

# FINANCIAL ANALYSIS

## A CASE STUDY OF THE

# TATA GROUP

*Swati Goyal*

**T**he TATA Group of Companies had always believed strongly in the concept of collaborative growth. The combined market capitalization of 27 listed companies, the Group's present shareholder base is 3.2 million. In the face of trying economic challenges in recent times, the TATA Group had steered India's ascent in the global map through its unwavering focus on sustainable development. Over 350,000 people worldwide are currently employed in the seven business sectors in which the TATA Group of Companies operate. It is the largest employer in India in the Private Sector and continues to lead with the same commitment towards social and community responsibilities that it had shown in the past.

The TATA Group of Companies had business operations (114 companies and subsidiaries) in seven defined sectors – Materials, Engineering, Information Technology and Communications, Energy, Services, Consumer Products and Chemicals. TATA Steel with its acquisition of Corus had secured a place among the top ten steel manufacturers in the world and it is the TATA Group's flagship Company. As a policy, the TATA Group Companies promote and encourage economic, social and educational development in the community, returning to the society they serve. Its foray into international business had been recognized by various bodies and institutions. In Business magazine's list of the 25 most

innovative companies the TATA name appears 13th and the Reputation Institute, USA had evaluated the TATA Group as the 11th in a global study of the most reputed companies.

### **TATA DOCOMO**

TATA DOCOMO is a TATA Teleservices Limited's (TTSL) cellular service provider on the GSM platform-arising out of the TATA Group's strategic joint venture with Japanese telecom giant NTT DoCoMo in November 2008. TATA Teleservices had received a pan-India license to operate GSM telecom services, under the brand "TATA DOCOMO" and had also been allotted spectrum in 18 telecom circles. TTSL had already rolled out its services in various circles. It offers both prepaid and postpaid GSM cellular phones with a presence in 11 circles including Madhya Pradesh and Chhattisgarh, Orissa, Maharashtra and Goa, Punjab, Haryana, U.P, Karnataka, Kerala, Tamil Nadu, and West Bengal. It had become very popular with its one second pulse especially in semi-urban and rural areas. They are launching their service from the south of India to central, east and north.

### **TATA MOTORS**

TATA Motors is a part of the TATA Group which manages its share-holding through TATA Sons. The company was established in 1935 as a locomotive manufacturing unit and later expanded its operations to commercial vehicle sector in 1954 after forming a joint

venture with Daimler-Benz AG of Germany. Despite the success of its commercial vehicles, TATA realized its company had to diversify and began looking at other products. Based on consumer demand, it decided that building a small car would be the most practical new venture. So in 1998 it launched TATA Indica, India's first fully indigenous passenger car. Designed to be inexpensive and simple to build and maintain, the Indica became a hit in the Indian market. It was also exported to Europe, especially to UK and Italy. In 2004 it acquired TATA Daewoo commercial vehicles, and in late 2005 it acquired 21% of Aragonese Hispano Carrocera giving it controlling rights of the company. It had formed a Joint Venture with Marco Polo of Brazil, and introduced low-floor buses in the Indian market. recently, it had acquired the British Jaguar Land Rover (JLR), which include the Daimler and Lanchester brand names.

#### **TATA POWER**

TATA Power Trading Company Limited is a wholly owned subsidiary of India's largest private sector power utility, The TATA Power Company Limited. It is one of the leading power trading companies in India catalyzing development of the Indian electricity market. TATA Power Trading was incorporated in February 2004 and in June 2004 it became the first company in the country to be awarded a power trading license by Central Electricity Regulatory Commission. TATA Power Trading Company Ltd. had become a trailblazer in power trading with a host of innovative initiatives. With vast technical, managerial and financial capabilities, TATA Power Trading provides an unmatched range of services, customer care and completes payment security to its customers at the most competitive rates. TATA Power Trading had the requisite manpower in its operations

department with the necessary skills and experience in load dispatch to handle the power trading operations on a large scale. In a short span of time after getting the license, TATA Power Trading Company Ltd. had done power trading on a big scale and had caused the electrons to flow across the length and breadth of the country, which had helped to bridge the demand and supply gap of various utilities.

#### **TATA STEEL**

TATA Steel, formerly known as TISCO and TATA Iron and Steel Company Limited, is the world's sixth largest steel company, with an annual crude steel capacity of 31 million tonnes. It is the largest private sector steel company in India in terms of domestic production. Ranked 258th on Fortune Global 500, it is based in Jamshedpur, Jharkhand, India. It is part of the TATA Group of companies. TATA Steel is also India's second-largest and second-most profitable company in the private sector with consolidated revenues of Rs 1,32,110 crores and net profit of over Rs 12,350 crores during the year ending March 31, 2008. Its main plant is located in Jamshedpur, Jharkhand. With its recent acquisitions, the company has become a multinational with operations in various countries. The Jamshedpur plant contains the DCS supplied by Honeywell. The registered office of TATA Steel is in Mumbai. The company was also recognized as the world's best steel producer by World Steel Dynamics in 2005. The company is listed on the Bombay Stock Exchange and the National Stock Exchange of India, and employs about 86548 people (as of 2009).

#### **TATA TELE - SERVICES LIMITED**

TATA DOCOMO is a TATA Teleservices Limited (TTSL) cellular service provider on the GSM platform-arising out of the TATA Group's