



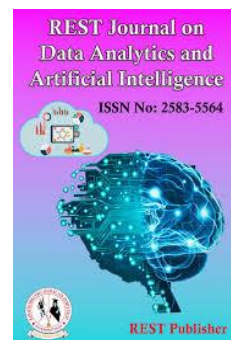
REST Journal on Data Analytics and Artificial Intelligence

Vol: 3(2), 2024 (Online)

REST Publisher; ISBN: 2583-5564

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

DOI: <https://doi.org/10.46632/jdaai/3/2/8>



A Study on Budget & Budgetary Control with Reference to Ultratech Cement

* V Preethi, N. Rajendar Reddy

Aristotle PG College, Hyderabad, Telangana, India.

*Corresponding Author Email: preethiv9683@gmail.com

Abstract: Budgetary control is a system in which income and spending are compared with a company's budget to make sure the plans are being followed. It allows companies to adjust their spending as necessary to make a profit. Every company has a budget, and at times, that budget needs to be revised to account for spending and an increase or decrease in income. In essence, budgetary control compares actual results with budgets. If discrepancies are found, key players within a company have two choices. They can either control the spending of the company or revise the original budgets. Budgetary control helps to coordinate and organize a company's financial activities. The study of budgetary control is very helpful for management of companies for control of their expenditure through a powerful instrument that the name is budget. In fact it will provide a yardstick for measuring and evaluating the performance of individuals and their departments.

Keywords: Budget, Budgetary Control, Cost, Financial Planning, Financial Performance.

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 two 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

Lambe (2014), one of the effective ways to prepare for changing conditions is to provide a frame work that contains specific plan that is sufficiently flexible to adapt to unanticipated changes. A comprehensive process of providing such frame work is known as budgeting. It involves the setting of targets, and effectively monitoring of actual performance against those budgeted

3. SCOPE OF THE STUDY

The records of Tadipatri, Ultratech cement industries restrained, have been accumulated particularly from secondary sources via...

- ❖ From the concerned officers of the Ultratech cement industries confined.
- ❖ Ultratech cements industries confined-journals.
- ❖ Accounting books, information.
- ❖ Key books of worried title.
- ❖ Statically facts.

- ❖ Ultratech cement industries restrained library.
- ❖

4. 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.

5. 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 numerous 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.

6. DATA ANALYSIS AND INTERPRETATION

TABLE I. Ultratech Industries Limited Revenue Budget (2019-20)

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 II. UltraTech 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	Totalof-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 decreased 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 (2020-21)

S.No		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. UltraTech 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.** hown on average intensives of UltraTech cement industry

	20189-20	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

Figure showing on other income of Ultratech cement industry**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 11. 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 become recorded in year 2022-2023.

Operative Maintained Cost

TABLE 12. 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 yr2022-2

Finance Charges

TABLE 13. 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 month

FINDINGS

- There is a huge growth in INCOME of the employer in 2021-22, in comparison to 2018-2019.
- Huge growth in earnings per proportion in 2021-22, while as compared to 2018-2019.
- In the 12 months 2019-20, 2020-21 and 2021-22 represents actual are much less than budgeted so less purchases made in every department. In the year 2018-19 and 2019-20 real is extra than budgeted it suggests that extra significance given to purchases.
- In the 12 months 2018-19 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 2019-20 real are much less compared to budgeted due to the fact because the charges are less. In the 12 months 2021-22 it incurred high volume of charges than the budgeted because it incurred heavy costs.
- In the 12 months 2021-22 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 2021-22 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 reduce

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

6. 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.] G. A. (1997). Budgeting as an aid to Management performance. (Students Newsletter) Journal of Chartered Association of certified Accountants. 7 (20), 21 - 30.
- [2.] Lambe, I. (2004). Appraising the Impact of Budgeting and Planning on the Performance of Financial Institutions in Nigeria. Research Journal of Finance and Accounting, 5 (16), 12 - 26.
- [3.] Hand, L.F. (1986). Budgeting in Business (Students Newsletter). Journal of Chartered Accountant, London. 5 (16), 12 - 26.
- [4.] Nicolas Berland: environmental turbulence and functions of budgetary control, Accounting, Business & Financial History, Vol.11, No.1, Paris, France, (2001), PP 59-77.
- [5.] David Otley: extending the boundaries of management accounting research: developing systems for performance management, British Accounting Review, Vol.33, United ingdom, (2001). PP 243-261.
- [6.] Ruth Hamson, Len Bird: Devolved Budgets in the Public Sector, Journal of Finance and Management in Public Services, Vol.9, United Kingdom, (2002), PP 29-44.