**5th ASSIGNMENT**

Prepare Income Statement and Analyst point of view of Income statement.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| PROFIT & LOSS STATEMENT | | | | | |
| Particulars | **2019** | **2020** | **2021** | **2022** | **2023** |
| Income |  |  |  |  |  |
| Revenue from operation | 110,905.03 | 77,715.26 | 77,808.42 | 19,842.20 | 126,246.34 |
| Other income | 145.06 | 1,281.90 | 541.46 | 3,696.35 | 1,184.03 |
| TOTAL INCOME | **111,050.09** | **78,997.16** | **78,349.88** | **1,13,538.55** | **127,430.37** |
| Expenses |  |  |  |  |  |
| Cost of material consumed | 93,617.40 | 52,498.87 | 60,530.30 | 94,763.13 | 114,809.75 |
| Changes in inventories of finished goods | 2,557.05 | 8,593.44 | (1,575.64) | (7,281.01) | (10,391.55) |
| Employee benefit expenses | 363.81 | 381.60 | 533.77 | 632.12 | 688.55 |
| Finance costs | 1,598.69 | 1,449.09 | 1,164.20 | 1,273.48 | 1,915.62 |
| Depreciation and amortisation expense | 215.85 | 291.64 | 281.21 | 302.45 | 367.80 |
| Other expenses | 10,904.04 | 11,477.86 | 12,500.67 | 13,232.61 | 12,579.79 |
| TOTAL EXPENSES | **109,256.84** | **74,692.50** | **73,434.51** | **1,02,922.78** | **119,969.96** |
| PROFIT BEFORE TAX | **1,793.25** | **4,304.66** | **4,915.37** | **10,615.77** | **7,460.41** |
| Tax expense: |  |  |  |  |  |
| -Current tax | 893.23 | 1,197.61 | 1,249.53 | 2,730.65 | 2,109.80 |
| -Earlier year | - | (6.59) | (0.56) | 7.91 | - |
| -Deferred tax charge/(credit) | (7.37) | (56.34) | 3.67 | (6.41) | (5.82) |
| TOTAL TAX EXPENSE | **885.86** | **1,134.68** | **1,252.64** | **2,732.15** | **2,103.98** |
| PROFIT FOR THE YEAR | **907.38** | **3,169.98** | **3,662.73** | **7,883.62** | **5,356.43** |

**\*\*Analysis:\*\***

**1. \*\*Revenue from Operation:\*\***

**- Revenue from operation represents the income generated from the core business activities of the company, such as sales of goods or services.**

**- In 2019, revenue from operations was the highest at INR 110,905.03 million but saw a decline in the subsequent years until a significant increase in 2023 to INR 126,246.34 million.**

**- This fluctuation might indicate changes in market demand, pricing strategies, or other external factors impacting sales performance.**

**2. \*\*Other Income:\*\***

**- Other income includes earnings from sources outside the company's primary operations, such as interest income, rental income, or gains from asset sales.**

**- The amount of other income varies over the years, with notable peaks in 2020 and 2022.**

**- Fluctuations in other income could result from changes in investment activities or one-time gains/losses.**

**3. \*\*Total Income:\*\***

**- Total income is the sum of revenue from operations and other income.**

**- It demonstrates the overall income generated by the company.**

**- Despite fluctuations in revenue from operations and other income, the total income generally follows a positive trend, except for a significant increase in 2023, indicating the company's ability to maintain or increase its overall income.**

**4. \*\*Expenses:\*\***

**- Expenses represent the costs incurred by the company in conducting its business operations.**

**- They include various categories such as the cost of material consumed, employee benefits, finance costs, depreciation, and other operating expenses.**

**- The expenses fluctuate over the years, influenced by factors such as production volume, input prices, and operational efficiency.**

**5. \*\*Total Expenses:\*\***

**- Total expenses represent the sum of all expenses incurred by the company.**

**- It indicates the total cost of running the business.**

**- The trend in total expenses generally mirrors that of revenue, with fluctuations reflecting changes in the company's operational activities and external factors impacting costs.**

**6. \*\*Profit Before Tax:\*\***

**- Profit before tax is the company's income before accounting for taxes.**

**- It reflects the operational profitability of the company.**

**- The profit before tax shows an increasing trend over the years, indicating improved operational performance and efficiency.**

**7. \*\*Profit for the Year:\*\***

**- Profit for the year represents the company's net income after accounting for taxes.**

**- It reflects the bottom-line profitability of the company.**

**- While there are fluctuations in profit for the year, the overall trend shows an increasing pattern, suggesting the company's ability to generate sustainable profits over time despite variations in revenue and expenses.**

**5TH WEEK ACTIVITY**

Select the company based on criteria like

Debt Equity Ratio

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| PARTICULAR | 2019 | 2020 | 2021 | 2022 | 2023 |
| DEBT TO EQUITY | 5.72 | 2.33 | 1.34 | 1.62 | 1.59 |