

SYMBIOSIS CENTRE FOR DISTANCE LEARNING (SCDL)



Symbiosis Bhavan, 1065-B Gokhale Cross Road,

Model Colony, Pune-411016

Website: www.scdl.net

Name of the Program : **POST GRADUATE CERTIFICATE IN FINANCE
(MANAGEMENT ACCOUNTING)**

Specialization : **MANAGEMENT ACCOUNTING**

Name of the Student : **SARANG SAMPATRAO GAIKWAD**

Registration Number : **202201865**

Active Email ID : **gaikwad.sarang176@gmail.com**

Mobile Number : **9004008149**

Name of Topic : **PROJECT REPORT ON “A STUDY ON FINANCIAL
STATEMENT ANALYSIS OF BALRAMPUR CHINI
MILLLS LTD”**

DECLARATION

I a student of PGFMA respectively hereby declare that the Research Project Report on **“A STUDY ON FINANCIAL STATEMENT ANALYSIS OF BALRAMPUR CHINI MILLS LTD”** is the outcome of my own work and the same has not been submitted to any other University/ Institute for the award of any degree or any Professional diploma.



(Signature of Student)

Date:

Place:

CERTIFICATE BY THE GUIDE

Certified that the work incorporated in this Project Report **“A STUDY ON FINANCIAL STATEMENT ANALYSIS OF BALRAMPUR CHINI MILLLS LTD”** submitted by is his original work and completed under my supervision. Material obtained from other sources has been duly acknowledged in the Project Report

(Signature of Guide)

Roll Number :- 202008976

Date:

Place:

PROJECT REPORT ON

**“A STUDY ON FINANCIAL STATEMENT
ANALYSIS OF BALRAMPUR CHINI MILLS
LTD”**

Submitted to:

**SYMBIOSIS CENTRE FOR DISTANCE LEARNING (SCDL) IN
PARTIAL FULFILMENT, OF POST GRADUATE CERTIFICATE IN
FINANCE MANAGEMENT ACCOUNTING (PGCFMA)**

Submitted By: SARANG SAMPATRAO GAIKWAD

ACKNOWLEDGEMENT

We are delighted to present the " **MANAGEMENT ACCOUNTING** " project study as part of the " **POST GRADUATE CERTIFICATE IN FINANCE MANAGEMENT ACCOUNTING**" Programme. We'd like to thank all the people who have given us constant support.

I express my sincere appreciation to the Director and Professor of the Project Guide and to all those who have directed and supported us indirectly in planning this project.

We also want to extend our appreciation to all College of Management staff and our colleagues, who gave moral support, a conducting work atmosphere and the much-needed inspiration to finish the project in time and a special thank you to my parents who are integral to the project.

Thank you.

TABLES OF CONTENTS

CHAPTER NO.	CONTENTS	PAGE NO:
CHAPTER 1	INTRODUCTION	10 – 13
CHAPTER 2	REVIEW OF LITERATURE	14 – 22
CHAPTER 3	INDUSTRY AND COMPANY PROFILE	23 – 33
CHAPTER 4	DATA ANALYSIS AND INTERPRETATION	34 – 51
CHAPTER 5	FINDINGS, SUGGESTIONS & CONCLUSION	52– 54
	BIBLOGRAPHY	55
	ANNEXURE	58

LIST OF TABLES

TABLE NO:	TITLE	PAGE NO:
4.1	Table showing current ratio from 2016-2020	38
4.2	Table showing quick ratio from 2016-2020	39
4.3	Table showing super quick ratio from 2016-2020	40
4.4	Table showing debt equity ratio from 2016-2020	41
4.5	Table showing proprietary ratio from 2016-2020	42
4.6	Table showing leverage ratio from 2016-2020	43
4.7	Table showing gross profit ratio from 2016-2020	44
4.8	Table showing net profit ratio from 2016-2020	45
4.9	Table showing return on investment from 2016-2020	46
4.10	Table showing return on shareholders fund 2016-2020	47

LIST OF CHARTS

FIGURE NO:	TITLE	PAGE NO:
4.1	Chart showing current ratio from 2016-2020	38
4.2	Chart showing quick ratio from 2016-2020	39
4.3	Chart showing super quick ratio from 2016-2020	40
4.4	Chart showing debt equity ratio from 2016-2020	41
4.5	Chart showing proprietary ratio from 2016-2020	42
4.6	Chart showing leverage ratio from 2016-2020	43
4.7	Chart showing gross profit ratio from 2016-2020	44
4.8	Chart showing net profit ratio from 2016-2020	45
4.9	Chart showing return on investment from 2016-2020	46
4.10	Chart showing return on shareholders fund 2016-2020	47

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Finance is defined as the provision of money when it is required. Every enterprise needs finance to start and carry out its operation. Finance is the life blood of an organization. So finance should be managed effectively. Financial statements are prepared primarily for decision making. Financial statement Analysis refers to the process of determining financial strength and weakness of the firm by properly establishing strategic relationship between the items of the balance sheet and profit and loss account. There are various methods and techniques used in analyzing financial statement such as comparative statements, trend analysis, common size statement, fund flow and cash flow analysis and ratio analysis. The analysis of financial statement is used for decision making by various parties.

Financial statement analysis is the process of reviewing and analyzing the company's financial statements to make better economic decisions. It is used by a variety of stakeholders. Every management aims to utilize its funds in a best possible and profitable way. Profitability is a barometer for measuring efficiency and economic prosperity of a business enterprise. To know whether the organization strategies is profitable or not, it is necessary to have an analysis of financial statements of the company.

India is the second largest sugar producer and the largest sugar consuming country in the world. BalrampurChini Mills Limited is one of India's largest integrated sugar manufacturing companies. What makes BalrampurChini Mills Limited (BCML) special is that it is more than a sugar company; it is also engaged in the ancillary businesses of ethanol manufacture and co-generation. BCML is more than just another industrial entity; it is a rural prosperity driver. BalrampurChini Mills Limited ('BCML') is the second largest sugar manufacturing company in India with a significant strength in the manufacture of downstream products like power (co-generation) and ethanol.

'BCML' was incorporated in 1975 as a wholly-owned subsidiary company of Balrampur Sugar Company Limited, subsequently changing its name to Balrampur Commercial Enterprises Limited ('BCEL'). By an indenture of conveyance dated 21st February, 1976, BCEL transferred the land, building, other assets as well as the entire staff of its

Balrampur sugar factory (with effect from 1st July, 1975) to BCML. The Company possesses a cane crushing capacity of 76,500 tonnes per day, distillery capacity of 520 KL per day and saleable co-generation capacity of 163.20 megawatts. This project entitled —A study on financial statement analysis of BalrampurChini Mills Ltd— mainly focuses on financial statement analysis of BalrampurChini Mills for past 5 years.

1.2 STATEMENT OF PROBLEM

India is the second largest sugar producer and the largest sugar consuming country in the world. BalrampurChini Mills Limited is one of India's largest integrated sugar manufacturing companies. What makes BalrampurChini Mills Limited (BCML) special is that it is more than a sugar company. It is also engaged in the ancillary businesses of ethanol manufacture and co-generation.

Financial statement analysis is used to identify the trends and relationships between financial statement items. Both internal management and external users (such as analysts, creditors, and investors) of the financial statements need to evaluate a company's profitability, liquidity, and solvency. The most common methods used for financial statement analysis are trend analysis, common-size statements, and ratio analysis. These methods include calculations and comparisons of the results to historical company data, competitors, or industry averages to determine the relative strength and performance of the company being analyzed.

This study analyses last 5 year financial statements of BalrampurChini Mills Ltd.

1.3 OBJECTIVES OF STUDY

Following are the important objectives of this study:

- To examine and understand the liquidity and solvency position of the company.
- To know the financial position of the company

1.4 RESEARCH DESIGN

1.4.1 NATURE OF STUDY

This study is analytical in nature

1.4.2 NATURE OF DATA

The study uses secondary data for its analysis

1.4.3 SOURCES OF DATA

The data used for the study is gathered from the official website of best wood polyon industries and also from other websites

1.4.4 PERIOD OF STUDY

Period of study is for 5 consecutive years from 2015-16 to 2019-20

1.5 TOOLS FOR ANALYSIS

The tools used in the study are

- ❖ Ratio analysis
- ❖ Common size statements

1.6 CHAPTERISATION

Chapter 1 Introduction

Chapter 2 Review of Literature

Chapter 3 Industry Profile and company profile

Chapter 4 Data Analysis and Interpretation

Chapter 5 Findings, Suggestions and Conclusion

CHAPTER 2

REVIEW OF LITERATURE

2.1 CONCEPTUAL REVIEW

Financial statement analysis is the process of analyzing a company's financial statements for decision-making purposes. External stakeholders use it to understand the overall health of an organization as well as to evaluate financial performance and business value. Internal constituents use it as a monitoring tool for managing the finances.

- Financial statement analysis is used by internal and external stakeholders to evaluate business performance and value.
- Financial accounting calls for all companies to create a balance sheet, income statement, and cash flow statement which form the basis for financial statement analysis.
- Horizontal, vertical, and ratio analysis are three techniques analysts use when analyzing financial statements.

Ratio analysis

It is the comparison of line items in the financial statements of a business. Ratio analysis is used to evaluate a number of issues with an entity, such as its liquidity, efficiency of operations, and profitability. This type of analysis is particularly useful to analysts outside of a business, since their primary source of information about an organization is its financial statements.

Categories of Ratio Analysis

- Financial ratios can be grouped into the following clusters of ratios, where each cluster is targeted at a different type of analysis.
- Coverage ratios. These ratios are used to evaluate the ability of a business to meet its debt obligations. These ratios are most commonly used by lenders and creditors to review the finances of a prospective or current borrower. Examples of coverage ratios are the interest coverage ratio, debt-service coverage ratio, and asset coverage ratio.

- Efficiency ratios. These ratios measure the ability of a business to use its assets and liabilities to generate sales. A highly efficient organization has minimized its net investment in assets, and so requires less capital and debt in order to remain in operation. Examples of efficiency ratios are accounts receivable turnover, inventory turnover, fixed asset turnover, and accounts payable turnover.
- Leverage ratios. These ratios are used to determine the relative level of debt load that a business has incurred. These ratios compare the total debt obligation to either the assets or equity of a business. Examples of leverage ratios are the debt ratio and debt to equity ratio.
- Liquidity ratio. These ratios are measurements used to examine the ability of an organization to pay off its short-term obligations. Liquidity ratios are commonly used by prospective creditors and lenders to decide whether to extend credit or debt, respectively, to companies. Examples of liquidity ratios are the cash ratio, current ratio, and quick ratio.
- Market value ratios. These ratios are used to evaluate the current share price of a publicly-held company's stock. These ratios are employed by current and potential investors to determine whether a company's shares are over-priced or under-priced. Examples of market value ratios are book value per share, earnings per share, and market value per share.
- Profitability ratios. Profitability ratios are a set of measurements used to determine the ability of a business to create earnings. Profitability ratios are derived from a comparison of revenues to difference groupings of expenses within the income statement. Examples of profitability ratios are the contribution margin ratio, gross profit ratio, and net profit ratio.

The following are the principal advantages of ratio analysis.

1. Forecasting and Planning:

The trend in costs, sales, profits and other facts can be known by computing ratios of relevant accounting figures of last few years. This trend analysis with the help of ratios may be useful for forecasting and planning future business activities

2. Budgeting:

Budget is an estimate of future activities on the basis of past experience . Accounting ratios help to estimate budgeted figures. For example, sales budget may be prepared with the help of analysis of past sales.

3. Measurement of Operating Efficiency:

Ratio analysis indicates the degree of efficiency in the management and the utilization of its assets. Different activity ratio indicates the operational efficiency. Infact, solvency of a firm depends upon the sales revenue generated by utilizing its assets.

4. Communication:

Ratios are effect to means of communication and place a vital role in informing the position of progress made by buissness concern to the owners or other party.

5. Control and performance of cost

Ratios may also be used for control of performance of the different divisions or departments of an undertaking as well as control of cost.

Some of these limitations are:

1. Limitations of Financial Statements:

Ratios are calculated from the information recorded in the financial statements. But financial statements suffer from a number of limitations and may, therefore, affect the quality of ratio analysis.

2. Historical Information:

Financial statements provide historical information. They do not reflect current conditions. Hence, it is not useful in predicting the future.

3. Different Accounting Policies:

Different accounting policies regarding valuation of inventories, charging depreciation etc. make the accounting data and accounting ratios of two firms non-comparable.

4. Lack of Standard of Comparison:

No fixed standards can be laid down for ideal ratios. For example, current ratio is said to be ideal if current assets are twice the current liabilities. But this conclusion may not be justifiable in case of those concerns which have adequate arrangements with their bankers for providing funds when they require, it may be perfectly ideal if current assets are equal to or slightly more than current liabilities.

5. Quantitative Analysis:

Ratios are tools of quantitative analysis only and qualitative factors are ignored while computing the ratios. For example, a high current ratio may not necessarily mean sound liquid position when current assets include a large inventory consisting of mostly obsolete items.

2.2 EMPIRICAL LITERATURE

Shaikh Salman Masood(2020) The purpose of this project is to financially study company Tata Motors Limited by doing ratio analyses and research. Both quantitative and qualitative methods were used for this report. Qualitative methods are introduction and literature review. Quantitative methods are analyses and charts. Information is taken from yahoo finance for three years: 2017,2018,2019. This report shows whether the changes are major or minor and the financial position of Tata Motors Limited.

P Mohammed BuhariSaleem(2020) conducted a study on the nestle india limited. Profitability ratio is used to analyze the company's ability to generate income as compared to its expenses and other cost associated with the generation of income during a specified period. Profitability ratios also compare income statement accounts and categories to show a company's ability to make profits from its operations. Profitability ratios concentrate on a company's return on investment in inventory and other assets. These ratios normally show how well companies can achieve profits from their operations. Investors, creditors can use the profitability ratios to evaluate a company's return on investment based on its relative level of resources and assets. In other words, profitability ratios can be used to evaluate whether the companies are making enough operational profit from their assets. In other words, profitability ratios relate to efficiency ratios because they show how well companies are using their assets to generate profits. Profitability is also important to the concept of solvency and going concern. Profitability ratio indicates the final result of the company.

Saifkulaib(2020)conducted a study on the financial position of sony. Sony Corporation is a brand in the electronics sector and works as the trans-national media company, for producing and selling the goods according to the demands of the customer. This shows that the strategies of a business and the culture of an organization directly impact the individual who plays a major role in strategy development and focuses on the mission of the business. Financial decisions of the organization are taken after analyzing the financial statements and the financial ratios which will define the liquidity or profitability position of the company. Sony has a great command over this business industry because it is adapting itself to the changing business environment.

DrSeemaThakur(2019) conducted a study on the Daburindia limited. Financial Performance Analysis of Dabur India Limited talks about accounting analysis and financial analysis and to assessment of the viability, reliability and profitability of a business. The main indication behind this study is to investigate the financial functioning position of the Dabur India Limited. This investigation is done with help of secondary data which is collected from the Annual Report of the Dabur India Limited. The financial performance can be estimated by using various financial utensils such as Liquidity ratio, Profitability ratio etc. Based on the study, findings have been reached that the company has got enough funds to encounter its obligations including debts & as well as liabilities. The income statement of the Dabur India Limited shows sales of the company improved every year at good rate and profit also greater than before every successive year.

BSR Murthy (2018) conducted a study on the financial statements of Hatsun Agro Product Ltd. The Financial Statement analyses helps to see the current performance condition of a firm compare past performance. The performances of Companies are dependent more on the management's ability in formulating strategic plans and the efficient implementation of its strategies. The Result and Remedies can be helpful for management of a firm, it is attempts to analyze the financial statements and measure the performance in terms of assets utilization and profitability activities. In detail the research methodology used for the study that has focused on the past and present performance of a firm, the data was collected from income Statement and balance sheet from website. The study has been undertaken on the evaluation of financial performance of company at a particular period. Financial analysis is important to plan to control the firm's financial resources. Researcher has used various Analysis techniques of Financial Statement.

Medarapusudhakar(2017) conducted a study on the analysis of financial statements of infosys. And found that the Financial statements are prepared primarily for decision-making. They play a dominant role-in setting the framework of management decisions. But the information provided in financial statements is not an end itself as no meaningful conclusions can be drawn from these statements alone. The information provided in the financial

statements is of immense use in making decisions through financial analysis. The Infosys is increased the investments 2015-16, but current assets of Infosys are decreased in 2015-16. Net worth value is increased in the year 2015-16. It will create company value addition.

Dr A Ramya, Dr S kavitha (2017) conducted a study on the analysis of the financial position of Maruthi Suzuki India Limited. Financial performance analysis is the process of determining the operation and financial characteristics of a firm from accounting and financial statements. The goal of such an analysis is to determine the efficiency and performance of the firm's management, as reflected in the financial records and reports. The study focuses on overall financial position of particular Maruthi Suzuki company during the specific period based on the selected variables, which may interest not only for the respective companies in the industry but also brings a process of development operational aspects of the entire industry. The study is much important to the management from the point of decision-making purpose, to identify the strength, weakness areas of the company and finally helps to maximize the intrinsic value of the company

Prof P Uma Eswari (2017) conducted a study on the analysis of financial position of Britannia Biscuits Ltd. The Financial Statement analysis is largely a study of relationship among the various financial factors in a business as disclosed by a single set of statements, and a study of the trend of these factors as shown in a series of statements. This project report covers all the aspects relating to the Profitability ratios of Britannia Industries Ltd interpreted according to standards. Britannia was incorporated in 1918 as Britannia Biscuits Co LTD in Calcutta. In 1924, Pea Frean UK acquired a controlling stake, which later passed on to the Associated Biscuits International (ABI) and UK based company. The company is engaged in the manufacture of biscuits, Rusks, cookies and cakes. Britannia operates in a single segment, foods including bakery products such as biscuits, bread, cakes, Rusk, and dairy products. The company is headquarter in Kolkata, India and employs 2,358 people Global Markets Direct, the leading business information

provider, presents an in-depth business, strategic and financial analysis of Britannia Industries Ltd.

Chilukuri, H., & Varghese, S. (2016) conducted a analysis on financial statements of Ashok Leyland Limited, India. The Current Ratio reveals the relationship between current assets and current liabilities. This ratio also reveals that how efficiently the working capital of the firm is used. If Current Ratio is equal to 2, it indicates that the concern has the ability to meet current obligations. Here the Current Ratio has decreased in 2013 and then its showing increasing trend every year. It is a good Sign for the company. Over all, the Current Ratio is less than 2. It indicates that the concern has difficulty in meeting its current obligations. The Quick Ratio reveals the relationship between quick assets (current assets – inventories) and current liabilities. This ratio also reveals the ability of the firm to convert its current assets quickly into cash in order to meet its current liabilities.

R Ramanan(2015) conducted a study on the analysis of financial statements of Reliance Industries Limited (RIL). The ratios used in this project are in terms of solvency, turnover, and profitability ratios. The trend analysis has done for the indicators such as Sales and Expenses. The company performance was good during the period 2010 and 2011, but in 2012 and 2013 the company performance was not good, due to recession in European countries and affected the exports of the company. Then slowly the global economic condition was improved a little bit in 2014, and the customer demand for the retail products and oil exports increased in the year 2014.

CHAPTER 3

INDUSTRY AND COMPANY PROFILE

3.1 INDUSTRY PROFILE

It is universally acknowledged that India is the homeland of sugarcane and sugar. There are references of sugarcane cultivation, its crushing and preparation of Gur(jaggery) in Atharva Veda as well as Kautaliya'sArthasastra.. The scribes of Alexander the Great, who came to India in 327 BC recorded that inhabitants chewed a marvelous reed which produced a kind of honey without the help of bees.The Indian religious offerings contain five 'Amrits' (elixirs) like milk, curd, ghee (clarified butter), honey and sugar — which indicates how important sugar is not only as an item of consumption but as an item which influences the Indian way of life.It is understood that sugar was initially made in India during fourth and sixth centuries by cutting sugarcane into pieces, crushing the pieces by weight to extract the juice and then boiling it to crystalise. These crystals were called 'Sarkara' meaning gravel in Sanskrit. The word sugar is a derivative of 'Sarkara'. The larger lumps were called 'Khand' from which the English word 'Candy' is derived. Therefore it is from India that the art of making sugar went to Persia and subsequently to the world over.Although sugarcane was being grown in India from time immemorial and sugar produced in lumps during fourth century, there was no sugar industry in India till 1904. the first sugar plant was set up at Saran in Bihar in 1904.

Sugar is made from sugarcane, and was discovered thousands of years ago in New Guinea And then the route was traced to India and Southeast Asia. India was the first to begin with the production of sugar following the process of pressing sugarcane to extract juice and boil it to get crystals. The government of India in 1950-51 made serious industrial development plans and has set many targets for production and consumption of sugar. These plans by the government projected the license and installment capacity for the sugar industry in its Five Year Plans India is well known as the original home of sugar and sugarcane.Sugar industry in India is based on sugarcane which is a heavy, low value, weight losing and perishable raw material. Sugarcane cannot be stored for long as the loss of sucrose content is inevitable. Besides, it cannot be transported over long distances because any increase in transportation cost would raise the cost of production and the sugarcane may dry up on the way.

Indian mythology supports the fact it contains legends showing the origin of sugarcane. Today India is the second largest producer of sugarcane next to Brazil. Currently there are about 4 million hectares of land under sugarcane with an average yield of 70 tonnes per hectare.India is the largest producer of sugar including traditional cane sugar sweeteners, khandsari and Gur equivalent to 26 million tonnes raw value followed by Brazil in the second place at 18.5

million tonnes. Even in respect of white crystal sugar, India has ranked No.1 position in 7 out of last 10 years.

The traditional sweeteners of India like Gur&Khandsari are consumed mostly by the rural population in the country. In the early 1930's nearly 2/3rd of sugarcane production was used for the production of alternate sweeteners like Gur&Khandsari .As accordingly because of the better standard of living and higher incomes, the sweetener demand has shifted to white sugar .Currently 1/3rd of sugarcane production is used by the Gur&Khandsari sectors.India is the largest sugar consumer and second largest producer of sugar in the world according to the USDA Foreign Agricultural Service .Indian Sugar Industry has total turnover of Rs500 billion per annum and contributes almost Rs22.5billion to central and state exchequer as tax, cess, and excise duty every year according to the sources of Ministry of Food & Government of India.

Sugar Industry is regarded second after the Textile Industry in India as per the agro-processing industry in the country. The industry currently has 453 operating sugar mills in different parts of the country. Indian sugar industry has always been a focal point for socio-economic development in the rural areas. Today nearly 50 million sugarcane farmers and a large number of agricultural laborers are involved in sugarcane cultivation and ancillary activities contributing to 7.5% of the rural population.Indian .

Sugar Industry generates power for its own requirement and even gets surplus power for export to the grid based on byproduct bagasse. There is even production of ethanol an ecology friendly and renewable energy for blending with petrol .Sugar Companies have been established in large sugarcane growing states like Uttar Pradesh Maharashtra, Karnataka, Gujarat, Tamil Nadu, and Andhra Pradesh and are the six states contributing more than 85% of total sugar production in the India. And 57% of total production is together contributed by Uttar Pradesh and Maharashtra. Indian sugar industry has been growing horizontally with large number of small sized sugar plants set up throughout India as opposed to the

consolidation of capacity in the rest of the important sugar producing countries and sellers of sugar where there is greater concentration on larger capacity of sugar plants.

Types of Sugar Industries in India:

The Sugar industry In India has two sectors including organized and unorganized sector. The Sugar factories usually belong to the organized sector and those producers who produce traditional sweeteners fall into unorganized sector. Gur and khandsari are the traditional forms of sweeteners.

- Extracting juice by pressing sugarcane Boiling the juice to obtain crystals
- Creating raw sugar by spinning crystals in extractors
- Taking raw sugar to a refinery for the process of filtering and washing to discard remaining non-sugar elements and hue
- Crystallizing and drying sugar
- Packaging the ready sugar

Today India has 453 sugar mills, those constituting 252 mills from the Co-operative sector and 134 Mills from the private sector. And there are boosting 67 mills in the Public sector. As according to the statistics there is total number of 571 sugar factories in India as on March 31, 2005 compared to 138 during 1950-51. These 571 sugar mills have a production of total quantity of 19.2 million tonnes (MT). There is an increase in the Sugar production in India from 15.5 MT in 1998-99 to 20.1 MT in 2002-03.

Problems of Sugar Industry:

Sugar industry in India is plagued with several serious and complicated problems which call for immediate attention and rational solutions. Some of the burning problems are briefly described as under:

1. Low Yield of Sugarcane:

Although India has the largest area under sugarcane cultivation, the yield per hectare is extremely low as compared to some of the major sugarcane producing countries of the world. For example, India's yield is only 64-5 tonnes/hectare as compared to 90 tonnes in Java and 121 tonnes in Hawaii. This leads to low overall production and results in short supply of sugarcane to sugar mills. Efforts are being made to solve this problem through the introduction of high yielding, early maturing, frost resistant and high sucrose content varieties of sugarcane as well as by controlling diseases and pests which are harmful for sugarcane.

2. Short crushing season:

Manufacturing of sugar is a seasonal phenomena with a short crushing season varying normally from 4 to 7 months in a year. The mills and its workers remain idle during the remaining period of the year, thus creating financial problems for the industry as a whole. One possible method to increase the crushing season is to sow and harvest sugarcane at proper intervals in different areas adjoining the sugar mill. This will increase the duration of supply of sugarcane to sugar mills.

3. Fluctuating Production Trends:

Sugarcane has to compete with several other food and cash crops like cotton, oil seeds, rice, etc. Consequently, the land available to sugarcane cultivation is not the same and the total production of sugarcane fluctuates. This affects the supply of sugarcane to the mills and the production of sugar also varies from year to year.

4. Low rate of recovery:

It is clear from Table 27.29 that the average rate of recovery in India is less than ten per cent which is quite low as compared to other major sugar producing countries. For example recovery rate is as high as 4-16 per cent in Java, Hawaii and Australia.

5. High cost of Production:

High cost of sugarcane, inefficient technology, un economic process of production and heavy excise duty result in high cost of manufacturing. The production cost of sugar in India is one of the highest in the world. Intense research is required to increase the sugarcane production in the agricultural field and to introduce new technology of production efficiency in the sugar mills. Production cost can also be reduced through proper utilisation of by- products of the industry: For example, bagasse can be used for manufacturing paper pulp, insulating board plastic, carbon cortex etc. Molasses comprise another important by product which can be gainfully used for the manufacture of power alcohol. This, in its turn, is useful in manufacturing DDT, acetate rayon, polythene, synthetic rubber, plastics, toilet preparations, etc. It can also be utilised for conversion into edible molasses and cattle feed. Press-mud can be used for extracting wax

6. Small and uneconomic size of mills:

Most of the sugar mills in India are of small size with a capacity of 1,000 to 1,500 tonnes per day. This makes large scale production uneconomic. Many of the mills are economically not viable.

7. Old and obsolete machinery

Most of the machinery used in Indian sugar mills, particularly those of Uttar Pradesh and Bihar are old and obsolete, being 50-60 years old and needs rehabilitation. But low margin of profit prevents several mill owners from replacing the old machinery by the new one.

3.2 COMPANY PROFILE

Balrampur Chini Mills Limited (BCML) was incorporated in the year 14th July 1975. It is one of the second- largest integrated sugars manufacturing company in India. The principal activity of the Company is manufacturing and sale of sugar. Besides this the allied business activities undertaken by the company primarily consists of manufacturing and marketing of Ethyl Alcohol & Ethanol generation and selling of power and manufacturing of agricultural fertilizers. BalrampurChini Mills Limited (‘BCML’) is the second largest sugar manufacturing company in India with a significant strength in the manufacture of downstream products like power (co-generation) and ethanol. ‘BCML’ was incorporated in 1975 as a wholly-owned subsidiary company of Balrampur Sugar Company Limited, subsequently changing its name to Balrampur Commercial Enterprises Limited (‘BCEL’). By an indenture of conveyance dated 21st February, 1976, BCEL transferred the land, building, other assets as well as the entire staff of its Balrampur sugar factory (with effect from 1st July, 1975) to BCML. BCML ceased to be a subsidiary of BCEL with effect from 25th June, 1979 and its shares were listed on the Calcutta Stock Exchange (CSE) in 1979. The Company possesses a cane crushing capacity of 76,500 tonnes per day, distillery capacity of 520 KL per day and saleable co-generation capacity of 163.20 megawatts.

Milestones:

- In 1975, the Balrampur unit went into business with a cane crushing capacity of 800 tonnes per day this mill subsequently expanded its capacity to 12000 tonnes of cane per day in line with prevailing economies of scale and scope.
- In 1976, by an indenture of conveyance, Balrampur Commercial Enterprises Limited (BCEL) came under the aegis of BCML with land parcels, buildings, assets and the entire staff of its sugar factory. BCML ceased to be a subsidiary of BCEL with effect from 25th June, 1979; its shares were listed on the Calcutta Stock Exchange in 1979.
- In 1990, BCML acquired a controlling stake in Babhnan Sugar Mill Limited (crushing capacity 1,000 tonnes of cane per day). The mill was expanded and modernised,

resulting in an increased crushing capacity from 2,500 tonnes of cane per day in 1992-93 to 10 000 tonnes per day presently (Babhnan Sugar Mills Limited was merged with BCML on 1st April 1994).

- In 2005, greenfield sugar project with a capacity of 7.000 tonnes of cane per day was commissioned at Akbarpur with a bagasse based 18 megawatts co generation power plant. The crushing capacity has subsequently been expanded to 7 500 tonnes of cane per day.
- In 2006, BCML acquired an integrated sugar unit at Rauzagaon from Dhampur Sugar Mills Limited. The unit (then capable of crushing 7,500 tonnes of cane per day and generating 12 megawatts of power) was expanded to 8,000 tonnes of cane per day while its co-generation capacity was enhanced to 25.75 megawatts
- In 2006 a greenfield integrated sugar complex was commissioned in Mankapun with a sugar manufacturing capacity of 8000 tonnes of cane per day, 34 megawatts of co generation capacity and 100 kilolitresper day distillery .The plants Co-generation capacity stands at 37 megawatts.
- In 2007, the Company set up a greenfield integrated sugar complex at Kumbhi with a cane crushing capacity of 8,000 tonnes of cane per day and a co-generation capacity of 20 megawatts. The plant's co-generation facility has thereafter expanded to 32.70 megawatts in 2014.

Aspiration: to sustain their position as one of the most efficient and profitable Indian sugar companies across business cycles. And is supported by an overarching organisational culture translating into sustained outperformance

Purpose: is to enhance value for all stakeholders - cane growers, employees, customers and consumers, communities, government and our shareowners.

Products:

- Sugar
- Alcohol
- Ethanol
- Bagasse
- Power

Corporate Social Responsibility:

BalrampurChini Mills Limited extended the prosperity-enhancing ethos of its core business to its social responsibility agenda as well.

1.Core Philosophy: Usher visible positive and equitable change in the lives of the underprivileged residing in the vicinity the mills.

- Provide a platform for the community to contribute to society through enhanced skills leading to sustainable livelihoods.
- Build its business in a responsible and ethical manner extending beyond the commercial aspects.

2.Ways and Means

- Support genuine causes.
- Collaborate with entities enjoying an understanding of ground realities.

- Extend beyond 'cheque writing'.
- Utilise out-of-the-box communication to widen reach.
- Widen terrain coverage of our interventions.
- Leverage day-to-day operational knowledge for deeper CSR engagement.
- Capitalise on the goodwill of the years to forge partnerships.

3. Education: The Company has donated 4 Mobile Science Labs to Agastya

International Foundation (AIF) for providing hands-on training to school students in various science subjects through school and community visits in the areas of Lakhimpur Kheri, Gonda, Balrampur and Barabanki (all in the State of Uttar Pradesh). During the year 2019-20, 590 school visits were conducted resulting in 63029 student exposures comprising of 29105 boys & 33924 girl exposures along with 1891 teacher exposures. The topics covered were on Measurement, Force, Motion, Phases of moon, Heat and Temperature, Respiration, Physical and chemical change, Human skeleton, etc., Apart from the above, during the year 2019-20, 302 community visits happened with a total of 7643 children and 4563 community members participated and took advantage of these visits.

4. Healthcare: Balrampur Chini believes that the provision of dependable and affordable health care makes it possible for societies to grow without the burden of disease and related debt.

5. Sports: The Company is engaged in the promotion of wrestling in collaboration with the Uttar Pradesh Wrestling Association. National-level wrestling

tournaments have been organised in Gonda district by Uttar Pradesh Wrestling Association.

6. Miscellaneous:

- The Company also engages in the following welfare activities:
- Drinking water facility.
- Disaster management.
- Blanket distribution with State Government and NGOs.
- Cultural activity sponsorship.
- Cataract removal camps.
- Animal welfare.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 DATA ANALYSIS AND INTERPRETATION

Data analysis simply means analysing the entire data collected for the study. Data collected for the study is financial data. So, analysis is also called financial analysis. Financial analysis refers to simplification of the financial data in the financial statements. It is the process of analysing the information contained in the financial statement to judge the profitability and financial soundness of the company.

Financial analysis includes both analysis and interpretation. The term interpretation literally means to explain the meaning of. In the context of financial analysis, interpretation means explaining the meaning of the data. This study uses ratio analysis and common size statements for the purpose of financial data analysis.

Ratio analysis is an important technique of analysis of financial statement. It is the most widely used technique of financial analysis. Ratio analysis was perhaps the first financial tool developed to analyse and interpret the financial data analysis. Ratio analysis shows the numerical relationship between two figures. In this present study analysis had been done using ratio analysis. Liquidity ratio, solvency ratio, activity ratio, profitability ratio had been examined for the study. Liquidity ratio includes current ratio, quick ratio and super quick ratio. Solvency ratio includes debt equity ratio, proprietary ratio and leverage ratio. Activity ratio includes inventory turnover ratio, working capital turnover ratio and fixed asset turnover ratio. Profitability ratio includes gross profit ratio, operating profit ratio, net profit ratio, return on investment and return on shareholders fund.

A common size financial statement displays items as a percentage of a common base figure, total sales revenue, for example. This type of financial statement allows for easy analysis between companies, or between periods, for the same company. A common size financial statement displays entries as a percentage of a common base figure rather than as absolute numerical figures.

- Common size statements let analysts compare companies of different sizes, in different industries, or across time in an apples-to-apples way.

- Common size financial statements commonly include the income statement, balance sheet, and cash flow statement.

Balrampurchini mills limited had been selected for the study. Secondary data is gathered from the website of balrampurchini mills. Required data had been compiled from the annual report of the company from last 5 years from 2015-16 to 2019-20.

Advantages of common size statements:

1. Easy to Understand: Common-size Statement helps the users of financial statement to make clear about the ratio or percentage of each individual item to total assets/liabilities of a firm. For example, if an analyst wants to know the working capital position he may ascertain the percentage of each individual component of current assets against total assets of a firm and also the percentage share of each individual component of current liabilities.
2. Helpful for Time Series Analysis: A Common-Size Statement helps an analyst to find out a trend relating to percentage share of each asset in total assets and percentage share of each liability in total liabilities.
3. Comparison at a Glance: An analyst can compare the financial performances at a glance since percentage of increase or decrease of each individual component of cost, assets, liabilities etc. are available and he can easily ascertain his required ratio.
4. Helpful in analysing Structural Composition: A Common-Size Statement helps the analyst to ascertain the structural relations of various components of cost/expenses/assets/liabilities etc. to the required total of assets/liabilities and capital.

Disadvantages of common size statements:

1. Standard Ratio: Common-Size Statement does not help to take decisions since there is no standard ratio/percentage regarding the change of percentage in the various component of assets, liabilities, sales etc.

2. Change in Price-level: Common-Size statement does not recognise the change in price level i.e. inflationary effect. So, it supplies misleading information's since it is based on historical cost.

3. Following Consistency: If consistency in the accounting principle, concepts, conventions is not maintained then Common Size Statement becomes useless.

4. Seasonal Fluctuation: Common-Size Statement fails to convey proper records during seasonal fluctuations in various components of sales, assets liabilities etc. e.g. sales and closing stock significantly vary. Thus, the statement fails to supply the real information to the users of financial statements.

5. Window Dressing: Effect of window dressing in financial statements cannot be ignored and Common-Size Statements fail to supply the real positions of sales, assets, liabilities etc. due to the evil effects of window dressing appearing in the financial statements.

6. Qualitative Element: Common-Size Statement fails to recognise the qualitative elements, e.g. quality of works, customer relations etc. while measuring the performance of a firm although the same should not be ignored.

4.2 LIQUIDITY RATIOS

4.2.1 CURRENT RATIO

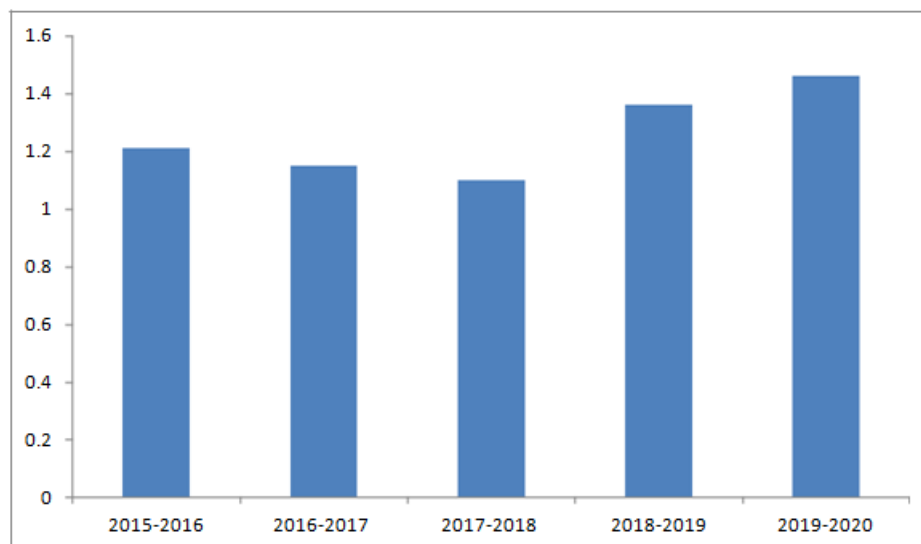
Current ratio=current asset/current liability

Table 4.1 showing current ratio from 2016-2020.

Year	Current assets	Current liability	ratio
2015-2016	2180.38	1792.14	1.21:1
2016-2017	2520.00	2176.91	1.15:1
2017-2018	2065.48	1871.63	1.10:1
2018-2019	2983.05	2184.53	1.36:1
2019-2020	2916.37	1991.66	1.46:1

Generally current ratio of 2:1 is considered as standard. From table 4.1 it is clear that the company Failsto attain the standardratio.current ratio from 2015-16 to 2019-20 is fluctuating year by year

Chart 4.1 shows current ratio from 2016-2020. (x axis :year, y axis: ratio)



4.2.2 QUICK RATIO

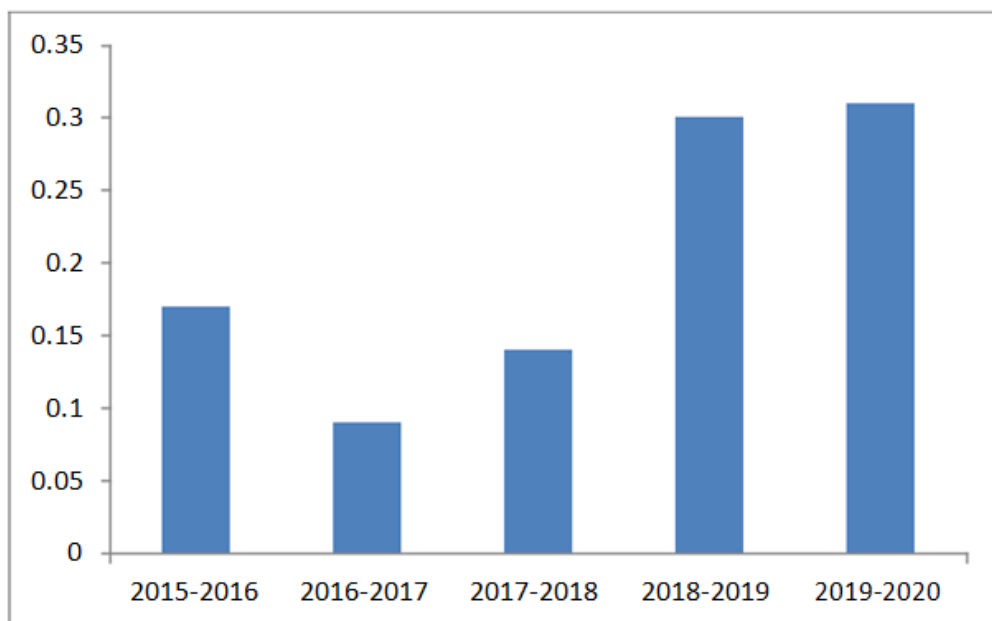
Quick ratio= quick asset/current liability

Table 4.2 shows quick ratio from 2016-2020

year	Quick asset	Current liability	Ratio
2015-2016	315.49	1792.14	0.17
2016-2017	206.25	2176.91	0.09
2017-2018	263.16	1871.63	0.14
2018-2019	666.98	2184.53	0.30
2019-2020	621.27	1991.66	0.31

Generally Quick ratio of 1:1 is considered as satisfactory. From table 4.2 it is clear that quick ratio is less than 1 which means financial position of the company is unsound. Quick ratio from 2015-16 to 2019-20 is fluctuating year by year. So, company needs to increase the liquid asset to attain standard ratio

Chart 4.2 shows quick ratio from 2016-2020. (x axis :year, y axis: ratio)



4.2.3 SUPER QUICK RATIO

Super quick ratio=absolute liquid asset/current liability

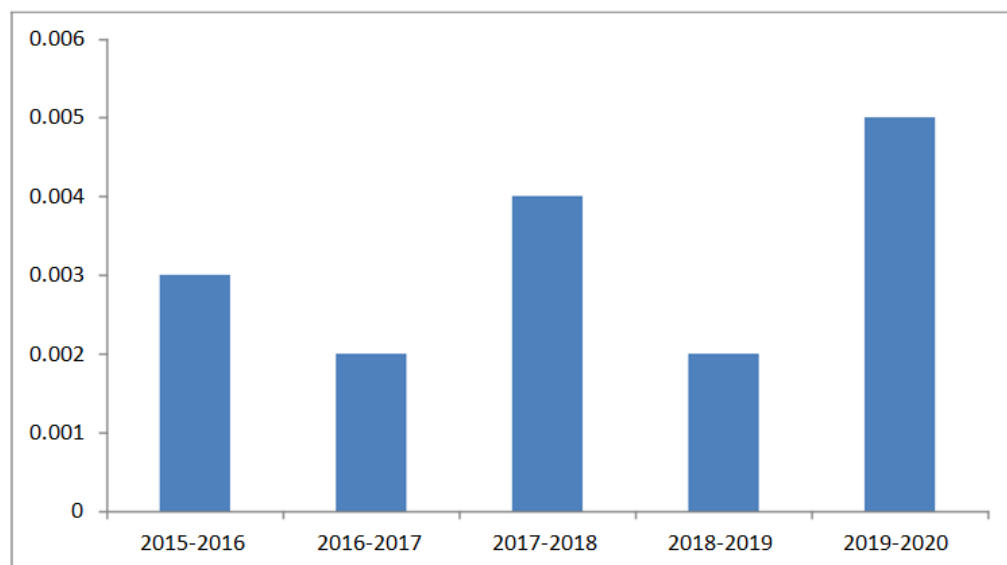
Super quick asset=cash+ short term investment

Table 4.3 shows super quick ratio from 2016-2020.

year	Super quick assets	Current liability	Ratio
2015-2016	6.56	1792.14	0.003
2016-2017	4.49	2176.91	0.002
2017-2018	8.71	1871.63	0.004
2018-2019	4.93	2184.53	0.002
2019-2020	10.31	1991.66	0.005

Generally super quick ratio of 0.5:1 is considered as ideal. From table 4.3 it is clear that company has not met the ideal ratio in any of the years from 2015-20. The ratio shows fluctuating trend. Company does not keep much of super quick asset to pay off its super quick liabilities

Chart 4.3 shows super quick ratio from 2016-2020. (x axis :year, y axis: ratio)



4.3 SOLVENCY RATIOS

4.3.1 DEBT EQUITY RATIO

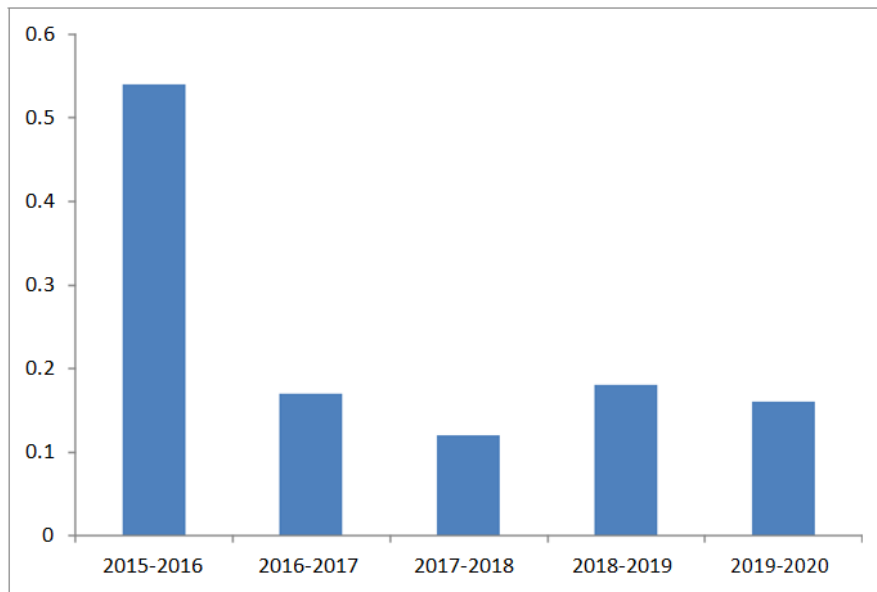
Debt equity ratio=Total debt/equity

Table 4.4 shows debt equity ratio from 2016-2020

year	Debt	equity	Ratio
2015-2016	673.03	1231.51	0.54
2016-2017	277.28	1541.25	0.17
2017-2018	203.28	1587.10	0.12
2018-2019	389.24	2082.70	0.18
2019-2020	385.80	2370.41	0.16

Generally, debt equity ratio of 1:1 is considered as standard. From table 4.4 it is clear that the company had not reached the standard ratio in any years from 2015-16 to 2019-20. it shows that the company tends to use more of owner's fund than the borrowed fund

Chart 4.4 shows debt equity ratio from 2016-2020. (x axis :year, y axis: ratio)



4.3.2

PROPRIETARY RATIO

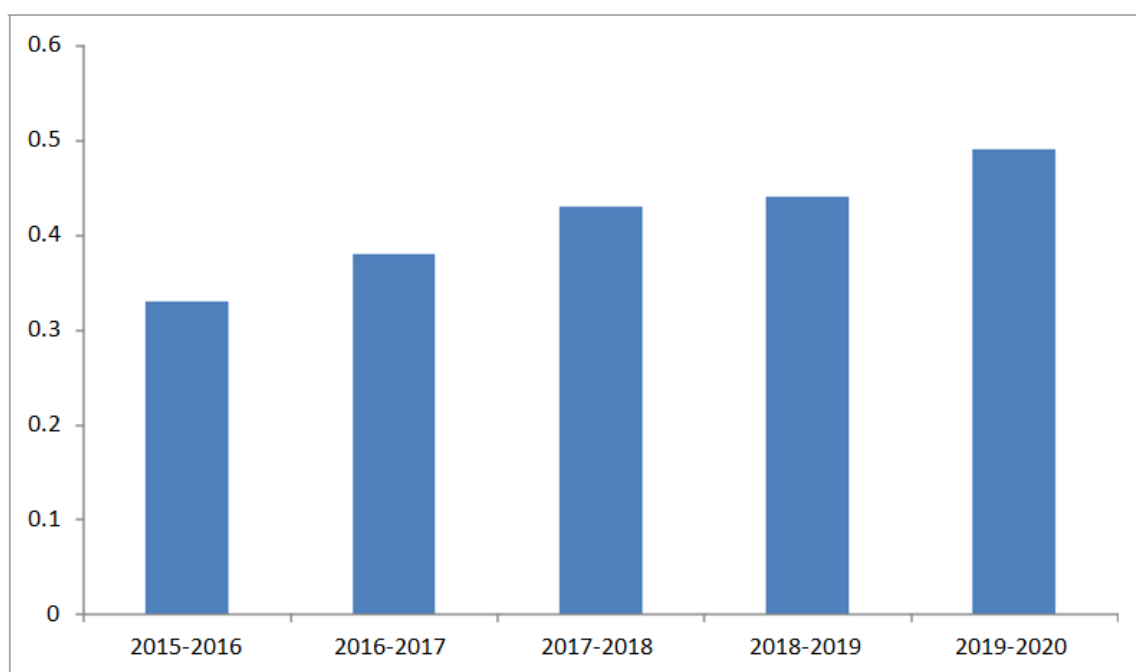
Proprietary ratio=shareholders fund /total asset

Table 4.5 shows proprietary ratio from 2016-2020

year	Shareholders fund	Total asset	Ratio
2015-2016	1231.51	3696.68	0.33
2016-2017	1541.25	3995.44	0.38
2017-2018	1587.10	3662.05	0.43
2018-2019	2082.70	4656.47	0.44
2019-2020	2370.41	4747.87	0.49

Generally proprietary ratio of 0.5:1 or above (or 50% or more) is considered as ideal. Table 4.5 shows that Company's proprietary ratio is almost equal to the standard. This means low risk to the creditors of the company. Proprietary ratio from 2015-16 to 2019-20 is increasing year by year.

Chart 4.5 shows proprietary ratios from 2016-20. (x axis :year, y axis: ratio)



4.3.3 LEVERAGE RATIO

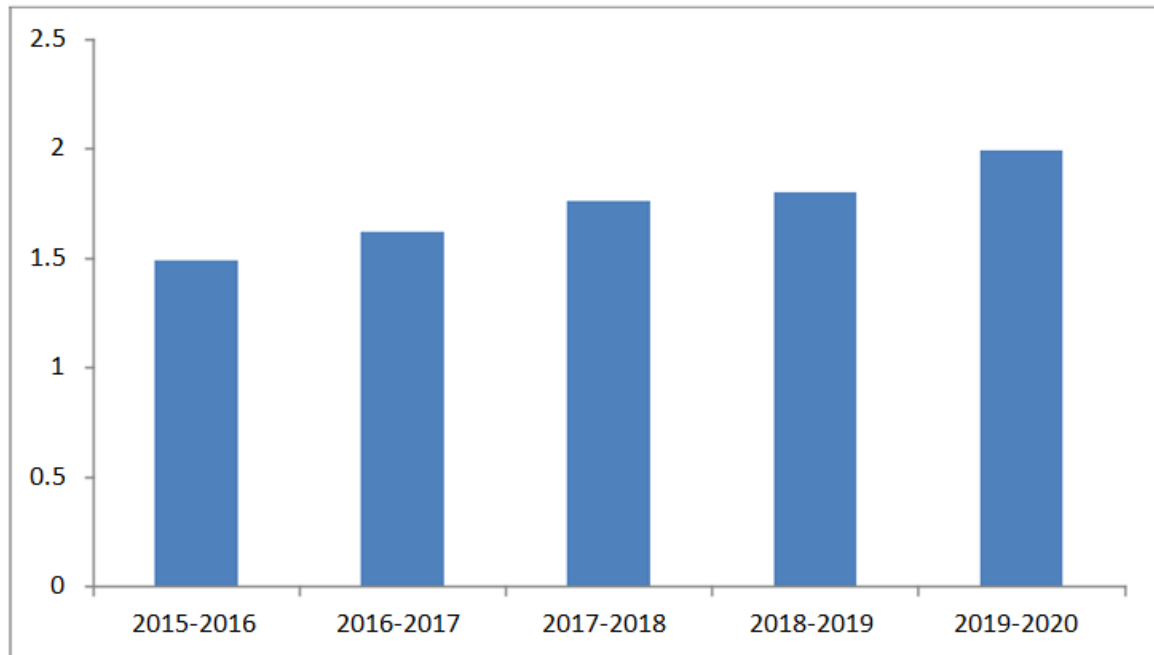
Leverage ratio=total asset/total debt

Table 4.6 shows leverage ratios from 2016-2020.

year	Total asset	Total debt	ratios
2015-2016	3696.68	2465.17	1.49
2016-2017	3995.44	2454.19	1.62
2017-2018	3662.05	2074.88	1.76
2018-2019	4656.47	2573.77	1.80
2019-2020	4747.87	2377.46	1.99

Generally, leverage ratio of 1:1 is considered as ideal. From table 4.6 it is clear that solvency ratio of the company is more than 1. This means higher degree of solvency. That indicate the company is solvent because the assets are sufficiently more than the liabilities of the company. Leverage ratio from 2015-16 to 2019-20 is increasing year by year

Chart 4.6 shows leverage ratios from 16-20. (x axis :year, y axis: ratio)



4.4 PROFITABILITY RATIOS

4.4.1 GROSS PROFIT RATIO

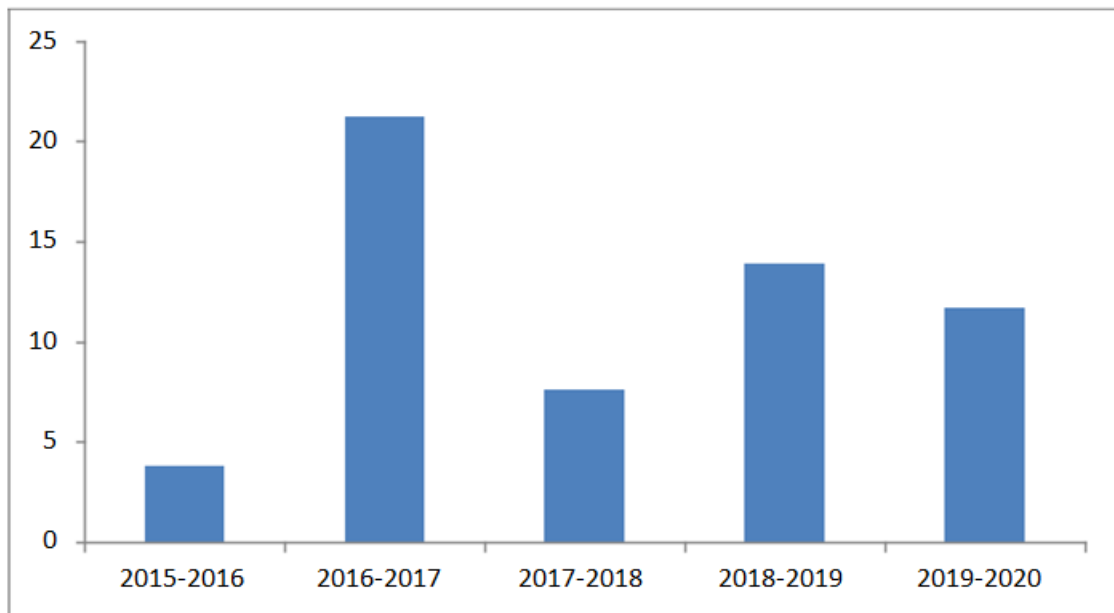
Gross profit ratio =gross profit/net sales*100

Table 4.7 shows the gross profit ratio from 2016-2020.

Year	Gross profit	Net sales	Ratio
2015-2016	105.06	2756.66	3.81
2016-2017	734.15	3460.13	21.21
2017-2018	332.19	4342.54	7.64
2018-2019	595.03	4285.78	13.88
2019-2020	554.93	4741.29	11.70

Generally gross profit of 20% to 25% is considered as ideal. Table 4.7 shows that gross profit ratio of company is lower than the standard in each year from 2015-2016 to 2019-2020, which indicates that inefficiency in production and purchase management of a company.

Chart 4.7 shows gross profit ratio from 2016-2020. (x axis :year, y axis: ratio)



4.4.2 NET PROFIT RATIO

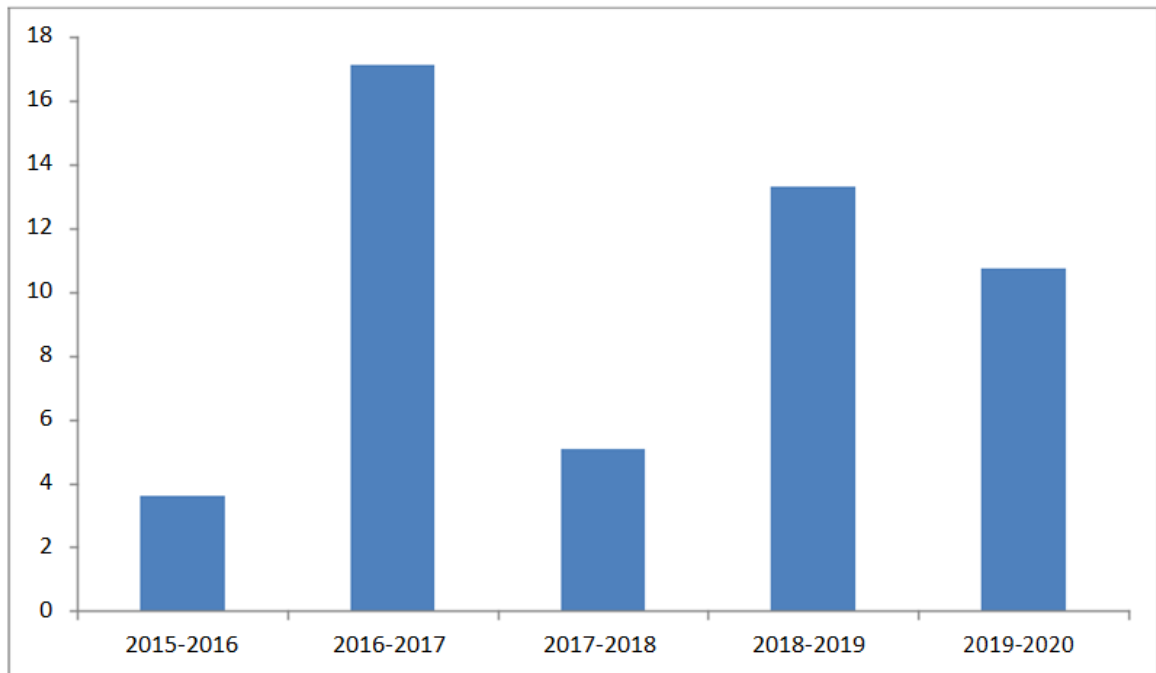
Net profit ratio=net profit/net sales*100

Table 4.8 shows the net profit from 2016-2020.

Year	Net profit	Net sales	Ratio
2015-2016	99.42	2756.66	3.60
2016-2017	592.29	3460.13	17.11
2017-2018	221.12	4342.54	5.09
2018-2019	570.64	4285.78	13.31
2019-2020	509.28	4741.29	10.74

The ideal Net profit ratio is 5%-10%. Net profit ratio indicates efficiency and profitability of a business. Here the company has seen a huge increase in net profit ratio in the year 2017.and has seen further increase in the year 2019,2020.

Chart 4.8 shows net profit from 2016-2020. (x axis :year, y axis: ratio)



4.4.3 RETURN ON INVESTMENT

Return on investment = $\frac{\text{profit before interest and tax}}{\text{capital employed}} \times 100$

Capital employed = fixed asset + current asset - current liability

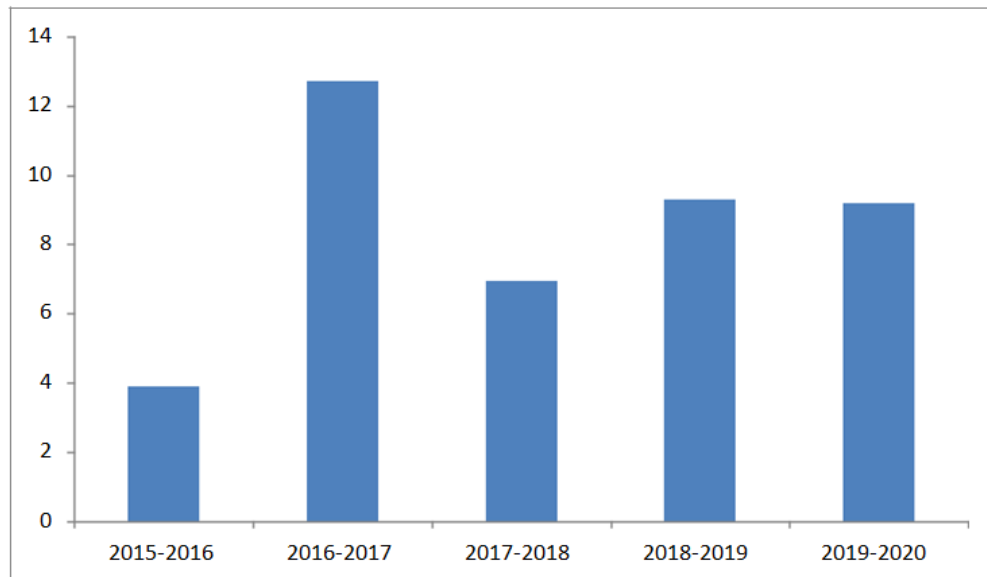
Table 4.9 shows return on investment from 2016-2020.

Year Profit before interest Capital employed ratio and tax

2015-2016	180.66	5488.82	3.29
2016-2017	789.58	6172.35	12.7
2017-2018	384.22	5533.68	6.94
2018-2019	635.97	6841.02	9.29
2019-2020	619.10	6739.53	9.18

Generally, return on investment of 15% is considered as standard. From table 4.9 the company's return on investment shows an increasing trend from 2015-16 to 16-17. In the last 3 years return on investment is lower the standard which means lesser profitability.

Chart 4.9 shows return on investment from 2016-2020. (x axis :year, y axis: ratio)



4.4.4 RETURN ON SHAREHOLDERS FUND

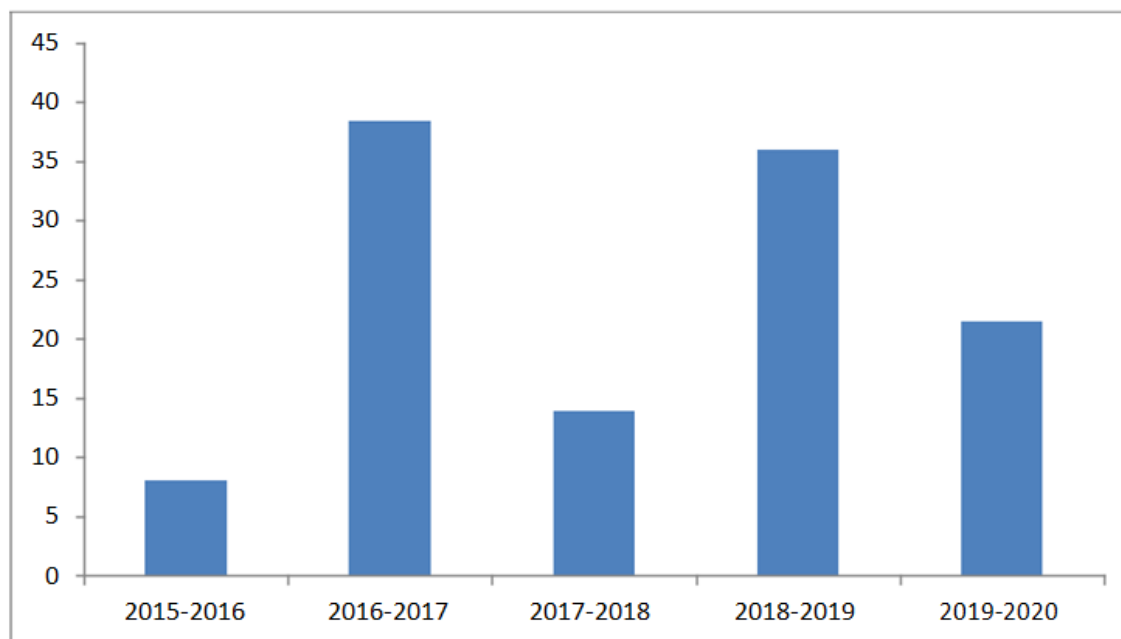
Return on shareholders fund = $\frac{\text{net profit after interest and tax}}{\text{shareholders fund}} \times 100$

Table 4.10 shows return on shareholders fund from 2016-2020.

Year	Net profit after tax	Shareholders fund	Ratio
2015-2016	99.42	1231.51	8.07
2016-2017	592.29	1541.25	38.42
2017-2018	221.12	1587.10	13.93
2018-2019	570.64	2082.70	35.95
2019-2020	509.28	2370.41	21.48

Generally ideal form of return on shareholders' fund is 15%. From table 4.10 it is clear that company's return on shareholders' fund is in increasing trend in the year 2016-17. But in the year 2017 there is a fall, this may be due to poor utilization of owners fund.

Chart 4.10 shows return on shareholders fund from 2016-2020. (x axis :year, y axis:ratio)



Common size balancesheet for the year 2015-16, 2016-17.(In crore)

Absolute figures			percentage	
Particulars	2015-2016	2016-2017	2015-2016	2016-2017
A. Equity and liability				
1.Shareholders fund	1231.51	1541.25	33.31	38.57
2.Non currentliability	673.03	277.28	18.20	6.93
3.Current liability	1792.14	2176.91	48.4	54.4
TOTAL	3696.6	3995.44	100	100
B. Assets				

1.Non current assets		1516.31	1475.44	41.01	36.92
2.current assets		2180.38	2520.00	58.9	63.07
TOTAL		3696.6	3995.44	100	100

From the above table it is clear that there is a significant decrease in the non current liability.and there is a great improvement in the current assets of the company

Common size balance sheet for the year2016-2017, 2017-2018.(incrore)

Absolute figures			percentage	
Particulars	2016-2017	2017-2018	2016-2017	2017-2018
A.Equity and liability				
1.Shareholders fund	1541.25	1587.10	38.57	43.3
2. Non current liability	277.28	203.28	6.93	5.55
3.Current liability	2176.91	1871.63	54.4	51.10
TOTAL	3995.44	3662.0	100	100
1.Non Current	1475.44	1596.58	36.92	43.5

assets				
2.Current assets	2520.00	2065.48	63.07	56.4
TOTAL	3995.44	3662.0	100	100

From the above table it is clear that only shareholders fund and non current assets has increased, while the current assets has shown a slight decrease.

Common size balance sheet for the year 2017-2018, 2018-2019. (in crore)

Absolute figures				particulars	
Particulars	2017-2018	2018-2019	2017-2018		2018-2019
A. Equity and liability					
1. Shareholders fund	1587.10	2082.70	43.3		44.72
2. Non current liability	203.28	389.24	5.55		8.35
3. Current liability	1871.63	2184.53	51.10		46.91
TOTAL	3662.0	4656.47	100		100

1. Non current asset	1596.58	1673.42	43.5		35.93
2. Current asset	2065.48	2983.05	56.4		64.06
TOTAL	3662.0	4656.47	100		100

From the above table it is clear that the companies non current asset has decreased when compared to the year 17-18. but the current asset and the non current liability has shown a steady increase.

Common size balance sheet for the year 2018-2019 ,2019-2020 (in crore).

Absolute figures		percentage		
Particulars	2018-2019	2019-2020	2018-2019	2019-2020
A. Equity and liability				
1. shareholders fund	2082.70	2370.41	44.72	49.9
2. non current liability	389.24	385.80	8.35	8.12
3. current liability	2184.53	1991.66	46.91	41.9
TOTAL	4656.47	4747.8	100	100

B. Assets				
1.Non current assets	1673.42	1831.51	35.93	38.57
2.Current assets	2983.05	2915.37	64.06	61.40
TOTAL	4656.47	4747.8	100	100

From the above table it is clear that the companies shareholders return and the non current assets has only shown a slight increase.but there is a slight decrease in the non current liability and the current liability.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- Current ratio is below standard and fluctuating year by year.
- Quick ratio is also below standard hence the firm will face difficulties in pay off its liabilities in correct time
- Super quick ratio is also below standard so short term liquidity position is very poor
- Debt equity ratio is below the standard and the company is not financially sound
- Proprietary ratio is almost equal to standard now and in increasing year by year.

- Gross profit ratio is below than the ideal ratio which indicate that inefficiency in production and purchase management of a company. But it shows an increasing trend
- Net profit ratio shows increasing trend which means increasing profitability
- Return on investment is satisfactory, and there is only a slight increase.
- Return on shareholders has decreased in the year 2017 .this may be due to poor utilization of owners fund.
- Leverage ratio indicates that the company is solvent because the assets are sufficiently more than the liabilities of the company.

5.2 SUGGESTIONS

It is better for company to decrease its current liability to improve the liquidity ratio and liquidity position. Company has to increase net sales for increasing profitability of the entity and higher profitability will attract shareholders. The company must also aim at a effective utilization of owners fund. The company must aim to keep a standard level of liquid assets and try to maintain the profits which the company is earning now. customer satisfaction as well as development of the customers should be given priority.

5.3 CONCLUSION

Finance is the life blood of every business concern. but if it is not properly managed it can cause adverse effect in the economic. therefore the acquisition and utilization of finance is very important.

A financial statement of a concern communicates to its user the financial position of the firm. the significance of this statement lies not in its preparation but in its analysis and interpretation. Thus a study was made on the topic —FINANCIAL STATEMENT ANALYSIS OF BALRAMPUR CHINI MILLS LTD| to know the solvency and the financial position of the firm.

This study helped to analyse the liquidity and efficiency of the business and the management of the firm. The position of the company is average. But still it can improve the position. As the competition in the market is getting tougher and tougher, BALRAMPUR CHINI MILLS should make change to maintain the market share. So the financial performance is satisfactory but there is a further scope for improvement.

BIBLIOGRAPHY

BIBLIOGRAPHY

BOOKS

A.VINOD —Accounting for management,2017 edition,(Calicut university central co-operative stores publishers)

JOURNALS

Shaikhsalmanmasood (2020) —financial statement analysis of tata motors ltd, International Journal of Engineering and Management Research.

P Mohammed buharisaleem (2020) —financial statement analysis of nestle india ltd,Haithamnobanee on jul 05-2020.

Saifkulaib (2020) —financial statement analysis of sony, Haithamnobanee on jul 05-2020.

Drseema Thakur (2019) —financial statement analysis of daburindia ltd, Haithamnobanee on jul 05-2020.

BSR Murthy (2018) —financial statement analysis of hatsun agro product ltdll, Haithamnobanee on jul 05-2020.

Medrappusudhakar(2017)—financialstatementanalysisof Infosysll,Haithamnobanee on jul 05-2020.

DrARamya (2017) —financial statement analysis of maruthi Suzuki india ltdll, International Journal of Engineering and Management Research.

Prof P Uma Eswari (2017) —Financial statement analysis of britannia biscuits ltdll, Haithamnobanee on jul 05-2020.

Varghese S (2016) —Financial statement analysis of ashok Leyland ltdll, International Journal of Engineering and Management Research

R Ramanan (2015) —financial statement analysis of reliance industries limitedll, International Journal of Engineering and Management Research

WEBSITE

- <http://chini.com/>
- <https://www.moneycontrol.com/financials/balrampurchinimills/balance-sheetVI/BCM>
- <https://www.wikipedia.org/>

APPENDIX

This data can be easily copy pasted into a Microsoft Excel sheet

PRINT

[Previous Years](#)

Balrampur Chini Mills

Standalone Balance Sheet

	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	22.00	22.84	22.84	23.50	24.50
Total Share Capital	22.00	22.84	22.84	23.50	24.50
Reserves and Surplus	2,348.41	2,059.86	1,564.26	1,517.75	1,207.02
Total Reserves and Surplus	2,348.41	2,059.86	1,564.26	1,517.75	1,207.02
Total Shareholders Funds	2,370.41	2,082.70	1,587.10	1,541.25	1,231.51
Equity Share Application Money	0.00	0.00	0.05	0.00	0.00
NON-CURRENT LIABILITIES					
Long Term Borrowings	340.26	279.25	10.67	124.31	496.44
Deferred Tax Liabilities [Net]	24.14	78.32	183.46	143.40	159.42
Other Long Term Liabilities	14.68	26.39	4.82	6.39	14.58
Long Term Provisions	6.72	5.28	4.33	3.18	2.59
Total Non-Current Liabilities	385.80	389.24	203.28	277.28	673.03
CURRENT LIABILITIES					
Short Term Borrowings	1,058.69	1,394.66	865.52	1,577.44	994.42
Trade Payables	677.95	618.50	785.29	295.34	423.35
Other Current Liabilities	234.78	165.64	217.11	300.85	371.33
Short Term Provisions	20.23	5.72	3.71	3.28	3.04
Total Current Liabilities	1,991.66	2,184.53	1,871.63	2,176.91	1,792.14
Total Capital And Liabilities	4,747.87	4,656.47	3,662.05	3,995.44	3,696.68
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	1,623.16	1,420.02	1,445.01	1,409.50	1,335.77
Intangible Assets	0.89	1.54	2.04	2.80	2.81
Capital Work-In-Progress	12.40	45.83	11.25	6.13	86.47
Fixed Assets	1,636.44	1,467.38	1,458.31	1,418.43	1,425.05
Non-Current Investments	179.79	120.06	83.16	45.02	47.83
Other Non-Current Assets	15.28	85.98	55.11	11.99	43.43
Total Non-Current Assets	1,831.51	1,673.42	1,596.58	1,475.44	1,516.31
CURRENT ASSETS					
Current Investments	5.65	0.00	0.00	0.00	0.00
Inventories	2,295.10	2,316.07	1,802.32	2,313.75	1,864.89
Trade Receivables	239.29	450.03	182.21	162.77	199.28
Cash And Cash Equivalents	4.66	4.93	8.71	4.49	6.56
Short Term Loans And Advances	0.00	0.00	0.13	9.57	9.51
Other Current Assets	371.68	212.02	72.11	29.42	100.14
Total Current Assets	2,916.37	2,983.05	2,065.48	2,520.00	2,180.38

Total Assets	4,747.87	4,656.47	3,662.05	3,995.44	3,696.68
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	13.01	201.27	19.98	38.67	81.22
CIF VALUE OF IMPORT \$					
EXPENDITURE IN FOREIGN EXCHANGE					
Expenditure In Foreign Currency	1.02	0.10	2.10	1.02	0.38
REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDEND \$					
Dividend Remittance In Foreign Currency	-	-	-	-	-
EARNINGS IN FOREIGN EXCHANGE					
FOB Value Of Goods	-	-	-	-	-
Other Earnings	168.43	-	-	-	-
BONUS DETAIL \$					
Bonus Equity Share Capital	14.28	14.83	14.83	14.83	14.83
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	-	-	-	-	-
Non-Current Investments Unquoted Book Value	179.79	120.06	83.16	45.02	40.85
CURRENT INVESTMENT \$					
Current Investments Quoted Market Value	-	-	-	-	-
Current Investments Unquoted Book Value	-	-	-	-	-

Source : Dion Global Solutions Limited

This data can be easily copy pasted into a Microsoft Excel sheet

[PRINT](#)

Balrampur Chini Mills

[Previous Years »](#)

Standalone Profit & Loss account

in Rs. Cr.

	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16
	12 mths	12 mths	12 mths	12 mths	12 mths
INCOME					
Revenue From Operations [Gross]	4,462.59	4,276.23	4,400.72	3,641.00	2,874.07
Less: Excise/Service Tax/Other Levies	0.00	0.00	58.18	180.86	117.41
Revenue From Operations [Net]	4,462.59	4,276.23	4,342.54	3,460.13	2,756.66
Other Operating Revenues	278.71	9.54	0.00	0.00	0.00
Total Operating Revenues	4,741.29	4,285.78	4,342.54	3,460.13	2,756.66
Other Income	38.55	42.75	27.78	24.94	46.48
Total Revenue	4,779.84	4,328.52	4,370.32	3,485.08	2,803.14
EXPENSES					
Cost Of Materials Consumed	3,464.16	3,595.41	3,064.88	2,576.85	2,112.54
Changes In Inventories Of FG, WIP And Stock-In Trade	37.34	-538.36	409.75	-419.52	-136.23
Employee Benefit Expenses	254.00	230.46	204.00	180.91	150.95
Finance Costs	64.17	40.94	52.03	55.43	66.55
Depreciation And Amortisation Expenses	101.42	95.85	95.22	104.94	110.11
Other Expenses	303.84	309.20	212.26	252.33	218.43
Total Expenses	4,224.91	3,733.49	4,038.14	2,750.93	2,522.34
	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16
	12 mths	12 mths	12 mths	12 mths	12 mths
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	554.93	595.03	332.18	734.15	280.80
Exceptional Items	0.00	0.00	0.00	0.00	-173.10
Profit/Loss Before Tax	554.93	595.03	332.18	734.15	107.69
Tax Expenses-Continued Operations					
Current Tax	97.10	128.48	71.15	157.88	22.55
Deferred Tax	-51.46	-104.08	40.06	-16.02	-15.11
Tax For Earlier Years	0.00	0.00	-0.14	0.00	0.00
Total Tax Expenses	45.65	24.39	111.06	141.86	7.43
Profit/Loss After Tax And Before ExtraOrdinary Items	509.28	570.64	221.12	592.29	100.26
Profit/Loss From Continuing Operations	509.28	570.64	221.12	592.29	100.26
Profit/Loss For The Period	509.28	570.64	221.12	592.29	100.26
	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16
	12 mths	12 mths	12 mths	12 mths	12 mths
OTHER ADDITIONAL INFORMATION					
EARNINGS PER SHARE					
Basic EPS (Rs.)	22.98	24.98	9.41	24.26	4.09
Diluted EPS (Rs.)	22.98	24.98	9.41	24.26	4.09

VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIALS

STORES, SPARES AND LOOSE TOOLS

DIVIDEND AND DIVIDEND PERCENTAGE

Equity Share Dividend	55.00	57.11	58.76	85.75	0.00
Tax On Dividend	11.31	11.74	11.96	17.46	0.00
Equity Dividend Rate (%)	250.00	250.00	250.00	350.00	0.00

Source: Dion Global Solutions Limited



Plagiarism Checker X Originality Report

Similarity Found: 8%

Date: Wednesday, May 24, 2023

Statistics: 1396 words Plagiarized / 9971 Total words

Remarks: Low Plagiarism Detected - Your Document is Healthy.

SYMBIOSIS CENTRE FOR DISTANCE LEARNING (SCDL) Symbiosis Bhavan, 1065-B Gokhale Cross Road, Model Colony, Pune-411016 Website: www.scdl.net Name of the Program : POST GRADUATE CERTIFICATE IN FINANCE (MANAGEMENT ACCOUNTING) Specialization : MANAGEMENT ACCOUNTING . Name of the Student : SARANG SAMPATRAO GAIKWAD. Registration Number : 202201865 Active Email ID gaikwad.sarang176@gmail.com. Mobile Number : 9004008149 Name of Topic : PROJECT REPORT ON "A STUDY ON FINANCIAL STATEMENT ANALYSIS OF BALRAMPUR CHINI MILLLS LTD".

a student of MBA respectively hereby declare that the Research Project Report on "A STUDY ON FINANCIAL STATEMENT ANALYSIS OF BALRAMPUR CHINI MILLLS LTD" is the outcome of my own work and the same has not been submitted to any other University/ Institute for the award of any degree or any Professional diploma.

CERTIFICATE BY THE GUIDE Certified that the work incorporated in this Project Report "A STUDY ON FINANCIAL STATEMENT ANALYSIS OF BALRAMPUR CHINI MILLLS LTD" submitted by is his original work and completed under my supervision. Material obtained from other sources has been duly acknowledged in the Project . Roll Number :- 202201865.

PROJECT REPORT ON "A STUDY ON FINANCIAL STATEMENT ANALYSIS OF BALRAMPUR CHINI MILLLS LTD" Submitted to: SYMBIOSIS CENTRE FOR DISTANCE

LEARNING (SCDL) IN PARTIAL FULFILMENT, OF POST GRADUATE CERTIFICATE IN
FINANCE MANAGEMENT ACCOUNTING (PGCFMA) Submitted By: PGCFMA -