Decoding Financial Agility Amidst Global Disruption: A Common Size Evaluation of Tata Steel and Jindal Steel and Power Limited across Pre and Intra-COVID-19 Pandemic

Akashdeep Datta
Assistant Professor, Department of Commerce,
Sister Nivedita University
akashdeepdatta999@gmail.com
&
CMA Deepashree Chatterjee
Assistant Professor, Department of Commerce
Chandernagore College
deepa4friends@gmail.com
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ABSTRACT

The steel industry is a climacteric pillar of modern economies, serving as a backbone for civilization. Per capita steel consumption is a key indicator of socio & economic development. Production of steel worldwide has been increasing year on year, and the iron and steel industry plays a very important role in the Indian economy. However, the global pandemic caused major disruption in the entire industry, both worldwide and in India. This study focuses to assess the resilience, adaptability, and strategic responses of two steel giants of Indian market to the pandemic disruption. The main intent of the study is to evaluate and compare their financial reports, focusing on liquidity, solvency, and growth aspects, despite their scaling differences. By analysing these two major players, the research provides meaningful insights into the broader dynamics of the Indian steel sector. The findings will indicate company revealed greater financial performance during the pandemic, offering actionable implications for the investors, management and industry stakeholders. Ultimately, this analytical study highlights the importance of strategic financial planning and sustainable growth initiatives in economic uncertainty and ensuring long-term competitiveness.

Keywords: Covid 19 pandemic, Strategic Responses, Tata Steel, Jindal Steel, Indian Steel Sector, Financial Performance, Sustainable Growth.

A. INTRODUCTION

The steel industry in India significantly contributes to the nation's economic progress and expansion, acting as a crucial foundation for infrastructure, manufacturing, and automotive industries. As the second-largest producer of crude steel in the world, India produced around143.6 million tonnes (MT) of crude steel and 138.5 MT of finished steel in FY24[1]. Abundance of raw materials like iron ore and cost-effective manpower provides India a strong competitive advantage over other players in the market[2]. Driven by severe strong internal demand and government support, the sector is poised for consistent growth. In March 2020, the global pandemic triggered acute declines in metal prices, generally due to a collapse in demand[1]. Short and long-term supply chains were disrupted by mine closures and the steel sector witnessed a wave of capital spending cuts[2]. Tata Steel and Jindal Steel and Power are the two major players in the Indian steel industry with a very strong market presence and strategic influence across the global pandemic. Our research compares the financial potential of these two firms, despite their differences in scale, using financial metrics as a key tool to analyse their performance and financial sustainability in relative terms. The aim of this research is to analyses growth, short-term liquidity and long-term solvency of the two companies, despite their differences in scale. The paper uses common-size analysis for comparing the financial performance of the two companies, analyse their financial decisions during the pandemic and assess their performance on a comparable basis.

Brief Profile of the Companies

Attribute	**Tata Steel Limited**	**Jindal Steel and Power Limited (JSPL)**
Company Type	Public Limited	Public Limited Indian Non-Government Company
Headquarters	Mumbai, Maharashtra, India	New Delhi, India
Registered Office	Jamshedpur, Jharkhand, India	Hisar, Haryana, India
Founder	Jamsetji Tata	O.P. Jindal (inferred)
Chairman	Natarajan Chandrasekaran	Naveen Jindal
Managing Director/CEO	T.V. Narendran	CFO: Sunil Kumar Agrawal (2024)
Established Year	1907	1979
Industry	Iron and Steel	Metals and Mining
Major Products	Steel, structural steel, wire products, casing pipes, etc.	Steel products, sponge iron, power, mining
Website	**www.tatasteel.com**	**www.jindalsteel.com**

[1] https://www.spglobal.com/market-intelligence/en/news-insights/research/impact-of-covid-19-pandemic-on-industrial-metals-markets-one-year-on

B. LITERATURE REVIEW

The significance of the Steel sector in India has prompted multiple studies to emerge focusing on this field. Rout et al. (2018) examined the liquidity, profitability, efficiency, leverage ratio, and market valuation of Tate Steel and JSW during the years 2006-2016. Singla (2015) conducted a similar study using key financial accounting ratios of Tata Steel Ltd. and JSW Steel Ltd. over the period 2009–2014 and found Tata Steel performance to be better than JSW Steel in terms of quick assets, inventory and fixed asset turnover, gross profitability, return on capital employed, and dividend payout ratios. Acharya (2013) focussed on the comparative analysis of the liquidity position of Tata Steel Ltd and SAIL and established a positive bond between liquidity and profitability, suggesting that prudent liquidity practices can significantly enhance financial outcomes, particularly in capital focused firms like Tata Steel and SAIL. Tulsian M (2014) found that though both the operating profit ratio and gross profit ratio was on a decreasing trend for both the companies, Tata Steel performed better than SAIL and the decrease was lower in case of Tata Steel in his study on the profitability analysis of SAIL and TATA Steel from 2007-2012. Popat (2012) in his study on profitability of five different steel companies from 2006-2011, shows how Tata steel outperformed Jindal steel in terms of profitability. A longitudinal assessment of earning capacity also indicated Tata's consistent profitability, in rival to the fluctuating trends exhibited by JSW and SAIL, reflecting underlying disparities in financial resilience. Singla (2015) also used ratio analysis to compare the financial performance of Tata Steel and JSW Steel. The findings revealed that Tata Steel performed better than JSW Steel across various parameters, including liquidity management, operational efficiency, profitability, and optimal debt leveraging policy, indicating better financial health and management during the period of study. Pradosh Kumar and Venkata Mohan (2021) conducted a case study on RINL to analyse the impact of covid on steel industry in India. Their analysis reveals that the industry has shown resilience, driven by modernization policies and lean sustainability practices.

Though there had been several studies related to the financial performance of the steel companies in India, there have not been sufficient studies on this sector pertaining to the period of COVID 19 pandemic, especially considering the steel giants in India.

C. OBJECTIVE OF THE STUDY

Hence, the objectives of this study are to:

- To assess the financial stability of the two firms via a comprehensive examination of liquidity, solvency, and capital structure
- To make a comparative analysis of the growth trends and financial status of Tata Steel and Jindal Steel & Power Ltd.
- To assess the overall sustainability of the two firms during the pandemic, identifying the reasons behind their performance, key strategic decisions taken to ensure survival, and the potential areas for further improvement.

D. METHODOLOGY

This research rigorously evaluates the financial outcomes of the Indian steel sector concerning the worldwide COVID-19 pandemic, conducting a detailed comparative analysis of Tata Steel and Jindal Steel & Power Ltd., utilizing an analytical research approach. The investigation interprets and contrasts financial data from the pre-pandemic and covid 19 pandemic periods to evaluate strategic adaptability and response mechanisms of each management. Anchored in quantitative methodology, the study leverages common size statement analysis and relies exclusively on secondary data derived from audited annual reports of two firms, quarterly disclosures, investor presentations, and other official publications. The analysis encompasses the years 2017 to 2022, providing a comprehensive temporal lens to assess shifts in financial performance and resilience strategies adopted by them before and during the covid 19 pandemic.

To analyse and interpret the financial data, Common Size Statement analysis of the Balance sheets of the two respective companies have been employed. The components of the financial statement have been standardized by expressing them as a percentage of a relevant base. The relationship among various components of the liability side, i.e among current liabilities, non-current liabilities, and equity were analysed in the form of percentage considering total liability as the base. While the various components of the asset side and proportional allocation of funds to fixed assets, current assets, and non-current assets were analysed in the form of percentage using total asset as the base. Common size statements standardize the size differences between two or more firms for a particular period, making comparisons of their financial statements easier.

All calculations and analytical processes were conducted using Microsoft Excel, utilizing a combination of built-in functions and advanced add-ins to ensure precision and facilitate the graphical representation of data. Audited financial statements, specifically, Balance Sheets of Tata Steel and Jindal Steel and Power were used in this study. The period from 2016–17 to 2019-20 were taken as pre covid period while the period from 2020-21 to 2021–22 was considered as the covid period. A comparative assessment of the firm's financial performance before and during the COVID-19 pandemic were made using Common size balance sheet statements.

E. FINDINGS & ANALYSIS

Common-size statement analysis of the Balance sheets to assess financial resilience during pre-pandemic and pandemic periods, have been shown in details in Table 1 and 2 respectively. The calculations are based on the data provided in the Balance sheet attached in the appendix:

Table 1

TATA STEEL
Common Size Statement based on
Balance Sheet as at 31st march 2017 to 31st March 2022

Particulars	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
ASSETS						
NON-CURRENT ASSETS						
Property, Plant & Equipment	50.12%	43.06%	50.71%	47.72%	48.48%	40.70%
Capital WIP	8.95%	7.70%	7.69%	6.65%	7.38%	7.44%
Right of Use of Assets	0.00%	0.00%	0.00%	3.41%	3.85%	2.92%
Goodwill on Consideration	2.02%	1.95%	1.71%	1.62%	1.77%	1.51%
Intangible Assets Under Developments	0.16%	0.22%	0.29%	0.25%	0.36%	0.29%
Other intangible assets	0.94%	0.80%	0.85%	0.98%	1.21%	1.57%
Advanced Against Equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.42%
Equity Accounted Investments	0.92%	0.85%	0.82%	0.87%	1.01%	1.04%
Financial Assets	3.31%	0.97%	1.11%	0.81%	0.69%	0.87%

Retirement Benefits Assets	1.01%	9.81%	8.55%	10.89%	8.15%	7.15%
Non-current tax assets	0.57%	0.55%	0.67%	0.69%	0.75%	1.33%
Deferred Tax assets	0.51%	0.49%	0.35%	0.51%	0.64%	1.06%
Other Assets	2.11%	1.23%	1.99%	1.26%	1.17%	1.29%
CURRENT ASSETS						
Current Investments	3.27%	7.11%	1.08%	1.37%	2.94%	2.99%
Inventories	14.31%	13.51%	13.55%	12.41%	13.56%	17.10%
Trade Receivables	6.68%	5.92%	5.06%	3.15%	3.89%	4.29%
Cash And Cash Equivalents	2.84%	3.78%	1.43%	3.22%	2.36%	5.57%
Short Term Loans and Advances	0.13%	0.12%	0.10%	0.09%	0.00%	0.002%
Other Current Assets	2.15%	1.92%	4.03%	3.23%	1.79%	2.47%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
EQUITIES AND LIABILITIES						
SHAREHOLDER'S FUNDS						
Equity Share Capital	0.56%	0.55%	0.49%	0.46%	0.49%	0.43%
Hybrid Perpetual Securities	1.31%	1.08%	0.97%	0.91%	0.32%	0.00%
Reserves and Surplus	19.95%	27.39%	28.04%	28.02%	29.44%	39.66%
Minority Interest	0.92%	0.45%	1.01%	1.03%	1.33%	0.93%
NON-CURRENT LIABILITIES						
Long Term Borrowings	36.94%	34.70%	34.40%	37.58%	26.76%	15.68%
Other Long-Term Borrowings	0.17%	0.09%	0.14%	0.21%	2.98%	2.35%
Deferred Tax Liabilities [Net]	5.79%	5.04%	5.33%	3.70%	3.76%	4.32%
retirement benefit obligations	1.54%	1.20%	1.14%	1.44%	1.43%	1.20%
Deferred Income	1.19%	0.73%	0.39%	0.06%	0.06%	0.05%
Long Term Provisions	2.47%	2.07%	1.73%	1.69%	1.91%	1.69%
Other Long-term Liabilities	0.13%	0.17%	0.22%	0.29%	2.66%	1.96%
CURRENT LIABILITIES						
Short Term Borrowings	10.57%	7.57%	4.62%	7.66%	6.10%	8.43%
Trade Payables	10.72%	9.73%	9.30%	8.54%	10.58%	12.88%
Other Current Liabilities	7.18%	8.63%	11.67%	7.76%	10.27%	9.46%
Short Term Provisions	0.57%	0.61%	0.53%	0.66%	1.92%	0.97%
Total Capital and Liabilities	100%	100%	100%	100%	100%	100%

F. **Source: Compiled and calculated by the author from the Annual Reports of Tata Steel Ltd. (2016-2017 to 2021-22).**

G. **Table 2**

JINDAL STEEL & POWER **Common Size Statement based on Balance Sheet as at 31st march 2017 to 31st March 2022**						
Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
NON-CURRENT ASSETS						
Property, plant & equipment	68.90%	75.84%	75.27%	74.90%	66.64%	55.12%
Capital work-in-progress	12.49%	4.42%	3.26%	2.20%	1.14%	2.27%
Investment Property	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
Goodwill	0.00%	0.00%	0.69%	0.68%	0.64%	0.58%
Intangible assets	0.12%	0.12%	1.60%	1.73%	2.54%	3.65%
Intangible assets under development	0.04%	0.06%	1.26%	1.28%	1.06%	1.05%
Biological assets other than bearer Plants	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Financial assets (Investments, Loans, Others)	3.18%	2.75%	0.57%	0.23%	0.57%	0.86%
Other non-current assets	0.57%	0.65%	1.25%	1.15%	1.31%	1.76%
CURRENT ASSETS						
Inventories	3.14%	5.16%	7.31%	7.10%	7.63%	9.50%
Short term investments	0.00%	0.00%	0.01%	0.04%	1.30%	0.43%
Trade receivables	1.33%	1.32%	3.40%	3.95%	3.59%	1.65%
Cash & cash equivalents	0.23%	0.17%	0.22%	0.63%	7.66%	4.57%
Bank balances other than above	0.01%	0.04%	0.25%	0.38%	0.24%	0.21%
Loans	1.31%	1.74%	0.29%	0.17%	0.17%	0.16%
Other financial assets	1.26%	1.70%	0.23%	0.30%	0.27%	0.24%
Current tax assets (net)	0.75%	0.76%	0.55%	0.52%	0.61%	0.00%
Other current assets	6.68%	5.28%	3.49%	4.45%	4.55%	3.31%
Assets held for sale	0.00%	0.00%	0.32%	0.28%	0.07%	14.63%
Total Assets	100%	100%	100%	100%	100%	100%
EQUITY						
Equity share capital	0.15%	0.16%	0.11%	0.11%	0.13%	0.13%
Other equity	36.07%	37.78%	35.94%	35.70%	40.74%	46.35%
Non-controlling interest	0.00%	0.00%	-0.59%	-0.87%	-1.13%	1.92%
NON-CURRENT LIABILITIES						
Borrowings	27.30%	23.99%	33.64%	31.09%	25.99%	11.00%
Lease liabilities	0.00%	0.00%	0.00%	0.00%	0.76%	0.78%
Trade payables	0.00%	0.00%	0.03%	0.01%	0.03%	0.00%
Other financial liabilities	1.14%	1.19%	0.46%	1.46%	0.27%	0.15%
Provisions	0.06%	0.07%	0.35%	0.33%	0.42%	0.55%

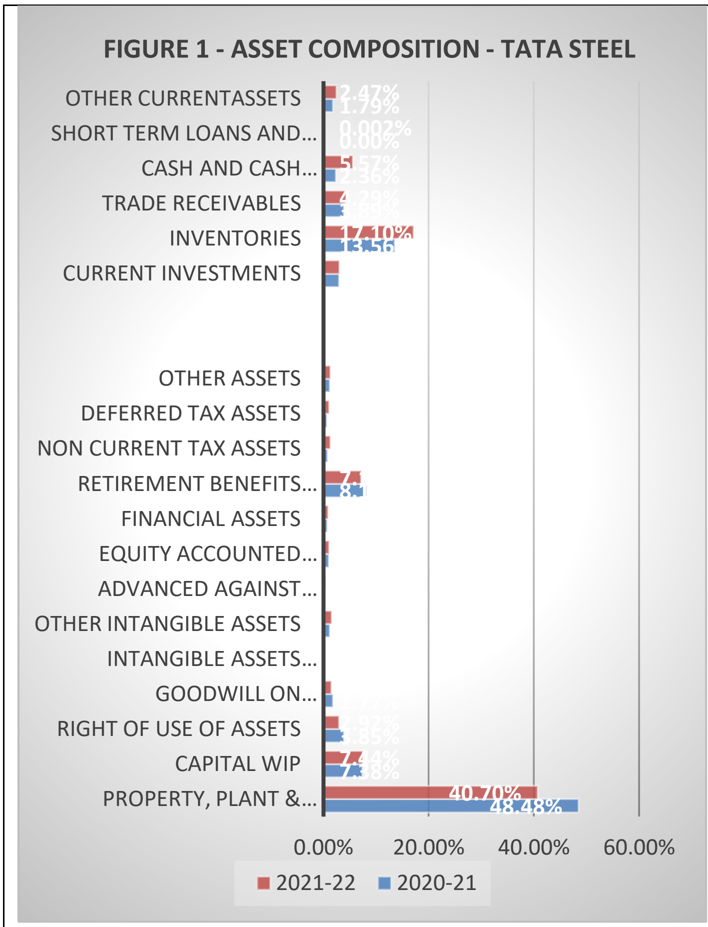
Deferred tax liabilities (net)	6.63%	6.11%	6.03%	6.27%	8.02%	9.49%
Other non-current liabilities	4.75%	4.75%	0.00%	0.00%	0.00%	0.00%
CURRENT LIABILITIES						
Borrowings	12.91%	11.50%	5.42%	3.10%	11.66%	5.78%
Lease liabilities	0.00%	0.00%	0.00%	0.00%	0.01%	0.06%
Trade payables	3.93%	5.63%	5.85%	6.20%	5.19%	6.84%
Other financial liabilities	5.03%	5.99%	8.06%	10.19%	2.76%	2.62%
Other current liabilities	1.96%	2.78%	4.56%	6.30%	5.04%	4.68%
Provisions	0.06%	0.05%	0.14%	0.11%	0.11%	0.13%
Current tax liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%
Liabilities held for sale	0.00%	0.00%	0.00%	0.00%	0.00%	9.33%
Total Equity & Liabilities	100%	100%	100%	100%	100%	100%

H. ***Source: Compiled and calculated by the author from the Annual Reports of JINDAL STEEL & POWER Ltd. (2016-2017 to 2021-22).***

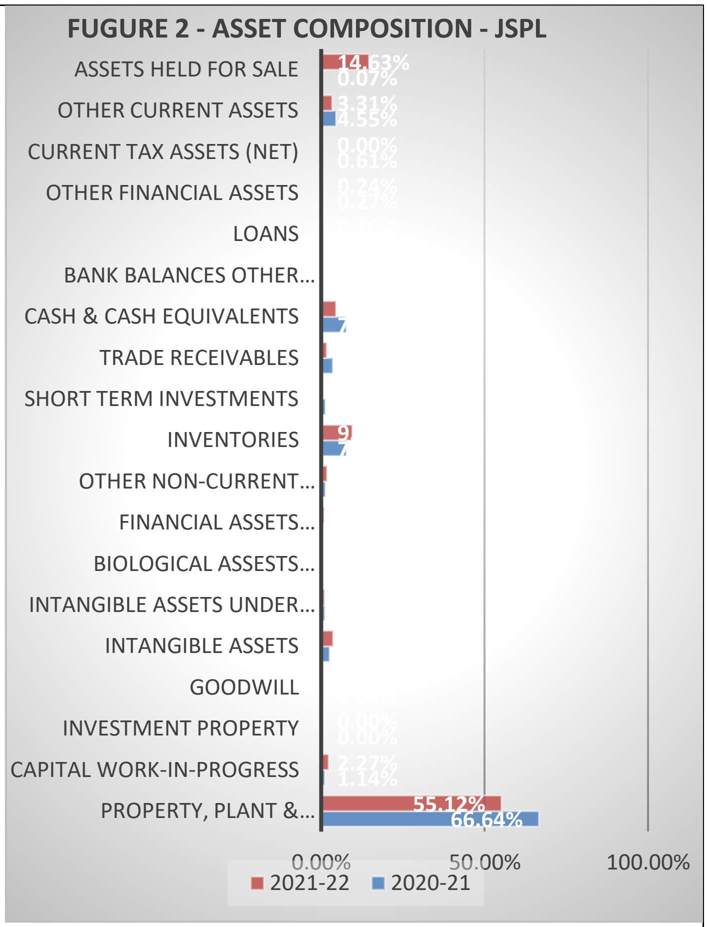
ANALYSIS OF GROWTH –Growth is measured here based on components such as reserves and surplus, overall capital structure, non-current assets (like property and equipment), cash and cash equivalents, or other specific variables identified during the study.

From Table 1 containing the common-size evaluation of Balance sheet of Tata steel, it is evident that the Reserves & Surplus grew from 19.95% in March 2017 to 39.66% in March 2022, showing that there had been a significant internal fund generation and profit retention during this period. This also shows that Tata Steel is growing profitably, with strong earnings retention and reinvestment. There has also been a reduction in Hybrid Securities from 1.31% to 0% which shows that Tata Steel might be streamlining its capital structure. In non-current assets, Property, Plant and Equipment decreased from 50.12% in 2016-17 to 40.70% in 2021-22, possibly due to asset optimization, depreciation, or asset sales, even as Capex (Capital WIP) remained consistent (~7–8%). While Inventory from 14.31% in 2017 to 17.10% in March 2022, cash & cash equivalents increased almost by more than 96% from 2.84% in 2016-17 to 5.57% in 2021-22, indicating working capital expansion and better liquidity. Asset structure is moving toward a more efficient mix, with lower fixed asset % and higher liquidity. Tata steel also has invested in several, ongoing projects (Capex WIP – 7.44% In FY 21-22), which remains consistent almost every year.

Further, as evident from Table 2 containing to the common-size evaluation of Balance sheet of Jindal Steel and Power, there is a visible decline in Property, Plant and Equipment 68.90% in 2016-17 to 55.12% in 2021-22, may be due to maturity of the asset base or disposal of fixed assets. Intangible assets have increased from 0.12% in March 2017 to 3.65% in March 2022, hinting investment in brand, tech, or IP. Assets held for sale (14.63%) in Mar-22 shows possible business restructuring or monetization of non-core assets. Higher equity and lower borrowings can support future capex or expansion. Other equity, mainly comprising of Reserves and Surplus, also enjoys a major share during the study period showing a significant proportion of retained earnings being reinvested in the company over the period.



Bar graph showing changes in Asset composition of Tata Steel during the Covid 19 period (2020-21 and 2021-22)



Bar graph showing changes in Asset composition of Jindal Steel and Power Ltd. during the Covid 19 period (2020-21 and 2021-22)

Resilience evaluation during Covid 19 pandemic

Focussing mainly on the Covid 19 period, 2020-21 and 2021-22, **Tata Steel** shows strong growth, driven by a huge surge in Reserves and Surplus, from 28.02 % in March 2020 to 39.66% in March 2022, indicating significantly improved internal accruals, likely due to higher profitability.

While Equity Share Capital rose marginally, the remarkable rise in reserves shows very strong retained earnings. Non-current assets saw a mixed trend, slight reduction in some fixed assets, but offset by higher investments in deferred tax assets, intangible assets, and financial assets, suggesting the requirement of a strategic reallocation. Overall Tata Steel became financially stronger and better positioned for future investments or debt repayments during the pandemic period. While on the other hand Jindal steel, Jindal Steel showed a shift in its asset structure, moving a portion of its non-current assets into assets held for sale, indicating probable divestment of non-core businesses.

While fixed assets declined, reserves and surplus (other equity) grew significantly in 2022, reflecting profit generation. Equity share capital remained stable, showing the company relied more on internal resources rather than fresh equity infusion for future growth. Overall, the company's growth focus during this period seems to have shifted from asset-heavy expansion to asset optimization.

SOLVENCY ANALYSIS: Long-term solvency, i.e. the company's ability to meet long-term obligations and maintain financial stability, is measured based on various variables included in long-term liabilities. Capital structure and composition serve as the foundation for evaluating solvency analysis.

From Table 1 related to the common-size Balance sheet evaluation of **Tata Steel,** it can be inferred that the Long-term borrowings decreased significantly from 36.94 % in March 2017 to 15.68% in March 2022, showing that the company is reducing the proportion of debt capital in its capital structure. The total shareholders' funds also increased from 22.74% in March 2017 to 40.02% in March 2022, indicating a strong equity base. Consequently, the debt-to-equity ratio improved from 1.62 in March 2017 to 0.39 in March 2022, showcasing a major reduction in long-term debt and enhanced solvency. Overall, Tata Steel has improved its financial risk profile by reducing dependence on external long-term funds and strengthening its equity base, thereby delivering enhanced solvency.

From Table 2 related to the common-size Balance sheet evaluation of **Jindal Steel and Power,** a significant reduction in long term borrowings from 27.30% in March 2017 to 11% in Mar-22 can be seen, indicating major deleveraging by the company. Equity base has also strengthened from around 36% to 46%, thereby improving the debt-to-equity ratio as well.

Though, the deferred tax liabilities rose gradually (6.63% in March 2017 to 9.49% in March 2022), it may add to long-term obligations. Positive shift in non-controlling interest (from -1.13% in March 2021 to +1.92% in March 2022), suggests improved group structure which may increase external stakeholders' confidence.

Thus, Jindal Steel's long-term solvency has also improved significantly, especially by reducing long-term debt and strengthening equity. The balance sheet is now far more stable.

FIGURE 3 - LIABILITIES & EQUITY COMPOSITION - TATA STEEL

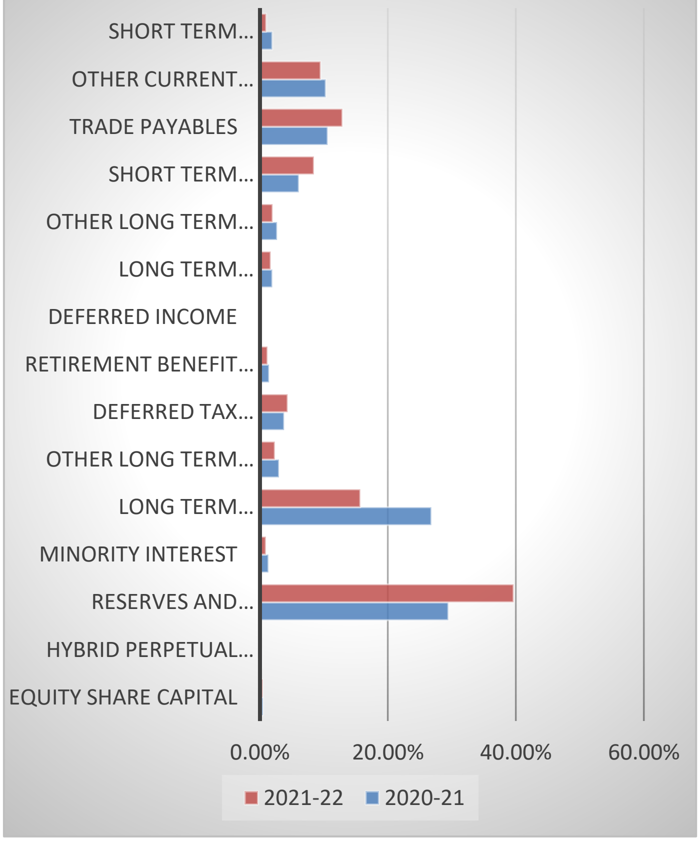
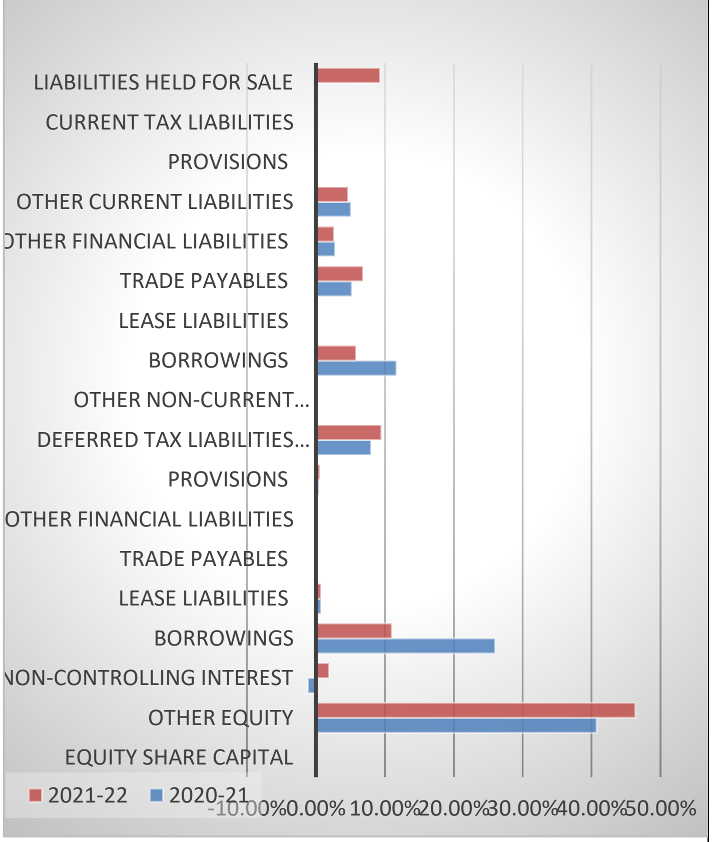


FIGURE 4 - LIABILITIES & EQUITY COMPOSITION - JSPL



Bar graph showing changes in Equity & Liabilities composition of Tata Steel during the Covid 19 period (2020-21 and 2021-22)	Bar graph showing changes in Equity & Liabilities composition of Jindal steel & Power during the Covid 19 period (2020-21 and 2021-22)

Resilience evaluation during global disruptions

Focussing on the Covid 19 pandemic period, 2020-21 and 2021-22, Tata Steel significantly improved its solvency position. Total long-term borrowings decreased substantially, from 37.58% in March 2020 to 15.68% in March 2022, mainly, although Deferred Tax Liabilities increased, the overall debt burden declined, indicating lower long-term financial risk. Study reflects better debt management and a strategic focus on deleveraging, making Tata Steel more financially resilient and less dependent on external financing.

On the other hand, Jindal steel, significantly improved its solvency position by sharply reducing its non-current liabilities. The ratio of long-term debts decreased significantly from 31.09% in March 2020 to 11% by March 2022, representing a decline of over 64% within two years, demonstrating the company's proactive measures to reduce leverage on the balance sheet, likely via repayment of long-term liabilities. Such consistent liability reduction has improved the company's financial stability, debt servicing capacity, and long-term solvency, making it less risky for investors and creditors.

LIQUIDITY ANALYSIS: The components of the current assets have been used to assess liquidity analysis, i.e., the company's ability to meet its short-term obligations**.**

From the Table1 containing the common-size evaluation of the Balance Sheet of **Tata Steel,** it can be inferred that the cash position has improved significantly, nearly doubling from 2.84% in March 2017 to 5.57% in March 2022, indicating a strong preference for handling current obligations.

While the total current assets increased from 29.38% in March 2017 to 34.7% in March 2022, inventory increased from 14.31% to 17.1%, suggesting increased business activity as the reserves and surplus also increased substantially during the period showing an increase in profits of the company.

Despite a rise in liabilities (short-term borrowings, trade payables, and other current liabilities) from 2017 to 2022, the net working capital position remains stable and healthy.

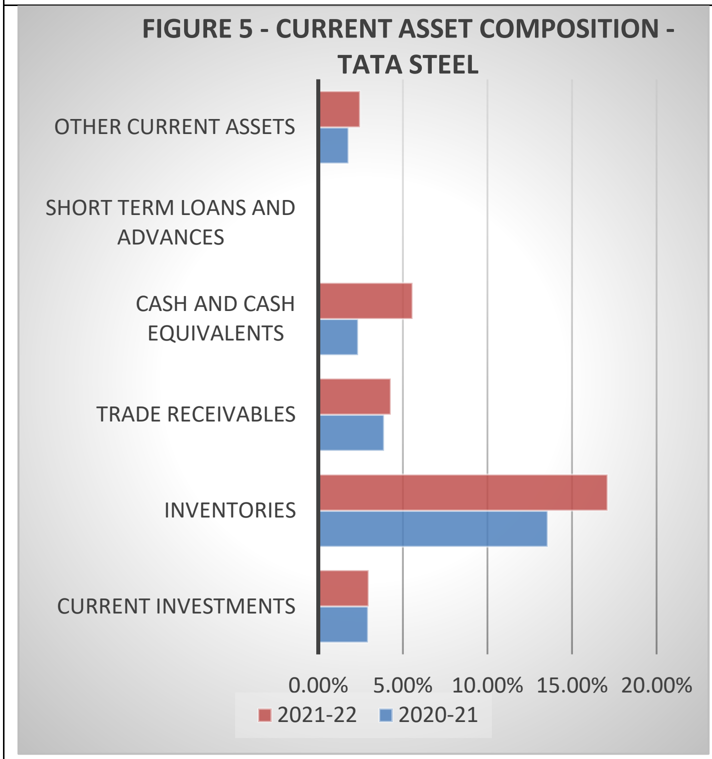
Around 4.29% of Trade receivables in March 2022 indicates that the management offer longer credit terms. Overall, Tata Steel's liquidity position appears robust, enabling the company to effectively manage its short-term obligations.

Table 2, showing the common-size evaluation of the Balance Sheet of **Jindal Steel,** indicates improvement in liquidity post-Mar 20, especially in cash holdings (7.66%) in Mar-21 and current asset base expansion from 14.71% in March 2017 to 34.7% in Mar-22.

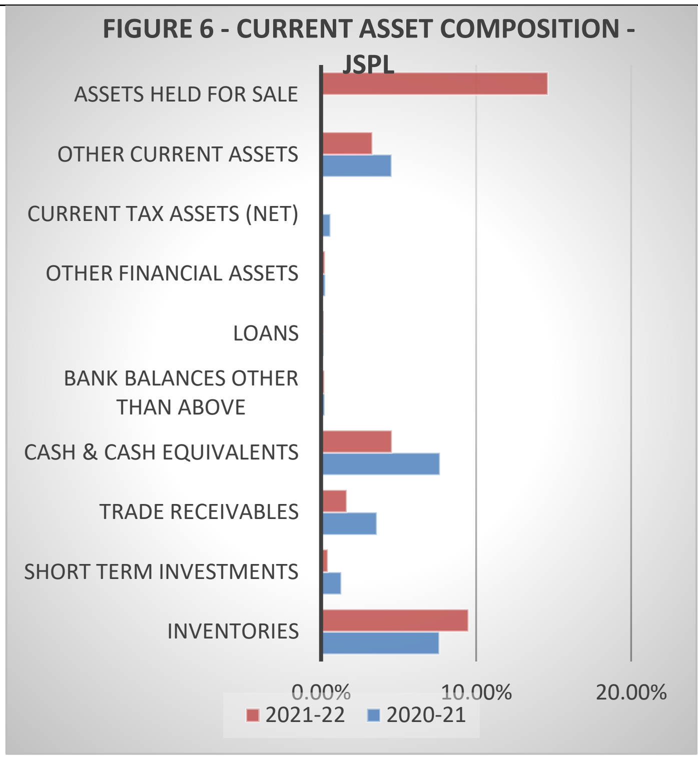
Though the total current liabilities increased from 23.89 % in March 2017 to 29.63% in March 2022, the increase in the current assets over the period resulted in an improved liquidity position. There is a significant increase in cash reserves from 0.23% in March 2017 to 4.57% in March 2022

High inventory buildup from 3.14% in March 2017 to 9.5% in March 2022 suggests tied-up capital in inventories and stock piling, which needs to be improved further.

Net Current Assets (CA - CL) has turned positive during Covid in March 2021 (Current ratio of 1.05 and current ratio of 1.17 by March 22), which is a good indication of the company moving towards a better liquidity position. The current borrowings, which significantly increased from 3.10% in March 2020 to 11.66% in March 2021 came down to 5.78 % by March 2022, indicating an effort to reduced short term borrowings.



Bar graph showing changes in Current Assets composition of Tata Steel during the Covid 19 period (2020-21 and 2021-22)



Bar graph showing changes in Current Assets composition of Jindal steel & Power during the Covid 19 period (2020-21 and 2021-22)

Resilience evaluation during Covid 19 pandemic

During the period from 2020-21 to 2021-22, Tata Steel's liquidity position strengthened significantly, with current assets growing from 23.47% in March 2020 to 34.7% of the total assets in March 2022. There is a sharp rise in cash and cash equivalents from 0.63% in March 2020 to 7.66% in March 2021 and then settling in 4.57% in March 2022, along with an increase in inventory. Healthy growth in trade receivables and current assets is observed. The large cash buildup and increase in working capital assets suggest better short-term financial health, improved cash flow management, and enhanced ability to meet short-term obligations. Overall, Tata Steel moved into a more liquid and financially flexible position the periods of covid 19 pandemic.

Jindal steel was not even able to maintain a current ratio as evident from Table 2, of even 1:1 before covid. However, during the covid period of 2020–21, it was able to increase its current ratio to 1.05 in 2020-21 and then to 1.17 in 2021-22.

I. CONCLUSION

Drawing from the Common size statement analysis, the financial trajectories of Tata Steel and Jindal Steel throughout the COVID-19 crisis and its aftermath reveal two fundamentally distinct strategic paradigms—resilience through operational continuity versus agility through structural adaptation. Tata Steel demonstrates dominance in scale, strong operational cash generation, and strategic investment. However, its large investing outflows require careful balancing to avoid over-leverage. On the other hand, JSPL shows commendable turnaround, rising operational cash flow, and consistent financial discipline. It reflects a company improving its fundamentals step-by-step with measured strategies.

In comparative terms, Tata Steel emerges as the more structurally resilient rebounder, having leveraged internal efficiencies to restore and elevate its financial position without recourse to transitory measures. Jindal Steel's recovery, while commendable for its speed and tactical precision, appears to be more circumstantial, driven by one-time strategic shifts rather than sustained operational outperformance. This recovery is notable, especially considering the losses the company faced in the pre-COVID years, till March 2019. Thus, the analysis affirms that, while both entities navigated the economic exigencies of the pandemic with strategic intent, Tata Steel's trajectory is more indicative of long-term financial durability and strategic coherence.

From the analysis of different financial aspects, this study analysed some strategic decisions taken by the firms during the global pandemic to sustain themselves in the industry. Tata Steel adopted a defensive yet proactive strategy, strengthening operating cash flows, aggressively reducing debt, and controlling capex to ensure resilience during the pandemic while improving solvency and maintaining essential liquidity buffers. JSPL, on the other hand, focused on operational efficiency, liquidity buildup, and gradual deleveraging while maintaining investments in strategic projects. This balanced approach enabled resilience without compromising future growth prospects.

J. LIMITATIONS

The study relies solely on annual reports, focusing on quantitative data and financial metrics. To conduct a more holistic analysis, incorporating qualitative data and management perspectives would be beneficial. Further, due to time constraints, the study focused on common-size statement analysis. However, there is scope for further research using comprehensive ratio analysis and other financial metrics to gain valuable insights into the companies' long-term recovery.

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APPENDIX

TATA STEEL
Balance Sheet as at 31st march 2017-18 To 2021-22
(Amounts in Rs. Cr.)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
ASSETS						
NON-CURRENT ASSETS						
Property, Plant & Equipment	86,880.59	90,322.78	1,18,450.97	1,19,503.98	1,19,003.50	1,16,166.46
Capital WIP	15,514.37	16,159.80	17,956.51	16,662.06	18,128.74	21,227.62
Right of Use of Assets	0	0	0	8,549.78	9,450.95	8,337.70
Goodwill on Consideration	3,494.73	4,099.45	3,996.62	4,054.53	4,344.69	4,311.20
Intangible Assets Under Developments	269.76	454.61	684.7	634.77	878.66	817.93
Other intangible assets	1,631.23	1682.66	1,994.32	2,442.37	2,976.04	4,472.47
Advanced Against Equity	0	0	0	0	0	1,210.00
Equity Accounted Investments	1,593.94	1,781.22	1,922.95	2,168.54	2475.66	2,961.65
Financial Assets	5731.86	2043.69	2582.5	2022.05	1701.54	2487.01
Retirement Benefits Assets	1,752.64	20570.87	19,964.19	27,278.45	20,019.47	20,397.96

Non-current tax assets	981.23	1152.76	1,574.78	1,725.67	1,845.34	3,785.01
Deferred Tax assets	885.87	1035.8	808.95	1,270.33	1,578.02	3,023.93
Other Assets	3,661.99	2577.14	4,654.92	3,154.20	2,872.70	3,690.05
CURRENT ASSETS						
Current Investments	5,673.13	14,908.97	2,524.86	3,431.87	7,218.89	8,524.42
Inventories	24,803.82	28,331.04	31,656.10	31,068.72	33,276.38	48,824.39
Trade Receivables	11,586.82	12,415.52	11,811.00	7,884.91	9,539.84	12,246.43
Cash And Cash Equivalents	4,921.05	7,937.85	3,341.37	8,054.72	5,782.18	15,898.93
Short Term Loans and Advances	224.5	256.48	239.7	215.68	5.59	5.84
Other Current Assets	3,725.71	4,027.30	9,417.95	8,076.82	4,389.02	7,056.60
TOTAL ASSETS	1,73,333.24	2,09,757.94	2,33,582.39	2,50,419.45	2,45,487.21	2,85,445.60
EQUITIES AND LIABILITIES						
SHAREHOLDER'S FUNDS						
Equity Share Capital	970.24	1,144.95	1,144.94	1,144.95	1,197.61	1,221.21
Hybrid Perpetual Securities	2275	2,275.00	2,275.00	2,275.00	775	0
Reserves and Surplus	34,574.08	57,450.67	65,505.14	70,156.35	72,266.16	1,13,221.83
Minority Interest	1,601.70	936.52	2,364.46	2,586.60	3,269.68	2,655.42
NON-CURRENT LIABILITIES						
Long Term Borrowings	64,022.27	72,789.10	80,342.73	94,104.97	65,698.01	44,764.07
Other Long-Term Borrowings	288.76	190.87	330.4	515.59	7304.89	6696.38
Deferred Tax Liabilities [Net]	10,030.08	10,569.88	12,459.89	9,261.38	9,241.42	12,325.78

retirement benefit obligations	2,666.27	2,516.56	2,653.46	3,598.18	3,499.79	3,413.71
Deferred Income	2,057.59	1,526.58	906.8	151.3	144.26	137.16
Long Term Provisions	4,279.69	4,338.24	4,046.21	4,235.07	4,691.92	4,825.98
Other Liabilities	226.51	358.16	519.23	729.15	6,531.34	5,596.06
CURRENT LIABILITIES						
Short Term Borrowings	18,328.10	15,884.98	10,802.08	19,184.48	14,968.97	24,064.61
Trade Payables	18,574.46	20,413.81	21,716.96	21,380.85	25,967.49	36,764.87
Other Current Liabilities	12,451.11	18,092.98	27,266.37	19,431.91	25,205.35	26,990.03
Short Term Provisions	987.38	1,269.64	1,248.72	1,663.67	4,725.32	2,768.49
TOTAL CAPITAL AND LIABILITIES	1,73,333.24	2,09,757.94	2,33,582.39	2,50,419.45	2,45,487.21	2,85,445.60

JSPL **Balance Sheet as at 31st march 2017-18 To 2021-22** **(Amounts in Rs. Cr.)**						
Particulars	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
NON-CURRENT ASSETS						
Property, plant & equipment	41402.38	45564.06	66991.03	67218.62	51874.69	42243.99
Capital work-in-progress	7504.65	2653.99	2905.51	1974.5	890.28	1736.2
Investment property	0	0	5.65	0	0	0
Goodwill	0	0	616.37	609.82	500.1	448.02
Intangible assets	73.5	72.37	1426.08	1552.73	1974.44	2795.74
Intangible assets under development	24.58	35.3	1121.69	1151.02	821.25	802.23
Biological assets other than bearer Plants	0.14	0.14	0.45	0.45	0.45	0

Financial assets (Investments, Loans, Others)	1912.79	1651.27	507.75	210.46	443.33	659.5
Other non-current assets	343.58	387.61	1116.28	1033.47	1016.82	1349.01
CURRENT ASSETS						
Inventories	1886.97	3098.89	6509.53	6368.71	5942.57	7281.36
Short term investments			4.96	37.55	1011.28	332.12
Trade receivables	797.2	794.31	3028.54	3549.26	2794.4	1264.07
Cash & cash equivalents	137.9	101.19	196.96	561.55	5965.18	3504.53
Bank balances other than above	8.27	24.92	224.66	344.68	187.04	163.98
Loans	787.5	1046.54	257.08	153.74	135.96	125.32
Other financial assets	754.31	1018.49	204.08	268.84	210.37	184.85
Current tax assets (net)	447.85	458.03	492.33	463.86	476.27	1.46
Other current assets	4012.23	3169.49	3107.85	3993.82	3540.19	2536.73
Assets held for sale			284.09	248.87	55.8	11214.27
TOTAL ASSETS	60093.85	60076.6	89000.89	89741.95	77840.42	76643.54
EQUITY						
Equity share capital	91.5	96.79	96.79	102	102	101.07
Other equity	21674.7	22695.77	31987.9	32035.14	31712.67	35523.59
Non-controlling interest			-526.1	-776.44	-877.7	1470.54
NON-CURRENT LIABILITIES						
Borrowings	16403.88	14411.05	29940.22	27896.53	20230.4	8434.3
Lease liabilities					591.8	597.27
Trade payables			26.5	10.03	26.16	1.84
Other financial liabilities	683.62	714.09	409.1	1311.78	212.8	114.54
Provisions	37.6	43.08	314.69	296.57	323.32	421.89
Deferred tax liabilities (net)	3983.63	3673.45	5364.3	5622.59	6239.37	7276.22

Other non-current liabilities	2854	2854	0.43	0.61	0.14	0.01
CURRENT LIABILITIES						
Borrowings	7759.46	6910.19	4825.89	2778.87	9079.21	4427.67
Lease liabilities					8.28	42.4
Trade payables	2364.6	3380.36	5204.31	5567.13	4038.29	5241.94
Other financial liabilities	3025.49	3598.7	7175.76	9142.36	2145.7	2007.84
Other current liabilities	1176.82	1667.76	4059.34	5657.2	3925.69	3588.27
Provisions	35.55	31.36	121.76	97.58	82.15	98.83
Current tax liabilities	0	0	0	0	0.14	146.11
Liabilities held for sale	0	0	0	0	0	7149.21
TOTAL EQUITY & LIABILITIES	60093.85	60076.6	89000.89	89741.95	77840.42	76643.54