***READING FINANCIAL POSITION***

NAME: KOLLI SAI CHARAN REDDY

REGISTRATION NUMBER: 22BCB7109

SLOT: B2+TB2

**COMPANY NAME: UNION BANK OF INDIA**



**SUBMITTED TO: DR. S. S. SHANTHAKUMARI**



|  |  |
| --- | --- |
| 01. | ABOUT THE COMPANY |
| 02. | SWOT ANALYSIS OF THE COMPANY |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

**ABOUT THE COMPANY:**

Union Bank of India is one of the leading public sector banks of the country. The Bank is a listed entity and the Government of India holds 83.50 percent in Bank’s total share capital. The Bank, having its headquarters at Mumbai (India), was registered on November 11, 1919 as a limited company.

Recently, Andhra Bank and Corporation Bank were amalgamated into Union Bank of India with effect from 01.04.2020. Today, it has a network of 8850+ domestic branches, 11200+ ATMs, 8216 BC Points serving over 120 million customers with 75000+ employees .

The Bank’s total business as of 30th June 2022 stood at Rs.17,21,409 crore, comprising Rs. 9,92,774 crore of deposits and Rs. 7,28,635 crore of advances as of 30th June 2022. The Bank also has 3 branches overseas at Hong Kong, Dubai International Financial Centre (UAE) & Sydney (Australia); 1 representative office in Abu Dhabi (UAE); 1 banking subsidiary at London (UK); 1 banking joint venture in Malaysia; 4 para-banking subsidiaries (domestic); 3 joint ventures(including 2 in life insurance business) and 1 associate - Chaitanya Godavari Gramin Bank.

Union Bank of India is the first large public sector bank in the country to have implemented 100% core banking solution. The Bank has received several awards and recognition for its prowess in technology, digital banking, financial inclusion, MSME and development of human resources.

**SWOT ANALYSIS OF THE COMPANY:**

A SWOT analysis for Union Bank of India can help assess its strengths, weaknesses, opportunities, and threats in the banking industry.

**Strengths:**

1. **Established Presence:** Union Bank of India has a long history and a well-established presence in the Indian banking sector, which provides it with a strong foundation.
2. **Diverse Product Portfolio:** The bank offers a wide range of financial products and services, including retail banking, corporate banking, and treasury operations, catering to a broad customer base.
3. **Technological Advancements:** Union Bank of India has invested in technology to enhance its digital banking capabilities, making it more accessible and convenient for customers.
4. **Extensive Branch Network:** The bank has a large network of branches and ATMs across India, contributing to its accessibility and customer reach.
5. **Skilled Workforce:** The bank employs a skilled and experienced workforce, which is crucial for providing high-quality financial services.

**Weaknesses:**

1. **Asset Quality Concerns:** Like many Indian banks, Union Bank of India has faced challenges related to non-performing assets (NPAs) and bad loans, which can impact its profitability and stability.
2. **Competition:** The banking industry in India is highly competitive, with many private and public sector banks vying for market share. This competition can put pressure on Union Bank's profitability.
3. **Regulatory Compliance:** Stringent regulatory requirements in the banking sector can increase compliance costs and administrative burdens for the bank.
4. **Legacy Systems:** Legacy IT systems can hinder the bank's ability to innovate and adapt to changing customer preferences quickly.

**Opportunities:**

1. **Digital Banking Growth:** The ongoing digitalization trend in banking offers opportunities to expand digital banking services and attract tech-savvy customers.
2. **Financial Inclusion:** India's drive for financial inclusion presents opportunities for banks like Union Bank to tap into underserved markets and increase their customer base.
3. **Mergers and Acquisitions:** The merger with Andhra Bank and Corporation Bank in 2020 has the potential to create synergies and expand the bank's market presence.
4. **Retail Lending:** Growth in retail lending, including housing and personal loans, can be a profitable avenue for the bank.

**Threats:**

1. **Economic Downturn:** Economic uncertainties and downturns can increase the risk of loan defaults and negatively impact the bank's financial stability.
2. **Rising Non-Performing Assets:** Continued challenges with NPAs could erode the bank's profitability and financial health.
3. **Interest Rate Volatility:** Fluctuations in interest rates can affect the bank's net interest margin and profitability.
4. **Cybersecurity Risks:** As the bank relies more on digital services, it faces an increased threat of cyberattacks, which can lead to data breaches and financial losses.
5. **Competition from Fintech:** Fintech companies and payment banks pose a competitive threat, especially in the digital payment and retail banking segments.

**THE FOUR DECISIONS:**

1. INVESTMENT DECISIONS:

* *Definition:* Investment decisions, also known as capital budgeting decisions, involve selecting the right investment projects that maximize the value of the firm.
* *Key Considerations:* Decision-makers evaluate potential projects based on factors such as expected cash flows, risk, time horizon, and the cost of capital.
* *Methods:* Investment appraisal techniques like Net Present Value (NPV), Internal Rate of Return (IRR), Payback Period, and Profitability Index are commonly used to assess investment opportunities.
* *Objective:* The primary goal of investment decisions is to allocate resources to projects that will yield the highest returns and enhance the overall value of the firm.

1. FINANCING DECISION:

* *Definition:* Financing decisions revolve around determining how to obtain funds necessary to support investment projects and ongoing operations.
* *Key Considerations:* Factors such as cost of capital, capital structure, leverage, and the availability of various financing sources (e.g., equity, debt) are critical in making financing decisions.
* *Methods:* The choice between debt and equity financing, as well as the optimal capital structure, is central to financing decisions. Debt ratios, interest rates, and equity issuance strategies are also considered.
* *Objective:* The primary objective of financing decisions is to raise capital in a manner that minimizes the firm's overall cost of capital and maximizes shareholder wealth.

1. DIVIDEND DECISION:

* *Definition:* Dividend decisions involve determining the portion of earnings that will be distributed to shareholders in the form of dividends and the portion that will be retained for reinvestment.
* *Key Considerations:* Factors such as profitability, growth prospects, dividend stability, and shareholder preferences are considered when making dividend decisions.
* *Methods:* Dividend policies can be categorized as residual, stable, or hybrid, depending on the approach the firm takes to distribute profits to shareholders.
* *Objective:* The primary objective of dividend decisions is to strike a balance between rewarding shareholders with dividends and retaining earnings for reinvestment to support future growth.

1. LIQUIDITY DECISION:

* *Definition:* Liquidity decisions pertain to managing a company's short-term assets and liabilities to ensure it has sufficient cash or easily convertible assets to meet its short-term obligations.
* *Key Considerations:* Balancing liquidity and profitability is essential. Holding excess liquidity may reduce potential returns, while inadequate liquidity can lead to financial distress.
* *Methods:* Liquidity decisions involve managing current assets (e.g., cash, accounts receivable, inventory) and current liabilities (e.g., accounts payable, short-term debt) to maintain an optimal liquidity position.
* *Objective:* The primary objective of liquidity decisions is to ensure the firm has the financial flexibility to meet its short-term obligations and unexpected cash needs while optimizing the utilization of resources.

***ANALYSIS OF THE FOUR DECISIONS:***

**AS PER THE STANDALONE BALANCE SHEET**

1. INVESTMENT DECISIONS:

FIXED ASSETS:

(₹ in 000’)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1. TANGIBLE ASSETS | As on 31 March, 2023 | As on 31 March, 2023(Total) | As on 31 March, 2022 | As on 31 March, 2022(Total) |
| 1. PREMISES |  |  |  |  |
| At cost/valuation as per last balance sheet | 8,08,71,144 |  | 8,15,36,732 |  |
| Additions during the year | 2,16,56,329 |  | 6,10,204 |  |
| Deduction during the year | 67,16,482 |  | 12,75,792 |  |
|  | 9,58,10,991 |  | 8,08,71,144 |  |
| Less: Depreciation till date | 2,75,63,468 | **6,82,47,523** | 2,63,31,743 | **5,45,39,401** |
| 1. CAPITAL WORK-IN-PROGRESS |  |  |  |  |
| At cost as per last balance sheet | 3,60,997 |  | 6,22,879 |  |
| Additions during the year | 1,08,106 |  | 1,26,601 |  |
| Deductions during the year | 2,63,665 | **2,05,438** | 3,88,483 | **3,60,997** |
| 1. LAND |  |  |  |  |
| At cost as per last balance sheet | 24,98,636 |  | 12,45,683 |  |
| Additions during the year | 12,33,904 |  | 13,08,678 |  |
| Deductions during the year | 97,572 |  | 55,725 |  |
|  | 36,34,968 |  | 24,98,636 |  |
| Less: Amortisation till date | 7,02,457 | **29,32,511** | 4,52,022 | **20,46,614** |
| 1. OTHER FIXED ASSETS(INCLUDING FURNITURE AND FIXTURES) |  |  |  |  |
| 1. Assets given on lease |  |  |  |  |
| At cost as per last balance sheet | 2,65,352 |  | 2,65,352 |  |
| Less: Depreciation till date | 2,65,352 |  | 2,65,352 |  |
| 1. Others |  |  |  |  |
| At cost/valuation as per last balance sheet | 6,86,74,933 |  | 6,46,03,010 |  |
| Additions during the year | 69,39,880 |  | 48,67,443 |  |
| Deductions during the year | 12,39,295 |  | 7,95,520 |  |
|  | 7,43,75,518 |  | 6,86,74,933 |  |
| Less: Depreciation till date | 5,93,53,695 | **1,50,21,823** | 5,60,79,797 | **1,25,95,136** |
| 1. **INTANGIBLE ASSETS** |  |  |  |  |
| Computer Software | As on 31 March, 2023 | As on 31 March, 2023(Total) | As on 31 March, 2022 | As on 31 March, 2022(Total) |
| At cost as per last balance sheet | 1,20,83,338 |  | 1,12,22,581 |  |
| Additions during the year | 8,77,862 |  | 8,72,637 |  |
| Deduction during the year | 11,50,741 |  | 11,880 |  |
|  | 1,18,10,459 |  | 1,20,83,338 |  |
| Less: Depreciation till date | 99,61,683 | 18,48,776 | 97,12,448 | 23,70,890 |
| **TOTAL** |  | **8,82,56,071** |  | **7,19,13,038** |

*(NOTE: The “ABSOLUTE” and “GROWTH RATE (%)” has been included in the excel sheet)*

A. TANGIBLE ASSETS: These are physical items or property that a company owns, like buildings, machinery, or vehicles. They have a physical presence and can usually be touched or seen.

1. PREMISES: This refers to a piece of land or a building, along with its associated structures, that is used for a specific purpose, such as residential, commercial, industrial, or institutional use.

**Interpretation**:

* The premises value have been increased from (₹ IN 000’) **5,45,39,401** in 2022 to (₹ IN 000’) **6,82,47,523** in 2023. This indicates that the company's premises assets have increased in value by (₹ IN 000’) **1,37,08,122** over the past two years, representing a growth rate of 25.13%.
* This is a significant increase in value, and it could be due to a number of factors, such as increased demand for commercial space in the area, economic growth in the area, or improvements to the premises.
* The premises data shows that the company's premises assets are increasing in value at a significant rate. This could be a positive sign for the company, as it suggests that the premises are a valuable asset. However, it is important to note that property prices can fluctuate over time, and there is no guarantee that prices will continue to rise.

1. CAPITAL WORK-IN-PROGRESS: Capital Work-in-Progress (CWIP) refers to the cost of construction, development, or any other capital project that is still in progress and has not yet been completed. It represents the amount of money a company has invested in a project but has not yet transferred to a fixed asset category because the project is not finished or ready for its intended use.

**Interpretation**:

* The capital work-in-progress value has been decreased from (₹ IN 000’) **3,60,997 IN 2022** to (₹ IN 000’) **2,05,438** in 2023. This indicates that the company's capital work-in-progress assets have decreased in value by (₹ IN 000’) **1,55,559** over the past two years, representing a growth rate of -43.09%.
* This is a significant decrease in value, and it could be due to a number of factors, such as delays in construction projects, cost overruns, or changes in the scope of construction projects.
* The decrease in the value of capital work-in-progress could also be a sign that the company is reducing its investment in construction projects. This could be due to a number of factors, such as a decline in demand for the company's products or services, or a shortage of funding.

1. LAND: It is a tangible asset that represents the value of the physical ground or property owned by a company or individual.

**Interpretation**:

* The land value has been increased from (₹ IN 000’) **20,46,614** in 2022 to (₹ IN 000’) **29,32,511** IN 2023. This indicates that the land value is increased by (₹ IN 000’) **8,85,897** over the past two years, with a growth rate of 43.29% .
* This is a significant increase in value, and it could be due to a number of factors, such as increased demand for land in the area, economic growth in the area, or improvements to infrastructure in the area.
* The land data shows that the company's land assets are increasing in value at a significant rate. This could be a positive sign for the company, as it suggests that the land is a valuable asset. However, it is important to note that land prices can fluctuate over time, and there is no guarantee that prices will continue to rise.

1. OTHER FIXED ASSETS(INCLUDING FURNITURE AND FIXTURES): Other fixed assets (including furniture and fixtures) are long-term tangible assets that are not classified as land, buildings, or machinery and equipment. This category of assets can include a wide range of items, such as furniture, fixtures, office equipment, vehicles, and tools.

**Interpretation**:

1. Assets given on lease:

* The value of assets given on lease hasn’t increased from (₹ IN 000’) **0** in 2022 to (₹ IN 000’) **0.** Therefore the assets given on lease didn’t increase.

1. Others:

* The value of other fixed assets have been increased slightly from (₹ IN 000’) **1,25,95,136** in 2022 to (₹ IN 000’) **1,50,21,823** in 2023. This indicates that the company's other fixed assets have increased in value by (₹ IN 000’) **24,26,687** over the past two years, representing a growth rate of 19.27%.
* This is a modest increase in value, and it could be due to a number of factors, such as the purchase of new assets, or the appreciation in value of existing assets.
* The other fixed assets data shows that the company's other fixed assets are increasing in value at a modest rate. This could be a positive sign for the company, as it suggests that the company is investing in its business and that its assets are appreciating in value. However, it is important to note that the value of other fixed assets can fluctuate over time, and there is no guarantee that the value of these assets will continue to rise.

B. INTANGIBLE ASSETS: These are non-physical assets, such as patents, copyrights, trademarks, or goodwill. They represent the value of non-physical things like intellectual property or brand reputation. You can't touch or see them, but they have value to a company.

I. COMPUTER SOFTWARE: Computer software is an intangible asset. Intangible assets are assets that do not have a physical form, but can still be valuable to a company. Computer software can be a valuable asset to a company because it can help the company to improve its efficiency, productivity, and profitability.

**Interpretation:**

* The value of the intangible assets – computer software has been decreased from (₹ IN 000’) **23,70,890** in 2022 to (₹ IN 000’) **18,48,776** in 2023. This indicates that the the company's computer software assets has decreased by (₹ IN 000’) **5,22,114** over the past two years, representing a decrease of 22.02%.
* This is a significant decrease in value, and it could be due to a number of factors, such as the obsolescence of the software, the development of new software by competitors, or the company's decision to stop using certain software programs.
* The decrease in the value of the company's computer software assets is a negative sign. It could indicate that the company is not investing in its software assets or that the company is not able to keep up with the latest technological advancements. It is important for the company to monitor the value of its software assets and to make sure that it is investing in software that will provide a competitive advantage.

TOTAL FIXED ASSETS VALUE:

* The total value of fixed assets (i.e., Tangible + Intangible assets) has been increased from (₹ IN 000’) **7,19,13,038** in 2022 to (₹ IN 000’) **8,82,56,071** in 2023. This indicates that the company's fixed assets have increased in value by (₹ IN 000’) **1,63,43,033** over the past two years, representing a growth rate of 22.73%.
* This could be due to a number of factors, including:
  + Increased investment in new assets: The company may have invested in new assets, such as land, buildings, machinery, and equipment. This could be a sign that the company is growing and expanding its business.
  + Appreciation in the value of existing assets: The value of the company's existing assets may have appreciated over time. This could be due to a number of factors, such as inflation, increased demand for the company's products or services, or changes in zoning laws.
  + Changes in accounting policies: The company may have changed its accounting policies to increase the value of its fixed assets. For example, the company may have adopted a new depreciation method or changed the way it values its land.
* It is important to note that the increase in the value of fixed assets is not necessarily a good thing. If the company is not generating sufficient revenue to cover the costs of its fixed assets, then the increase in the value of fixed assets could be a sign that the company is over-invested in assets.

1. FINANCING DECISION:

(₹ in 000’)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DEBT** | As on 31 March, 2023 | As on 31 March, 2023(Total) | As on 31 March, 2022 | As on 31 March, 2022(Total) |
| 1. Borrowings in India |  |  |  |  |
| 1. Reserve Bank Of India | 13,38,20,000 |  | 14,20,90,000 |  |
| 1. Other Banks | - |  | 1,99,29,833 |  |
| 1. Other Institutions and Agencies | 2,30,94,294 |  | 2,98,96,073 |  |
| 1. Perpetual Bonds- Tier I | 9,68,80,000 |  | 8,70,50,000 |  |
| 1. Subordinated Bonds- Tier 2 | 9,95,00,000 | 35,32,94,294 | 10,05,00,000 | 37,94,65,906 |
| 1. Borrowings Outside India |  | 7,80,80,392 |  | 13,23,25,069 |
| **TOTAL** |  | **43,13,74,686** |  | **51,17,90,975** |
| Secured Borrowings included in I & II above |  | **13,90,42,858** |  | **14,70,29,470** |

(₹ in 000’)

|  |  |  |
| --- | --- | --- |
| **EQUITY**  **-CAPITAL** | As on 31 March, 2023 | As on 31 March, 2022 |
| 1. Authorised : |  |  |
| 10,00,00,00,000 Equity Shares of ₹10 each  (Previous Year 10,00,00,00,000 Equity Shares of `10 each) | 10,00,00,000 | 10,00,00,000 |
| 1. Issued, Subscribed, called up & Paid up : |  |  |
| 1. 570,66,60,850 Equity Shares of ₹10 each, held by Central Government   (Previous Year 570,66,60,850 Equity Shares) | 5,70,66,609 | 5,70,66,609 |
| 1. 112,80,86,616 Equity Shares of ₹10 each, held by Public   (Previous Year 112,80,86,616 Equity Shares) | 1,12,80,866 | 1,12,80,866 |
| Less: Calls unpaid | - | - |
| Add: Forfeited shares | - | - |
| **TOTAL** | **6,83,47,475** | **6,83,47,475** |
| **EQUITY**  **-RESERVES & SURPLUS** |  |  |
| **TOTAL** | **71,49,94,658** | **63,74,13,875** |
| **TOTAL EQUITY (CAPITAL + RESERVES & SURPLUS)** | **78,33,42,133** | **70,57,61,350** |

*(NOTE: The debt-equity ratio is included in the EXCEL SHEET)*

DEBT: Debt is money that a company owes to a lender, such as a bank or bondholder. Debt is typically repaid over time, with interest. Debt financing is a way for companies to raise capital without giving up ownership of the company.

**Interpretation:**

* The debt has been decreased from **(₹ in 000’)** **51,17,90,975** in 2022 to **(₹ in 000’) 43,13,74,686** in 2023. This is a positive sign for the company because due to the decrease in the debt of the company the company’s responsibility of paying the debts will reduce a bit.

EQUITY: Equity is the ownership interest of shareholders in a company. Equity is calculated by subtracting total liabilities from total assets. Equity financing is a way for companies to raise capital by selling shares of the company to investors.

**Interpretation:**

* The equity has been increased from **(₹ in 000’) 70,57,61,350** in 2022 to **(₹ in 000’) 78,33,42,133** in 2023. This is a benefit for the shareholders as well as the company because the shareholders wealth maximization occurs and also the company value increases in the market.
* This is a positive sign, as it indicates that the company is profitable and that its shareholders' equity is growing.

DEBT-EQUITY RATIO: The debt-equity ratio is defined as the total debt / total equity.

**Interpretation:**

* The debt-equity ratio is decreased from 0.72 in 2022 to 0.55 in 2023.
* A decrease in the debt-equity ratio means that the company is financing its operations with a smaller proportion of debt and a larger proportion of equity. This can be a positive sign, as it indicates that the company is becoming less leveraged and more financially stable.
* There are a number of possible reasons for a decrease in the debt-equity ratio:
  + The company has paid down debt.
  + The company has raised equity capital from investors.
  + The company's assets have increased in value.
* The debt-equity ratio has decreased because we have seen that there has been a decrease in the debt from 2022 to 2023.

(₹ in 000’)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | As on 31 March, 2023 | As on 31 March, 2023(Total) | As on 31 March, 2022 | As on 31 March, 2022(Total) |
| **DEBENTURES AND BONDS** |  | **63,15,34,188** |  | **69,38,31,055** |

DEBENTURES AND BONDS:

* Debentures and bonds are both debt instruments that companies issue to raise capital. However, there are some key differences between the two.
* Debentures are unsecured debt instruments, meaning that they are not backed by any collateral. This makes them riskier for investors than bonds, but it also means that companies can typically issue debentures at a lower interest rate.
* Bonds are secured debt instruments, meaning that they are backed by collateral, such as assets of the company. This makes bonds less risky for investors than debentures, but it also means that companies typically have to pay a higher interest rate on bonds.

**Interpretation:**

* The data shows that the company's debentures and bonds increased from (₹ in 000’) 63,15,34,188 in FY 2021-22 to (₹ in 000’) 69,38,31,055 in FY 2022-23, an increase of (₹ in 000’) 6,22,96,867.
* This suggests that the company has raised more debt capital in the past year. (Note that debt capital typically refers to debentures and bonds.)

1. DIVIDEND DECISION:

(₹ in lakhs)

|  |  |  |
| --- | --- | --- |
| **DIVIDEND** | As on 31 March, 2023 | As on 31 March, 2022 |
| DIVIDEND PAID DURING THE YEAR | **(1,29,861)** | **-** |

DIVIDEND: A dividend is a distribution of a portion of a company's earnings to its shareholders.

* Dividend Declaration(FY 2022-23): The board of directors have recommended a dividend of ₹3.00 per equity share for the year ended March 31, 2023.
* This means that if the dividend is approved by the shareholders, each shareholder will receive a dividend of ₹3.00 per share that they own.
* The dividend declaration is a positive sign for investors, as it indicates that the company is profitable and that the board of directors is confident in the company's future. Dividends can also be a source of income for investors, and they can help to grow their investment over time.
* However, it is important to note that the dividend declaration is just a recommendation from the board of directors. The dividend must still be approved by the shareholders at the annual general meeting. It is also important to note that the company is not obligated to pay a dividend, even if it is approved by the shareholders.
* Overall, the dividend declaration is a positive development for investors, but it is important to understand the implications before making any investment decisions.
* Dividend Declaration(FY 2021-22): Board of Directors have recommended a dividend of ₹1.90 per equity share (19%) for the year ended March 31, 2022 subject to requisite approvals.
* This means that if the dividend is approved by the shareholders, each shareholder will receive a dividend of ₹1.90 per share that they own.
* The dividend declaration is a positive sign for investors, as it indicates that the company is profitable and that the board of directors is confident in the company's future. Dividends can also be a source of income for investors, and they can help to grow their investment over time.
* However, it is important to note that the dividend declaration is just a recommendation from the board of directors. The dividend must still be approved by the shareholders at the annual general meeting. It is also important to note that the company is not obligated to pay a dividend, even if it is approved by the shareholders.
* *COMPARISON OF DIVIDEND DECLARATION OF TWO FINANCIAL YEARS:*
  + *The board of directors has recommended a dividend of ₹3.00 per equity share for the year ended March 31, 2023, which is an increase of 58% from the dividend of ₹1.90 per equity share that was paid for the year ended March 31, 2022.*
  + *This increase in dividend is a positive sign for investors, as it indicates that the company is profitable and that the board of directors is confident in the company's future. It also suggests that the company is generating excess cash that it can return to shareholders.*
* The data shows that the company paid a dividend of (₹ in lakhs)129,861 in FY 2022-23. This is a positive sign, as it indicates that the company is profitable and that the board of directors is confident in the company's future.

1. LIQUIDITY DECISION:

(₹ in 000’)

|  |  |  |
| --- | --- | --- |
| **CURRENT ASSETS** | As on 31 March, 2023 | As on 31 March, 2022 |
| Interest Accrued | 9,08,48,858 | 7,68,96,049 |
| Tax Paid/ Tax deducted at source (Net of provision) | 6,73,41,164 | 5,39,12,604 |
| Stationery and stamps | 62,780 | 63,349 |
| Non-Banking assets acquired in satisfaction of claims | 1,334 | 1,334 |
| MAT Credit Entitlement | 4,51,07,869 | 2,96,77,369 |
| **TOTAL** | **20,33,62,005** | **16,05,50,705** |

(₹ in 000’)

|  |  |  |
| --- | --- | --- |
| **CURRENT LIABILITIES** | As on 31 March, 2023 | As on 31 March, 2022 |
| Bills Payable | 2,64,97,502 | 2,68,90,202 |
| Interest Accrued | 5,97,92,681 | 4,52,33,997 |
| **TOTAL** | **8,62,90,183** | **7,21,24,199** |

CURRENT ASSETS: Current assets are assets that a company expects to convert to cash or use up within one year or within its normal operating cycle, whichever is longer.

1. INTEREST ACCRUED: It is the interest that has been earned but not yet received. It is recorded as an asset on the balance sheet.

* The interest accrued has been increased from (₹ IN 000’) 7,68,96,049 in 2022 to (₹ IN 000’) 9,08,48,858 in 2023. This indicates that there has been a significant increase in the interest accrued by (₹ IN 000’) 1,39,52,809 with a growth rate of 18.14%.
* The data shows that there is an increase in the interest that has been earned over the past two financial years. Therefore it is a positive sign for the company.

1. TAX PAID/TAX DEDUCTED AT SOURCE (NET OF PROVISION): It is the amount of tax that the company has paid or has been deducted from its payments to others. It is recorded as an asset on the balance sheet. TDS is considered a current asset because it is a receivable that the company expects to receive from the government within one year. TDS is also a liquid asset, meaning that it can be easily converted into cash.

* The tax paid /deducted at source has been increased from (₹ IN 000’) 5,39,12,604 in 2022 to (₹ IN 000’) 6,73,41,164 in 2023. This indicates that there has been an increase in the TDS by (₹ IN 000’) 1,34,28,560 with a growth rate of 24.90%.
* This data shows that there is an increase in the TDS which means the company expects to receive the TDS from the government within one year of time.
* This increase in tax paid could be due to a number of factors, such as an increase in revenue, an increase in the tax rate, or a change in the accounting method used to calculate taxable income.

1. STATIONARY AND STAMPS: These are supplies that are used by the company in its day-to-day operations. They are recorded as an asset on the balance sheet.

* There has been a decrease in the value of stationary and stamps from (₹ IN 000’) 63,349 in 2022 to (₹ IN 000’) 62,780 in 2023. This indicates that there is a decrease in the Stationery and stamps by 569 from 2022 to 2023. This represents a growth rate of -0.89%.
* This decrease in Stationery and stamps could be due to a number of factors, such as a decrease in the use of physical stationery, an increase in the use of digital communication, or a change in the accounting method used to track Stationery and stamps expenses.

1. NON-BANKING ASSETS ACQUIRED IN SATISFACTION OF CLAIMS: These are assets that the company has acquired in exchange for bad debts. They are recorded as an asset on the balance sheet.

* The data shows that the value of non-banking assets acquired in satisfaction of claims remained the same at (₹ IN 000’) 1,334 over the two years. This means that there was no absolute change or growth in the value of these assets over this period.
* This could be due to a number of factors such as, The bank may have acquired a significant number of non-banking assets in the first year, and then not acquired any in the second year OR The bank may have changed its accounting policy for non-banking assets acquired in satisfaction of claims.

1. MAT CREDIT ENTITLEMENT: It is the amount of minimum alternate tax (MAT) credit that the company has earned. MAT credit is a credit that can be used to reduce the company's future income tax liability. It is recorded as an asset on the balance sheet.

* There has been a significant increase in the MAT Credit Entitlement from (₹ IN 000’) 2,96,77,369 in 2022 to (₹ IN 000’) 4,51,07,869 in 2023. This indicates that MAT Credit Entitlement increased by (₹ IN 000’) 1,54,30,500 from 2022 to 2023. This represents a growth rate of 51.99%.
* This increase in MAT Credit Entitlement could be due to a number of factors, such as an increase in revenue, an increase in the tax rate, or a change in the accounting method used to calculate taxable income.

OVERALL CURRENT ASSETS:

* The overall data shows that the company's current assets have increased from (₹ IN 000’) 16,05,50,705 in 2022 to (₹ IN 000’) 20,33,62,005. This indicates that the current assets have been increased by (₹ IN 000’) 4,28,11,300 over the past two years, representing a growth rate of 26.67%. This is a positive sign for the company, as it suggests that the company is growing and has more resources to meet its short-term financial obligations.
* However, it is important to note that there is a significant decrease in the value of stationery and stamps over the two years. This could be due to a number of factors, such as a reduction in the company's printing needs or a switch to electronic communication.
* The most significant increase in current assets is in the MAT credit entitlement. This is a positive development for the company, as it means that the company has been paying more taxes than required in the past. The company can use this credit to reduce its future income tax liability.
* Overall, the current assets data is positive for the company. The increase in current assets suggests that the company is growing and is in a good financial position. However, the company should monitor the decrease in the value of stationery and stamps to ensure that it does not have a negative impact on the company's operations.

CURRENT LIABILITIES: Current liabilities are debts that a company expects to pay off within one year or within its normal operating cycle, whichever is longer.

1. BILLS PAYABLE: Bills payable are short-term debts that a company owes to its creditors for goods or services purchased on credit. Bills payable are typically due within 30-90 days. They are recorded as current liabilities on the company's balance sheet.

* There is a decrease in the bills payable from (₹ IN 000’) 2,68,90,202 in 2022 to (₹ IN 000’) 2,64,97,502 in 2023. This indicates that the Bills Payable decreased by (₹ IN 000’) 3,92,700 from 2022 to 2023. This represents a growth rate of -1.46 %.
* This decrease in Bills Payable could be due to a number of factors, such as a decrease in purchases on credit, an increase in payments to creditors, or a change in the accounting method used to calculate Bills Payable.

1. INTEREST ACCRUED: Interest accrued is a type of current liability that represents the amount of interest that a company has incurred but has not yet paid. Interest can accrue on a variety of debts, such as loans, bonds, and accounts payable.

* There is an increase in the interest accrued from (₹ IN 000’) 4,52,33,997 in 2022 to (₹ IN 000’) 5,97,92,681 in 2023. This indicates that the Interest Accrued increased by (₹ IN 000’) 1,45,58,684 from 2022 to 2023. This represents a growth rate of 32.18%.
* This increase in Interest Accrued could be due to a number of factors, such as an increase in debt, an increase in interest rates, or a change in the accounting method used to calculate Interest Accrued.

OVERALL CURRENT LIABILITIES:

* The total current liabilities of the company increased from (₹ IN 000’) 7,21,24,199 on 31 March 2022 to (₹ IN 000’) 8,62,90,183 on 31 March 2023, an absolute increase of (₹ IN 000’) 1,41,65,984.
* The growth rate of the total current liabilities of the company over the two years was 19.64%.
* The growth rate of interest accrued is significantly higher than the growth rate of bills payable and total current liabilities. This suggests that the company has been incurring more interest expenses in recent years.
* The increase in total current liabilities from 2022 to 2023 could be due to a number of factors, such as an increase in inventory levels, an increase in trade receivables, or an increase in short-term debt. The increase in interest accrued could be due to an increase in the company's debt burden or an increase in interest rates.
* Overall, the data suggests that the company's short-term financial obligations have increased in recent years. This is a potential concern for investors and creditors, as it could make it more difficult for the company to meet its short-term debt obligations.
* However, it is important to note that this is just a snapshot of the company's current liabilities at two points in time. More information is needed to assess the company's overall financial health and its ability to meet its financial obligations.

**AS PER THE CONSOLIDATED BALANCE SHEET**

1. INVESTMENT DECISIONS:

FIXED ASSETS:

(₹ in 000’)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1. **TANGIBLE ASSETS** | As on 31 March, 2023 | As on 31 March, 2023(Total) | As on 31 March, 2022 | As on 31 March, 2022(Total) |
| 1. PREMISES |  |  |  |  |
| At cost/valuation as per last balance sheet | 8,09,82,724 |  | 8,16,49,772 |  |
| Additions during the year | 2,16,26,582 |  | 6,12,275 |  |
| Deductions during the year | 67,17,063 |  | 12,79,323 |  |
|  | 9,58,92,243 |  | 8,09,82,724 |  |
| Less: Depreciation till Date | 2,76,06,610 | **6,82,85,633** | 2,64,08,228 | **5,45,74,496** |
| 1. CAPITAL WORK-IN-PROGRESS |  |  |  |  |
| At cost as per last balance sheet | 3,70,133 |  | 6,30,768 |  |
| Additions during the year | 3,25,262 |  | 1,87,638 |  |
| Deductions during the year | 4,73,766 | **2,21,629** | 4,48,273 | **3,70,133** |
| 1. LAND |  |  |  |  |
| At cost as per last balance sheet | 3,70,133 |  | 6,30,768 |  |
| Additions during the year | 12,33,904 |  | 13,08,678 |  |
| Deductions during the year | 97,572 |  | 55,725 |  |
|  | 36,34,968 |  | 24,98,636 |  |
| Less: Depreciation till Date | 7,02,457 | **29,32,511** | 4,52,022 | **20,46,614** |
| 1. OTHER FIXED ASSETS   (Including Furniture and Fixtures) |  |  |  |  |
| 1. Assets given on lease |  |  |  |  |
| At cost as per last balance sheet | 2,68,478 |  | 2,68,478 |  |
| Addition during the year | 45,920 |  | - |  |
| Deductions during the year | - |  | - |  |
|  | 3,14,398 |  | 2,68,478 |  |
| Less: Depreciation till Date | 3,12,863 | **1,536** | 2,68,478 | **-** |
| 1. Others |  |  |  |  |
| At cost/valuation as per last balance sheet | 6,90,59,835 |  | 6,49,59,025 |  |
| Additions during the year | 70,01,866 |  | 49,20,419 |  |
| Deductions during the year | 12,54,203 |  | 8,19,609 |  |
|  | 7,48,07,497 |  | 6,90,59,835 |  |
| Less: Depreciation till Date | 5,96,87,939 | **1,51,19,558** | 5,63,82,534 | **1,26,77,301** |
| 1. **INTANGIBLE ASSETS** |  |  |  |  |
| (i) Computer Software |  |  |  |  |
| At cost as per last balance sheet | 1,23,74,205 |  | 1,14,93,797 |  |
| Additions during the year | 9,41,715 |  | 9,10,278 |  |
| Deductions during the year | 11,51,692 |  | 29,870 |  |
|  | 1,21,64,227 |  | 1,23,74,205 |  |
| Amortisation till Date | 1,02,45,338 | **19,18,889** | 99,59,654 | **24,14,551** |
| **TOTAL** |  | **8,84,79,756** |  | **7,20,83,095** |

*(NOTE: The “ABSOLUTE” and “GROWTH RATE (%)” has been included in the excel sheet)*

A. TANGIBLE ASSETS: These are physical items or property that a company owns, like buildings, machinery, or vehicles. They have a physical presence and can usually be touched or seen.

1. PREMISES: This refers to a piece of land or a building, along with its associated structures, that is used for a specific purpose, such as residential, commercial, industrial, or institutional use.

**Interpretation**:

* The premises value have been increased from (₹ IN 000’) **5,45,39,401** in 2022 to (₹ IN 000’) **6,82,47,523** in 2023. This indicates that the company's premises assets have increased in value by (₹ IN 000’) **1,37,08,122** over the past two years, representing a growth rate of 25.13%.
* This is a significant increase in value, and it could be due to a number of factors, such as increased demand for commercial space in the area, economic growth in the area, or improvements to the premises.
* The premises data shows that the company's premises assets are increasing in value at a significant rate. This could be a positive sign for the company, as it suggests that the premises are a valuable asset. However, it is important to note that property prices can fluctuate over time, and there is no guarantee that prices will continue to rise.

1. CAPITAL WORK-IN-PROGRESS: Capital Work-in-Progress (CWIP) refers to the cost of construction, development, or any other capital project that is still in progress and has not yet been completed. It represents the amount of money a company has invested in a project but has not yet transferred to a fixed asset category because the project is not finished or ready for its intended use.

**Interpretation**:

* The capital work-in-progress value has been decreased from (₹ IN 000’) **3,70,133** in 2022to (₹ IN 000’) **2,21,629** in 2023. This indicates that the company's capital work-in-progress assets have decreased in value by (₹ IN 000’) **-1,48,504** over the past two years, representing a growth rate of -40.12%.
* This is a significant decrease in value, and it could be due to a number of factors, such as delays in construction projects, cost overruns, or changes in the scope of construction projects.
* The decrease in the value of capital work-in-progress could also be a sign that the company is reducing its investment in construction projects. This could be due to a number of factors, such as a decline in demand for the company's products or services, or a shortage of funding.

1. LAND: It is a tangible asset that represents the value of the physical ground or property owned by a company or individual.

**Interpretation**:

* The land value has been increased from (₹ IN 000’) **20,46,614** in 2022 to (₹ IN 000’) **29,32,511** IN 2023. This indicates that the land value is increased by (₹ IN 000’) **8,85,897** over the past two years, with a growth rate of 43.29% .
* This is a significant increase in value, and it could be due to a number of factors, such as increased demand for land in the area, economic growth in the area, or improvements to infrastructure in the area.
* The land data shows that the company's land assets are increasing in value at a significant rate. This could be a positive sign for the company, as it suggests that the land is a valuable asset. However, it is important to note that land prices can fluctuate over time, and there is no guarantee that prices will continue to rise.

1. OTHER FIXED ASSETS(INCLUDING FURNITURE AND FIXTURES): Other fixed assets (including furniture and fixtures) are long-term tangible assets that are not classified as land, buildings, or machinery and equipment. This category of assets can include a wide range of items, such as furniture, fixtures, office equipment, vehicles, and tools.

**Interpretation**:

1. Assets given on lease:

* The value of assets given on lease has increased from (₹ IN 000’) **0** in 2022 to (₹ IN 000’) **1,536.** This indicates that the company’s assets given on lease have been increased by (₹ IN 000’) **1,536.** And hence, we cannot determine the growth rate.

1. Others:

* The value of other fixed assets has increased slightly from (₹ IN 000’) **1,26,77,301** in 2022 to (₹ IN 000’) **1,51,19,558** in 2023. This indicates that the company's other fixed assets have increased in value by (₹ IN 000’) **24,42,257** over the past two years, representing a growth rate of 19.26%.
* This is a modest increase in value, and it could be due to a number of factors, such as the purchase of new assets, or the appreciation in value of existing assets.
* The other fixed assets data shows that the company's other fixed assets are increasing in value at a modest rate. This could be a positive sign for the company, as it suggests that the company is investing in its business and that its assets are appreciating in value. However, it is important to note that the value of other fixed assets can fluctuate over time, and there is no guarantee that the value of these assets will continue to rise.

B. INTANGIBLE ASSETS: These are non-physical assets, such as patents, copyrights, trademarks, or goodwill. They represent the value of non-physical things like intellectual property or brand reputation. You can't touch or see them, but they have value to a company.

I. COMPUTER SOFTWARE: Computer software is an intangible asset. Intangible assets are assets that do not have a physical form, but can still be valuable to a company. Computer software can be a valuable asset to a company because it can help the company to improve its efficiency, productivity, and profitability.

**Interpretation:**

* The value of the intangible assets – computer software has been decreased from (₹ IN 000’) **24,14,551** in 2022 to (₹ IN 000’) **19,18,889** in 2023. This indicates that the the company's computer software assets has decreased by (₹ IN 000’) 4,95,662 over the past two years, representing a decrease of 20.52%.
* This is a significant decrease in value, and it could be due to a number of factors, such as the obsolescence of the software, the development of new software by competitors, or the company's decision to stop using certain software programs.
* The decrease in the value of the company's computer software assets is a negative sign. It could indicate that the company is not investing in its software assets or that the company is not able to keep up with the latest technological advancements. It is important for the company to monitor the value of its software assets and to make sure that it is investing in software that will provide a competitive advantage.

TOTAL FIXED ASSETS VALUE:

* The total value of fixed assets (i.e., Tangible + Intangible assets) has been increased from (₹ IN 000’) **7,20,83,095** in 2022 to (₹ IN 000’)  **8,84,79,756** in 2023. This indicates that the company's fixed assets have increased in value by (₹ IN 000’) **1,63,96,661** over the past two years, representing a growth rate of 22.74%.
* This could be due to a number of factors, including:
  + Increased investment in new assets: The company may have invested in new assets, such as land, buildings, machinery, and equipment. This could be a sign that the company is growing and expanding its business.
  + Appreciation in the value of existing assets: The value of the company's existing assets may have appreciated over time. This could be due to a number of factors, such as inflation, increased demand for the company's products or services, or changes in zoning laws.
  + Changes in accounting policies: The company may have changed its accounting policies to increase the value of its fixed assets. For example, the company may have adopted a new depreciation method or changed the way it values its land.
* It is important to note that the increase in the value of fixed assets is not necessarily a good thing. If the company is not generating sufficient revenue to cover the costs of its fixed assets, then the increase in the value of fixed assets could be a sign that the company is over-invested in assets.

1. FINANCING DECISION:

(₹ in 000’)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DEBT** | As on 31 March, 2023 | As on 31 March, 2023(Total) | As on 31 March, 2022 | As on 31 March, 2022(Total) |
| 1. BORROWINGS IN INDIA |  |  |  |  |
| 1. Reserve Bank of India | 13,38,20,000 |  | 14,20,90,000 |  |
| 1. Other Banks | 75,821 |  | 1,98,28,213 |  |
| 1. Other Institutions and Agencies | 2,34,63,987 |  | 3,02,20,231 |  |
| 1. Perpetual Bonds | 9,68,80,000 |  | 8,70,50,000 |  |
| 1. Subordinated Bonds | 9,95,00,000 |  | 10,05,00,000 |  |
| 1. 7 years infra bonds | - |  | - |  |
|  |  | 35,37,39,808 |  | 37,96,88,444 |
| 1. BORROWINGS OUTSIDE INDIA |  | 7,36,26,139 |  | 13,27,63,555 |
| **TOTAL** |  | **42,73,65,947** |  | **51,24,51,999** |
| Secured Borrowings included in A & B above |  | **13,90,42,858** |  | **14,70,29,470** |

|  |  |  |
| --- | --- | --- |
| **EQUITY** | As on 31 March, 2023 | As on 31 March, 2022 |
| 1. Authorised : |  |  |
| 10,00,00,00,000 Equity Shares of ₹10 each | 10,00,00,000 | 10,00,00,000 |
| 1. Issued, Subscribed, called up & Paid up : |  |  |
| 1. 570,66,60,850 Equity Shares of ₹10 each, held by Central Government | 5,70,66,609 | 5,70,66,609 |
| 1. 112,80,86,616 Equity Shares of ₹10 each, held by Public | 1,12,80,866 | 1,12,80,866 |
| **TOTAL** | **6,83,47,475** | **6,83,47,475** |
| **PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY:** |  |  |
| 10,40,03,544 Participatory Non-Redemable Compulsorily convertible Preference Shares of ` 10 Each (Issued by Union Asset Management Company Private Limited, a subsidiary company ) to Dai Ichi Life Holdings Inc on May 17, 2018 for a tenure of 20 years) | 10,40,035 | 10,40,035 |
| **TOTAL** | **10,40,035** | **10,40,035** |
| **EQUITY**  **-RESERVES & SURPLUS** |  |  |
| **TOTAL** | **71,86,47,629** | **63,92,23,739** |
| **TOTAL EQUITY (CAPITAL + RESERVES & SURPLUS)** | **71,96,87,664** | **64,02,63,774** |

*(NOTE: The debt-equity ratio is included in the EXCEL SHEET)*

DEBT: Debt is money that a company owes to a lender, such as a bank or bondholder. Debt is typically repaid over time, with interest. Debt financing is a way for companies to raise capital without giving up ownership of the company.

**Interpretation:**

* The debt has been decreased from **(₹ in 000’)** **51,24,51,999** in 2022 to **(₹ in 000’) 42,73,65,947** in 2023. This is a positive sign for the company because due to the decrease in the debt of the company the company’s responsibility of paying the debts will reduce a bit.

EQUITY: Equity is the ownership interest of shareholders in a company. Equity is calculated by subtracting total liabilities from total assets. Equity financing is a way for companies to raise capital by selling shares of the company to investors.

**Interpretation:**

* The equity has been increased from **(₹ in 000’) 64,02,63,774** in 2022 to **(₹ in 000’) 71,96,87,664** in 2023. This is a benefit for the shareholders as well as the company because the shareholders wealth maximization occurs and also the company value increases in the market.
* This is a positive sign, as it indicates that the company is profitable and that its shareholders' equity is growing.

DEBT-EQUITY RATIO: The debt-equity ratio is defined as the total debt / total equity.

**Interpretation:**

* The debt-equity ratio is decreased from 0.80 in 2022 to 0.59 in 2023.
* A decrease in the debt-equity ratio means that the company is financing its operations with a smaller proportion of debt and a larger proportion of equity. This can be a positive sign, as it indicates that the company is becoming less leveraged and more financially stable.
* There are a number of possible reasons for a decrease in the debt-equity ratio:
* The company has paid down debt.
* The company has raised equity capital from investors.
* The company's assets have increased in value.
* The debt-equity ratio has decreased because we have seen that there has been a decrease in the debt from 2022 to 2023.

(₹ in 000’)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | As on 31 March, 2023 | As on 31 March, 2023(Total) | As on 31 March, 2022 | As on 31 March, 2022(Total) |
| **DEBENTURES AND BONDS** |  | **64,33,93,358** |  | **70,34,90,650** |

DEBENTURES AND BONDS:

* Debentures and bonds are both debt instruments that companies issue to raise capital. However, there are some key differences between the two.
* Debentures are unsecured debt instruments, meaning that they are not backed by any collateral. This makes them riskier for investors than bonds, but it also means that companies can typically issue debentures at a lower interest rate.
* Bonds are secured debt instruments, meaning that they are backed by collateral, such as assets of the company. This makes bonds less risky for investors than debentures, but it also means that companies typically have to pay a higher interest rate on bonds.

**Interpretation:**

* The data shows that the company's debentures and bonds increased from (₹ in 000’) **70,34,90,650** in FY 2021-22 to (₹ in 000’) **64,33,93,358** in FY 2022-23, an increase of (₹ in 000’) **6,00,97,292**.
* This suggests that the company has raised more debt capital in the past year. (Note that debt capital typically refers to debentures and bonds.)

1. DIVIDEND DECISION:

(₹ in lakhs)

|  |  |  |
| --- | --- | --- |
| **DIVIDEND** | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
| DIVIDEND PAID DURING THE YEAR | **(1,29,861)** | **-** |

DIVIDEND: A dividend is a distribution of a portion of a company's earnings to its shareholders.

* Dividend Declaration(FY 2022-23): The board of directors have recommended a dividend of ₹3.00 per equity share for the year ended March 31, 2023.
* This means that if the dividend is approved by the shareholders, each shareholder will receive a dividend of ₹3.00 per share that they own.
* The dividend declaration is a positive sign for investors, as it indicates that the company is profitable and that the board of directors is confident in the company's future. Dividends can also be a source of income for investors, and they can help to grow their investment over time.
* However, it is important to note that the dividend declaration is just a recommendation from the board of directors. The dividend must still be approved by the shareholders at the annual general meeting. It is also important to note that the company is not obligated to pay a dividend, even if it is approved by the shareholders.
* Overall, the dividend declaration is a positive development for investors, but it is important to understand the implications before making any investment decisions.
* Dividend Declaration(FY 2021-22): Board of Directors have recommended a dividend of ₹1.90 per equity share (19%) for the year ended March 31, 2022 subject to requisite approvals.
* This means that if the dividend is approved by the shareholders, each shareholder will receive a dividend of ₹1.90 per share that they own.
* The dividend declaration is a positive sign for investors, as it indicates that the company is profitable and that the board of directors is confident in the company's future. Dividends can also be a source of income for investors, and they can help to grow their investment over time.
* However, it is important to note that the dividend declaration is just a recommendation from the board of directors. The dividend must still be approved by the shareholders at the annual general meeting. It is also important to note that the company is not obligated to pay a dividend, even if it is approved by the shareholders.
* *COMPARISON OF DIVIDEND DECLARATION OF TWO FINANCIAL YEARS:*
  + *The board of directors has recommended a dividend of ₹3.00 per equity share for the year ended March 31, 2023, which is an increase of 58% from the dividend of ₹1.90 per equity share that was paid for the year ended March 31, 2022.*
  + *This increase in dividend is a positive sign for investors, as it indicates that the company is profitable and that the board of directors is confident in the company's future. It also suggests that the company is generating excess cash that it can return to shareholders.*
* The data shows that the company paid a dividend of (₹ in lakhs)129,861 in FY 2022-23. This is a positive sign, as it indicates that the company is profitable and that the board of directors is confident in the company's future.

1. LIQUIDITY DECISION:

(₹ in 000’)

|  |  |  |
| --- | --- | --- |
| **CURRENT ASSETS** | As on 31 March, 2023 | As on 31 March, 2022 |
| Interest Accrued | 9,19,16,723 | 7,77,68,178 |
| Tax paid/Tax deducted at source (Net of Provisions) | 6,75,66,225 | 5,41,13,751 |
| Stationery and Stamps | 62,780 | 63,349 |
| Non-Banking Assets acquired in satisfaction of claims | 1,334 | 1,334 |
| MAT Credit | 4,51,24,768 | 2,96,94,268 |
| **TOTAL** | **20,46,71,830** | **16,16,40,880** |

(₹ in 000’)

|  |  |  |
| --- | --- | --- |
| **CURRENT LIABILITIES** | As on 31 March, 2023 | As on 31 March, 2022 |
| Bills Payable | 2,64,97,502 | 2,68,90,202 |
| Interest Accrued | 6,03,43,341 | 4,54,94,112 |
| **TOTAL** | **8,68,40,843** | **7,23,84,314** |

CURRENT ASSETS: Current assets are assets that a company expects to convert to cash or use up within one year or within its normal operating cycle, whichever is longer.

1. INTEREST ACCRUED: It is the interest that has been earned but not yet received. It is recorded as an asset on the balance sheet.

* The interest accrued has been increased from (₹ IN 000’) 7,77,68,178 in 2022 to (₹ IN 000’) 9,19,16,723 in 2023. This indicates that there has been a significant increase in the interest accrued by (₹ IN 000’) 1,41,48,545 with a growth rate of 18.19%.
* The data shows that there is an increase in the interest that has been earned over the past two financial years. Therefore it is a positive sign for the company.

1. TAX PAID/TAX DEDUCTED AT SOURCE (NET OF PROVISION): It is the amount of tax that the company has paid or has been deducted from its payments to others. It is recorded as an asset on the balance sheet. TDS is considered a current asset because it is a receivable that the company expects to receive from the government within one year. TDS is also a liquid asset, meaning that it can be easily converted into cash.

* The tax paid /deducted at source has been increased from (₹ IN 000’) 5,41,13,751 in 2022 to (₹ IN 000’) 6,75,66,225 in 2023. This indicates that there has been an increase in the TDS by (₹ IN 000’) 1,34,52,474 with a growth rate of 24.85%.
* This data shows that there is an increase in the TDS which means the company expects to receive the TDS from the government within one year of time.
* This increase in tax paid could be due to a number of factors, such as an increase in revenue, an increase in the tax rate, or a change in the accounting method used to calculate taxable income.

1. STATIONARY AND STAMPS: These are supplies that are used by the company in its day-to-day operations. They are recorded as an asset on the balance sheet.

* There has been a decrease in the value of stationary and stamps from (₹ IN 000’) 63,349 in 2022 to (₹ IN 000’) 62,780 in 2023. This indicates that there is a decrease in the Stationery and stamps by 569 from 2022 to 2023. This represents a growth rate of -0.89%.
* This decrease in Stationery and stamps could be due to a number of factors, such as a decrease in the use of physical stationery, an increase in the use of digital communication, or a change in the accounting method used to track Stationery and stamps expenses.

1. NON-BANKING ASSETS ACQUIRED IN SATISFACTION OF CLAIMS: These are assets that the company has acquired in exchange for bad debts. They are recorded as an asset on the balance sheet.

* The data shows that the value of non-banking assets acquired in satisfaction of claims remained the same at (₹ IN 000’) 1,334 over the two years. This means that there was no absolute change or growth in the value of these assets over this period.
* This could be due to a number of factors such as, The bank may have acquired a significant number of non-banking assets in the first year, and then not acquired any in the second year OR The bank may have changed its accounting policy for non-banking assets acquired in satisfaction of claims.

1. MAT CREDIT ENTITLEMENT: It is the amount of minimum alternate tax (MAT) credit that the company has earned. MAT credit is a credit that can be used to reduce the company's future income tax liability. It is recorded as an asset on the balance sheet.

* There has been a significant increase in the MAT Credit Entitlement from (₹ IN 000’) 2,96,94,268 in 2022 to (₹ IN 000’) 4,51,24,768 in 2023. This indicates that MAT Credit Entitlement increased by (₹ IN 000’) 1,54,30,500 from 2022 to 2023. This represents a growth rate of 51.96%.
* This increase in MAT Credit Entitlement could be due to a number of factors, such as an increase in revenue, an increase in the tax rate, or a change in the accounting method used to calculate taxable income.

OVERALL CURRENT ASSETS:

* The overall data shows that the company's current assets have increased from (₹ IN 000’) **16,16,40,880** in 2022 to (₹ IN 000’) **20,46,71,830**. This indicates that the current assets have been increased by (₹ IN 000’) **4,30,30,950** over the past two years, representing a growth rate of 26.62%. This is a positive sign for the company, as it suggests that the company is growing and has more resources to meet its short-term financial obligations.
* However, it is important to note that there is a significant decrease in the value of stationery and stamps over the two years. This could be due to a number of factors, such as a reduction in the company's printing needs or a switch to electronic communication.
* The most significant increase in current assets is in the MAT credit entitlement. This is a positive development for the company, as it means that the company has been paying more taxes than required in the past. The company can use this credit to reduce its future income tax liability.
* Overall, the current assets data is positive for the company. The increase in current assets suggests that the company is growing and is in a good financial position. However, the company should monitor the decrease in the value of stationery and stamps to ensure that it does not have a negative impact on the company's operations.

CURRENT LIABILITIES: Current liabilities are debts that a company expects to pay off within one year or within its normal operating cycle, whichever is longer.

1. BILLS PAYABLE: Bills payable are short-term debts that a company owes to its creditors for goods or services purchased on credit. Bills payable are typically due within 30-90 days. They are recorded as current liabilities on the company's balance sheet.

* There is a decrease in the bills payable from (₹ IN 000’) 2,68,90,202 in 2022 to (₹ IN 000’) 2,64,97,502 in 2023. This indicates that the Bills Payable decreased by (₹ IN 000’) 3,92,700 from 2022 to 2023. This represents a growth rate of -1.46 %.
* This decrease in Bills Payable could be due to a number of factors, such as a decrease in purchases on credit, an increase in payments to creditors, or a change in the accounting method used to calculate Bills Payable.

1. INTEREST ACCRUED: Interest accrued is a type of current liability that represents the amount of interest that a company has incurred but has not yet paid. Interest can accrue on a variety of debts, such as loans, bonds, and accounts payable.

* There is an increase in the interest accrued from (₹ IN 000’) 4,54,94,112 in 2022 to (₹ IN 000’) 6,03,43,341 in 2023. This indicates that the Interest Accrued increased by (₹ IN 000’) 1,48,49,229 from 2022 to 2023. This represents a growth rate of 32.63%.
* This increase in Interest Accrued could be due to a number of factors, such as an increase in debt, an increase in interest rates, or a change in the accounting method used to calculate Interest Accrued.

OVERALL CURRENT LIABILITIES:

* The total current liabilities of the company increased from (₹ IN 000’) **7,23,84,314** on 31 March 2022 to (₹ IN 000’) **8,68,40,843** on 31 March 2023, an absolute increase of (₹ IN 000’) **1,44,56,529**.
* The growth rate of the total current liabilities of the company over the two years was 19.97%.
* The growth rate of interest accrued is significantly higher than the growth rate of bills payable and total current liabilities. This suggests that the company has been incurring more interest expenses in recent years.
* The increase in total current liabilities from 2022 to 2023 could be due to a number of factors, such as an increase in inventory levels, an increase in trade receivables, or an increase in short-term debt. The increase in interest accrued could be due to an increase in the company's debt burden or an increase in interest rates.
* Overall, the data suggests that the company's short-term financial obligations have increased in recent years. This is a potential concern for investors and creditors, as it could make it more difficult for the company to meet its short-term debt obligations.
* However, it is important to note that this is just a snapshot of the company's current liabilities at two points in time. More information is needed to assess the company's overall financial health and its ability to meet its financial obligations.

SHARE PRICE:



Source: <https://finance.yahoo.com/>

*LINE CHART OF THE SHARE PRICE FOR TWO FINANCIAL YEARS:*