



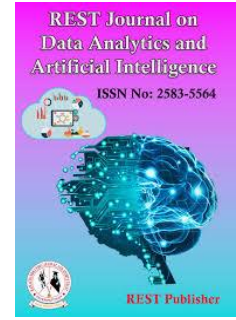
REST Journal on Data Analytics and Artificial Intelligence

Vol: 3(2), June 2024

REST Publisher; ISSN: 2583-5564

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

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



A Study on Fund Flow Statement with Reference to Ultratech Cement

N Jaya, T. Ramesh

Aristotle PG College, Hyderabad, Telangana, India.

Corresponding Author Email: yadavjaya156@gmail.com

Abstract: This study is important for understanding the management of funds flow statement in Ultra Tech Cements it gives information on the basis of analysis about percentage of investment in each current asset cause for changes in working capital from different sources amount of working capital required. The firm's trade creditors are interest in the firm ability to meet their claim over a short period of time. So, they required the evaluation of the firm's liquidity position. The suppliers of the long-term debt on the other hand of concerned with the long-term resolutions and survival. They analyze the firm profitability over time.

Keywords: Funds Flow statement, long – term debt, liquidity position, Profitability.

1. INTRODUCTION

The “traditional package” of final accounts and statements, through very significant statements, has as such, a limited role to play in financial analysis. The basic financial statements i.e. the Balance Sheet and profit and Loss account or income statement o business reveal the net effect of the various transactions on operation and financial position of the company, the balance sheet gives a summary of assets and liabilities of an undertaking at a particular point of time. It reveals the financial position of the company. The profit and loss reflect the result of the business operation for a period of time. It contains a summary of expenses incurred and the revenue released in an accounting period. Every company prepares its Balance Sheet at the end of its accounting Year. It reveals the financial position of the company at a certain point of time.

2. REVIEW OF LITERATURE

David F.Scott et.al.(2012)10 studied the change in the financial and operating performance. This study used the according performance measure adjusted for market effects in addition to unadjusted accounting performance measures both unadjusted and market adjusted results show significant increase in profitability operating efficiency, capital investment spending, input employment level, and dividends. This study also found a decline in the leverage following privatization, but this change was significant only for the unadjusted leverage ratios. **Varma (2013)** the basic problem of working capital in bank was the surplus investments in current assets rather than inadequacies. The investments mainly found in the inventory and receivable components.

Objectives of the study

- To study about the funds flow statements in ultra tech cement
- To study the efficiency with which the firm is utilising its various assets in generating sales.
- To study the extent to which the firm has used its long-term solvency by borrowing funds.
- To know whether the current assets and current liabilities are properly managed.
- To review the structure, original growth and performance of ultra tech cement during the study period.
- To determine the requirement of working capital requirements of the firm.

- To give suggestions, if any, based on the present research.

Limitations of the study:

The study has to be made ideal conditional, but every study has some limitations.

- This study is limited of the company ultra tech cement only. The time factor of 8 weeks is also a limiting factor for an induct study.
- The analysis is prepared on the basis of company reports where some information is kept confidential by the company and hence total analysis was not possible.

3. ANALYSIS AND INTERPRETATION

TABLE 1. Ultra tech cement statement of changes in working capital during the year 2018-2019

| PARTICULARS | 2018 | 2019 | INCREASE | DECREASE |
|---------------------------------|-----------|-----------|----------|----------|
| A. Current assets: | | | | |
| Inventories | 29487.68 | 29153.66 | | 334.12 |
| Trade receivables | 20417.03 | 11659.55 | | 8757.48 |
| Cash and cash equivalents | 47903.15 | 48519.84 | 616.69 | |
| Short term loans & advances | 22831.11 | 34118.33 | 11287.22 | |
| Other current assets | 1618.77 | 3286.57 | 1667.8 | |
| Total current assets | 122257.74 | 126737.85 | | |
| B. Current liabilities | | | | |
| Short term borrowings | 3409.18 | 9775.21 | | 6366.03 |
| Trade payable | 6629.38 | 7173.92 | | 544.54 |
| Other current liabilities | 20801.44 | 11343.88 | 9547.56 | |
| Short term provision | 5960.44 | 3919.69 | 2040.75 | |
| Total current liabilities | 36800.44 | 32212.7 | | |
| C.net working capital (A-B) | 85457.3 | 94525.15 | | |
| Net increase in working capital | 9067.85 | | | 9067.85 |
| | | | 25070.02 | 25070.02 |

Interpretation:

As per above working capital in current assets Inventories, trade receivables are decreased in 2019. As well as cash and cash equivalents, short term loans and advances, other current assets are increased in 2019. In other side current liabilities short term borrowings, trade payable is decreased in 2019. As well as other current liabilities, short term provisions are increased in 2019. The overall “networking capita” increased to 9067.85/- in the year 2019.

TABLE 2. Funds flow statement for the year 2018-2019

| source from funds | amount | applications from funds | amount |
|------------------------------|----------|---------------------------------------|----------|
| Raising long term provisions | 105.65 | Repayment long term borrowing | 7082.58 |
| Tangible assets | 1828.83 | Repayment other long-term liabilities | 76.62 |
| In tangible assets | 108.63 | Capital work in progress | 2072.31 |
| Long term loans & advances | 3029.3 | Non-current investment | 15262.27 |
| Funds from operations | 28597.15 | Other non-current asset | 107.93 |
| | | Net increase working1 capital | 9067.85 |
| | 33669.56 | | 33669.56 |

TABLE 3. Ultra tech cement - statement of changes in working capital during the year 2019-2020.

| Particulars | 2019 | 2020 | Increase | Decrease |
|--------------------|------|------|----------|----------|
| A. Current assets: | | | | |

| | | | | |
|---------------------------------|-----------|-----------|----------|----------|
| Inventories | 29153.55 | 29264.06 | 10.51 | |
| Trade receivables | 11659.56 | 16596.66 | 4937.1 | |
| Cash and cash equivalents | 48697.73 | 46370.77 | | 2326.96 |
| Short term loans & advances | 18371.7 | 12052.24 | | 6319.46 |
| Other current assets | 3105.62 | 2239.12 | | 866.5 |
| Total current assets | 110988.16 | 106522.85 | | |
| B. Current liabilities | | | | |
| Short term borrowings | 9775.21 | 8169.65 | 1605.56 | |
| Trade payable | 7975.21 | 7291.33 | 681.34 | |
| Other current liabilities | 9682.33 | 5321.76 | 4360.57 | |
| Short term provision | 4659.57 | 5655.5 | | 995.93 |
| Total current liabilities | 32089.78 | 26438.24 | | |
| C.net working capital (A-B) | 78898.38 | 80084.61 | | |
| Net increase in working capital | 1186.23 | | | 1186.23 |
| | | | 11695.08 | 11695.08 |

Interpretation:

As per above working capital in current assets inventories, trade receivables are increased in 2018. As well as cash and cash equivalents, short term loans & advances other current are decreased in 2020. In other side in current liabilities short term borrowings, trade payable, other current liabilities are increased in 2020. As well as short term provisions are decreased in 2020.

The overall "Net working capital" increased to 1186.23/- in the years 2020.

TABLE 4. Funds flow statement for the year 2019-2020

| Source of funds | Amount | Application of funds | Amount |
|-------------------------------------|----------|------------------------------|----------|
| Funds from operations | 18821.49 | Capital work in progress | 16.49 |
| Raising long term borrowing | 645.56 | Non-current investment | 17842.73 |
| Raising other long-term liabilities | 41.86 | Long term loans & advances | 468.81 |
| Raising long term provision | 113.27 | Other non-current assets | 884.19 |
| Tangible assets | 663.44 | Net increase working capital | 1186.23 |
| In tangible assets | 112.83 | | |
| | 20398.45 | | 20398.45 |

TABLE 5. Ultra tech cement - statement of changes in working capital during the year 2020-2021.

| Particulars | 2020 | 2021 | Increase | Decrease |
|-----------------------------|-----------|-----------|----------|----------|
| A. Current assets: | | | | |
| Inventories | 29264.06 | 32170.94 | 2906.88 | |
| Trade receivables | 16596.66 | 15969.9 | | 626.76 |
| Cash and cash equivalents | 46370.66 | 11710.91 | | 34660.11 |
| Short term loans & advances | 12047.84 | 16232.72 | 4214.88 | |
| Other current assets | 2239.12 | 1573.45 | | 665.67 |
| Total current assets | 106518.45 | 77,687.67 | | |
| B. Current liabilities | | | | |
| Short term borrowings | 8163.65 | 418.27 | 3984.38 | |
| Trade payable | 7285.53 | 7478.8 | | 193.27 |
| Other current liabilities | 5327.56 | 9887.02 | | 4559.46 |
| Short term provision | 5655.5 | 5701.76 | | 46.26 |

| | | | | |
|---------------------------------|----------|-----------|----------|----------|
| Total current liabilities | 26438.24 | 27.252.85 | | |
| C.net working capital (A-B) | 80080.21 | 50434.82 | | |
| Net increase in working capital | | 29645.39 | 29645.39 | |
| | | | 40751.53 | 40751.53 |

Interpretation:

As per above working capital in current assets inventories, short term loans & advances are increased in 2021. As well as trade receivables, cash and equivalents, other current assets are decreased in 2021. In other side in current liabilities short term borrowings are increased in 2021. As well as trade payable, other current liabilities, short provision are decreased in 2021. The overall “Net working capital” decreased to 29654.39/- in the year.

TABLE 6. Funds flow statement for the year 2020-2021

| Source of funds | Amount | Application of funds | Amount |
|---------------------------------|----------|--|----------|
| Raising long term borrowings | 901.76 | Repayment of other long-term liabilities | 21.41 |
| Raising long term provisions | 61.79 | Tangible assets | 20629.8 |
| Intangible assets | 111.69 | Noncurrent investment | 47977.09 |
| Capital work in progress | 25422.37 | Other non-current assets | |
| Long term loans and advances | 89.11 | | |
| Funds from operations | 13625.9 | | |
| Net decrease in working capital | 29645.37 | | |
| | 69858.01 | | 69858.01 |

TABLE 7. Ultra tech cement - statement of changes in working capital during the year 2021-2022.

| PARTICULARS | 2021 | 2022 | INCREASE | DECREASE |
|---------------------------------|-----------|-----------|----------|----------|
| A. Current assets: | | | | |
| Inventories | 32170.94 | 34383.76 | 2212.82 | |
| Trade receivables | 15969.9 | 22017.27 | 6043.37 | |
| Cash and cash equivalents | 11710.66 | 3711.65 | | 7999.01 |
| Short term loans & advances | 16262.72 | 16930.83 | 668.11 | |
| Other current assets | 1573.45 | 1169.69 | | 403.76 |
| Total current assets | 77,687.67 | 78,209.20 | | |
| B. Current liabilities | | | | |
| Short term borrowings | 4185.27 | 6316.65 | | 2131.38 |
| Trade payable | 7478.81 | 7554.92 | | 76.11 |
| Other current liabilities | 9887.02 | 12803.36 | | 2916.34 |
| Short term provision | 5701.76 | 5073.93 | 627.83 | |
| Total current liabilities | 27,252.86 | 31748.86 | | |
| C.net working capital (A-B) | 50434.81 | 46460.34 | | |
| Net increase in working capital | | 3974.47 | 3974.47 | |
| | | | 13526.6 | 13526.6 |

Interpretation:

As per above working capital in current assets short term loans & advances, inventories, trade receivables are increased in 2022. As well cash and cash equivalents another current asset are decreased in 2022. In other side in current liabilities short term borrowings, trade payable, other current liabilities are decreased in 2022. As well as short term provision are increases in 2022. The overall “networking capital” decreased to 3974.47/- in the year 2022.

TABLE 8. Funds Flow Statement for The Year 2021-2022

| Source of funds | Amount | Application of funds | Amount |
|---------------------------------|----------|------------------------------------|----------|
| Funds from operation | 8.862.33 | Repayment of long term borrowings | 258.49 |
| Raising long term provision | 758.91 | Repayment of long term liabilities | 178.51 |
| Tangible | 2405.09 | Capita work in progress | 42.16 |
| In tangible | 91.02 | Noncurrent investment | 10371.97 |
| Net decrease in working capital | 3974.47 | Long term loans and advances | 146.66 |
| | | Other non-current assets | 2772.03 |
| | 16091.82 | | 16091.82 |

TABLE 9. Ultra tech cement - statement of changes in working capital during the year 2022-2023.

| Particulars | 2022 | 2023 | Increase | Decrease |
|---------------------------------|-----------|-----------|----------|-----------|
| A. Current assets: | | | | |
| Inventories | 34,383.76 | 22,786.43 | | 115,97.33 |
| Trade receivables | 22,013.27 | 15,770.90 | | 6242.37 |
| Cash and cash equivalents | 3,711.65 | 2,107.02 | | 1604.63 |
| Short term loans & advances | 16,930.83 | 34,320.29 | 17389.46 | |
| Other current assets | 1,169.69 | 1,206.77 | 37.08 | |
| Total current assets | 78,209.20 | 76,191.41 | | |
| B. Current liabilities | | | | |
| Short term borrowings | 6316.65 | 11481.14 | | 5164.49 |
| Trade payable | 7554.92 | 9875.57 | | 2320.65 |
| Other current liabilities | 12803.36 | 10931.85 | 1871.51 | |
| Short term provision | 5073.93 | 3044.36 | 2029.57 | |
| Total current liabilities | 31748.86 | 35332.92 | | |
| C.net working capital (A-B) | 46460.34 | 40858.49 | | |
| Net increase in working capital | | 5601.85 | 5601.85 | |
| | | | 26929.47 | 26929.47 |

Interpretation:

As per above working capital in current assets short term loans & advances, other current assets are increased in 2023. As well inventories, trade receivables, cash and cash equivalents are decreased in 2023. In other side in current liabilities short term borrowings, trade payables are decreased in 2023. As well as other current liabilities, short term provisions are increased in 2023. The overall “networking capital” decreased to 5601.85/- in the year 2023.

TABLE 10. Funds flow statement for the year 2022-2023

| Source of funds | Amount | Application of fund | Amount |
|---------------------------------|----------|--|----------|
| Funds from operation | 7892.21 | Repayment of other long term liabilities | 6.48 |
| Raising long term borrowings | 21549.71 | Tangible assets | 128.28 |
| Raising long term provisions | 88.78 | Non-current investments | 2616.93 |
| In tangible assets | 24.77 | Long term loans and advance | 29173.18 |
| Capital work in progress | 200.87 | Other non-current assets | 2281.32 |
| Net decrease in working capital | 5601.85 | | |

35358.19

35358.19

TABLE 11. Balance Sheet For the Year Ended 31st March 2019

| Particulars | Notes | 31st march, 2019 | 31st march, 2018 |
|--|--------|---------------------|---------------------|
| Equity and liabilities | | | |
| Shareholder funds | | | |
| Share capital | 4 | 1,787.01 | 1,528.55 |
| Reserves and surplus | 5 | 2,09,823.46 | 1,82,634.31 |
| | | 2,11,610.47 | 1,84,162.86 |
| Non-current liabilities | | | |
| Long term borrowings | 6 | 2,545.01 | 9,627.59 |
| Deferred tax liabilities (net) | 7 | 3,471.28 | 2,063.28 |
| Other long term liabilities | 8 | 654.26 | 730.88 |
| Long term provisions | 9 | 1,594.60 | 1,488.95 |
| | | 8,265.15 | 13,910.70 |
| Current liabilities | | | |
| Short term borrowings | 10 | 9,775.21 | 3,409.18 |
| Trade payables | 11 | 7,173.92 | 6,629.38 |
| Other current liabilities | 12 | 11,343.88 | 20,801.44 |
| Short term provisions | 13 | 3,919.69 | 5,960.44 |
| | | 32,212.70 | 36,800.44 |
| Total | | 2,52,088.32 | 2,34,874.00 |
| Assets | | | |
| Fixed assets | | | |
| Tangible | 14 | 64,617.44 | 66,446.27 |
| Intangible | 15 | 755.88 | 864.51 |
| Capital work in progress | | 26,039.28 | 23,708.51 |
| Non-current investments | 16 | 29,589.54 | 14,327.27 |
| Long term loans and advances | 17 | 4,170.44 | 7,199.74 |
| Other non-current assets | 18 | 177.89 | 69.96 |
| | | 1,25,350.47 | 1,12,616.26 |
| current assets | | | |
| Inventories | 19 | 29,153.56 | 29,487.68 |
| Trade receivables | 20 | 11,659.55 | 20,417.03 |
| Cash and cash equivalents | 21 | 48,519.84 | 47,903.15 |
| Short term loans and advances | 22 | 34,118.33 | 22,831.11 |
| Other current assets | 23 | 3,286.57 | 1,618.77 |
| | | 1,26,737.85 | 1,22,257.74 |
| total | | 2,52,088.32 | 2,34,874.00 |
| Notes forming part of financial statements | Jan-44 | | |

Interpretation:

From above balance sheet reserves and surplus has increased from 228722.49 to 209823.46. Non-current liabilities have increased from 8408.63 to 9131.78 Current liabilities have decreased from 32089.78 to 26438.24. Total liabilities have increased from 252108.88to 2660799.52. Non-current

assets have increased from 141120.72 to 159556.67 Current assets has decreased from 110988.16 to 106522.85. The total assets have increased from 252108.88 to 266079.52.

TABLE 12. Balance sheet for the Year Ended 31st March 2020

| Particulars | Notes | 31st march, 2020 | 31st march, 2019 |
|--|--------|---------------------|---------------------|
| Equity and liabilities | | | |
| shareholders' funds | | | |
| Share capital | 4 | 1,787.01 | 1,787.01 |
| Surplus and reserves | 5 | 2,28,722.49 | 2,09,823.46 |
| | | 2,30,509.50 | 2,11,610.47 |
| Non-current liabilities | | | |
| Long term borrowings | 6 | 4,527.57 | 3,882.01 |
| Deferred tax liabilities (net) | 7 | 3,393.74 | 3,471.28 |
| Other long term liabilities | 8 | 242.47 | 200.61 |
| Other term provision | 9 | 968 | 854.73 |
| | | 9,131.78 | 8,408.63 |
| current liabilities | | | |
| Short term borrowings | 10 | 8,169.65 | 9,775.21 |
| Trade payable | 11 | 7,291.33 | 7,972.67 |
| Other current liabilities | 12 | 5,321.76 | 9,682.33 |
| Short term provisions | 13 | 5,655.50 | 4,659.57 |
| | | 26,438.24 | 32,089.78 |
| total | | 26,60,799.52 | 2,52,108.88 |
| assets | | | |
| non-current assets | | | |
| fixed assets | | | |
| Tangible assets | 14 | 63,954.00 | 64,617.44 |
| Intangible assets | 15 | 643.05 | 755.88 |
| Capital work in progress | 16 | 26,055.77 | 26,039.28 |
| Non-current investments | 17 | 47,432.27 | 29,589.54 |
| Long term loans and advance | 18 | 4,937.17 | 4,468.36 |
| Other non-current assets | 19 | 16,534.41 | 15,650.22 |
| | | 1,59,556.67 | 1,41,120.72 |
| current assets | | | |
| Inventories | 20 | 29,264.06 | 29,153.55 |
| Trade receivables | 21 | 16,596.66 | 11,659 |
| Cash and cash equivalents | 22 | 46,370.77 | 48,697.73 |
| Short term loans and advances | 23 | 12,052.24 | 18,371.70 |
| Other current assets | 24 | 2,239.12 | 3,105.62 |
| | | 1,06,522.85 | 1,10,988.16 |
| total | | 2,66,079.52 | 2,52,108.88 |
| Notes Forming part of financial statements | Jan-47 | | |

Interpretation:

From above balance sheet reserves and surplus has increased from 228722.49 to 209823.46. Non-current liabilities have increased from 8408.63 to 9131.78 Current liabilities have decreased from 32089.78 to 26438.24. Total liabilities have increased from 252108.88to 266079.52. Non-current assets have increased from 141120.72 to 159556.67 Current assets has decreased from110988.16 to 106522.85. The total assets have increased from 252108.88 to 266079.52.

TABLE 13. Balance sheet for the year ended 31st march 2021

| Particulars | Notes | 31st march, 2021 | 31st march, 2020 |
|--------------------------------------|--------|---------------------|---------------------|
| equity and liabilities | | | |
| shareholders fund | | | |
| Share capital | 4 | 1,787.01 | 1,787.01 |
| Reserves and surplus | 5 | 2,43,100.21 | 2,28,722.49 |
| | | 2,44,887.22 | 2,30,509.50 |
| Non- current liabilities | | | |
| Long term borrowings | 6 | 5,429.33 | 4,527.57 |
| Deferred tax liabilities(net) | 7 | 2,641.92 | |
| Other long term liabilities | 8 | 221,.06 | 242.47 |
| Long term provisions | 9 | 1,029.79 | 968 |
| | | 9,322.10 | 9,131.78 |
| current liabilities | | | |
| Short term borrowings | 10 | 4,185.27 | 8,169.65 |
| | | | |
| Trade payables | 11 | 7,478.80 | 7,285.53 |
| Other current liabilities | 12 | 9,887.02 | 5,327.56 |
| Short term provisions | 13 | 5,701.76 | 5,655.50 |
| | | 27,252.85 | 26,438.24 |
| total | | 2,81,462.17 | 2,66,079.52 |
| assets | | | |
| non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 14 | 84,583.80 | 63,954.00 |
| Intangible assets | 15 | 531.36 | 643.05 |
| Capital work in progress | 16 | 633.4 | 26,055.77 |
| Non-current investments | 17 | 95,409.36 | 47,432.27 |
| Long term loans and advance | 18 | 4,852.46 | 4,941.57 |
| Other non-current asset | 19 | 17,764.12 | 16,534.41 |
| | | 2,03,774.50 | 1,59,561.07 |
| current assets | | | |
| Inventories | 20 | 32,170.94 | 29,264.06 |
| Trade receivables | 21 | 15,969.90 | 16,596.66 |
| Cash and cash equivalents | 22 | 11,710.66 | 46,370.77 |
| Short term loans and advances | 23 | 16,262.72 | 12,047.84 |
| Other current assets | 24 | 1,573.45 | 2,239.12 |
| | | 77,687.67 | 1,06,518.45 |
| total | | 2,81,462.17 | 2,66,079.52 |
| Notes forming of financial statement | Jan-47 | | |

Interpretation:

From above balance sheet reserves and surplus has increased from 228722.49 to 243100.21. Non-current liabilities have increased from 9131.78 to 9322.10 Current liabilities have increased from 26438.24 to 27252.85. Total liabilities have increased from 266079.52 to 281462.17. Non-current assets have increased from 159561.07 to 203774.50. Current assets has decreased from 106518.45 to 77687.67. The total assets have increased from 281462.17 to 266079.52.

TABLE 14. Balance sheet for the year ended 31st march 2022

| Particulars | Notes | 31st March, 2022 | 31st march, 2021 |
|---------------------------------|-------|------------------|------------------|
| Equity and liabilities | | | |
| Shareholders funds | | | |
| Share capital | 4 | 1,787.01 | 1,787.01 |
| Reserves and surplus | 5 | 2,51,678.24 | 2,43,100.21 |
| | | 2,53,465.25 | 2,44,887.22 |
| Non-current liabilities | | | |
| Long term borrowings | 6 | 2,848.83 | 5,429.32 |
| Deferred tax liabilities (net) | 7 | 2,925.41 | 2,641.92 |
| Other long term liabilities | 8 | 42.55 | 221.06 |
| Long term provisions | 9 | 1,788.70 | 1,029.79 |
| | | 7,605.49 | 9,322.09 |
| Current liabilities | | | |
| Short term borrowings | 10 | 6,316.65 | 4,185.27 |
| Trade payables | 11 | 7,554.92 | 7,478.81 |
| Other current liabilities | 12 | 12,803.36 | 9,887.02 |
| Short term provisions | 13 | 5,073.93 | 5,701.76 |
| | | 31,748.86 | 27,252.86 |
| total | | 2,92,819.60 | 2,81,462.17 |
| assets | | | |
| non-current assets | | | |
| fixed assets | | | |
| Tangible assets | 14 | 82,176.17 | 84,581.26 |
| Intangible assets | 15 | 442.07 | 533.9 |
| Capital work in progress | 16 | 675.56 | 633.4 |
| Non-current investment | 17 | 1,05,781.33 | 95,409.36 |
| Long term loans and advances | 18 | 4,999.12 | 4,852.46 |
| Other non-current assets | 19 | 20,536.15 | 17,764.12 |
| | | 2,14,610.40 | 2,03,774.50 |
| Current assets | | | |
| Inventories | 20 | 34,383.76 | 32,170.94 |
| Trade receivables | 21 | 22,013.27 | 15,969.90 |
| Cash and cash equivalent | 22 | 3,711.65 | 11,710.66 |
| Short term loans and advances | 23 | 16,930.83 | 16,262.72 |
| Other current assets | 24 | 1,169.69 | 1,573.45 |
| | | 78,209.20 | 77,687.67 |
| Total | | 2,92,819.60 | 2,81,462.17 |
| Notes forming part of financial | Jan- | | |

| | | | |
|------------|----|--|--|
| statements | 48 | | |
|------------|----|--|--|

Interpretation:

From above balance sheet reserves and surplus has increased from 244887.22 to 253465.25. Non-current liabilities have decreased from 9322.09 to 7605.49. Current liabilities have increased from 27252.86 to 31748.86. Total liabilities have increased from 281462.17 to 292819.60. Non-current assets have increased from 203774.50 to 214610.40. Current assets have increased from 77687.67 to 78209.20. The total assets have increased from 281462.17 to 292819.60.

TABLE 15. Balance sheet for the year ended 31st March 2023

| Particulars | Notes | 31st March, 2023 | 31st March, 2022 |
|--------------------------------|-------|------------------|------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 4 | 1,787.01 | 1,787.01 |
| Reserves and surplus | 5 | 2,59,755.80 | 2,51,678.24 |
| | | 2,61,542.81 | 2,53,465.25 |
| Non-current liabilities | | | |
| Long term borrowings | 6 | 24,398.54 | 2,848.83 |
| Deferred tax liabilities (net) | 7 | 2,740.06 | 2,925.41 |
| Other long term liabilities | 8 | 36.07 | 42.55 |
| Long term provisions | 9 | 1,877.48 | 1,788.70 |
| | | | |
| Total | | 29,052.15 | 7,605.49 |
| Current liabilities | | | |
| Short term borrowings | 10 | 11,481.14 | 6,316.65 |
| Trade payables | 11 | 9,875.57 | 7,554.92 |
| Other current liabilities | 12 | 10,931.85 | 12,803.36 |
| Short term provisions | 13 | 3,044.36 | 5,073.93 |
| | | | |
| Total | | 35,332.92 | 31,748.86 |
| Total | | 3,25,927.88 | 2,92,819.60 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed assets | | | |
| Tangible assets | 14 | 83,456.45 | 82,176.17 |
| In tangible assets | 15 | 417.3 | 442.07 |
| Capital work in progress | 16 | 474.69 | 675.56 |
| Non-current investments | 17 | 1,08,398.26 | 1,05,781.33 |
| Long term loans and advances | 18 | 34,172.30 | 4,999.12 |
| Other non-current assets | 19 | 22,817.47 | 20,536.15 |
| | | 2,49,736.47 | 2,14,610.40 |
| Current Assets | | | |
| Inventories | 20 | 22,786.43 | 34,383.76 |
| Trade receivable | 21 | 15,770.90 | 22,013.27 |
| Cash and cash equivalents | 22 | 2,107.02 | 3,711.65 |

| | | | |
|--|--------|-------------|-------------|
| Short term loans and advances | 23 | 34,320.29 | 16,930.83 |
| Other current assets | 24 | 1,206.77 | 1,169.69 |
| | | 76,191.41 | 78,209.20 |
| | | | |
| | | | |
| Total | | 3,25,927.88 | 2,92,819.60 |
| Notes forming part of financial statements | Jan-47 | | |

Interpretation:

From above balance sheet reserves and surplus has increased from 253465.25 to 261542.81. Non-current liabilities have decreased from 705.49 to 29052.15. Current liabilities have increased from 31748.86 to 35332.92. The Total liabilities have increased from 292819.60 to 325927.88. The non-current assets have increased from 214610.40 to 249736.47. Current assets have increased from 292819.60 to 325927.88. The total assets have increased from 292819.60 to 325927.88.

Findings

- The profit before interest and tax margin ratios of the Aditya Birla Group during the study period is low. So, the company gets less amount of profit on its sales.
- The Return on capital employed of the Aditya Birla Group during the study period is low. So the company doesn't use its capital employed effectively.
- The Fixed assets turnover ratios of the Aditya Birla Group Ltd during the study period are low. So, the company doesn't use its fixed assets effectively.
- The Debtors turnover ratios of the Aditya Birla Group during the study period are low. So the company doesn't manage debtors effectively.
- The Inventory turnover ratios of the Aditya Birla Group during the study period are promptly. So, the company sold its inventory quickly.
- The Working capital turnover ratios of the Aditya Birla Group during the study period are low. The company doesn't use working capital effectively.

Suggestions

- The company should go for the improvement in the technology to improve efficiency and to decrease the cost of production per unit.
- A company needs to maintain control of its resources, because assets generate fewer sales.
- A company needs to increase the profit rate on its sales.
- Company needS to be reducing the idleness of fixed assets.
- Linking up alternate part numbers and elimination of duplicate code numbers so that effective utilization items could be done, and unnecessary purchases could be avoided.
- Orders are being placed annually for the total requirements for one year period. Instead of these orders may be placed periodically especially for a class item periodically.

4. CONCLUSION

Based on data collection, the subsequent analysis and results thereof, it is concluded that Aditya Birla Group sales are continuously shows up and downs during the study period and Net profits showing growth and returns on capital employed showing growth during the study period. The company ability to manage the assets for generation of sales has improving during the study period. The correlation between PBITM and other variables are positive. The correlation between ROCE and other variables are positive. It can be concluded that it needs to increase the profit on sales and maintain control on effective utilization of its resources. On the whole it can be concluded that the financial performance of Aditya Birla Groups good.

REFERENCES

[1]. [1] J. A. Gentry, P. Newbold, and D.T. Whitford. Profiles of cash flow components. Financial Analysts Journal. 41-48, 1990.

[2]. [2] V. Dickinson. Cash flow patterns as a proxy for firm life cycle. Fisher School of Accounting – Warrington College of Business University of Florida, 2007

[3]. [3] M. Gort and S. Klepper. Time paths in the diffusion of product innovation. Economic Journal. Vol. 92, 630-653, 1982.

- [4]. [4] R. M. Bowen, D. Burgstahler, and L. A., Daley, The incremental information content of accrual versus cash flows, *Accounting Review*, 723-747, 1987.
- [5]. [5] V. L. Bernard and T. L. Stober. The Nature and Amount of Information in Cash Flows and Accruals. *The Accounting Review* Vol. 14, 624-652, 198
- [6]. MANAGEMENT ACCOUNTING: KALYANI PUBLISHERS 8TH EDITION & R.K. SHARMA & SHASHI K. GUPTA.
- [7]. COST ACCOUNTING: KALYANI PUBLISHERS 8TH EDITION & S.P. JAIN & K.L. NARANG.
- [8]. FINANCIAL MANAGEMENT PRINCIPLES AND PRACTICE: S.M. MAHESWARI
- [9]. FINANCIAL MANAGEMENT: GLAGOTIA PUBLICATION & R.P. RUSTHAGI
- [10]. FINANCIAL MANAGEMENT- PRASANNA CHANDRA