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Tata Steel completes fiscal 06-07 on a thumping note

[Tata Steel](#) completed the fiscal, 2006-07 on a thumping note, and, stepped into its centenary year with stupendous all round performance, as it surpassed all its previous bests and established new records across all fronts. The year witnessed the stabilization of operations after the completion of the expansion project, raising Jamshedpur capacity to 5 mtpa. Production . The year was marked with best ever hot metal (5.55 million tonnes), crude steel (5.05 million tonnes) and saleable steel (4.93 million tonnes) production. The crude steel production crossed the 5 million tonnes mark for the first time, making the Jamshedpur plant of Tata Steel the only plant in India to have produced more than 5 million tonnes. Since the month of December'06, production of hotmetal has been over half a million tonnes per month and it can be proudly mentioned that Tata Steel has the distinction of being the only steel plant in India to achieve this feat. The mills made records, handsomely surpassing the revised uprated nameplate capacity. The New Bar Mill, that was installed under the FiveMillion Tonnes project, has achieved its rated capacity of 50,000 tpm. It is the fastest mill of this type in the world. The production of rebars at the Jamshedpur Works almost reached the million tonne mark, while the production of rebars in its South East Asian plants was another 1.7 million tonnes. The two newly acquired mills in Vietnam will raise the capacity by 0.4 mtpa. The Cold Rolling Mill crossed the milestone of 1.5 mt, for the first time, as against its rated capacity of 1.2 mt. The all round increase in production is a reflection of the spirit of Tata Steel and was supported by significant improvement in the manufacturing process. The specific consumption of raw materials, energy, refractories, water and lime came down, remarkably.

Raw Materials

The production in Raw Materials division also had to go up to keep pace with the increasing demand of Tata Steel and its Indian Subsidiaries. The West Bokaro Division for the first time dispatched 1.9 million tonnes of clean coal at 13% ash. The reduced ash level in own coal contributed significantly in substituting the more expensive imported low ash coal. High alumina in iron ore, a traditional problem of Orissa and Jharkhand deposits was addressed by installing a Jigging Plant, a modern beneficiation plant for iron ore fines.

R&D

The year witnessed considerable success of its research and development activities culminating in many new products. Commercial production of various grades of high strength steel for automobiles was established for the first time. Super ductile rebars and galvanized wires with thin organic coating were produced for the first time. Breakthrough was achieved in establishing a new grade of cold rolled ultra low carbon electric grade steel that will significantly improve the efficiency of many electrical appliances.

ASPIRE - Improvement & Innovation

The improvement initiatives consolidated under the "Aspire" umbrella, concentrated on establishing the Japanese philosophy of Total Quality Management (TQM). Understanding and application of the Theory of Constraints have started yielding results, especially in the supply chain management area. The average distributor inventory of Tata Steelium Cold Rolled Sheets and of Tata Shaktee Galvanized Sheets came down by as much as 20%.

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Sales

In the market place, FY07 was a record-breaking year for both the Flat and Long Products. Flat Products achieved the highest ever sales to the automotive segment at 0.85 million tonnes, up by 28% as against last year sales of 0.67 million tonnes. Sales of specialty HR coils, e.g. those used for the long and cross members of chasis of heavy vehicles, high end cold rolled and coated sheets were up as compared to the best ever achieved till date. Tata Steel received the Global Supplier Approval from Honda for its cold rolled sheets. Best supplier Award from [Whirlpool](#), Best Supplier Award from Lucas TVS and Best Contribution Award from Hyundai Motors were some of

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the many awards won.

The domestic sale of long products, at 1.3 mt. was 27% higher than the figure of last year, while the industry growth rate in India was around 8%.

Brands

The turnover of Branded products was Rs 4479 cr, up by 17% as compared to previous year. With the launch of 'Selling by Pieces', Tata Tiscon Rebars revolutionized the sale of rebars in the country and recorded a turnover of Rs 1100 cr, a growth of 40% as compared to the figure of last year. It became the first brand in Tata Steel to cross the Rs 1000 cr mark.

Profit Centres

The Company recorded best annual production in all profit centers namely Ferro Alloys & Mineral Division (FAMD), Tubes Division, Rings & Agrico Division, Bearings Division, Tata Growth Shop and Wire Division. Tubes Division commissioned a new 3" commercial tube and 4" precision tube mill and increased its annual production by 16%. Bearings Division produced over 30 millions bearings in the current fiscal as compared to 28 millions in the previous year while the so-called nameplate capacity is 25 millions. The Agrico Division marketed 6.7 million agricultural tools, which represent an increase of 16% as compared to that of previous year. The gross turnover of Tata Growth Shop crossed the Rs 300 cr mark for the first time. The Ferro Alloys & Minerals Division consolidated its position in the ferro chrome business with the acquisition of Rawmet in Orissa, a high carbon ferro chrome plant with annual capacity of 50,000 tonnes per annum. All the other mines and operating units of the division achieved best ever production.

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