



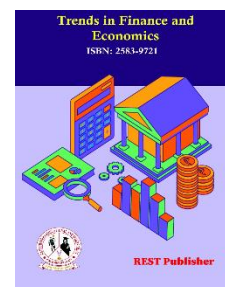
Trends in Finance and Economics

Vol: 2(2), June 2024

REST Publisher; ISSN: 2583-9721

Website: <https://restpublisher.com/journals/tfe/>

DOI: <https://doi.org/10.46632/tfe/2/2/15>



A Study on Budget and Budgetaries Control with Referece to Ultra Tech Cements

Mangali Praveen Kumar, Nanda Kishore

Aristotle PG College, Hyderabad, Telangana, India.

Corresponding Author Email: mangalipraveen143@gmail.com

Abstrct: The finances are used to authorize the expenditure and activities contained in it. The planned sports and expenditures contained within the budget provide a trendy against which the actual success of the firm can be measured and evaluated. The piecemeal budgets of the subunits of the firm are so framed that each solar-unit is made to contribute to the success of the overall price range.

Keywords: Budget, Expenditure, finance

1. INTRODUCTION

Budget is essential in every walk of our life – national, domestic and Business. A budget is prepared to have effective utilization of funds and for the realization of objective as efficiently as possible. Budgeting is a powerful tool to the management for performing its functions i.e., formulation plans, coordination activities and controlling operations etc., efficiently. For efficient and effective management planning and control are tow highly essential functions. Budget and budgetary control provide a set of basic techniques for planning and control. A budget fixes a target in terms of rupees or quantities against which the actual performance is measured. A budget is closely related to both the management function as well as the accounting function of an organization.

2. REVIEW OF LITERATURE

Tile: A Systematic Review of Budgeting and Budgetary Control in Government Owned Organizations Author: Lambe Isaac Source: Research Journal of Finance and Accounting Abstract Small businesses are vital for employment and job creation in South Africa. The implementation of sound cash management practices is essential to ensure the profitability and sustainability of any successful business. The purpose of this paper is to identify the cash management challenges faced by small businesses in a developing community. This research targeted small retail businesses in the Tongaat area in KwaZulu-Natal, South Africa. The research design for this paper was descriptive, quantitative and cross-sectional. The data instrument was a questionnaire. These findings indicate a significant relationship between cash management knowledge and managing cash flow. The findings also indicate a correlation between profitability in the business and implementation of cash management practices as well as a correlation between the challenges of cash management practices and their ability to ensure profitability in their business. This paper recommends that businesses should implement cash management procedures to eliminate cash management difficulties. Forecasting is supposed to be one of the oldest management activities. In biblical times there were frequent allusions to clairvoyants and prophets. Nowadays it is becoming increasingly necessary for companies to make forecasts; those that do not give the prospect to their competitors a clear advantage. No forecasting is a main cause of most of today's business failures. In the past, goods could be sold on company reputation alone and forecasting was not too important. In today's more competitive times, sentiment does not apply, and firms that do not challenge their selves to make an accurate forecast on which to base their future production will find it increasingly difficult to survive (Lancaster G.A. & Lomas R.A., 1985). Forecasting is important for many aspects of the modern business. Organisations make plans which become effective at some point in the future so they need information about

prevailing circumstances (Waters, 2003). This information must be forecast; but unfortunately forecasting is a difficult situation and despite its importance, progress in many areas has been limited (Waters, 2003). According to literature forecasting can be defined: "Forecasting is predicting, projecting, or estimating some future event or condition which is outside an organization's control and provides a basis for managerial planning" (Golden J. et.al, 1994, p.33) "Forecasting is generally used to predict or describe what will happen (for example to sales demand, cash flow, or employment levels) given a set of circumstances or assumptions" (Waddell D., et.al, 1994, p.41) Small businesses are vital for employment and job creation in South Africa. The implementation of sound cash management practices is essential to ensure the profitability and sustainability of any successful business. The purpose of this paper is to identify the cash management challenges faced by small businesses in a developing community. This research targeted small retail businesses in the Tongaat area in KwaZulu-Natal, South Africa. The research design for this paper was descriptive, quantitative and cross-sectional. The data instrument was a questionnaire. These findings indicate a significant relationship between cash management knowledge and managing cash flow. The findings also indicate a correlation between profitability in the business and implementation of cash management practices as well as a correlation between the challenges of cash management practices and their ability to ensure profitability in their business. This paper recommends that businesses should implement cash management procedures to eliminate cash management difficulties. Budgeting and budgetary control entails the establishment of goals by the management of an organization and designing a process which serves as a framework within which an organization effectively articulates overall planned activities. The quantification of these planned activities in financial terms is known as budgeting, while the establishment of an effective mechanism to guarantee desired result is known as budgetary control. This study therefore seeks to undertake a systematic review of budgeting and budgetary control in Government owned organizations and given the importance of the foregoing, attention was focused on the Nigerian National petroleum Cooperation (NNPC). To achieve the objective of the study, primary data were obtained through the use of a well structured questionnaire administered to the respondents, while the secondary data were obtained from the annual financial statements, files, memos, tax laws and gazette of the NNPC. The findings revealed that a necessary and sufficient condition for achieving effective budgeting and budgetary control is the involvement of all relevant stakeholders in the preparation of the budget, given the established processes in government circles, while emphasizing a deliberate and faithful implementation, by all responsible officers. This rests on the existence of a mental picture of the present state of affairs, vis-à-vis the future expected state of affairs, within the organization. It therefore recommended that since budgeting and budgetary control contributes to management efficiency and high productivity of an organization, all relevant stakeholders must be involved in the budget process, from preparation to implementation, in order to guarantee overall goal attainment. Objectives Of The Study: To provide a theoretical framework of finances, and budgetary manipulate. To describe the profile of the company as a backdrop for venture a have a look at of budgetary control machine. To analyze the budgetary device in practice in Ultratech cement Industries Limited (hereafter Ultratech) with precise reference to their goals and stages of organizational and re-appropriation. In addition to the evaluation of the conventional budgetary device in exercise in Ultratech cement Industries constrained. The look at pursuits at assessment and change to the budgetary gadget almost about the diverse types of budgets. Methodology of the study Sources of data: A). Sources of the data There are specially two critical sources thru which the whole information is accumulated. Primary records: The primary information of the topic is accrued by way of personal interplay with the officers of the finance and accounting department and also from annuals of the enterprise. The financial facts relating to the corporation has been amassed for the five years Secondary facts: The records collected from the other sources i.e. monetary statistics of the employer, Journals, Books and umerous websites Limitations Of The Study: The observe is the limited as much as the date and records provided with the aid of Ultratech Cement enterprise Limited and its annual reports. Collection of records from the corporation turned into a difficult assignment The time period for the observe became confined to 30 days, so complete analysis couldn't be done. Budgetary manipulate cannot reduce the managerial function to a formula. It is most effective a managerial. Data Analysis And Interpretation Ultratech Industries Limited Revenue Budget (2019-20)

TABLE 1.

S.No	Particulars	Budget Estimated Amount(Rs. Crores)	Actual Amount(Rs. Crores)	Variance
	Sales			
1	Fixed and recovery	689	599	90
2	Variable cost recovery	745	652	93
3	Fuel price adjustment recovery	784	823	-39
4	Own consumption	118	148	-18
5	Total of (1...4)	2334	2202	152
6	Average intensives	98	91	7
7	Other income	51	43	8
	Grand total(5+6+7)	2483	2336	167

Interpretation: Sales reduced via 152 crores to The records relating the generation and consumption of cement at Ultratech Industries Limited have been obtained from the year 2019-20 and supplied in Table-1. The issue included are overall generation of cement in (cores Rs) and utilization for auxiliary intake, raw fabric intake and line shop respectively. During the year 2019-20 the income, constant fee, variable value, gas rate, intake the estimated price range. During the year 2019-20 the common intensives are reduced through 7 crores. There income additionally decreased by 8 crores respectively. Finally, with regard to the result in sales finances of Ultratech cement industries constrained, definitely reduced by means of 167 crores inside the yr2019-20 respectively.

TABLE 2. Ultra Tech Industries Limited Operational expenditure budget for the year 2019-20

S.No	Particulars	Budget Estimated Amount(Rs. Crores)	Actual Amount(Rs. Crores)	Variance
	Variable cost			
1	Raw material	400	423	23
2	Lime stone	430	450	20
3	Total of (1,2)	830	873	43
	Operative maintained cost			
4	Chemicals and water	140	160	20
5	Repairs & maintenance	240	275	35
6	Employee cost	290	335	45
7	Stationary & general expenses	55	70	17
8	Rebate	10	14	2
9	Share of operating expenses	8	10	2
10	Total of(4..9)	723	842	119
	Finance charges			
11	Deprecation	38	11	-27
14	Interest on fixed capital	18	20	2
15	Total of-3	56	31	-25
	Gland total (3+10+15)	1809	1746	157

Interpretation: Observed from the above desk that the "Operational Expenditure Budget" of UltraTech cement industries Limited within the yr2019-20. In the 12 months 2019-20 variable price additives, Raw fabric consumption 23 crores extended and the lime stone consumption 20 crores also elevated. In working & keep aces price components, chemical substances & water, repair & preservation, worker value, desk bound & well-known expenses rebate and proportion of different fees in all are fluctuating prices of the 12 months 2019-20. How ever the whole running maintenance expenses are 119 crores growing respectively. In finance charges

depreciation and interest on constant capital, has been protected, the whole finance Charges recording decreasing 25 crores within the yr2019-20 respectively.

TABLE 3. UltraTech Industries Limited Revenue Budget (2020-21)

S.No	Particulars	Budget Estimated Amount(Rs. Crores)	Actual Amount(Rs. Crores)	variance
	Sales			
1	Fixed and recovery	689	617	72
2	Variable cost recovery	829	735	94
3	Fuel price adjustment recovery	817	856	-41
4	Own consumption	110	152	-22
5	Total of (1...4)	2443	2340	103
6	Average intensives	93	86	7
7	Other income	49	38	11
8	Grand total(5+6+7)	2585	2464	141

Interpretation: The records relating the technology and consumption of cement at UltraTech Industries Limited had been received from the year 2020-21 and supplied in Table-1. The element protected are total generation of cement in (cores Rs) and utilization for auxiliary consumption, uncooked cloth consumption and line store respectively. During the 12 months 2020-21 the sales, fixed price, variable value, gasoline charge, consumption become reduced. Sales intake is deceased via 103 crores respectively. During the 12 months 2020-21 the average intensives are decreased through 7 crores and their income also decreased eleven crores respectively. Finally, with regard to the result in revenue budget of UltraTech cement industries limited, completely decreased by way of 141 crores inside the yr2020-21 respectively.

TABLE 4. UltraTech Industries Limited Operational expenditure budget for the year 2020-21

S.No	Particulars	Budget Estimated Amount(Rs. Crores)	Actual Amount(Rs. Crores)	variance
	Variable cost			
1	Raw material	419	449	30
2	Lime stone	420	465	45
3	Total of(1,2)	839	916	75
	Operative maintained cost			
4	Chemicals and water	141	168	27
5	Repairs & maintenance	232	289	57
6	Employee cost	316	348	34
7	Stationary & general expenses	59	77	18
8	Rebate	11	15	2
9	Share of operating expenses	8	10	2
10	Total of(4..9)	745	885	160
	Finance charges			
11	Deprecation	38	16	-24
14	Interest on fixed capital	18	20	2
15	Total of(11,14)	56	34	-22
	Grand total(3+10+15)	1840	1833	193

Interpretation: Observed from the above table that the "Operational Expenditure Budget" of UltraTech cement industries Limited in the yr2020-21. In the yr2020-21 variable fee components, Raw cloth intake 30 crores

elevated and the lime stone intake 45 crores additionally multiplied. In working & preserve aces value components, chemical substances & water, repair & renovation, employee price, desk bound & preferred charges rebate and share of different charges in all are fluctuating charges of the yr2020-21. How ever the whole working maintenance prices are 160crores growing respectively. In finance expenses depreciation and hobby on constant capital, has been protected, the full finance expenses lowering via 22 crores in the 12 months 2020-21 respectively.

TABLE 5. UltraTech Industries Limited Revenue Budget (2021-22)

S.No	Particulars	Budget Estimated Amount(Rs. Crores)	Actual Amount(Rs. Crores)	Variance
	Sales			
1	Fixed and recovery	721	611	110
2	Variable cost recovery	817	729	86
3	Fuel price adjustment recovery	810	823	-17
4	Own consumption	141	151	-16
5	Total of (1...4)	2467	2294	173
6	Average intensive	97	92	5
7	Other income	53	48	5
8	Grand total(5+6+7)	2617	2434	183

Interpretation: The data bearing on the era and consumption of cement at Ultratech Industries Limited have been received from the yr2021-22 and provided in Table-1. The element covered are overall era of cement in (cores Rs) and utilization for auxiliary consumption, raw cloth intake and line store respectively. During the yr2021-22 the income, constant value, variable cost, gas price, intake changed into reduced. Sales intake is decreased by way of 173 crores respectively. During the yr2021-22 the average intensives are reduced through 5 crores and their income additionally decreased 5 crores respectively. Finally, with reference to the bring about sales budget of Ultratech cement industries confined, absolutely decreased by using 183 crores in the year 2021-22 respectively.

TABLE 6. UltraTech industries limited operational expenditure budget for the year 2021-22

S.No	Particulars	Budget Estimated Amount(Rs. Crores)	Actual Amount(Rs. Crores)	Variance
	Variable cost			
1	Raw material	418	445	27
2	Lime stone	442	465	23
3	Total o(1,2)	860	910	50
	Operative maintained cost			
4	Chemicals and water	148	170	22
5	Repairs & maintenance	265	296	31
6	Employee cost	318	348	32
7	Stationary & general expenses	63	80	17
8	Rebate	11	15	2
9	Share of operating expenses	7	10	3
10	Total of(4...9)	790	897	107
	Finance charges			
11	Deprecation	41	17	-26
14	Interest on fixed capital	17	19	2
15	Total of(11,14)	58	34	-24
	Grand total (3+10+15)	1708	1841	153

Interpretation: Observed from the above table that the "Operational Expenditure Budget" of Ultratech cement industries Limited in the 12 months 2021-22. In the 12 months 2021-22 variable value components, Raw material consumption 27 crores elevated and the lime stone consumption 23 crores additionally accelerated. In working & maintain aces fee additives, chemical substances & water, restore & protection, employee value, desk bound & wellknown prices rebate and share of other fees in all are fluctuating fees of the year 2021-22. How ever the total running preservation costs are growing by using 107 crores respectively. In finance costs depreciation and interest on fixed capital, has been blanketed, the overall finance expenses recording lowering with the aid of 24 crores within the yr2020-21 respectively. Finally with reference to the operational expenditure price range of Ultratech cement industries confined the total earnings has elevated via 153 crores during the year 2021-22. The normal budget results of Ultratech cement enterprise is industries restrained is earning more income.\

TABLE 7. Ultra Tech cement industry Revenue Budget (2022-23)

S.No	Particulars	Budget Estimated Amount(Rs. Crores)	Actual Amount(Rs. Crores)	Variance
	Sales			
1	Fixed and recovery	724	618	106
2	Variable cost recovery	840	740	100
3	Fuel price adjustment recovery	820	863	-43
4	Own consumption	152	168	-18
5	Total of (1...4)	2518	2369	167
6	Average intensives	102	98	4
7	Other income	56	49	7
8	Grand total(5+6+7)	2674	2518	178

Interpretation: The facts bearing on the era and consumption of cement at UltraTech Industries Limited have been received from the year 2022-23 and presented in Table-1. The component included are general generation of cement in (cores Rs) and utilization for auxiliary intake, raw material consumption and line save respectively. During the year 2022-23 the income, fixed price, variable fee, gas fee, consumption was reduced. Sales consumption is decreased by means of 167 crores respectively. During the year 2022-23 the average intensives are decreased via four crores and, their profits additionally reduced 7 crores respectively. Finally, with regard to the result in revenue budget of UltraTech cement industries restrained, totally reduced by means of 178 crores inside the year 2022-23 respectively.

TABLE 8. showing operating expenditure of for the year 2022-2023

S.No	Particulars	Budget Estimated amount (Rs. Crores)	Actual amount (RS. Crores)	Variance
	Variable cost			
1	Raw material	420	450	30
2	Lime stone	450	470	20
3	Total of (1,2)	870	920	50
	Operative maintained cost			
4	Chemicals and water	150	170	20
5	Repairs & maintenance	280	300	20
6	Employee cost	320	350	30
7	Stationary & general expenses	65	80	17
8	Rebate	11	15	2
9	Share of operating expenses	8	10	2
10	Total of(4...9)	816	903	89
	Finance charges			
11	Deprecation	42	17	-27
14	Interest on fixed capital	18	20	2
15	Total of(11,14)	60	35	-25
	Grand total (3+10+15)	1744	1858	116

Interpretation: Observed from the above desk that the "Operational Expenditure Budget" of UltraTech cement industries Limited within the yr2022-23. In the 12 months 2022-23 variable cost additives, Raw fabric intake 30 crores accelerated and the lime stone intake 20 crores also accelerated. In running & maintain aces value components, chemical substances & water, restore & maintainance, worker cost, desk bound & trendy charges rebate and proportion of different charges in all are fluctuating charges of the year 2022-23. How ever the entire working maintenance costs are 89 crores growing respectively.

In finance prices depreciation and interest on constant capital, has been protected, the full finance charges recording lowering by way of 25 crores within the year 2022-23 respectively finally in regards to the operational expenditure finances of UltraTech cement industries confined the entire profit has elevated by 116 crores at some stage in the 12 months 2022-23. The average budget outcomes of UltraTech cement enterprise is industries confined is earning more income. Sales

TABLE 9. Showing total sales of UltraTech cement industry

	2019-20	2020-21	2021-22	2022-23
BE	2334	2443	2467	2518
ACT	2202	2340	2294	2369

Interpretation: In the 12 months 2019-20 the actual quantity is less in comparison to budgeted amount as the budget is correct. In the 2020-21 it indicates a mild change among budgeted quantity and actual. In the yr2022-23 budgeted quantity is greater as compared to real. It shows that the amount is greater comparing to market. Selling of cement product less than the estimates. Average Intensives

TABLE 10. Shown on average intensives of UltraTech cement industry

	2019-20	2020-21	2021-22	2022-23
BE	98	93	97	102
ACT	91	86	92	98

Interpretation: In the 12 months 2019-20 the real quantity is much less compared to budgeted amount as the finances is accurate. In the 2020-21 it suggests a mild change among budgeted amount and actual. In the yr2022-23 budgeted amount is greater as compared to real. It indicates that the quantity is extra evaluating to market. Selling of cement product much less than the estimates. Other Income

TABLE 11. Shown on other income of UltraTech cement industry

	2019-20	2020-21	2021-22	2022-23
BE	51	49	53	56
ACT	43	38	48	49

Interpretation: In the year 2019-20 the real amount is less in comparison to budgeted quantity as the finances is accurate. In the 2020-21 it suggests a slight change among budgeted quantity and actual. In the year 2022-23 budgeted amount is extra as compared to real. It indicates that the quantity is greater comparing to marketplace. Selling of cement product much less than the estimates Variable Cost:

TABLE 12. Showing on variable cost of UltraTech cement industry

	2019-20	2020-21	2021-22	2022-23
BE	830	839	860	870
ACT	873	916	910	920

Interpretation: Form above desk it may be below that the expected quantity and real quantity of UltraTech cement turned into recorded at raw materiel 830 at some point of the year 2017-2018 it's far improved to real uncooked fabric 873 in the year 2017-2018. It indicates that there's an improved in budget to the real. The maximum quantity in price range becomes recorded in year 2022-2023. Operative Maintained Cost

TABLE 13. Showing on operative maintained cost of UltraTech cement industry

	2019-20	2020-21	2021-22	2022-23
BE	723	745	790	816
ACT	842	885	897	903

Interpretation: 1. Form the above table it could be understood that the finances of UltraTech cement turned into recorded the envisioned cost 723 in the course of the year 2019-2020 and it is reduced to 842 during the yr 2019-2020. 2. It indicates that there's on decreased in the budgetary to the actual 2022-23. 3. The lowest funding in budgetary changed into recorded in yr2022-23. Finance Charges

TABLE 14. Showing on finance charges of UltraTech cement industry

	2019-20	2020-21	2021-22	2022-23
BE	56	56	58	60
ACT	31	34	34	35

Interpretation: 1. Form the above desk it may be understood that the budgetary of UltraTech cement turned into recorded at 56 value of estimation at some stage in the 12 months 2019-2020. And it decreased to 31 of real value in throughout year 2019-2020. 2. It suggests that there's boom in the budgetary the lower cost inside the

2022-23. 3. The lowest funding in budgetary was recorded in 12 months 2022-23. Findings: There is a huge growth in INCOME of the employer in 2022-23, in comparison to 2019-2020. Huge growth in earnings per proportion in 2022-23, while as compared to 2019-2020. In the 12 months 2020-21, 2021-22 and 2022-23 represents actual are much less than budgeted so less purchases made in every department. In the year 2019-20 and 2020-21 real is extra than budgeted it suggests that extra significance given to purchases. In the 12 months 2019-20 civil charges are at a completely excessive variety. Accruals are excessive compared to price range due to construction of cold garage area, cement plant and bore wells. In the 12 months 2020-21 real are much less compared to budgeted due to the fact because the charges are less. In the 12 months 2022-23 it incurred high volume of charges than the budgeted because it incurred heavy costs. In the 12 months 2022-23 budgeted quantity is extra as compared to actual. It shows that the amount is extra in comparison to marketplace. Selling of cement products, much less than the estimates. In the year 2022-23 sales and profits expanded EXPENDITURE of finished goods, production selling, and management expenses also are multiplied, depreciation, less switch from capital, rescue of property is reduced. Suggestions: Planning has become the primary characteristic of management most of the making plans relates to person situations and character proposals. Budgets are nothing however expressions in large part in economic terms, budgetary manipulate has, consequently emerge as and critical tool of management for controlling and maximizing earnings. Continuous comparison of actual performance with budgeted performance. The agency has to hold incredible brief assets as a way to preserve sound liquidity. A agency has to don't forget their very own status quantity from the debtors regularly. The organization has to preserve budget for lengthy-time period funding. The corporation has to monitory from liability role in ordinary intervals. The organisation must be aware of their working capital function. There is lot of pretension consistence demand the cement enterprise as a cement manufacturer the organisation can able to supply, their funds throw greater percentage holders budget. Company is retaining the inventories a element from current property for the whole study length. To display that immoderate inventory level aren't exact for any organization and any agency. Since the company has it pay attention plenty greater on stock keep. During take a look at period there is negative operating capital ranges for the company so the agency must maintained enough current belongings to keep running capital, parent definitely

3. CONCLUSION

Every employer has predetermined set of targets and goals, but achieving their objectives and goals by proper making plans and executing of these plans economically. The UltraTech cement industries Limited goals of planning and organizing selling an incorporated development of Cement Company. The business enterprise device of UltraTech cement industries is to make to be had and speedy cement in an increasing number of small quantities, the enterprise will spear head the technique of improved development of cement zone by using expeditiously. The employer needs the capable personalities as control makes the plans and enforce of those plans are expressed in terms of finances and budgetary manage.

REFERENCES

- [1]. Prasanna Chandra, Financial Management: Theory and Practice, 7/e, 2014, Tata McGraw-Hill Education.
- [2]. I.M.Pandey, financial management: Principles and Practice 9/e, 2009, Vikas publishing.
- [3]. R.K Sharma Shashi K Gupta, financial management: Principal and Management, 7/e, 2002, Kalyani Publishers.
- [4]. Dr.S N Maheshwari: management Accounting and financial control, 6/e, 1996, sultan chand and sons.
- [5]. M.Y.Khan, and P.K Jain: Basic financial management, 3/e, 1982, Tata McGraw-Hill.