginally profitable, possibly short-horizon projects as stand-alone entities because of agency problems between managers and potential claim holders. A conglomerate merger can be viewed as a technology that allows marginally profitable projects, which investors would otherwise reject, to obtain financing. Once profitability improves, the financing synergy ends and the acquirer divests assets to avoid coordination costs. As a result, divestiture decisions are interpreted by the market as good news that is consistent with empirical evidence.

This theory is consistent with two seemingly contradictory empirical findings: (1) mergers increase the combined value of the acquirer and target and (2) diversified firms are less valuable than more focused stand-alone entities. It may also be applicable to the recent spate of mergers between biotechnology and pharmaceutical companies.

### **On Corporate Divestiture by HSIU-LANG CHEN, RE-JIN GUO (Review of Quantitative Finance and Accounting, 24: 399–421, 2005)**

This paper investigates why firms choose to divest their units/segments, and how firms choose among the three divestiture mechanisms (equity carve out, spinoff, and asset selloff). A direct comparison is conducted on firm's viable choices on a comprehensive sample of corporate divestiture transactions in the period of 1985-1998. Our multinomial logit analysis provides a complete picture on corporate divestitures. We find that, in support for the focusing hypothesis, highly diversified firms are more likely



to divest units when suffering from low operating efficiency. Our results are also consistent with the proposition that firms are divesting to relax their credit constraint, as firms with higher leverage ratios and low cash income are more likely to engage in carve outs or selloffs. We find limited evidence of information asymmetry as the major determinant of divestitures. We provide new findings on firm's choice among the three divestiture options. We report that, conditioned on the decision to divest, and firms mainly use asset selloffs in divesting smaller units operating in the same industry. Firms with larger divested units are more likely to use spinoff or carve out transactions. Parent firms having high revenue growth, high book-to-market ratio, and divesting unit when market sentiment is high are less likely to use spinoffs. Firms having high dividend yield, less information asymmetry, and divesting units operating in different industries are more likely to use carve out as an exit mechanism. Alternative specification of an ordered logit analysis generates consistent findings.

**Divestitures, wealth effects and corporate governance by Sian Owen, Liting Shi ,Alfred Yawson (Accounting and Finance 50 (2010) 389–415)**

We analyze the market reaction to divestiture decisions and determine the impact of corporate governance practices. We find the market reaction is significant and can be determined using internal governance mechanisms. We evaluate the determinants of the decision to sell using a control sample of firms displaying characteristics often associated with divestitures indicating that these firms may face the same incentives to divest but elect not to restructure in this manner. Our results suggest that a combination of strong internal and external governance may force managers to act in a manner that is incompatible with their personal desires.

**Analysing the Wealth Effects of UK Divestitures: An Examination of Domestic and International Sales by Jack Cao, Sian Owen and Alfred Yawson**

Here we analyse divestiture announcement effects for UK multinational corporations accounting for the location of the unit sold. We find some bias in market reactions with larger abnormal returns for UK divestitures when compared to overseas sales. US sales generate larger returns than those in Continental Europe or the Asia-Pacific region. We analyse the determinants of abnormal returns using accounting and transaction data, supplemented with country specific data for overseas sales. Abnormal returns for UK sales are explained by financial variables but the size of the transaction relative to the selling firm is the most significant factor in overseas divestitures.

## Data and Methodology

This study focuses on the divestiture announcement of Tata Steel UK. Data is collected primarily from secondary sources. Financial data of the company, including financial reports, the percentage of managerial ownership, and so on, are all obtained from the company website and NSE/BSE and various newspapers.

## Corporate Restructuring

The term corporate restructuring refers to selloffs such as divestitures. Restructuring is the corporate management term for the act of reorganizing the legal, ownership, operational, or other structures of a company for the purpose of making it more profitable, or better organized for its present needs. Other reasons for restructuring include a change of ownership or ownership structure, demerger, or a response to a crisis or major change in the business such as bankruptcy, repositioning, or buyout. Restructuring may also be described as corporate restructuring, debt restructuring and financial restructuring.

Corporate restructuring is often divided into two parts:

Financial Restructuring is related to improvements in capital structure of the firm. This may take place in response to drop in sale, sluggish economy or temporary concern about the economy. Example includes use of debt to lower the cost of capital, cost cutting measures like combining division or department, layoffs. With this type of restructuring, the focus is on survival in difficult market conditions.

Operational Restructuring is the process of increasing the economic viability of the underlying business model. Examples includes sale of division, cost cutting measures like closing down unprofitable facilities.

Corporate restructuring can take several different forms:

**Divestiture:** A divestiture is a sale of a portion or the firm to an outside party. The selling firm is usually paid in cash or marketable securities or combination.

**Equity carve-out:** This involves the sale of an equity interest in a subsidiary to outsider. The sale may not necessarily leave the parent company in control of the subsidiary. The new equity gives the investors shares of ownership in the portion of the selling company that is being divested. A new legal entity is created with the stockholder base that may be different from that of the parent selling company. The divested company has different management team and is run as a separate entity.

**Spin-off:** A new legal entity is also created in a spinoff. New shares are issued and distributed to stockholders on a pro-rata basis. As a result of the proportional distribution of shares, the stockholder base in the new company is the same as that of old company but firm has its own management and is run as a separate company.

**Exchange offer:** Under exchange offer new shares in a subsidiary are issued and shareholder in the parent company are given the option to either hold on their shares or exchange these shares for an equity interest in the new publicly held subsidiary.

**Splitup:** In a splitup, the entire firm is broken into a series or spinoffs. The end result of this process is that the parent company no longer exists, leaving only the newly formed companies. The stockholders in the companies may be different because stockholder exchange their shares in the parent company for the shares in one or more of the units.

## Reasons for corporate restructuring:

### Poor Strategic Fit of Division

Management may decide to move out of a particular line of business that it feels no longer fits into the company's overall strategic plans. Decision might be difficult if the unit is performing financially well. However, if the company maps out a clear overall strategic direction in which it wants to move and if a unit does not mesh well with plans, a divestiture may make good sense. If the unit has been performing well it may generate significant divestiture proceeds that the company can invest in pursuing its overall strategic goals.

### Reverse Synergy

This concept is in contrast to the M&A principle of Synergy, where combined unit is worth more than individual entities. Reverse Synergy means that the parts are worth more separately, then they are within the parent company's corporate structure.

### Poor Performance

Companies may want to divest divisions because they are not sufficiently profitable. A non-profitable unit may be diluting the performance of the overall company. Such poorly performing division can be a financial drain on the overall company. Performance may be judged by an inability to pay a rate of return that exceeds the parent company's hurdle rate – the minimum return threshold that a company will use to evaluate projects.

### Capital Market Factor

A divestiture may take place because the post divestiture firm, as well as the divested division, has greater access to capital market. The combined corporate structure may be more difficult for the investor to categorize. Certain investors might be looking for a certain type of investment opportunity.

### Cash Flow Needs

A company may sell off even a well performing unit if it encounters pressing cash flow needs and if the unit is not essential to its corporate strategy. A selloff may produce the immediate benefits of infusion of cash from the sale.

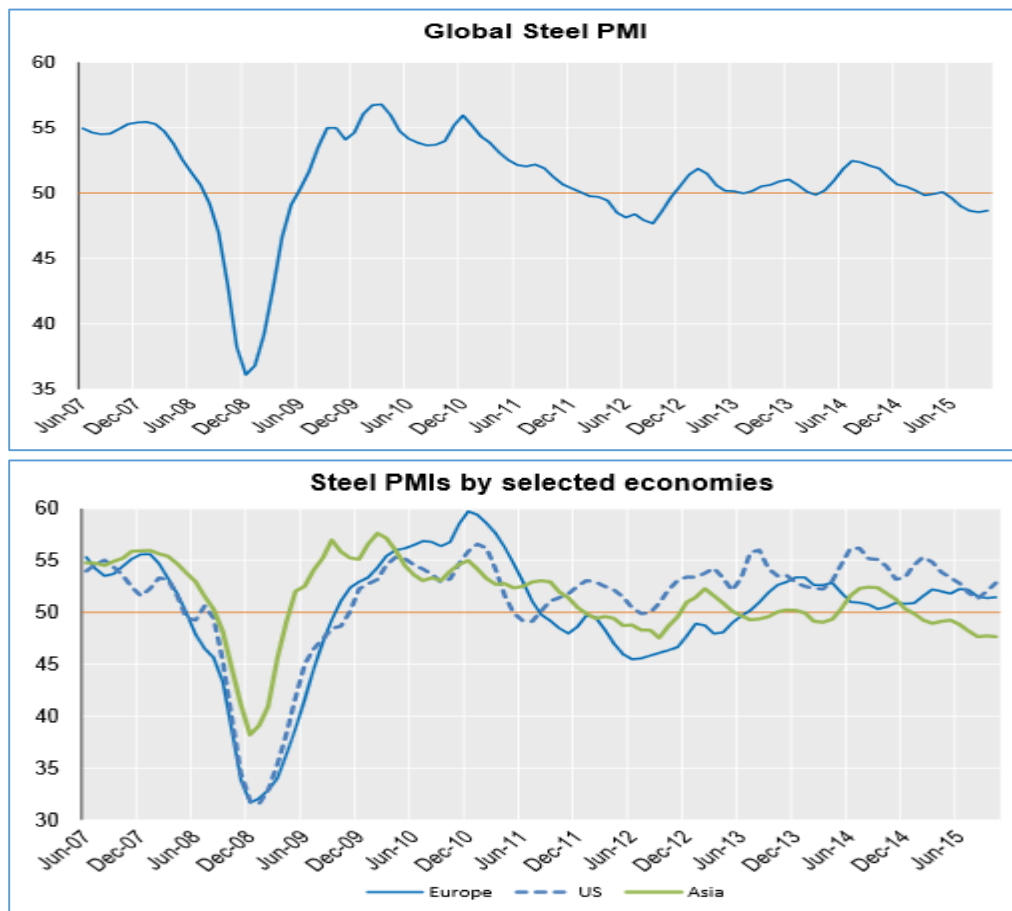
## Global Steel Industry

The outlook for the steel sector has, unfortunately, weakened further in recent months, reflecting not only cyclical factors such as the slowdown in world economic growth but also growing structural challenges such as excess capacity. With the global business cycle expected to remain subdued over the next few years, resolving the structural factors that are inhibiting the industry from reaching its full potential will remain a key priority going forward.

### Steel Market sentiments

Steel market sentiment has weakened significantly in the past several months, in line with the general downturn in the global market. Purchasers of steel are wary of increasing their inventories, amidst rapidly falling prices of steel, and many indicators that are linked to steel demand, such as manufacturing activity and fixed investment, have either fallen or their growth has slowed in many steel-producing economies.

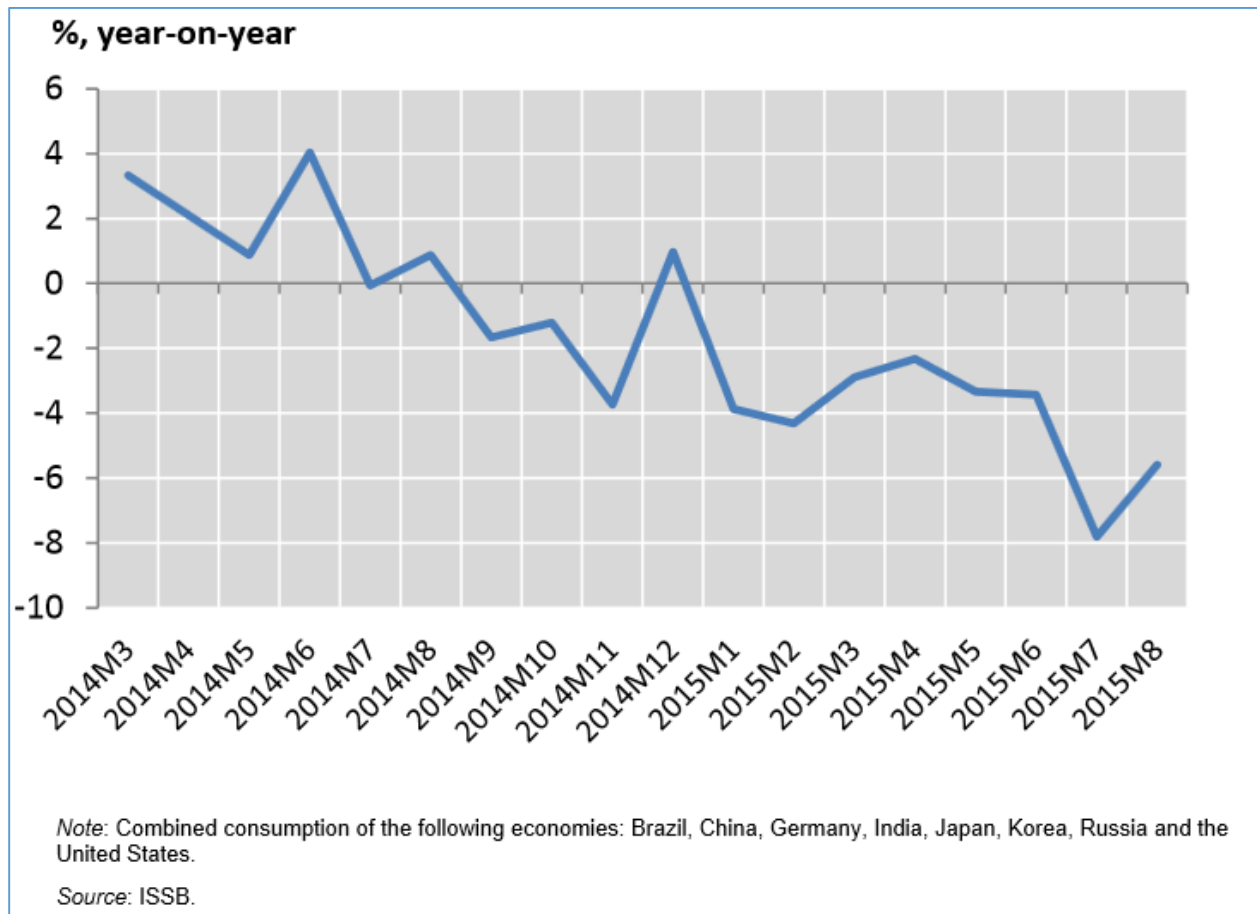
One indicator of general sentiment is the global Steel Purchasing Managers' Index (PMI), compiled monthly by Markit Economics. The index fell below the threshold reading of 50 (that separates contraction from expansion) in March 2015 for the first time since late 2012, and has continued to trend downwards since then. The decline has been most pronounced in Asia, with a PMI reading of 47.7 points in October 2015. Market sentiment has been stronger in the U.S. and Europe, however with considerable volatility in the indices.



## Steel Consumption

Monthly steel consumption figures have been very negative for major steel-consuming economies during the course of 2015. Figure 4 presents the year-on-year per cent change in the combined consumption of hot-rolled products for eight of the world's largest steel-consuming economies in Asia, the CIS region, Europe, North America, and South America, which together account for approximately 72% of global steel demand. The data suggest a strong deceleration in consumption growth during 2014, with growth turning negative in the final quarter of 2014 and the downturn gathering momentum during 2015. In the first eight months of 2015, the monthly consumption indicator for the major steel-consuming economies declined by slightly more than 4% in year-on-year terms.

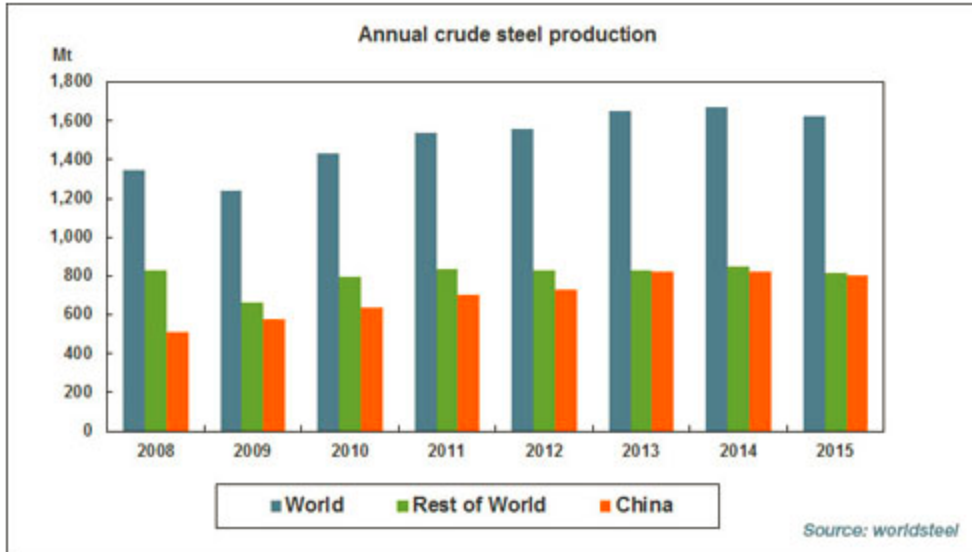
Consumption of hot-rolled steel products, major economies



The global demand downturn is largely due to significant steel consumption declines in China, Brazil and Russia. The steel demand downturn in China reflects the ongoing economic rebalancing process that is taking place. Although Chinese GDP growth slowed only to 6.9% in the third quarter from 7% in the first and second quarters, domestic steel consumption declined by 5.8% during January-September 2015, according to the National Bureau of Statistics.

## Steel Production

Growth in world crude steel production has decelerated significantly in the past three years. Following growth of 5.8% in 2013 (to 1.65 billion tons), production growth slowed to 1.2% in 2014 and has turned negative in 2015. In the first 10 months of 2015, crude steel production declined by 2.5% compared to the corresponding time period one year earlier. The world production decline appears to have been gathering some momentum during the course of this year, with the rate of contraction reaching 3.1% in October 2015. These developments imply that world production is likely to register an annual contraction in 2015 for the first time since 2009.



## World Steel Trade

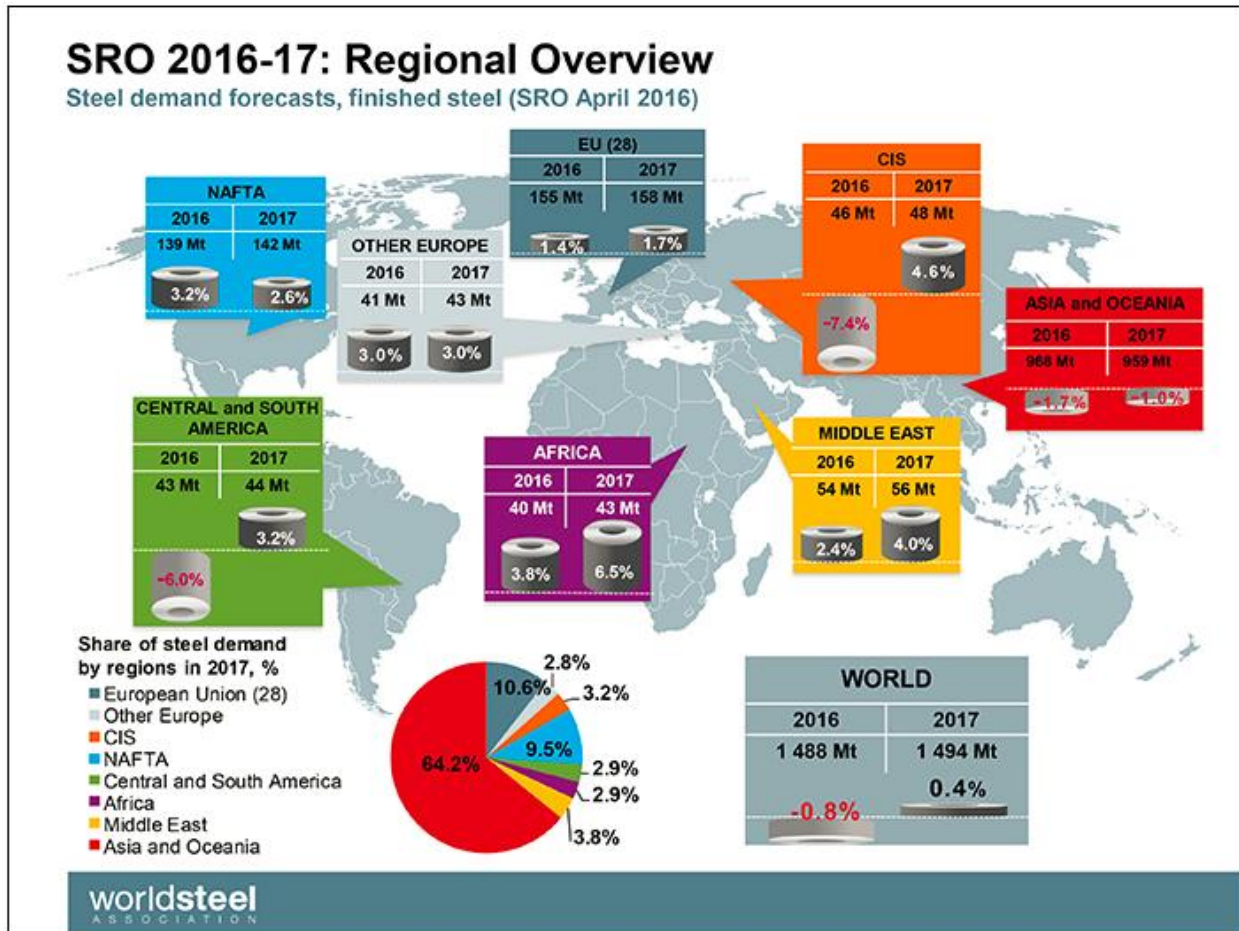
Despite significant production declines in most regions of the world, the November 2015 report by ISSB shows that world steel exports have increased by more than 4% in January-July 2015 relative to their level in the same time period last year. However, much of the growth observed so far this year reflects a so-called “carry-over effect” from 2014. That is, although monthly export volumes have levelled off during 2015, they had increased significantly during the course of 2014, thus yielding still strong year-on-year growth rates in recent months.

Top Steel Exporter				
Rank	Country	2014	2013	%change
1	China	92.9	61.5	51%
2	Japan	41.3	42.5	-3%
3	European Union (28)	37.1	38.7	-4%
4	South Korea	31.9	28.9	10%
5	Russia	27	23.6	14%
6	Germany	24.8	24.3	2%
7	Ukraine	21.5	24.7	-13%
8	Italy	17.3	16.9	2%
9	Turkey	16.2	17.3	-6%
10	France	14.9	14.2	5%

Top Steel Importer				
Rank	Country	2014	2013	%change
1	United States	41.4	30.3	37%
2	European Union (28)	32.4	30.8	5%
3	Germany	24.3	22.1	10%
4	South Korea	22.4	19	18%
5	Italy	16.6	15.6	6%
6	Thailand	15.1	15.9	-5%
7	China	14.9	14.8	1%
8	France	13.4	13.2	2%
9	Turkey	13.4	14.5	-8%
10	Viet Nam	12.4	10	24%



Commenting on the Short term outlook TV Narendran, Chairman of the worldsteel Economics Committee said; “The economic environment facing the steel industry continues to be challenging with China’s slowdown impacting globally across a range of indicators contributing to volatility in financial markets, sluggish growth in global trade and low oil and other commodity prices. The global steel market is suffering from insufficient investment expenditure and continued weakness in the manufacturing sector. In 2016, while we are forecasting another year of contraction in steel demand in China, slow but steady growth in some other key regions including NAFTA and EU is expected. Growth for steel demand in all markets except China is expected in 2017.



There are several downside risks to our forecast: the Chinese real estate market and corporate debt problem, anxiety in the financial markets, high (household) debt and volatile capital flows in many emerging economies, geopolitical tensions and unstable political situations in several regions could further worsen the global economic environment.

On a positive note, some emerging economies in South and Southeast Asia show resilient growth and along with NAFTA and the EU will support a recovery in 2017. We expect that steel demand outside China will continue to grow by 1.8% in 2016 and this growth will accelerate to 3.0 % in 2017.”

## Latest forecasts for regional apparent steel use by the World Steel Association

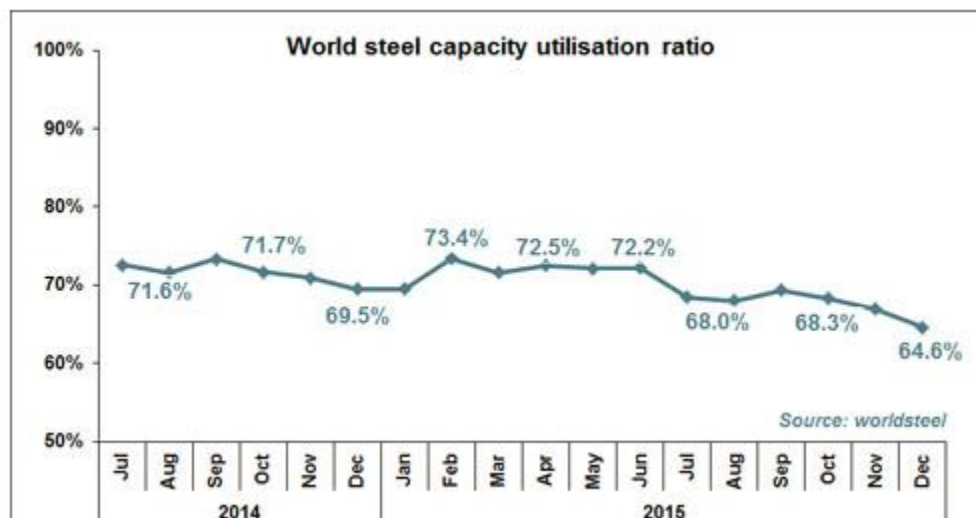
**Table 1. Steel Demand Forecasts**

SRO April 2016, finished steel products

Regions	million tonnes			y-o-y growth rates, %		
	2015	2016 (f)	2017 (f)	2015	2016 (f)	2017 (f)
European Union (28)	153.3	155.4	158.1	2.8	1.4	1.7
Other Europe	40.1	41.3	42.6	8.1	3.0	3.0
CIS	50.0	46.3	48.4	-10.8	-7.4	4.6
NAFTA	134.5	138.8	142.3	-8.4	3.2	2.6
Central and South America	45.4	42.6	44.0	-7.3	-6.0	3.2
Africa	39.0	40.5	43.1	4.3	3.8	6.5
Middle East	53.0	54.3	56.4	-1.0	2.4	4.0
Asia and Oceania	984.8	968.5	958.7	-3.3	-1.7	-1.0
<b>World</b>	<b>1 500.1</b>	<b>1 487.7</b>	<b>1 493.6</b>	<b>-3.0</b>	<b>-0.8</b>	<b>0.4</b>
Developed Economies	399.1	405.9	410.4	-4.0	1.7	1.1
Emerging and Developing Economies	1 101.0	1 081.8	1 083.2	-2.7	-1.7	0.1
China	672.3	645.4	626.1	-5.4	-4.0	-3.0
MENA	72.1	74.4	78.0	-0.6	3.1	4.9
Em. and Dev. Economies excl. China	428.6	436.3	457.1	2.0	1.8	4.8
World excl. China	827.7	842.2	867.6	-1.0	1.8	3.0

f - forecast

The crude steel capacity utilization ratio of the 66 countries in December 2015 was 64.6%. This is -4.9 percentage points lower than December 2014. The average capacity utilization in 2015 was 69.7% compared to 73.4% in 2014.



## Tata Steel

Tata Steel was founded in 1907 by Mr. J N Tata. It started as Asia's first integrated private sector steel company and presently is among the top ten global steel companies with an annual crude steel capacity of nearly 30 million tons per annum (MTPA). It is now the world's second-most geographically-diversified steel producer with operations in 26 countries, commercial presence in over 50 countries and a workforce of 80,000 employees across five continents.

Tata Steel founded India's first industrial city, Jamshedpur, where it established the country's first integrated steel plant. The company is focused not only on the execution of the plant facilities but also on addressing the socio-economic infrastructure needs of an industrial enterprise of this scale. Presently, it has plans for two new Greenfield steel projects in the Indian states of Jharkhand and Chhattisgarh.

## Indian Steel Industry

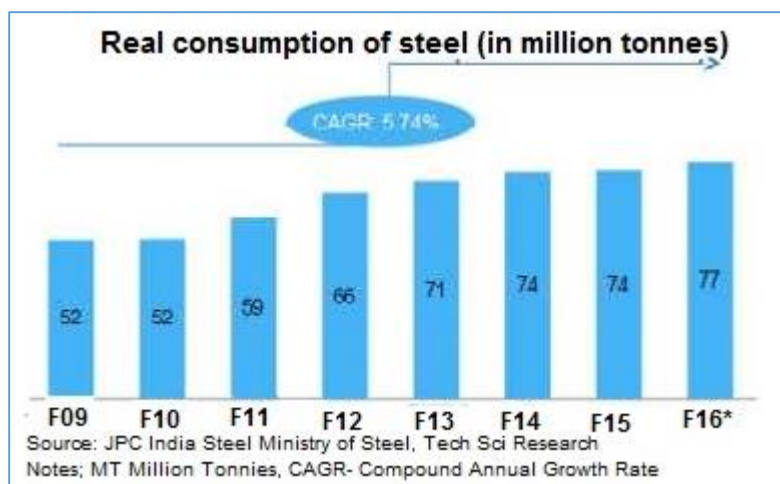
India is the world's third-largest producer of crude steel (up from eighth in 2003) and is expected to become the second-largest producer by 2016. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labor. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernization and up-gradation of older plants and higher energy efficiency levels.

India's crude steel capacity reached 109.85 Million Tons (MT) in 2014-15, a growth of 7.4 per cent. Production of crude steel grew by 8.9 per cent to 88.98 MT. Total finished steel production for sale increased by 5.1 per cent to 92.16 MT. Consumption of total finished steel increased 3.9 per cent to 76.99 MT.

India produced 7.34 MT of steel in the month of September 2015, which was nearly equal to the country's steel production in September 2014.

The steel sector in India contributes nearly two per cent of the country's gross domestic product (GDP) and employs over 600,000 people. The per capita consumption of total finished steel in the country has risen from 51 Kg in 2009-10 to about 59 Kg in 2014-15. India's steel consumption for FY 2015-16 is estimated to increase by 7 per cent, higher than 2 per cent growth last year, due to improving economic activity, as per E&Y's 'Global Steel 2015-16' report.



The Government of India is aiming to scale up steel production in the country to 300 MT by 2025 from 81 MT in 2013-14.

The Ministry of Steel has announced to invest in modernization and expansion of steel plants of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) in various states to enhance the crude steel production capacity in the current phase from 12.8 MTPA to 21.4 MTPA and from 3.0 MTPA to 6.3 MTPA respectively.

The Minister of Steel & Mines, Mr. Narendra Singh Tomar, has reiterated commitment of Central Government to support the steel industry to reach a production target of 300 Million Tonne Per Annum (MTPA) in 2025.

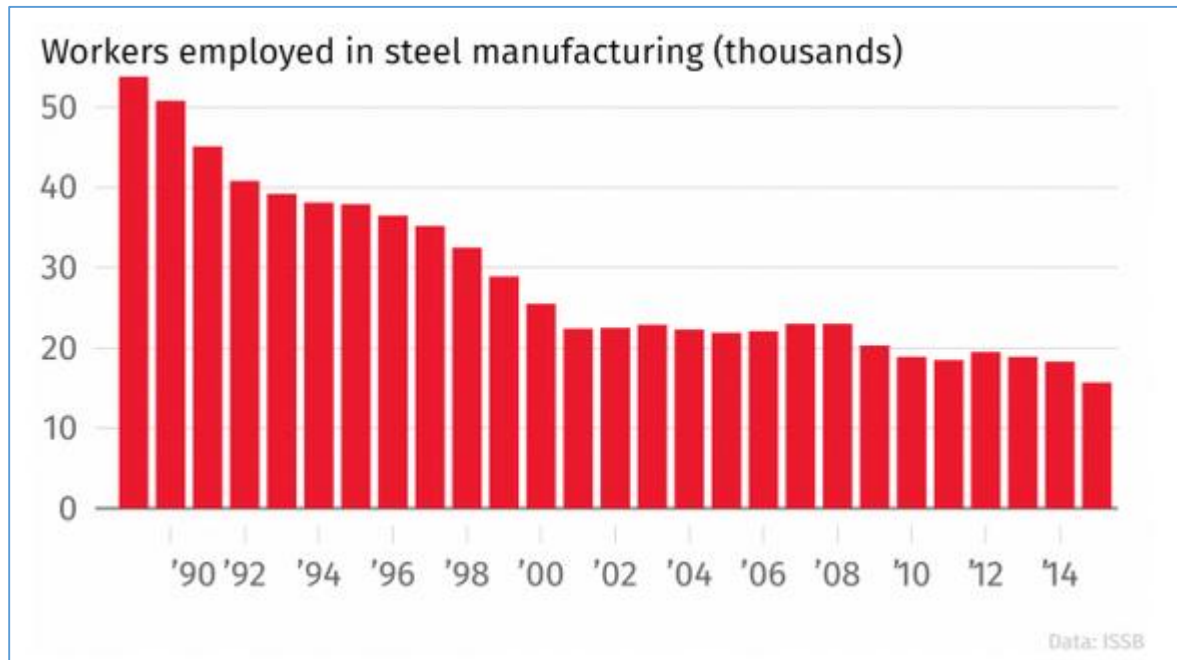
The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 31.67 million).

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

## UK Steel Industry

Trading conditions had rapidly deteriorated in UK and Europe due to global oversupply of steel, high cost and currency volatility as illustrated by following charts.

1. One of the six jobs in UK steel is now under threat.

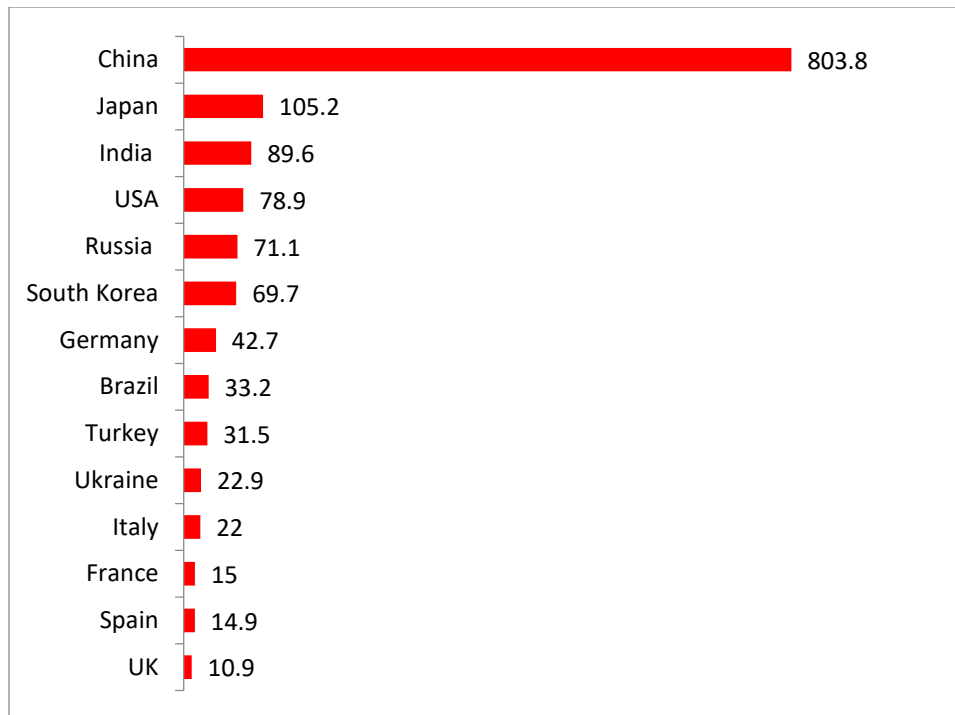


There were 1,200 job losses at Tata plants in Scunthorpe and Lanarkshire last October and further losses when steel manufacturer SSI closed another plant at Redcar in what had been a long period of decline for UK steel.

The job losses will have a “cataclysmic” effect on local communities, according to Gerard Lyons, the mayoral adviser, who said that while the Government had to bail out the banks as the “life blood of the economy” it would be unlikely to do the same for the steel industry.

## 2. UK Steel plant cannot compete with China

World crude steel production 2013 in millions of tons

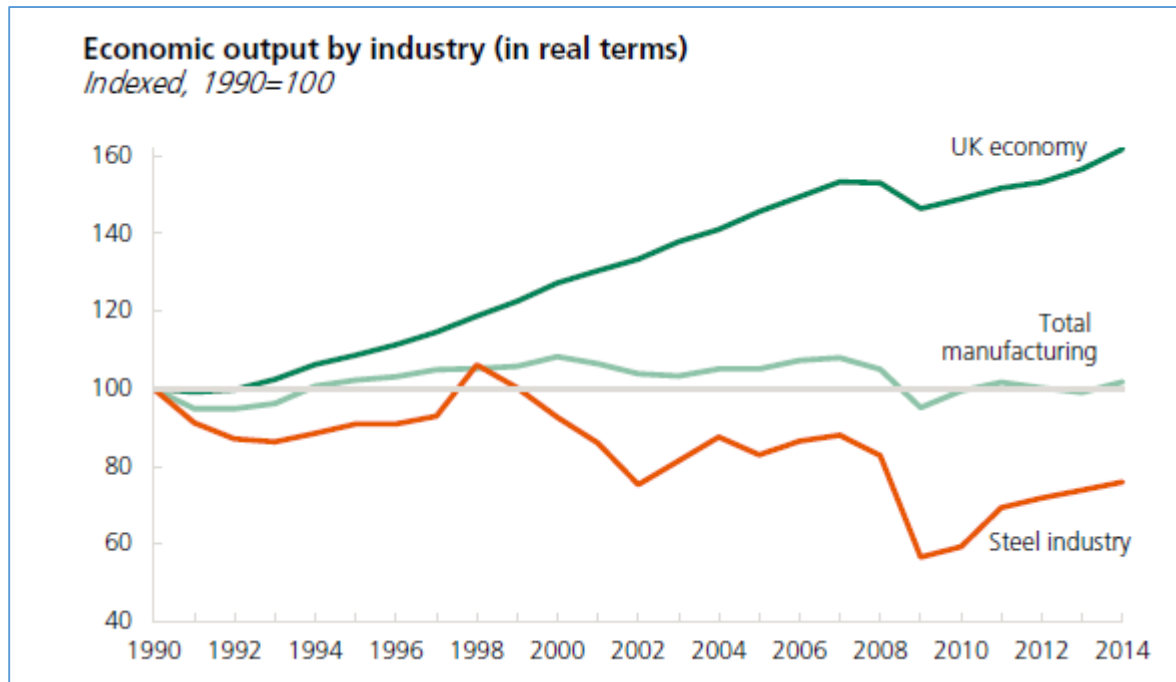


Total world steel production increased 96 per cent between 2000 and 2014 and most of it came from China. In 2013, China produced 779 million tons of steel, 48 per cent of the world's total, and the UK produced 12 million tons.

China is producing so much steel that some Chinese companies are selling their steel abroad at a loss, because there isn't enough demand in China. UK companies cannot compete with these prices and jobs are being lost as a result.

It's expensive to produce steel in the UK by international standards. Industrial electricity prices in the UK are more than 50 per cent above other major EU economies. Business rates are also high in the UK, and the strong pound has made UK exports less attractive.

3. The steel industry has contributed less and less to the UK economy over the last 25 years



The steel industry has contributed less and less to the UK economy over the last 25 years and fared particularly badly in the recession following 2008.

This means that the steel industry's importance to the whole economy has declined, from 0.5 per cent of total output in 1990 to the current total of 0.1 per cent.

## Corus Acquisition

Corus Group was formed through the merger of Koninklijke Hoogovens and British Steel in 1999 and was a constituent of the FTSE 100 Index. It was acquired by Tata of India in 2007, and renamed Tata Steel Europe in September 2010.

On 20 October 2006, Corus announced that it had accepted a £4.3 billion (\$8.1 billion) offer from Tata Steel; a valuation of £4.55 per share. The combination of Corus (18.18MT pa) and Tata (4.4MT pa) would create the fifth largest steelmaking company worldwide. Tata surprised the credit default swap segment of the derivative markets by deciding to raise \$6.17 billion of debt for the deal through a new subsidiary of Corus called 'Tata Steel UK', rather than by raising the debt itself. Tata's security credit rating was investment grade, whereas the new subsidiary may not be. The higher risk associated with raising debt through a subsidiary with a lower credit rating prompted Fitch Ratings to downgrade its rating of the credit swap risks in the takeover to 'negative'. Fitch also stated that Corus' responsibility for the debt may lead to Corus' own unsecured debt rating being downgraded. This does not affect the rating of bonds issued by Corus which are secured debt.

On 19 November 2006, the Brazilian steel company Companhia Siderúrgica Nacional (CSN) launched a counter offer for Corus at a higher valuation of £4.75 per share. CSN and Corus had previously discussed a merger in 2002, cancelled late 2002; CSN's iron ore assets would provide synergy with Corus's need to import ore.

Subsequently Tata submitted an improved bid at £5.00 per share, followed by an improved bid from CSN at £5.15 per share which was accepted by the board of Corus on 11 December 2007. On 19 December 2006 the UK body, the Panel on Takeovers and Mergers announced a close date for bidding of 30 January 2007.

On 30/31 January an auction was held by the Panel for Corus's shares, with Tata outbidding CSN at £6.08 vs £6.03 per share. CSN's bid had been supported by Goldman Sachs whilst Tata's was supported by ABN Amro, Rothschilds, and Deutsche Bank.

The Corus Group board recommended the acquisition to their shareholders later the same day.

The total value of this acquisition amounted to £6.2 billion (USD 12 billion) which was paid in cash. Tata has reportedly financed only USD 4 billion of the Corus purchase from the internal company resources and rest about two third of the deal was financed through loans from major banks.

### **Did Tata overpaid for Acquisition**

Since Tata steel had paid about 34% more from initial offer, 56% more from previous day closing price and 68% more the average price of Corus, a debate was certain whether Tata overpaid for the Acquisition.

#### *From the Management viewpoint*

Growth Strategy through International acquisition: Tata Steel board of directors approved the deal, as it was consistent with the stated objective of growth and globalization. Although company had end up paying more for the acquisition, its management felt that there were many favorable strategic and



financial outcomes to be realized. To begin with, this acquisition would place the combined entity as fifth largest steel company in the world by production output.

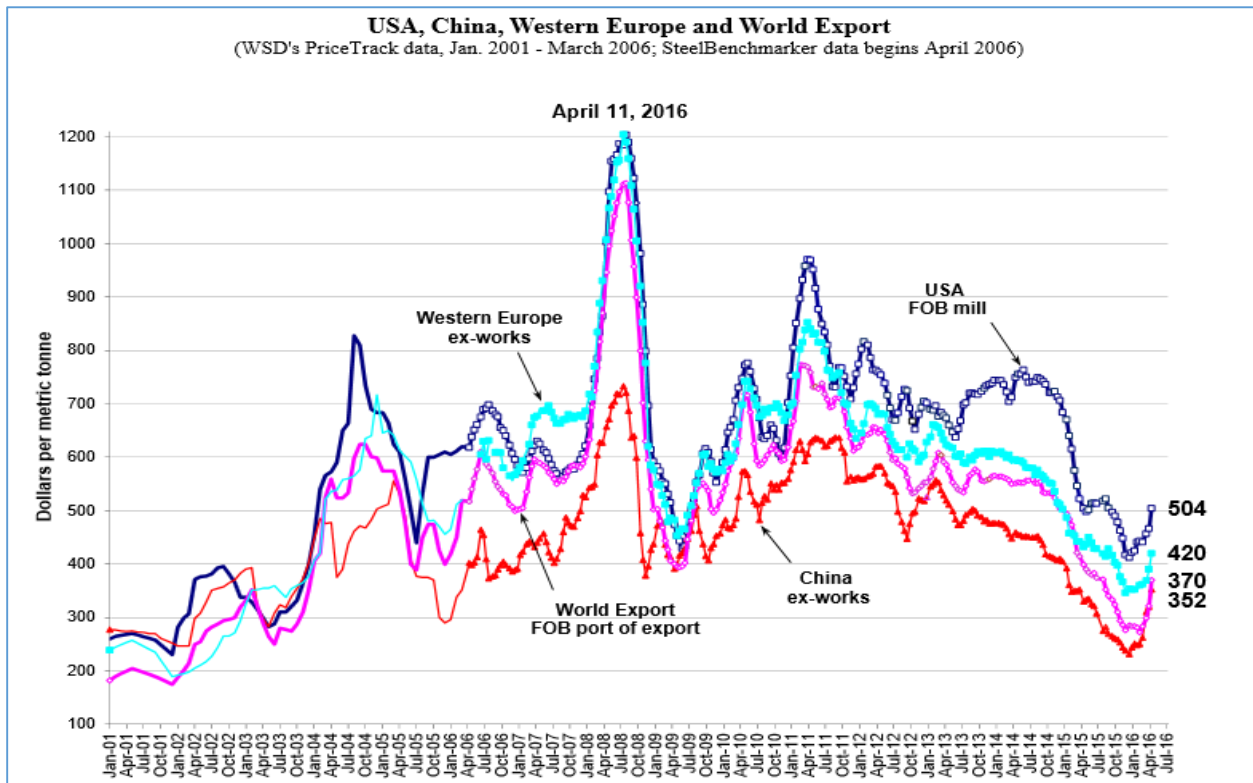
Synergies: combining the low cost upstream production in India with the high end downstream processing facilities of Corus in Europe was intended to create synergies that would significantly improve the competitiveness of European operations. Tata Steel will retain access to low cost raw materials, gain exposure to high growth emerging markets, while gaining the prices stability in developed market.

*From the Financial Analyst viewpoint*

Operating profits: Tata Steel’s operating profit for 2006 earning \$840 million on the sales of 5.3 million tons were very close to those generated by Corus \$860 million on the sales of 18.6 million tons. Operating margins were 40% in case of Tata Steel whereas 7% in case of Corus. Financial analysts were skeptical about the long term financial viability of acquisition.

Highly Leveraged: With new debt amounting \$8 billion used to finance the acquisition is expected to generate up to \$640 million in annual interest (assuming 8% interest cost). This amount combined with existing debt charges of \$400 million on an annual basis implies that the combined entity’s interest obligation will be very high.

Steel prices at Peak: During the time of acquisition world steel price were at their peak with a significant rise in the recent past. There would be less chances of further increase in price of commodity for a longer period.



## Tata Steel Europe Operations

Tata Steel is the second largest steel producer in Europe with a diversified presence across the continent. It has a crude steel production capacity of over 18 MTPA in Europe - more than two thirds of the Group's total capacity. The manufacturing facilities at Tata Steel Europe comprise manufacturing hubs (Strip Products Mainland Europe, Strip Products UK, Long Products Europe and Downstream Operations) and Integrated Businesses (Plating, Cogent Power, Specialty and Bar).

UK (& Ireland) - There are 3 steelmaking facilities (Port Talbot, Rotherham and Scunthorpe) with a combined crude steel production capacity of 11 MTPA. In all, there are 17 manufacturing locations and 22 distribution centers.

The Netherlands - There is one steelmaking facility (Ijmuiden) and 5 manufacturing locations with 2 distribution centers.

In rest of Europe, there are 17 manufacturing locations and nine 9 distribution centers.

### Port Talbot Works, UK

Port Talbot Plant has a rich iron making history and celebrated its centenary in 2002. The works began with the Margam plant, completed in 1923, and today it is part of the Strip Products UK business. Additions to Port Talbot Works include the continuous annealing processing line in 1998, caster 3 in 2005 and heavy-end developments from 2003-2006. The rebuild of Blast Furnace #4 has been a major improvement measure in recent years. The Plant operates as an integrated works together with its sister plant Llanwern Works in Newport.



### Scunthorpe Works, UK

Scunthorpe is the Long Products Hub of UK. The plant has been operating for more than a hundred and fifty years and evolved continuously with innovative technology to help cement Scunthorpe's place in iron making history. While blast furnace iron-making was brought to Scunthorpe in 1864, it was not long before Victorian iron-makers followed to cash in on the growing demand for iron. The Works has also seen great progress in safety and processes. Steel made in Scunthorpe has been used in a wide range of applications from the construction of the Petronas Towers in Malaysia and the T'sing Ma Bridge in Hong Kong to simple everyday objects such as paperclips and light bulbs.



### Rotherham Works, UK

Rotherham's history of iron and steelmaking dates back to 1161. The sites at Rotherham and Stocksbridge are an integrated business within Tata Steel and have a combined workforce of approximately 2,050 employees. These sites specialize in the production of high grade and special steels for the world's leading companies in markets ranging from automotive to aerospace, civil engineering to component manufacturing, energy industries to consumer goods.

### Ijmuiden Works, The Netherlands

Ijmuiden is currently the Group's largest single steel plant with a crude steel production capacity of 7 MTPA. It is part of the European operations of Tata Steel and known for producing high quality steel for various applications. It is mainly used in the automotive, construction and packaging industries. The material is also used in batteries, tubes, industrial vehicles and white goods such as refrigerators and stoves.

Hlsarna is a new technology, partly developed in Ijmuiden, which enables the direct input of coal and fine iron ore into the iron making furnace. The Hlsarna pilot plant completed a third successful test in Financial Year 2013-14.

## Tata Steel Europe Crisis

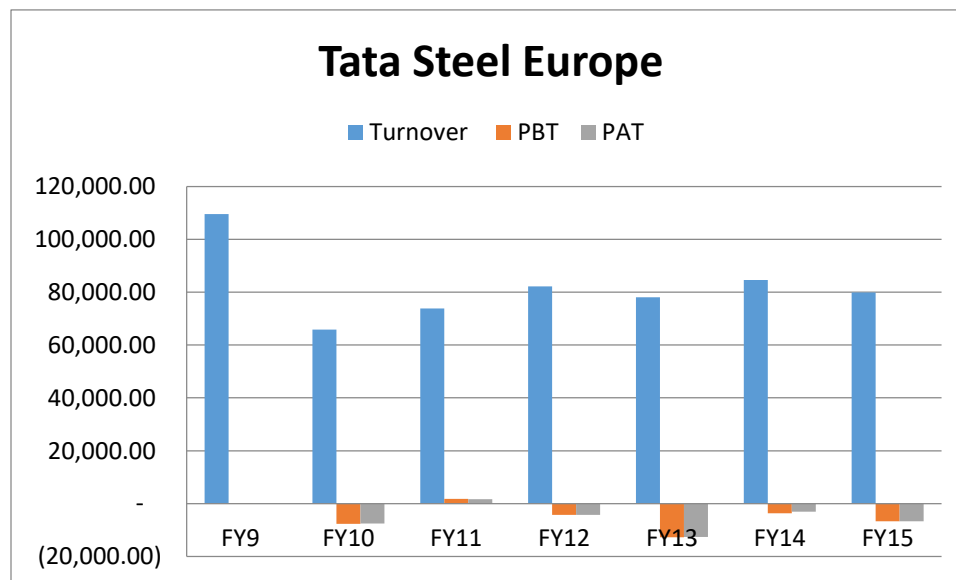
Tata Steel brought the Corus in April 2007, around the time the sub-prime mortgage crisis had started undermining global market, leading to the cataclysmic closure of Lehman Brothers in September 2008 and subsequent global crisis.

The economic slowdown and continuing weakness in European market affected sales. What exacerbated matters were structural factors – global steel oversupply, increase in third-country exports in Europe, high manufacturing and environmental cost, and continued weakness in domestic steel demand and a volatile currency.

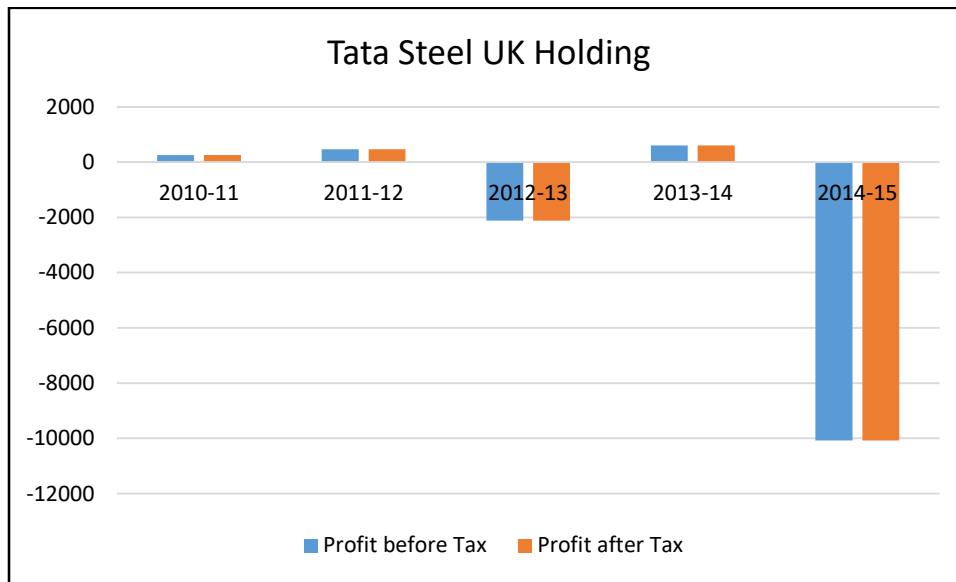
The British Steel Pension Scheme (BSPS) is the largest defined benefit scheme within Tata Steel Europe's portfolio. Due to historically low interest rates in the UK, the valuation placed on the Scheme's liabilities has increased significantly since the last actuarial valuation in 2011 leading to a greatly increased funding deficit. This along with difficult business conditions in UK meant that Tata Steel Europe consulted on certain changes to the pension scheme so that it remains affordable and sustainable going forward whilst still providing competitive benefits for employee members.

The Company has been in talks with the UK unions since late 2014 about the challenges to the pension scheme and although these discussions have been challenging, the unions have agreed to recommend a modified pensions package to their members who achieves the Company's objectives around cost and risk. At the time this report went to press, the unions were carrying out a consultative ballot of members on this recommended package.

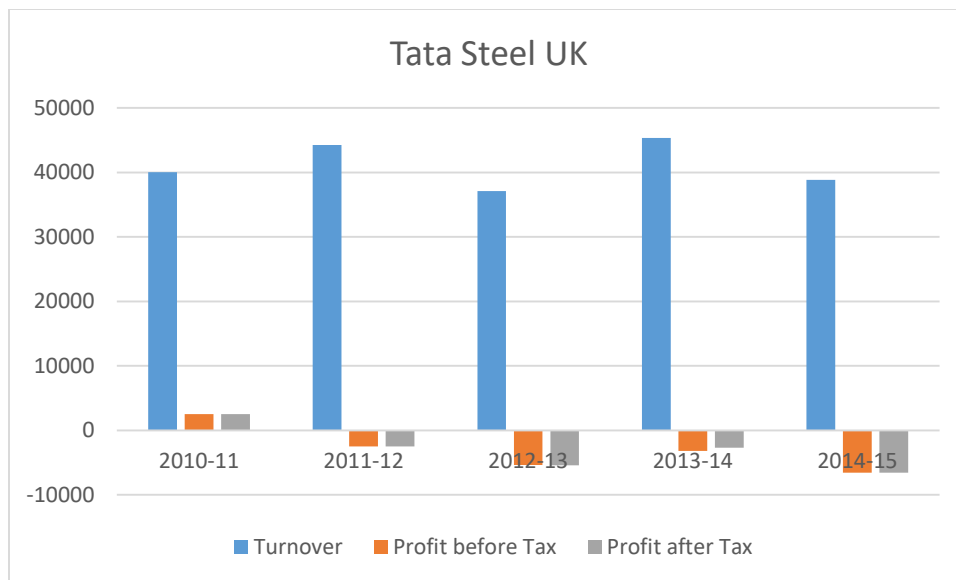
### Performance of Tata Steel Europe Operation



### Performance of Tata Steel UK Holding



### Performance of Tata Steel UK



Because of economic slowdown and weakness in market, Tata has to take various tough decisions like, in January 2009; Corus announced job cuts of 1,000 in the Netherlands and 2,500 in the UK due the economic downturn and consequent reduction of steel demand. Cuts included cessation (mothballing) of production at a hot strip mill in Llanwern, Wales (600 jobs), as well as major jobs losses (up to 700) at the engineering steel production site in Rotherham. Corus also closed down its defined benefit pension scheme to new members.

In late 2009 Corus announced the mothballing of the Teesside Cast Products plant (Teesside blast furnaces), following the unexpected cancellation of 10 year contracts with Marcegaglia (Italy) signed 2004. Corus's workforce was expected to be reduced by approximately 1,700 as a result;[17] The plant had been identified as surplus to requirements in 2003, with Corus's own steel requirements to be

supplied from Port Talbot and Scunthorpe, with Teesside Cast Products to seek external markets for its steel slab. Partial mothballing took place in early 2010. In mid-2010 the company reached preliminary agreement to sell the plant to Thai steel producer SSI. The plant was sold in February 2011 for £300 million.

On 23 November 2012 Tata Steel Europe announced that, as a result of restructuring proposals, there would be a net loss of 900 jobs in the UK.

By late 2014 Tata Group remained £13 billion in debt, which had increased following the acquisition of Corus in 2007, due to reduced demand in Europe. As a result, the company sought to reduce liabilities: the European long products division was offered in sale to Klesch Group. The long products division employed 6,500, and was operating at ~60% of its 5million ton pa capacity; the division included primary production at Scunthorpe steelworks; mills in Teesside (Teesside beam mill, Skinningrove and Darlington special profiles); France (Hayange rail mill); Scotland (Dalzell and Clydebridge), and other assets including the Immingham Bulk Terminal. In late 2014 estimates for the value of the property were \$1.4 billion. In August 2015 talks on the acquisition ended unsuccessfully, with Klesch citing energy prices and (dumping of) Chinese steel imports as factors against the sale.

In October 2015 the Dalzell and Clydebridge plants were announced to be mothballed. The mothballing in Scotland and further reductions at Scunthorpe (c. 900 jobs) led to 1200 redundancies in late 2015. In late 2015 Tata Steel UK reached a preliminary agreement with Greybull Capital for it to acquire Tata's European long products division, excluding the Dalzell and Clydebridge plants.

At the end of March 2016 the Tata board rejected a turnaround plan for the Port Talbot site, and announced it would seek to sell all (or part) of its UK steel business. Its UK steel operations had lost £68 million in the three months to Feb 2016, from a profit the previous year despite rising demand - a primary factor in the loss was lowered steel prices due to global imports, with Russia, South Korea and particularly China cited as dumping steel. Other factors mitigating against profitability included high energy costs (including green taxes), high business rates and oversupply/low demand. In addition the UK government had voted against increased tariffs on imported Chinese steel due to its free trade policies, limiting import duties to minimal amounts (c. ~10%). The Daily Telegraph reported that the UK Government's failure to back EU attempts to increase anti-dumping measure on imported steel had been the tipping point in Tata's decision to exit the UK steel business.

## Tata Steel secures buyer for Scunthorpe

The sale of the Long Products division to Greybull Capital for a nominal £1 was agreed on 11 April 2016, with Greybull taking over assets and liabilities of the division. On completion of the sale Greybull was to rename the business British Steel. At takeover the division employed approximately 5,000 persons, predominately in the UK. Tata Steel also agreed to retain the entire debt and pension liabilities associated with the Scunthorpe plant.

The deal has been announced at a nominal value because there are no takers for loss-making steel units at a time when the global steel industry is reeling under overcapacity and subdued prices. Since Tata Steel UK was loss making business, this deal would be positive for the company.

Company's assets in UK have been impaired, so the sale of business is not about valuations, but about reducing risk and exposure.

The key positive, is the permanent reduction of TATA's EBITDA losses in Europe, as the long product business has been consistently EBITDA loss making. EBITDA losses over FY12-15 in the UK operations have been in the range of £63-224m and this includes Port Talbot operations, which are break-even to slightly EBITDA positive. Hence, TATA by divesting the loss-making Long products business should see reported EBITDA improve by ~\$150-250m at least. More importantly, the steady cash outflow for TATA on an annual basis to fund the losses should stop and should go into re-rating TATA as it reverts back to its lowest cost steel producer status. We believe reported EPS should improve materially as the loss making operations are divested.

Carry-over of debt and pension liabilities associated with the Scunthorpe plant are a setback, but the reduction in cash outflows at the unit, post completion of sale, is a big positive for Tata Steel. The company has been losing 1 million pounds (\$1.4 million) a day in its UK operations. "Overall reduction in the annual cash burn far outweighs the negatives of pension liabilities".

## Tata's Options to exit the remaining business in UK

### 1. Liberty house, Sanjeev Gupta's Metal company

Sanjeev Gupta of the Liberty House Group has emerged as a potential buyer as Tata Steel prepares to sell its UK assets.

Gupta, who graduated from Cambridge in 1995, is the founder and heads the international steel and non-ferrous metals group, operating from four hubs in London, Dubai, Singapore and Hong Kong with a network of offices spread across 30 countries around the world.

Gupta is considered a potential buyer for some parts of Tata Steel's business in Britain. His family recently bought most of the companies in the Caparo Industries Group (owned by Swraj Paul), which went into administration in end-2015.

Gupta said he had already opened discussions with Tata Steel and was ready to hold talks with the government: "We would need a proper partnership with the government. I don't know what that would entail at this stage. We've started the discussions ... we are in the process of starting a discussion with Tata

### 2. ThyssenKrupp, the German industrial conglomerate.

Senior figures in Tata believe that ThyssenKrupp, the German industrial conglomerate, is one of the only investors with the scale to rescue the business, but the package offered by the sellers and the government must be "palatable".

Three months earlier ThyssenKrupp have been in talks with Tata about buying its European steel business, including sites in the UK and the Netherlands. The German company even started due diligence, but pulled out after becoming concerned about the mounting losses at Port Talbot and the cost of modernizing the site.

### 3. Greybull Capital

Investment firm Greybull Capital is considering making a bid for Tata Steel Ltd's UK specialty steels arm. The troubled steelmaker's specialty steel division has drawn Greybull's interest, and representatives of the fund had visited Tata Steel's Rotherham facility recently.

### 4. Management Buyout

The struggling UK asset of Tata Steel, which is up for sale, got a glimmer of hope on Wednesday, with Stuart Wilkie, Managing Director, Tata Strip Products UK, proposing to join hands with financial bidders to acquire the Port Talbot plant.

Company sources confirmed that workers were interested in tying up with potential financial investors and taking over the plant. The Tata Group has set May 28 as the deadline to find buyers.

Wilkie was the architect of a plan for the Port Talbot plant's revival, which was rejected by the Tata Steel board on the ground that it requires long-term capital commitment. That rescue plan proposal required the Tata's to commit to a further investment of £100 million; it envisaged a halving of the annual loss of £200 million with improvement in operational efficiency, and cost savings of £350 million, partly achieved through job cuts. The UK government, which had come under severe criticism following the prospect of closure of the Port Talbot plant, may extend financial support by taking over the company's debt, said sources. Tata Steel has long-term debt of €3 billion across operations in Europe.



5. UK Government buys stake in Tata Steel

The UK government today announced it is willing to acquire 25 per cent stake in Tata Steel's UK operations to help potential buyers eyeing ownership of the Indian steel giant's loss-making plants.

The money "worth hundreds of millions of pounds" is being put up jointly by the UK and Welsh governments and will be made available to potential buyers as part of a support package for the crisis-hit steel industry, according to the business department here.

Business Secretary Sajid Javid had earlier said any money would be offered on commercial terms, quashing talks of nationalizing the industry.

## Conclusion

Trading conditions had rapidly deteriorated in UK and Europe which is evident from the fact the number of employment has reduced from 55K in 1990s to 15K 2014 and contribution of steel industry to the whole economy has also declined, from 0.5 per cent of total output in 1990 to the current total of 0.1 per cent.

There are multiple factors responsible for the loss in steel making business in UK

- Global Overcapacity.
- High Energy cost and business rate in UK.
- Currency volatility.
- Many of the governments had imposed anti-dumping duties on Chinese import but UK government had voted against increased tariffs on imported Chinese steel due to its free trade policies.

With the Tatas determined to find a best possible solution to UK Operations, it can will be only be painful waiting game until they find a solution and negotiations take their course. But whether it sells or shuts its operation of Tata Steel UK, it will slip back to the rank of around 20 among the world's largest steel producer but that will leave them with a profitable and healthy balance sheet.

Questions:

Will it justifiable to bailout the production of steel in UK even when input cost is high and steel is available cheaper in world market?

Should EU levy anti-dumping duties on Chinese steel?

Should China be blamed for the overcapacity of steel?

Balance Sheet Standalone

	Mar '15	Mar '14	Mar '13	Mar '12	Mar '11
Sources Of Funds					
Total Share Capital	971.41	971.41	971.41	971.41	959.41
Equity Share Capital	971.41	971.41	971.41	971.41	959.41
Share Application Money	0	0	0	0	178.2
Reserves	65,692.48	60,176.58	54,238.27	51,649.95	45,807.02
Networth	66,663.89	61,147.99	55,209.68	52,621.36	46,944.63
Secured Loans	4,507.64	4,400.55	4,311.02	4,190.47	3,509.18
Unsecured Loans	21,702.61	21,726.23	21,600.49	19,503.35	22,639.00
Total Debt	26,210.25	26,126.78	25,911.51	23,693.82	26,148.18
Total Liabilities	92,874.14	87,274.77	81,121.19	76,315.18	73,092.81
Application Of Funds					
Gross Block	41,791.52	39,019.72	38,056.28	23,081.58	22,497.83
Less: Accum. Depreciation	16,543.00	14,753.97	13,181.23	11,715.32	10,692.73
Net Block	25,248.52	24,265.75	24,875.05	11,366.26	11,805.10
Capital Work in Progress	23,036.67	18,509.40	8,722.29	16,058.49	5,612.28
Investments	53,164.32	54,661.80	50,418.80	50,282.52	46,564.94
Inventories	8,042.00	6,007.81	5,257.94	4,858.99	3,953.76
Sundry Debtors	491.46	770.81	796.92	904.08	424.02
Cash and Bank Balance	478.59	961.16	2,218.11	3,946.99	4,138.78
Total Current Assets	9,012.05	7,739.78	8,272.97	9,710.06	8,516.56
Loans and Advances	5,215.56	5,863.68	9,587.82	8,773.73	17,052.84
Total CA, Loans & Advances	14,227.61	13,603.46	17,860.79	18,483.79	25,569.40
Current Liabilities	18,251.65	19,957.78	17,098.06	15,958.34	12,037.59
Provisions	4,551.33	3,807.86	3,657.68	3,917.54	4,421.32
Total CL & Provisions	22,802.98	23,765.64	20,755.74	19,875.88	16,458.91

Net Current Assets	-8,575.37	-10,162.18	-2,894.95	-1,392.09	9,110.49
Total Assets	92,874.14	87,274.77	81,121.19	76,315.18	73,092.81
Contingent Liabilities	14,610.35	17,398.71	18,999.02	18,039.57	14,288.41
Book Value (Rs)	686.4	629.6	568.46	541.81	487.55

#### Balance Sheet Consolidated

	Mar '15	Mar '14	Mar '13	Mar '12	Mar '11
Sources Of Funds					
Total Share Capital	991.41	991.41	992.62	993.84	958.74
Equity Share Capital	971.41	971.41	971.41	971.41	958.74
Share Application Money	0	0	0	17.46	195.66
Preference Share Capital	20	20	21.21	22.43	0
Reserves	30,378.00	39,560.55	33,200.83	41,644.81	34,426.97
Networth	31,369.41	40,551.96	34,193.45	42,656.11	35,581.37
Secured Loans	25,629.88	30,595.77	26,976.81	27,482.74	26,365.63
Unsecured Loans	45,949.00	40,071.82	30,270.37	24,729.58	28,179.50
Total Debt	71,578.88	70,667.59	57,247.18	52,212.32	54,545.13
Minority Interest	1,703.85	1,737.72	1,669.36	1,091.15	888.9
Total Liabilities	104,652.14	112,957.27	93,109.99	95,959.58	91,015.40
Application Of Funds					
Gross Block	160,654.90	169,195.78	145,774.34	128,925.72	112,147.38
Less: Accum. Depreciation	92,554.57	94,288.85	77,772.74	69,638.85	60,281.55

Net Block	68,100.33	74,906.93	68,001.60	59,286.87	51,865.83
Capital Work in Progress	28,678.12	26,822.45	14,276.62	20,196.03	13,551.71
Investments	3,455.05	5,093.47	3,257.66	4,021.25	7,847.34
Inventories	25,149.91	26,880.00	24,091.19	25,598.00	24,055.24
Sundry Debtors	13,309.87	16,005.77	13,993.96	14,878.48	14,811.92
Cash and Bank Balance	8,749.94	8,604.50	9,859.67	10,798.81	10,859.05
Total Current Assets	47,209.72	51,490.27	47,944.82	51,275.29	49,726.21
Loans and Advances	11,502.31	13,331.33	13,425.72	12,072.65	12,497.14
Total CA, Loans & Advances	58,712.03	64,821.60	61,370.54	63,347.94	62,223.35
Current Liabilities	44,086.11	49,332.96	45,496.70	42,701.27	36,492.53
Provisions	10,207.28	9,354.22	8,299.73	8,191.24	7,980.30
Total CL & Provisions	54,293.39	58,687.18	53,796.43	50,892.51	44,472.83
Net Current Assets	4,418.64	6,134.42	7,574.11	12,455.43	17,750.52
Total Assets	104,652.14	112,957.27	93,109.99	95,959.58	91,015.40
Contingent Liabilities	17,953.50	19,237.11	22,005.80	22,731.01	19,534.20
Book Value (Rs)	322.79	417.33	351.85	438.79	369.16

Profit and Loss Statement

Standalone

	Mar '15	Mar '14	Mar '13	Mar '12	Mar '11
Income					
Sales Turnover	46,577.26	46,309.34	42,317.24	37,005.71	31,902.14
Excise Duty	4,792.26	4,598.31	4,117.81	3,072.25	2,505.79
Net Sales	41,785.00	41,711.03	38,199.43	33,933.46	29,396.35
Other Income	2,473.63	645.88	227.51	1,397.44	1,176.45
Stock Adjustments	745.17	155.18	404.6	220.72	173.65
Total Income	45,003.80	42,512.09	38,831.54	35,551.62	30,746.45
Expenditure					
Raw Materials	14,701.62	12,641.57	12,421.63	9,917.37	7,841.47
Power & Fuel Cost	2,704.42	2,772.31	2,510.17	1,990.16	1,558.49
Employee Cost	4,601.92	3,673.08	3,608.52	3,047.26	2,837.46
Miscellaneous Expenses	10,513.41	9,962.35	8,937.47	7,662.62	5,850.29
Total Expenses	32,521.37	29,049.31	27,477.79	22,617.41	18,087.71
Operating Profit	10,008.80	12,816.90	11,126.24	11,536.77	11,482.29
PBDIT	12,482.43	13,462.78	11,353.75	12,934.21	12,658.74
Interest	1,975.95	1,820.58	1,876.77	1,925.42	1,735.70
PBDT	10,506.48	11,642.20	9,476.98	11,008.79	10,923.04
Depreciation	1,997.59	1,928.70	1,640.38	1,151.44	1,146.19

Profit Before Tax	8,508.89	9,713.50	7,836.60	9,857.35	9,776.85
PBT (Post Extra-ord Items)	8,508.89	9,713.50	7,836.60	9,857.35	9,776.85
Tax	2,069.77	3,301.31	2,773.63	3,160.93	2,911.16
Reported Net Profit	6,439.12	6,412.19	5,062.97	6,696.42	6,865.69
Total Value Addition	17,819.75	16,407.74	15,056.16	12,700.04	10,246.24
Equity Dividend	776.97	971.21	776.97	1,165.46	1,151.06
Corporate Dividend Tax	153.02	66.19	128.73	181.57	156.71
Per share data (annualised)					
Shares in issue (lakhs)	9,712.15	9,712.15	9,712.15	9,712.14	9,592.14
Earning Per Share (Rs)	66.3	66.02	52.13	68.95	71.58
Equity Dividend (%)	80	100	80	120	120
Book Value (Rs)	686.4	629.6	568.46	541.81	487.55

Consolidated

	Mar '15	Mar '14	Mar '13	Mar '12	Mar '11
Income					
Sales Turnover	144,298.36	153,212.79	138,821.14	135,975.56	121,345.75



Excise Duty	4,794.63	4,599.24	4,109.60	3,075.86	2,592.63
Net Sales	139,503.73	148,613.55	134,711.54	132,899.70	118,753.12
Other Income	-3,132.49	489.17	-6,910.73	4,934.95	3,725.88
Stock Adjustments	-1,092.95	514.67	-1,418.93	785.93	1,355.98
Total Income	135,278.29	149,617.39	126,381.88	138,620.58	123,834.98
Expenditure					
Raw Materials	66,451.96	75,246.20	68,955.31	74,555.02	61,180.08
Power & Fuel Cost	5,913.28	7,125.20	6,544.38	5,935.48	4,889.19
Employee Cost	21,407.64	20,303.41	18,918.25	17,228.64	15,840.20
Miscellaneous Expenses	32,102.15	30,042.40	26,553.46	23,549.70	21,452.96
Total Expenses	125,875.03	132,717.21	120,971.40	121,268.84	103,362.43
Operating Profit	12,535.75	16,411.01	12,321.21	12,416.79	16,746.67
PBDIT	9,403.26	16,900.18	5,410.48	17,351.74	20,472.55
Interest	4,847.75	4,336.83	3,968.11	4,250.11	3,955.78
PBDT	4,555.51	12,563.35	1,442.37	13,101.63	16,516.77
Depreciation	5,943.60	5,841.22	5,575.32	4,516.65	4,414.82
Profit Before Tax	-1,388.09	6,722.13	-4,132.95	8,584.98	12,101.95
PBT (Post Extra-ord Items)	-1,388.09	6,722.13	-4,132.95	8,584.98	12,101.95
Tax	2,567.41	3,058.16	3,229.44	3,636.46	3,245.90

Reported Net Profit	-3,955.50	3,663.97	-7,362.39	4,948.52	8,856.05
Minority Interest	-13.29	69.92	-214.46	-173.14	-60.28
Share Of P/L Of Associates	-16.69	-0.84	-90.31	-268.11	-66.36
Net P/L After Minority Interest & Share Of Associates	3.15	3,622.53	332.26	2,027.85	5,936.79
Total Value Addition	59,423.07	57,471.01	52,016.09	46,713.82	42,182.35
Preference Dividend	0	0.1	0.21	0.21	0
Equity Dividend	776.97	971.21	776.97	1,165.46	1,150.25
Corporate Dividend Tax	164.2	80.22	226.41	185.71	163.22
Per share data (annualized)					
Shares in issue (lakhs)	9,712.15	9,712.15	9,712.15	9,712.14	9,585.43
Earning Per Share (Rs)	-40.73	37.72	-75.81	50.95	92.39
Book Value (Rs)	322.79	417.33	351.85	438.79	369.16

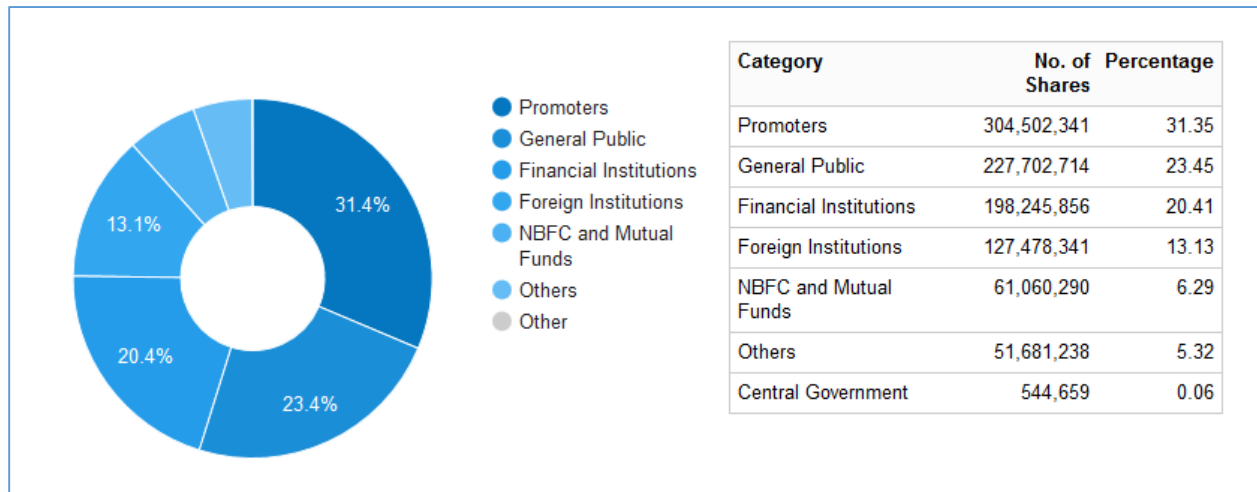
Tata Steel UK Holding

	2010-11	2011-12	2012-13	2013-14	2014-15
Share Capital	25,069.69	32,157.43	32,437.38	39,391.38	36481.66
R&S	2,199.71	-703.12	-2,824.12	-2,824.60	-12688.3
Total Assets	30,040.20	38,979.82	37,479.89	48,370.88	42687.65
Total Liabilities	2,770.80	7,525.51	7,866.63	11,804.10	18894.29
Total Investments					20830.73
Turnover	-13.4	589.48			
Profit before Tax	261.94	462.77	-2,114.88	604.96	-10072.3
Provisions for Tax					
Profit after Tax	261.94	462.77	-2,114.88	604.96	-10072.3

Tata Steel UK

	2010-11	2011-12	2012-13	2013-14	2014-15
Share Capital	16065.48	18681.75	18844.39	22884.29	21193.89
R&S	-121.06	-5542.99	-11260.1	-14782.3	-23665.96
Total Assets	25580.74	38500.15	36676.71	47859	36639.12
Total Liabilities	9636.32	25361.39	29092.4	39757	39111.19
Total Investments	3556.78	11.68	5.16	6.28	6582.99
Turnover	40063.06	44284.24	37132.46	45337.32	38841.1
Profit before Tax	2531.02	-2512.76	-5368.72	-3186.18	-6583.86
Provisions for Tax	5.79	-2.92	65.22	-496.82	9.85
Profit after Tax	2525.23	-2509.84	-5433.94	-2689.36	-6593.71

## Tata Steel Share Holding Pattern



## References and bibliography

[https://www.researchgate.net/publication/222604496\\_Asset\\_Sales\\_and\\_Increase\\_in\\_Focus](https://www.researchgate.net/publication/222604496_Asset_Sales_and_Increase_in_Focus)

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