

**Managerial Accounting**

**21MBA311**

**Semester I (2023-24)**

**MASTER OF BUSINESS ADMINISTRATION**

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**Register Number:**

**P18FW23M015072**

**Section “A”**

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## Chapter Scheme

Chapter No.	Topics covered	Page Number
1	Introduction - Ambuja Cement LTD	
2	Tools and Technologies	
3	Financial Statement	
4	Comparative Statement	
5	Common Size Statement	
6	Trend Analysis	

## **AMBUJA CEMENTS LTD**



# **Ambuja Cement**

Ambuja Cements Ltd. is among the leading cement companies in India. It is a member of the Adani Group - the largest and fastest-growing portfolio of diversified sustainable businesses. Ambuja Cement has provided hassle-free, home-building solutions with its unique sustainable development projects and environment-friendly practices since it started operations. Currently, Ambuja Cement has a cement capacity of 31 million tonnes with six integrated cement manufacturing plants and eight cement grinding units across the country.

Ambuja Cement is the industry leader in responsible use of resources, both natural and man-made. The company has been certified over eight times water positive, a feat achieved through conservation efforts and increasing water efficiency in its plants. It is also plastic negative, by burning as much as over 1,26,000 tonnes of plastic waste in its kilns, equivalent to 3.5 times of total plastic used. The company also generated 2.7% of its power needs from renewable resources.

The company has many firsts to its credit – a captive port with four terminals that has facilitated timely, cost-effective, cleaner shipments of bulk cement to its customers. To further add value to our customers, the company has launched innovative products like Ambuja Plus, Ambuja Cool Walls, Ambuja Kawach and Ambuja Cement Compocem. The new products not only fulfil important customer needs but also help in significantly reducing carbon footprints.

Sustainable profitable growth is ingrained in the company's DNA. Ambuja Cement's multi-pronged strategy, including triple bottom line accounting method; True Value; good corporate governance practices; overarching corporate environment policy; and sustainable supply chain policy have helped cement the company's credentials as a sustainable manufacturer. Ambuja

Cement's Sustainable Development Ambition 2030 provides strategic direction to the company's long-term sustainability vision. All Ambuja Cement plants are ISO 14001 certified.

Ambuja Knowledge Centres (AKCs), a unique initiative by the company, serves as a knowledge sharing platform for construction professionals that includes practical workshops on mix design and quality supervision. Currently, 19 AKCs are functional across India.

The company also works closely with communities that live around its plants, through its CSR arm, the Ambuja Cement Foundation (ACF). ACF implements need-based and participatory programmes in the thematic areas of water resource development, health and sanitation, women empowerment, rural infrastructure, education and agro-based/skill-based livelihood creation.

The company's most distinctive attribute is its approach to business. Ambuja Cement follows a unique homegrown philosophy I can that gives people the authority to set their own targets and the freedom to achieve their goals. Its focus has been consistent on two major building blocks that has resonated through its daily operations – Quality (of products) and Safety (of all those involved in the creation of its products).



# Mission



To be the largest, most innovative, efficient and sustainable cement & building materials company in the world, creating value & enriching lives of people and employees.

- Accelerated Growth by significant capacity ramp up as well as inorganic growth.
- Market leadership and Premium product offering to achieve customer delight.
- Operational excellence through Best-in-class production facilities and most cost-efficient operations.
- Efficient supply chain network and Digitization to reach the last mile.
- Be a world class talent platform and a preferred, diverse & inclusive place to work for.
- Sustainable value enhancement for stakeholders on group values and strong principles of ESG.
- Develop sustainable future for community and society at large
- Safety, Innovation and Agility at the core and a world class talent pool to drive excellence.

## **TOOLS AND TECHNOLOGIES USED FOR INTERPRETATION AND ANALYSIS OF THE FINANCIAL STATEMENT**

**COMPARATIVE STATEMENT:** A comparative size statement describes the relative sizes of two or more things, quantities, or entities. It usually entails comparing the dimensions, proportions, or magnitudes of various elements to show their contrasts or similarities in size.

Comparative size remarks can be qualitative or quantitative, depending on the context and amount of precision required. Qualitative statements may utilize descriptive language to describe relative sizes ("much larger than," "slightly smaller than"), but quantitative statements use specific measurements or ratios to compare sizes more precisely ("twice as large as," "half the size of").

**COMMON SIZE STATEMENT:** A common size statement, also known as a common size analysis or a common size financial statement, is a financial analysis approach that determines the relative proportions of various components in a financial statement. It entails representing each line item as a percentage of a base item within the same statement. For example, in a standard size income statement, each revenue and expense items are expressed as a percentage of total revenue. A typical size balance sheet expresses each asset, debt, and equity item as a proportion of total assets.

**TREND ANALYSIS:** Trend analysis is a statistical technique used to analyze time-series data to identify patterns, tendencies, or trends over a specific period. It involves examining the historical data of a variable, such as sales, expenses, or stock prices, to understand its behavior and predict future movements. Overall, trend analysis provides valuable insights into a company's financial performance, helping stakeholders make informed decisions about investments, lending, and strategic planning. It serves as a critical tool in financial statement analysis for assessing performance, forecasting future outcomes, and identifying areas of concern or opportunity.

# FINANCIAL STATEMENTS OF AMBUJA CEMENTS LTD FOR PAST FIVE YEARS:

## BALANCE SHEET:

BALANCE SHEET OF AMBUJA CEMENTS (in Rs. Cr.)	Mar-23	Dec-22	Dec-21	Dec-20	Dec-19
<b>EQUITIES AND LIABILITIES</b>					
<b>(A) SHAREHOLDER'S FUNDS</b>					
Equity Share Capital	397.13	397.13	397.13	397.13	397.13
Reserves and Surplus	23,108.38	22,610.35	21,810.13	19,918.73	21,808.05
<b>TOTAL (A)</b>	<b>23,505.51</b>	<b>23,007.48</b>	<b>22,207.26</b>	<b>20,315.86</b>	<b>22,205.18</b>
<b>(B) NON-CURRENT LIABILITIES</b>					
Long Term Borrowings	34.22	33.6	43.5	43.6	35.28
Deferred Tax Liabilities [Net]	218.06	241.74	201.79	185.95	216.06
Other Long-Term Liabilities	637	311.15	298.02	336.82	36.45
Long Term Provisions	85.84	81.4	65.12	55.62	50.34
<b>TOTAL (B)</b>	<b>975.12</b>	<b>667.89</b>	<b>608.43</b>	<b>621.99</b>	<b>338.13</b>
<b>(C) CURRENT LIABILITIES</b>					
Short Term Borrowings	13.49	0	0	0	0
Trade Payables	1,571.11	1,150.11	1,144.40	880.9	935.98
Other Current Liabilities	9,834.80	9,283.17	4,204.43	3,658.78	3,426.07
Short Term Provisions	4.1	3.15	8.92	3.85	85.37
<b>TOTAL (C)</b>	<b>11,423.50</b>	<b>10,436.43</b>	<b>5,357.75</b>	<b>4,543.53</b>	<b>4,447.42</b>
<b>TOTAL (A+B+C)</b>	<b>35,904.13</b>	<b>34,111.80</b>	<b>28,173.44</b>	<b>25,481.38</b>	<b>26,990.73</b>
<b>ASSETS</b>					
<b>(A) NON-CURRENT ASSETS</b>					
Tangible Assets	8,380.42	8,848.25	7,471.56	5,756.86	5,633.62
Intangible Assets	239.33	0	174.15	174.64	178.83
Capital Work-In-Progress	841.87	0	951.32	1,873.74	1,108.70
Other Assets	0	0	0	0	0
Non-Current Investments	11,775.88	11,773.88	11,796.91	11,792.21	11,789.01
Deferred Tax Assets [Net]	0	190.9	0	0	0
Long Term Loans and Advances	1.01	1.17	1.52	76.35	62.9
Other Non-Current Assets	3,419.11	2,420.91	1,003.31	1,376.77	1,369.57
<b>TOTAL (A)</b>	<b>24,657.62</b>	<b>23,235.11</b>	<b>21,398.77</b>	<b>21,050.57</b>	<b>20,142.63</b>
<b>(B) CURRENT ASSETS</b>					
Current Investments	0	0	0	0	0
Inventories	1,639.41	1,597.15	1,463.57	746.61	954.07
Trade Receivables	564.91	573.97	293.17	191.51	513.22
Cash and Cash Equivalents	2,533.05	6,826.11	4,163.07	2,924.34	4,699.49
Short Term Loans and Advances	4.41	4.69	4.76	4.43	4.51
Other Current Assets	6,504.73	1,874.77	850.1	563.92	676.81
<b>TOTAL (B)</b>	<b>11,246.51</b>	<b>10,876.69</b>	<b>6,774.67</b>	<b>4,430.81</b>	<b>6,848.10</b>
<b>TOTAL (A+B)</b>	<b>35,904.13</b>	<b>34,111.80</b>	<b>28,173.44</b>	<b>25,481.38</b>	<b>26,990.73</b>

## P&L ACCOUNT:

PROFIT & LOSS ACCOUNT OF AMBUJA CEMENTS (in Rs. Cr.)	Mar-23	Dec-22	Dec-21	Dec-20	Dec-19
<b>INCOME</b>					
<b>REVENUE FROM OPERATIONS [GROSS]</b>	<b>19,985.43</b>	<b>15,729.12</b>	<b>13,964.95</b>	<b>11,371.86</b>	<b>11,667.88</b>
Less: Excise/Service Tax/Other Levies	0	0	0	0	0
<b>REVENUE FROM OPERATIONS [NET]</b>	<b>19,985.43</b>	<b>15,729.12</b>	<b>13,964.95</b>	<b>11,371.86</b>	<b>11,667.88</b>
Other Income	952.27	803.87	285.64	372	426.52
<b>TOTAL REVENUE</b>	<b>20,937.70</b>	<b>16,532.99</b>	<b>14,250.59</b>	<b>11,743.86</b>	<b>12,094.40</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	7,677.48	1,305.55	4,555.26	3,126.79	3,580.84
Purchase of Stock-In Trade	1,032.82	642.97	381.39	197.31	88.27
Operating and Direct Expenses	0	0	0	0	0
Changes in Inventories Of FG, WIP And Stock-In Trade	66.99	-53.64	-356.13	114.08	42.8
Employee Benefit Expenses	800.16	632.16	677.65	668.78	672.63
Finance Costs	127.97	94.5	90.94	83.05	83.52
Depreciation and Amortisation Expenses	832.42	627.72	551.24	521.17	543.83
Other Expenses	7,215.57	10,795.47	5,519.48	4,639.42	5,140.64
<b>TOTAL EXPENSES</b>	<b>17,753.41</b>	<b>14,044.73</b>	<b>11,419.83</b>	<b>9,350.60</b>	<b>10,152.53</b>
<b>PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS</b>	<b>3,184.29</b>	<b>2,488.26</b>	<b>2,830.76</b>	<b>2,393.26</b>	<b>1,941.87</b>
Exceptional Items	-157.27	-76.56	-65.69	0	0
<b>PROFIT/LOSS BEFORE TAX</b>	<b>3,027.02</b>	<b>2,411.70</b>	<b>2,765.07</b>	<b>2,393.26</b>	<b>1,941.87</b>
<b>TAX EXPENSES-CONTINUED OPERATIONS</b>					
Current Tax	496.38	360.61	690.79	652.04	573
Less: MAT Credit Entitlement	0	0	0	0	0
Deferred Tax	5.18	0	13.92	-27.76	-153.52
Tax for Earlier Years	0	0	0	0	0
<b>TOTAL TAX EXPENSES</b>	<b>501.56</b>	<b>360.61</b>	<b>704.71</b>	<b>624.28</b>	<b>419.48</b>
<b>PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS</b>	<b>2,525.46</b>	<b>2,051.09</b>	<b>2,060.36</b>	<b>1,768.98</b>	<b>1,522.39</b>
<b>EARNINGS PER SHARE</b>	<b>12.49</b>	<b>10.11</b>	<b>10.48</b>	<b>9.01</b>	<b>7.7</b>



## COMPARATIVE BALANCE SHEET

BALANCE SHEET OF AMBUJA CEMENTS (in Rs. Cr.)	Mar-23	Dec-22	Absolute change	% Change
<b>EQUITIES AND LIABILITIES</b>				
<b>(A) SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	397.13	397.13	0	0
Reserves and Surplus	23,108.38	22,610.35	498.03	2.20
<b>TOTAL (A)</b>	<b>23,505.51</b>	<b>23,007.48</b>	<b>498.03</b>	<b>2.16</b>
<b>(B) NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	34.22	33.6	0.62	1.85
Deferred Tax Liabilities [Net]	218.06	241.74	-23.68	-9.80
Other Long-Term Liabilities	637	311.15	325.85	104.72
Long Term Provisions	85.84	81.4	4.44	5.45
<b>TOTAL (B)</b>	<b>975.12</b>	<b>667.89</b>	<b>307.23</b>	<b>46.00</b>
<b>(C) CURRENT LIABILITIES</b>				
Short Term Borrowings	13.49	0	13.49	0
Trade Payables	1,571.11	1,150.11	421	36.61
Other Current Liabilities	9,834.80	9,283.17	551.63	5.94
Short Term Provisions	4.1	3.15	0.95	30.16
<b>TOTAL (C)</b>	<b>11,423.50</b>	<b>10,436.43</b>	<b>987.07</b>	<b>9.46</b>
<b>TOTAL (A+B+C)</b>	<b>35,904.13</b>	<b>34,111.80</b>	<b>1,792.33</b>	<b>5.25</b>
<b>ASSETS</b>				
<b>(A) NON-CURRENT ASSETS</b>				
Tangible Assets	8,380.42	8,848.25	-467.83	-5.29
Intangible Assets	239.33	0	239.33	0
Capital Work-In-Progress	841.87	0	841.87	0
Other Assets	0	0	0	0
Non-Current Investments	11,775.88	11,773.88	2	0.02
Deferred Tax Assets [Net]	0	190.9	-190.9	-100.00
Long Term Loans and Advances	1.01	1.17	-0.16	-13.68
Other Non-Current Assets	3,419.11	2,420.91	998.2	41.23
<b>TOTAL (A)</b>	<b>24,657.62</b>	<b>23,235.11</b>	<b>1,422.51</b>	<b>6.12</b>
<b>(B) CURRENT ASSETS</b>			0	0
Current Investments	0	0	0	0
Inventories	1,639.41	1,597.15	42.26	2.65
Trade Receivables	564.91	573.97	-9.06	-1.58
Cash and Cash Equivalents	2,533.05	6,826.11	-4293.06	-62.89
Short Term Loans and Advances	4.41	4.69	-0.28	-5.97
Other Current Assets	6,504.73	1,874.77	4629.96	246.96
<b>TOTAL (B)</b>	<b>11,246.51</b>	<b>10,876.69</b>	<b>369.82</b>	<b>3.40</b>
<b>TOTAL (A+B)</b>	<b>35,904.13</b>	<b>34,111.80</b>	<b>1,792.33</b>	<b>5.25</b>

## **INTERPRETATION**

The growth in reserves and surplus implies that the company has kept or earned more earnings, which can improve financial stability and give resources for future investments or expansion.

An increase in long-term borrowings and other long-term liabilities could suggest additional financing or investment. However, the drop in deferred tax liabilities shows that there may be some tax benefits or modifications. Overall, the growth in non-current liabilities represents increased financial commitments for the organization.

The considerable increases in short-term borrowings, trade payables, and other current liabilities suggest that the company's short-term financial obligations are higher, and it may face liquidity issues. However, the increase in short-term provisions could indicate good financial planning for future contingencies.

The decline in physical assets means that existing assets may be divested or depreciated. However, an increase in intangible assets, capital work-in-process, and other non-current assets may suggest investments in infrastructure, technology, or expansion projects that could improve operational efficiency and competitiveness.

The large decline in cash and cash equivalents raises questions about liquidity and short-term financial stability. However, a growth in other current assets may mitigate some liquidity issues and be attributed to strategic investments or receivables management.

### **OVERALL:**

The overall increase in equities and liabilities reflects the company's growth and expansion efforts. However, large changes in individual components indicate opportunities and difficulties that must be properly managed to maintain long-term growth and profitability.

To summarize, while the balance sheet shows positive growth indicators such as increased reserves and surplus and investments in non-current assets, the company must address liquidity concerns and effectively manage its financial obligations in order to maintain stability and capitalize on growth opportunities.

## COMPARATIVE P&L ACCOUNT

PROFIT & LOSS ACCOUNT OF AMBUJA CEMENTS (in Rs. Cr.)	Mar-23	Dec-22	Absolute change	% Change
<b>INCOME</b>				
<b>REVENUE FROM OPERATIONS [GROSS]</b>	<b>19,985.43</b>	<b>15,729.12</b>	4,256.31	27.06
Less: Excise/service Tax/Other Levies	0	0	0	0
<b>REVENUE FROM OPERATIONS [NET]</b>	<b>19,985.43</b>	<b>15,729.12</b>	4,256.31	27.06
Other Income	952.27	803.87	148.40	18.46
<b>TOTAL REVENUE</b>	<b>20,937.70</b>	<b>16,532.99</b>	<b>4404.71</b>	<b>26.64</b>
<b>EXPENSES</b>				
Cost of Materials Consumed	7,677.48	1,305.55	6,371.93	488.06
Purchase of Stock-In Trade	1,032.82	642.97	389.85	60.63
Operating and Direct Expenses	0	0	0	0
Changes in Inventories Of FG, WIP And Stock-In Trade	66.99	-53.64	120.63	-224.89
Employee Benefit Expenses	800.16	632.16	168.00	26.58
Finance Costs	127.97	94.5	33.47	35.42
Depreciation and Amortisation Expenses	832.42	627.72	204.70	32.61
Other Expenses	7,215.57	10,795.47	-3,579.90	-33.16
<b>TOTAL EXPENSES</b>	<b>17,753.41</b>	<b>14,044.73</b>	<b>3708.68</b>	<b>26.41</b>
<b>PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS</b>	<b>3,184.29</b>	<b>2,488.26</b>	<b>696.03</b>	<b>27.97</b>
Exceptional Items	-157.27	-76.56	-80.71	105.42
<b>PROFIT/LOSS BEFORE TAX</b>	<b>3,027.02</b>	<b>2,411.70</b>	<b>615.32</b>	<b>25.51</b>
<b>TAX EXPENSES-CONTINUED OPERATIONS</b>				
Current Tax	496.38	360.61	135.77	37.65
Less: MAT Credit Entitlement	0	0	0	0
Deferred Tax	5.18	0	5.18	0
Tax for Earlier Years	0	0	0	0
<b>TOTAL TAX EXPENSES</b>	<b>501.56</b>	<b>360.61</b>	<b>140.95</b>	<b>39.09</b>
<b>PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS</b>	<b>2,525.46</b>	<b>2,051.09</b>	<b>474.37</b>	<b>23.13</b>

## **INTERPRETATION**

The considerable increase in revenue demonstrates excellent growth in the company's core operations as well as additional income streams, which help to improve overall financial performance.

The rise in expenses, notably the cost of materials utilized and employee benefit expenses, indicates higher operational costs linked with increasing production or commercial operations. However, the decrease in other expenses suggests potential cost-cutting initiatives or increased operational efficiency.

The increase in profit before and after tax demonstrates the company's better operational performance and profitability during the period.

### **OVERALL:**

During the period, the company's revenue and profitability grew significantly, owing to increased revenue from operations and other income streams.

However, there have been significant increases in expenses, particularly the cost of materials consumed and employee benefit payments, which may necessitate careful management to maintain profitability.

The decrease in other expenses, as well as the total gain in profit before and after taxes, demonstrate the company's improved financial performance and efficiency.

Overall, Ambuja Cements' profit and loss statement shows a positive financial performance, with robust revenue growth, increased profitability, and higher earnings per share. However, regular spending monitoring and good cost management will be required to maintain and improve the company's financial health and performance in the future.

## COMMON SIZE BALANCE SHEET

BALANCE SHEET OF AMBUJA CEMENTS (in Rs. Cr.)	Mar-23	% Change 23	Dec-22	% Change 22
<b>EQUITIES AND LIABILITIES</b>				
<b>(A) SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	397.13	1.11	397.13	1.16
Reserves and Surplus	23,108.38	64.36	22,610.35	66.28
<b>TOTAL (A)</b>	<b>23,505.51</b>	<b>65.47</b>	<b>23,007.48</b>	<b>67.45</b>
<b>(B) NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	34.22	0.10	33.6	0.10
Deferred Tax Liabilities [Net]	218.06	0.61	241.74	0.71
Other Long-Term Liabilities	637	1.77	311.15	0.91
Long Term Provisions	85.84	0.24	81.4	0.24
<b>TOTAL (B)</b>	<b>975.12</b>	<b>2.72</b>	<b>667.89</b>	<b>1.96</b>
<b>(C) CURRENT LIABILITIES</b>				
Short Term Borrowings	13.49	0.04	0	0
Trade Payables	1,571.11	4.38	1,150.11	3.37
Other Current Liabilities	9,834.80	27.39	9,283.17	27.21
Short Term Provisions	4.1	0.01	3.15	0.01
<b>TOTAL (C)</b>	<b>11,423.50</b>	<b>31.82</b>	<b>10,436.43</b>	<b>30.59</b>
<b>TOTAL (A+B+C)</b>	<b>35,904.13</b>	<b>100</b>	<b>34,111.80</b>	<b>100</b>
<b>ASSETS</b>				
<b>(A) NON-CURRENT ASSETS</b>				
Tangible Assets	8,380.42	23.34	8,848.25	25.94
Intangible Assets	239.33	0.67	0	0
Capital Work-In-Progress	841.87	2.34	0	0
Other Assets	0	0	0	0
Non-Current Investments	11,775.88	32.80	11,773.88	34.52
Deferred Tax Assets [Net]	0	0	190.9	0.56
Long Term Loans and Advances	1.01	0	1.17	0.00
Other Non-Current Assets	3,419.11	9.52	2,420.91	7.10
<b>TOTAL (A)</b>	<b>24,657.62</b>	<b>68.68</b>	<b>23,235.11</b>	<b>68.11</b>
<b>(B) CURRENT ASSETS</b>				
Current Investments	0	0	0	0
Inventories	1,639.41	4.57	1,597.15	4.68
Trade Receivables	564.91	1.57	573.97	1.68
Cash and Cash Equivalents	2,533.05	7.06	6,826.11	20.01
Short Term Loans and Advances	4.41	0.01	4.69	0.01
Other Current Assets	6,504.73	18.12	1,874.77	5.50
<b>TOTAL (B)</b>	<b>11,246.51</b>	<b>31.32</b>	<b>10,876.69</b>	<b>31.89</b>
<b>TOTAL (A+B)</b>	<b>35,904.13</b>	<b>100</b>	<b>34,111.80</b>	<b>100</b>

## INTERPRETATION

**Shareholder's Funds:** The shareholder's finances include equity share capital, reserves, and surplus. Both items have fallen somewhat as a percentage of total assets during the previous period. This shows that, while shareholder funds have grown in absolute terms, their percentage to total assets has dropped, probably due to considerable gains in other asset categories.

**Non-Current Liabilities:** All non-current liabilities have increased as a percentage of total assets during the preceding period. This indicates a growth in the proportion of long-term financial liabilities relative to total assets, which may suggest increased leverage or borrowing by the company to fund operations or capital expenditures.

**Current Liabilities:** All current liabilities, like non-current liabilities, have increased as a percentage of total assets during the prior period. This shows a higher share of short-term financial commitments relative to overall assets, which could indicate a greater reliance on short-term financing or a higher level of trade payables and current liabilities.

**Non-Current Assets:** Tangible assets, non-current investments, and other non-current assets have all grown as a percentage of total assets over the preceding period. This shows a higher share of long-term assets in relation to overall assets, which could be due to investments in property, plant, and equipment, among other long-term investments.

**Current Assets:** Cash and cash equivalents have declined greatly as a percentage of overall assets, whilst other current assets have expanded dramatically. This implies a smaller share of cash reserves relative to overall assets, which may cause liquidity difficulties, particularly if the increase in other current assets does not offset the loss in cash.

### OVERALL:

The rise in non-current liabilities compared to total assets indicates increased leverage or long-term financing, which may support growth efforts but also raises financial risk.

The decline in cash and cash equivalents as a percentage of total assets may cause liquidity difficulties, emphasizing the significance of proper cash management and adequate liquidity buffers.

Overall, while the company may invest in long-term assets and growth possibilities, it is critical to monitor and manage financial obligations and liquidity in order to ensure long-term operations and reduce financial risk.

## COMMON SIZE P&L ACCOUNT

PROFIT & LOSS ACCOUNT OF AMBUJA CEMENTS (in Rs. Cr.)	Mar-23	% Change 23	Dec-22	% Change 22
<b>INCOME</b>				
<b>REVENUE FROM OPERATIONS [GROSS]</b>	<b>19,985.43</b>	<b>100</b>	<b>15,729.12</b>	<b>100</b>
Less: Excise/service Tax/Other Levies	0	0	0	0
<b>REVENUE FROM OPERATIONS [NET]</b>	<b>19,985.43</b>	<b>100</b>	<b>15,729.12</b>	<b>100</b>
Other Income	952.27	4.76	803.87	5.11
<b>TOTAL REVENUE</b>	<b>20,937.70</b>	<b>104.76</b>	<b>16,532.99</b>	<b>105.11</b>
<b>EXPENSES</b>				
Cost of Materials Consumed	7,677.48	38.42	1,305.55	8.30
Purchase of Stock-In Trade	1,032.82	5.17	642.97	4.09
Operating and Direct Expenses	0	0	0	0
Changes in Inventories Of FG, WIP And Stock-In Trade	66.99	0.34	-53.64	-0.34
Employee Benefit Expenses	800.16	4.00	632.16	4.02
Finance Costs	127.97	0.64	94.5	0.60
Depreciation and Amortisation Expenses	832.42	4.17	627.72	3.99
Other Expenses	7,215.57	36.10	10,795.47	68.63
<b>TOTAL EXPENSES</b>	<b>17,753.41</b>	<b>88.83</b>	<b>14,044.73</b>	<b>89.29</b>
<b>PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS</b>	<b>3,184.29</b>	<b>15.93</b>	<b>2,488.26</b>	<b>15.82</b>
Exceptional Items	-157.27	-0.79	-76.56	-0.49
<b>PROFIT/LOSS BEFORE TAX</b>	<b>3,027.02</b>	<b>15.15</b>	<b>2,411.70</b>	<b>15.33</b>
<b>TAX EXPENSES-CONTINUED OPERATIONS</b>				
Current Tax	496.38	2.48	360.61	2.29
Less: MAT Credit Entitlement	0	0	0	0
Deferred Tax	5.18	0.03	0	0
Tax for Earlier Years	0	0	0	0
<b>TOTAL TAX EXPENSES</b>	<b>501.56</b>	<b>2.51</b>	<b>360.61</b>	<b>2.29</b>
<b>PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS</b>	<b>2,525.46</b>	<b>12.64</b>	<b>2,051.09</b>	<b>13.04</b>

## **INTERPRETATION**

There has been a large rise in operational revenue compared to the preceding period, indicating that Ambuja Cements has had strong sales and increasing demand for its products.

**Cost of Materials** A significant increase in consumption could be attributed to a variety of factors, such as higher raw material prices or increased production volumes. To be profitable, the corporation must properly control its costs.

**Other Expenses** have been reduced, yet they remain a considerable component of total expenses. Ambuja Cements should continue to evaluate its expenses and identify areas for improvement in order to increase overall efficiency.

Finance costs have increased somewhat, which could be related to increasing borrowing costs or increased use of credit facilities. Effective management of finance costs is critical for mitigating financial risks and maintaining strong financial results.

The company's profit before exceptional and unusual charges climbed by 15.93%, suggesting greater operational efficiency and profitability.

Overall, Ambuja Cements' financial performance as shown in the Profit & Loss Account demonstrates that the company is on a growth path and making progress toward long-term profitability. However, ongoing vigilance and strategic planning are required to traverse problems and capitalise on future opportunities in the cement sector.



## TREND ANALYSIS BALANCE SHEET

BALANCE SHEET OF AMBUJA CEMENTS (in Rs. Cr.)	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23	% Change 19	% Change 20	% Change 21	% Change 22	% Change 23
<b>EQUITIES AND LIABILITIES</b>										
<b>(A) SHAREHOLDER'S FUNDS</b>										
Equity Share Capital	397.13	397.13	397.13	397.13	397.13	100	100	100	100	100
Reserves and Surplus	21,808.05	19,918.73	21,810.13	22,610.35	23,108.38	100	91.34	100.01	103.68	105.96
<b>TOTAL (A)</b>	<b>22,205.18</b>	<b>20,315.86</b>	<b>22,207.26</b>	<b>23,007.48</b>	<b>23,505.51</b>	<b>100</b>	<b>91.49</b>	<b>100.01</b>	<b>103.61</b>	<b>105.86</b>
<b>(B) NON-CURRENT LIABILITIES</b>										
Long Term Borrowings	35.28	43.6	43.5	33.6	34.22	100	123.58	123.30	95.24	97.00
Deferred Tax Liabilities [Net]	216.06	185.95	201.79	241.74	218.06	100	86.06	93.40	111.89	100.93
Other Long-Term Liabilities	36.45	336.82	298.02	311.15	637	100	924.06	817.61	853.64	1747.60
Long Term Provisions	50.34	55.62	65.12	81.4	85.84	100	110.49	129.36	161.70	170.52
<b>TOTAL (B)</b>	<b>338.13</b>	<b>621.99</b>	<b>608.43</b>	<b>667.89</b>	<b>975.12</b>	<b>100</b>	<b>183.95</b>	<b>179.94</b>	<b>197.52</b>	<b>288.39</b>
<b>(C) CURRENT LIABILITIES</b>										
Short Term Borrowings	0	0	0	0	13.49	0	0	0	0	0
Trade Payables	935.98	880.9	1,144.40	1,150.11	1,571.11	100	94.12	122.27	122.88	167.86
Other Current Liabilities	3,426.07	3,658.78	4,204.43	9,283.17	9,834.80	100	106.79	122.72	270.96	287.06
Short Term Provisions	85.37	3.85	8.92	3.15	4.1	100	4.51	10.45	3.69	4.80
<b>TOTAL (C)</b>	<b>4,447.42</b>	<b>4,543.53</b>	<b>5,357.75</b>	<b>10,436.43</b>	<b>11,423.50</b>	<b>100</b>	<b>102.16</b>	<b>120.47</b>	<b>234.66</b>	<b>256.86</b>
<b>TOTAL (A+B+C)</b>	<b>26,990.73</b>	<b>25,481.38</b>	<b>28,173.44</b>	<b>34,111.80</b>	<b>35,904.13</b>	<b>100</b>	<b>94.41</b>	<b>104.38</b>	<b>126.38</b>	<b>133.02</b>
<b>ASSETS</b>										
<b>(A) NON-CURRENT ASSETS</b>										
Tangible Assets	5,633.62	5,756.86	7,471.56	8,848.25	8,380.42	100	102.19	132.62	157.06	148.76
Intangible Assets	178.83	174.64	174.15	0	239.33	100	97.66	97.38	0	133.83
Capital Work-In-Progress	1,108.70	1,873.74	951.32	0	841.87	100	169.00	85.80	0	75.93
Other Assets	0	0	0	0	0	0	0	0	0	0
Non-Current Investments	11,789.01	11,792.21	11,796.91	11,773.88	11,775.88	100	100.03	100.07	99.87	99.89
Deferred Tax Assets [Net]	0	0	0	190.9	0	0	0	0	0	0
Long Term Loans and Advances	62.9	76.35	1.52	1.17	1.01	100	121.38	2.42	1.86	1.61
Other Non-Current Assets	1,369.57	1,376.77	1,003.31	2,420.91	3,419.11	100	100.53	73.26	176.76	249.65
<b>TOTAL (A)</b>	<b>20,142.63</b>	<b>21,050.57</b>	<b>21,398.77</b>	<b>23,235.11</b>	<b>24,657.62</b>	<b>100</b>	<b>104.51</b>	<b>106.24</b>	<b>115.35</b>	<b>122.42</b>
<b>(B) CURRENT ASSETS</b>										
Current Investments	0	0	0	0	0	0	0	0	0	0
Inventories	954.07	746.61	1,463.57	1,597.15	1,639.41	100	78.26	153.40	167.40	171.83
Trade Receivables	513.22	191.51	293.17	573.97	564.91	100	37.32	57.12	111.84	110.07
Cash and Cash Equivalents	4,699.49	2,924.34	4,163.07	6,826.11	2,533.05	100	62.23	88.59	145.25	53.90
Short Term Loans and Advances	4.51	4.43	4.76	4.69	4.41	100	98.23	105.54	103.99	97.78
Other Current Assets	676.81	563.92	850.1	1,874.77	6,504.73	100	83.32	125.60	277.00	961.09
<b>TOTAL (B)</b>	<b>6,848.10</b>	<b>4,430.81</b>	<b>6,774.67</b>	<b>10,876.69</b>	<b>11,246.51</b>	<b>100</b>	<b>64.70</b>	<b>98.93</b>	<b>158.83</b>	<b>164.23</b>
<b>TOTAL (A+B)</b>	<b>26,990.73</b>	<b>25,481.38</b>	<b>28,173.44</b>	<b>34,111.80</b>	<b>35,904.13</b>	<b>100</b>	<b>94.41</b>	<b>104.38</b>	<b>126.38</b>	<b>133.02</b>

## **INTERPRETATION**

Shareholders' Funds: Both Equity Share Capital and Reserves and Surplus have grown steadily throughout the years, demonstrating a stable financial position and retained earnings.

Non-current liabilities include long-term borrowings, which have fluctuated but stayed largely constant. However, Other Long-Term Liabilities have increased significantly, indicating that there are more long-term responsibilities or investments. Similarly, Long Term Provisions have progressively expanded, potentially to cover future liabilities or contingencies.

Current Liabilities: Trade Payables, Other Current Liabilities, and Short-Term Provisions have all increased significantly, indicating greater short-term responsibilities and operating needs. This could be attributed to increased economic activity or changes in payment conditions.

Non-current Assets: Tangible Assets, Intangible Assets, and Capital Work-In-Progress have all increased, reflecting investments in infrastructure and development projects. Noncurrent investments have stayed constant. However, there has been a significant increase in Other Non-Current Assets, implying diversification or purchase.

Current Assets: Inventories, trade receivables, and other current assets have risen significantly, suggesting increasing working capital needs and operating operations. Cash and cash equivalents have fluctuated, which could be attributable to changes in cash management methods or investment decisions.

### **Impact on Business:**

The consistent increase in Equity Share Capital, Reserves, and Surplus reflects the company's ability to make profits and keep earnings, which contributes to a solid financial foundation.

The increase in Non-Current Liabilities indicates that Ambuja Cements has sought external funding for long-term investments and growth projects.

The increase in Current Liabilities indicates that there are more short-term obligations, which could be due to higher operational expenses or new payment arrangements with suppliers and creditors.

Non-current asset growth reflects continued investments in fixed assets and long-term projects, which promote future growth and operational efficiency.

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The considerable growth in Current Assets, particularly Inventories and Trade Receivables, indicates increasing working capital requirements and sales activity.

Overall, the Balance Sheet trend study represents Ambuja Cements' dynamic business environment, which includes both possibilities and difficulties. The corporation appears to be investing in long-term growth while successfully managing its short-term obligations. However, continuous monitoring and smart financial management are required to maintain and improve the company's financial health and performance in the future.

## TREND ANALYSIS P&L ACCOUNT

PROFIT & LOSS ACCOUNT OF AMBUJA CEMENTS (in Rs. Cr.)	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23	% Change 19	% Change 20	% Change 21	% Change 22	% Change 23
<b>INCOME</b>										
REVENUE FROM OPERATIONS [GROSS]	11,667.88	11,371.86	13,964.95	15,729.12	19,985.43	100	97.46	119.69	134.81	171.29
Less: Excise/service Tax/Other Levies	0	0	0	0	0	0	0	0	0	0
REVENUE FROM OPERATIONS [NET]	11,667.88	11,371.86	13,964.95	15,729.12	19,985.43	100	97.46	119.69	134.81	171.29
Other Income	426.52	372	285.64	803.87	952.27	100	87.22	66.97	188.47	223.27
<b>TOTAL REVENUE</b>	<b>12,094.40</b>	<b>11,743.86</b>	<b>14,250.59</b>	<b>16,532.99</b>	<b>20,937.70</b>	<b>100</b>	<b>97.10</b>	<b>117.83</b>	<b>136.70</b>	<b>173.12</b>
<b>EXPENSES</b>										
Cost of Materials Consumed	3,580.84	3,126.79	4,555.26	1,305.55	7,677.48	100	87.32	127.21	36.46	214.40
Purchase of Stock-In Trade	88.27	197.31	381.39	642.97	1,032.82	100	223.53	432.07	728.41	1170.07
Operating and Direct Expenses	0	0	0	0	0	0	0	0	0	0
Changes in Inventories Of FG, WIP And Stock-In Trade	42.8	114.08	-356.13	-53.64	66.99	100	266.54	832.08	125.33	156.52
Employee Benefit Expenses	672.63	668.78	677.65	632.16	800.16	100	99.43	100.75	93.98	118.96
Finance Costs	83.52	83.05	90.94	94.5	127.97	100	99.44	108.88	113.15	153.22
Depreciation and Amortisation Expenses	543.83	521.17	551.24	627.72	832.42	100	95.83	101.36	115.43	153.07
Other Expenses	5,140.64	4,639.42	5,519.48	10,795.47	7,215.57	100	90.25	107.37	210.00	140.36
<b>TOTAL EXPENSES</b>	<b>10,152.53</b>	<b>9,350.60</b>	<b>11,419.83</b>	<b>14,044.73</b>	<b>17,753.41</b>	<b>100</b>	<b>92.10</b>	<b>112.48</b>	<b>138.34</b>	<b>174.87</b>
<b>PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS</b>	<b>1,941.87</b>	<b>2,393.26</b>	<b>2,830.76</b>	<b>2,488.26</b>	<b>3,184.29</b>	<b>100</b>	<b>123.25</b>	<b>145.77</b>	<b>128.14</b>	<b>163.98</b>
Exceptional Items	0	0	-65.69	-76.56	-157.27	0	0	0	0	0
<b>PROFIT/LOSS BEFORE TAX</b>	<b>1,941.87</b>	<b>2,393.26</b>	<b>2,765.07</b>	<b>2,411.70</b>	<b>3,027.02</b>	<b>100</b>	<b>123.25</b>	<b>142.39</b>	<b>124.19</b>	<b>155.88</b>
<b>TAX EXPENSES- CONTINUED OPERATIONS</b>										
Current Tax	573	652.04	690.79	360.61	496.38	100	113.79	120.56	62.93	86.63
Less: MAT Credit Entitlement	0	0	0	0	0	0	0	0	0	0
Deferred Tax	-153.52	-27.76	13.92	0	5.18	100	18.08	-9.07	0.00	-3.37
Tax for Earlier Years	0	0	0	0	0	0	0	0	0	0
<b>TOTAL TAX EXPENSES</b>	<b>419.48</b>	<b>624.28</b>	<b>704.71</b>	<b>360.61</b>	<b>501.56</b>	<b>100</b>	<b>148.82</b>	<b>168.00</b>	<b>85.97</b>	<b>119.57</b>
<b>PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS</b>	<b>1,522.39</b>	<b>1,768.98</b>	<b>2,060.36</b>	<b>2,051.09</b>	<b>2,525.46</b>	<b>100</b>	<b>116.20</b>	<b>135.34</b>	<b>134.73</b>	<b>165.89</b>

## INTERPRETATION

**Revenue from Operations:** Revenue from operations has consistently increased, demonstrating the company's capacity to expand its main business. Revenue increased consistently from December 2019 to December 2021, followed by a large spike in March 2023, hitting Rs. 19,985.43 crore. This growth indicates strong company performance and maybe increased demand for Ambuja Cement's products.

**Other Income:** Other income has also been increasing over time, with a significant increase expected in March 2023. This could be ascribed to a variety of sources, including increased interest income, rental income, and investment profits.

**Cost of Materials Consumed:** The cost of materials consumed has fluctuated significantly, with the most dramatic increase being in March 2023. This could be due to fluctuations in raw material pricing or changes in manufacturing techniques.

**Purchase of Stock-in-Trade:** Like the cost of commodities consumed, the purchase of stock-in-trade has fluctuated significantly, with a sharp spike in March 2023. This signals a change in inventory management or buying practices.

**Employee Benefit Expenses:** Despite occasional fluctuations, employee benefit expenses have been steadily increasing. This could be due to compensation increases or a larger staff.

**Other Expenses:** Other expenses have been volatile, with a significant decrease in March 2023 compared to December 2022. This could be attributed to cost-cutting efforts or shifts in operating methods.

**Profit or Loss After Tax:** The corporation has continuously made after-tax profits, with a significant increase in March 2023. This demonstrates the company's ability to remain profitable and provide returns for its owners.

### Impact on Business:

The increased revenue and profitability have a beneficial impact on Ambuja Cement's business performance, demonstrating strong demand for its products and successful cost management techniques.

However, the unpredictability in expenses, notably the considerable rises in the cost of materials consumed and the purchase of stock-in-trade, indicates that the company must actively monitor and manage its supply chain and procurement operations.

Overall, the trend analysis shows that Ambuja Cements is on a growth path, but it also emphasizes the significance of proactive financial management in navigating expense volatility and maximizing profitability.

# **CAPSTONE PROJECT ON MEASURING FINANCIAL HEALTH OF**

**“Hindustan Petroleum Corporation Limited”**

**Managerial Accounting**

**21MBA311**

**Semester I (2023-24)**

**MASTER OF BUSINESS ADMINISTRATION**

**Submitted by**

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## TABLE OF CONTENTS

SL.NO	PARTICUARS	PAGE NO.
1	INTRODUCTION	1 - 3
2	TOOLS AND TECHNIQUES	4
3	COMAPRATIVE BALANCE SHEET	5 – 7
4	COMMON SIZE BALANCE SHEET	8 – 10
5	TREND ANALYSIS	11 - 12

# HINDUSTAN PETROLEUM CORPORATION LIMITED



**Hindustan Petroleum Corporation Limited**

## **INTRODUCTION**

Hindustan Petroleum Corporation Limited (HPCL) stands as a cornerstone in India's energy landscape, playing a pivotal role in the nation's economic growth. Established in 1974, HPCL is a Fortune Global 500 company and a flagship in the downstream sector of the Indian oil and natural gas industry. The company is known for its unwavering commitment to quality, safety, and sustainability.

### **Corporate Overview:**

Headquartered in Mumbai, Maharashtra, HPCL operates across the entire hydrocarbon value chain, encompassing refining, marketing, and distribution of petroleum products. With a strong presence in both domestic and international markets, HPCL has emerged as a key player, contributing significantly to India's energy security.

### **Core Operations:**

#### **1. Refining Capacity:**

HPCL boasts a robust refining infrastructure with refineries strategically located in Mumbai and Visakhapatnam. These state-of-the-art facilities have a combined refining capacity of over 18 million metric tons per annum (MMTPA). The refineries are equipped

with advanced technologies to produce a diverse range of high-quality products, including petrol, diesel, LPG, aviation turbine fuel, and petrochemical feedstocks.

## **2. Marketing and Distribution:**

HPCL has a vast marketing and distribution network, ensuring the availability of its products across the length and breadth of India. The company operates a wide network of retail outlets, reaching urban and rural areas alike. This extensive reach is complemented by innovative initiatives like the 'Club HP' loyalty program and digital payment options, enhancing customer experience.

## **3. International Footprint:**

HPCL has expanded its footprint globally, engaging in exploration and production activities, refining partnerships, and establishing a presence in overseas markets. The company's international ventures aim to secure energy resources, foster technological collaboration, and contribute to the global energy landscape.

## **Commitment to Sustainability:**

As a responsible corporate citizen, HPCL is committed to sustainable and eco-friendly business practices. The company actively invests in research and development to promote cleaner and greener energy solutions. Initiatives like biofuels production, energy efficiency projects, and carbon footprint reduction programs underscore HPCL's dedication to environmental stewardship.

## **Innovation and Technology:**

In a rapidly evolving energy landscape, HPCL places a premium on innovation and technology. The company continually invests in research and development to enhance operational efficiency, reduce emissions, and stay ahead in the competitive market. Cutting-edge technologies are deployed in refining processes, ensuring adherence to the highest industry standards.



### **Corporate Social Responsibility (CSR):**

HPCL is deeply committed to uplifting communities and fostering inclusive growth. Through its CSR initiatives, the company addresses healthcare, education, and community development, making a positive impact on the lives of those in need. HPCL's CSR programs also emphasize environmental conservation and sustainable development.

### **Financial Performance:**

HPCL's financial performance reflects its resilience and adaptability in a dynamic market. The company has consistently demonstrated strong financial health, delivering value to its stakeholders. Robust financial management and strategic investments contribute to HPCL's sustained growth trajectory.

Hindustan Petroleum Corporation Limited stands as a beacon of success in India's energy sector. With a legacy of over four decades, the company continues to evolve, meeting the nation's energy demands while embracing sustainability and innovation. As India strides towards energy independence, HPCL remains a key driver, shaping the future of the country's energy landscape.

### **MISSION**

"To be a World Class Energy Company known for caring and delighting the customers with high-quality products and innovative services."

### **VISION**

"To be a World Class Energy Company committed to providing energy and comfort to humanity, to be a responsible corporate citizen and uphold the dignity of all stakeholders."

## **TOOLS AND TECHNIQUES**

1. **BALANCE SHEET** - A balance sheet is a financial statement that reports a company's assets, liabilities, and shareholder equity. The balance sheet is one of the three core financial statements that are used to evaluate a business. It provides a snapshot of a company's finances (what it owns and owes) as of the date of publication.
2. **COMPARATIVE** - A comparative statement is a document used to compare a particular financial statement with prior period statements. Previous financials are presented alongside the latest figures in side-by-side columns, enabling investors to identify trends, track a company's progress and compare it with industry rivals.
3. **COMMON SIZE** - Common size analysis evaluates financial statements by expressing each line item as a percentage of a base amount for that period. The formula for common size analysis is the amount of the line item divided by the amount of the base item. For example, cost of goods sold (line item) divided by revenue (base item).
4. **TREND ANALYSIS** -In short, trend analysis provides a means to analyze company data over a period of time by focusing on the change in specific lines of items within the income statement and balance sheet. Therefore, collecting data from various periods is necessary for the trend analysis process, also known as time series analysis. The gathered data is then horizontally analyzed and plotted to identify trends.

## COMPARATIVE STATEMENT

<b>BALANCE SHEET OF HINDUSTAN PETROLEUM CORPORATION (in Rs. Cr.)</b>				
<b>COMAPARATIVE STATEMENT</b>				
<b>PARTICULARS</b>	<b>22-Mar</b>	<b>23-Mar</b>	<b>Increase or decrease in Amount</b>	<b>Increase or decrease in percentage</b>
<b>EQUITIES AND LIABILITIES</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	1,418.94	1,418.94	0.00	0.00
<b>TOTAL SHARE CAPITAL</b>	<b>1,418.94</b>	<b>1,418.94</b>	<b>0.00</b>	<b>0.00</b>
Reserves and Surplus	39,985.27	30,844.33	-9,140.94	-22.86%
<b>TOTAL RESERVES AND SURPLUS</b>	<b>39,985.27</b>	<b>30,844.33</b>	<b>-9,140.94</b>	<b>-22.86%</b>
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>41,404.21</b>	<b>32,263.27</b>	<b>-9,140.94</b>	<b>-22.08%</b>
Minority Interest	0	0	0.00	0.00
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	32,115.28	48,171.47	16,056.19	50.00%
Deferred Tax Liabilities [Net]	5,957.71	2,927.63	-3,030.08	-50.86%
Other Long Term Liabilities	3,660.69	3,998.32	337.63	9.22%
Long Term Provisions	50.73	112.93	62.20	122.61%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>41,784.41</b>	<b>55,210.35</b>	<b>13,425.94</b>	<b>32.13%</b>
<b>CURRENT LIABILITIES</b>				
Short Term Borrowings	12,863.45	18,876.83	6,013.38	46.75%
Trade Payables	26,477.33	22,913.23	-3,564.10	-13.46%
Other Current Liabilities	29,612.09	29,422.07	-190.02	-0.64%
Short Term Provisions	2,486.70	2,653.76	167.06	6.72%
<b>TOTAL CURRENT LIABILITIES</b>	<b>71,439.57</b>	<b>73,865.89</b>	<b>2,426.32</b>	<b>3.40%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>154,628.19</b>	<b>161,339.51</b>	<b>6,711.32</b>	<b>4.34%</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Tangible Assets	56,982.17	67,305.13	10,322.96	18.12%
Intangible Assets	822.31	777.41	-44.90	-5.46%
Capital Work-In-Progress	28,645.09	25,310.74	-3,334.35	-11.64%
Fixed Assets	86,711.72	93,689.90	6,978.18	8.05%
Non-Current Investments	13,495.83	18,520.26	5,024.43	37.23%
Deferred Tax Assets [Net]	0	0	0.00	0.00
Long Term Loans And Advances	925.89	977.81	51.92	5.61%

Other Non-Current Assets	3,423.28	3,870.60	447.32	13.07%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>104,878.34</b>	<b>117,363.49</b>	<b>12,485.15</b>	<b>11.90%</b>
<b>CURRENT ASSETS</b>				
Current Investments	5,371.52	5,168.89	-202.63	-3.77%
Inventories	35,514.71	29,575.00	-5,939.71	-16.72%
Trade Receivables	6,340.31	6,832.38	492.07	7.76%
Cash And Cash Equivalents	257.97	672.4	414.43	160.65%
Short Term Loans And Advances	155.18	171.46	16.28	10.49%
Other Current Assets	2,110.16	1,555.89	-554.27	-26.27%
<b>TOTAL CURRENT ASSETS</b>	<b>49,749.85</b>	<b>43,976.02</b>	<b>-5,773.83</b>	<b>-11.61%</b>
<b>TOTAL ASSETS</b>	<b>154,628.19</b>	<b>161,339.51</b>	<b>6,711.32</b>	<b>4.34%</b>

## **INTERPRETATION –**

### **1. EQUITIES AND LIABILITIES**

- **Shareholder's Funds:** The equity share capital remained constant at Rs. 1,418.94 crore. However, the total reserves and surplus decreased by Rs. 9,140.94 crore or 22.86%. This decrease could be due to factors like lower profits or utilization of reserves for various purposes such as expansion, investment, or debt repayment.
- **Non-Current Liabilities:**
  - The significant increase in long-term borrowings by Rs. 16,056.19 crore or 50.00% indicates higher reliance on debt, possibly for financing long-term projects or capital expenditures.
  - The decrease in deferred tax liabilities by Rs. 3,030.08 crore or 50.86% might be due to adjustments in tax provisions or improved tax planning strategies.
  - Other long-term liabilities and provisions have shown moderate increases, possibly due to operational requirements or regulatory compliance.
- **Current Liabilities:**
  - The increase in short-term borrowings by Rs. 6,013.38 crore or 46.75% suggests higher short-term financing needs, possibly to manage working capital requirements or to meet immediate obligations.
  - The decrease in trade payables by Rs. 3,564.10 crore or 13.46% might indicate efficient management of payables or changes in the company's procurement and payment policies.

- Other current liabilities remained relatively stable.

## **2. ASSETS**

### **➤ Non-Current Assets:**

- The increase in tangible assets by Rs. 10,322.96 crore or 18.12% suggests investments in property, plant, and equipment, possibly for capacity expansion or infrastructure development.
- The decrease in capital work-in-progress by Rs. 3,334.35 crore or 11.64% could be due to the completion of ongoing projects or a slowdown in new project commencements.
- The significant increase in non-current investments by Rs. 5,024.43 crore or 37.23% may indicate strategic investments in other entities or financial instruments.

### **➤ Current Assets:**

- The decrease in inventories by Rs. 5,939.71 crore or 16.72% could be due to efficient inventory management practices or a decrease in raw material prices.
- The significant increase in cash and cash equivalents by Rs. 414.43 crore or 160.65% indicates improved liquidity position, possibly due to better cash management or proceeds from divestments.

## **CONCLUSION**

- HPCL's balance sheet reflects a mixed financial position with certain areas of concern and opportunities for improvement.
- The decrease in reserves and surplus, coupled with increased borrowings, highlights the need for efficient cost management, revenue generation, and debt servicing capabilities.
- The company's increased investments in tangible assets and non-current investments indicate a focus on growth and expansion initiatives.
- Efficient management of working capital, including inventories and short-term borrowings, will be crucial for maintaining liquidity and financial stability.
- Overall, HPCL should continue to monitor its financial performance closely, implement strategic measures to optimize resources, and capitalize on growth opportunities to enhance shareholder value and sustain long-term profitability.

## COMMON SIZE STATEMENT

<b>BALANCE SHEET OF HINDUSTAN PETROLEUM CORPORATION (in Rs. Cr.)</b>				
<b>COMMON SIZE STATEMENT</b>				
<b>PARTICULARS</b>	<b>ABSOLUTE AMOUNT</b>		<b>ABSOLUTE PERCENTAGE</b>	
	<b>22-Mar</b>	<b>23-Mar</b>	<b>22-Mar</b>	<b>23-Mar</b>
<b>EQUITIES AND LIABILITIES</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	1,418.94	1,418.94	0.92%	0.88%
<b>TOTAL SHARE CAPITAL</b>	<b>1,418.94</b>	<b>1,418.94</b>	<b>0.92%</b>	<b>0.88%</b>
Reserves and Surplus	39,985.27	30,844.33	25.86%	19.12%
<b>TOTAL RESERVES AND SURPLUS</b>	<b>39,985.27</b>	<b>30,844.33</b>	<b>25.86%</b>	<b>19.12%</b>
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>41,404.21</b>	<b>32,263.27</b>	<b>26.78%</b>	<b>20.00%</b>
Minority Interest	0	0	0.00	0.00
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	32,115.28	48,171.47	20.77%	29.86%
Deferred Tax Liabilities [Net]	5,957.71	2,927.63	3.85%	1.81%
Other Long Term Liabilities	3,660.69	3,998.32	2.37%	2.48%
Long Term Provisions	50.73	112.93	0.03%	0.07%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>41,784.41</b>	<b>55,210.35</b>	<b>27.02%</b>	<b>34.22%</b>
<b>CURRENT LIABILITIES</b>				
Short Term Borrowings	12,863.45	18,876.83	8.32%	11.70%
Trade Payables	26,477.33	22,913.23	17.12%	14.20%
Other Current Liabilities	29,612.09	29,422.07	19.15%	18.24%
Short Term Provisions	2,486.70	2,653.76	1.61%	1.64%
<b>TOTAL CURRENT LIABILITIES</b>	<b>71,439.57</b>	<b>73,865.89</b>	<b>46.20%</b>	<b>45.78%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>154,628.19</b>	<b>161,339.51</b>	<b>100.00</b>	<b>100.00</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Tangible Assets	56,982.17	67,305.13	36.85%	41.72%
Intangible Assets	822.31	777.41	0.53%	0.48%
Capital Work-In-Progress	28,645.09	25,310.74	18.53%	15.69%
Fixed Assets	86,711.72	93,689.90	56.08%	58.07%
Non-Current Investments	13,495.83	18,520.26	8.73%	11.48%
Deferred Tax Assets [Net]	0	0	0.00	0.00
Long Term Loans And Advances	925.89	977.81	0.60%	0.61%
Other Non-Current Assets	3,423.28	3,870.60	2.21%	2.40%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>104,878.34</b>	<b>117,363.49</b>	<b>67.83%</b>	<b>72.74%</b>

<b>CURRENT ASSETS</b>				
Current Investments	5,371.52	5,168.89	3.47%	3.20%
Inventories	35,514.71	29,575.00	22.97%	18.33%
Trade Receivables	6,340.31	6,832.38	4.10%	4.23%
Cash And Cash Equivalents	257.97	672.4	0.17%	0.42%
Short Term Loans And Advances	155.18	171.46	0.10%	0.11%
Other Current Assets	2,110.16	1,555.89	1.36%	0.96%
<b>TOTAL CURRENT ASSETS</b>	<b>49,749.85</b>	<b>43,976.02</b>	<b>32.17%</b>	<b>27.26%</b>
<b>TOTAL ASSETS</b>	<b>154,628.19</b>	<b>161,339.51</b>	<b>100.00</b>	<b>100.00</b>

## **INTERPRETATION –**

### **1. EQUITIES AND LIABILITIES**

#### **➤ Shareholder's Funds:**

- The equity share capital remained stable at around 0.92% of the total capital, indicating no significant change in the equity base.
- However, the reserves and surplus decreased from 25.86% to 19.12% of the total capital, suggesting a decline in retained earnings, possibly due to lower profits or utilization of reserves.
- Consequently, the total shareholders' funds decreased from 26.78% to 20.00% of the total capital, reflecting the impact of the decline in reserves and surplus.

#### **➤ Non-Current Liabilities:**

- The proportion of long-term borrowings increased significantly from 20.77% to 29.86% of the total capital, indicating a higher reliance on debt for financing long-term obligations or capital expenditures.
- Deferred tax liabilities and other long-term liabilities remained relatively stable in proportion to the total capital.

#### **➤ Current Liabilities:**

- Short-term borrowings increased from 8.32% to 11.70% of the total capital, indicating increased short-term financing needs.
- Trade payables and other current liabilities decreased slightly as a percentage of the total capital, possibly due to improved management of payables or changes in procurement and payment policies.

## **2. ASSETS**

### ➤ Non-Current Assets:

- The proportion of tangible assets increased from 36.85% to 41.72% of the total capital, suggesting investments in property, plant, and equipment for expansion or infrastructure development.
- The proportion of non-current investments also increased significantly from 8.73% to 11.48% of the total capital, indicating strategic investments in other entities or financial instruments.

### ➤ Current Assets:

- Inventories decreased from 22.97% to 18.33% of the total capital, possibly due to improved inventory management practices or a decrease in raw material prices.
- Cash and cash equivalents increased from 0.17% to 0.42% of the total capital, indicating improved liquidity position.

## **CONCLUSION**

- HPCL's common size balance sheet indicates changes in the composition of its equities, liabilities, and assets.
- The decline in reserves and surplus and the increase in long-term borrowings highlight the need for efficient cost management, revenue generation, and debt servicing capabilities.
- The company's increased investments in tangible assets and non-current investments indicate a focus on growth and expansion initiatives.
- Efficient management of working capital, including inventories and short-term borrowings, will be crucial for maintaining liquidity and financial stability.
- Overall, HPCL should continue to monitor its financial performance closely, implement strategic measures to optimize resources, and capitalize on growth opportunities to enhance shareholder value and sustain long-term profitability.



## TREND ANALYSIS

TREND ANALYSIS										
PARTICULARS	23-Mar	22-Mar	21-Mar	20-Mar	19-Mar	23-Mar	22-Mar	21-Mar	20-Mar	19-Mar
<b>EQUITIES AND LIABILITIES</b>										
<b>SHAREHOLDER'S FUNDS</b>										
Equity Share Capital	1,418.94	1,418.94	1,452.41	1,524.21	1,524.21	93.0935	93.0935	95.2894	100	100%
<b>TOTAL SHARE CAPITAL</b>	<b>1,418.94</b>	<b>1,418.94</b>	<b>1,452.41</b>	<b>1,524.21</b>	<b>1,524.21</b>	<b>93.0935</b>	<b>93.0935</b>	<b>95.2894</b>	<b>100</b>	<b>100%</b>
Reserves and Surplus	30,844.33	39,985.27	36,628.45	29,456.41	28,876.45	106.815	138.47	126.845	102.008	100%
<b>TOTAL RESERVES AND SURPLUS</b>	<b>30,844.33</b>	<b>39,985.27</b>	<b>36,628.45</b>	<b>29,456.41</b>	<b>28,876.45</b>	<b>106.815</b>	<b>138.47</b>	<b>126.845</b>	<b>102.008</b>	<b>100%</b>
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>32,263.27</b>	<b>41,404.21</b>	<b>38,080.86</b>	<b>30,980.62</b>	<b>30,400.66</b>	<b>106.127</b>	<b>136.195</b>	<b>125.263</b>	<b>101.908</b>	<b>100%</b>
<b>NON-CURRENT LIABILITIES</b>										
Long Term Borrowings	48,171.47	32,115.28	27,764.42	23,109.63	12,127.80	397.199	264.807	228.932	190.551	100%
Deferred Tax Liabilities [Net]	2,927.63	5,957.71	5,462.21	5,491.44	7,396.25	39.5826	80.5504	73.8511	74.2463	100%
Other Long Term Liabilities	3,998.32	3,660.69	415.11	225.53	153.46	2605.45	2385.44	270.5	146.963	100%
Long Term Provisions	112.93	50.73	56.78	54.62	58.41	193.34	86.8516	97.2094	93.5114	100%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>55,210.35</b>	<b>41,784.41</b>	<b>33,698.52</b>	<b>28,881.22</b>	<b>19,735.92</b>	<b>279.746</b>	<b>211.718</b>	<b>170.747</b>	<b>146.338</b>	<b>100%</b>
<b>CURRENT LIABILITIES</b>										
Short Term Borrowings	18,876.83	12,863.45	14,909.65	16,276.12	13,908.68	135.72	92.4851	107.197	117.021	100%
Trade Payables	22,913.23	26,477.33	17,798.65	11,468.79	17,133.37	133.735	154.537	103.883	66.9383	100%
Other Current Liabilities	29,422.07	29,612.09	26,844.94	26,668.89	24,085.67	122.156	122.945	111.456	110.725	100%
Short Term Provisions	2,653.76	2,486.70	2,827.09	2,630.56	2,082.18	127.451	119.428	135.775	126.337	100%
<b>TOTAL CURRENT LIABILITIES</b>	<b>73,865.89</b>	<b>71,439.57</b>	<b>62,380.33</b>	<b>57,044.36</b>	<b>57,209.90</b>	<b>129.114</b>	<b>124.873</b>	<b>109.038</b>	<b>99.7106</b>	<b>100%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>161,339.51</b>	<b>154,628.19</b>	<b>134,159.71</b>	<b>116,906.20</b>	<b>107,346.48</b>	<b>150.3</b>	<b>144.05</b>	<b>124.98</b>	<b>108.91</b>	<b>100%</b>
<b>ASSETS</b>										
<b>NON-CURRENT ASSETS</b>										
Tangible Assets	67,305.13	56,982.17	49,950.58	48,391.57	41,168.63	163.486	138.412	121.332	117.545	100%
Intangible Assets	777.41	822.31	639.71	543.52	456.18	170.417	180.26	140.232	119.146	100%
Capital Work-In-Progress	25,310.74	28,645.09	25,128.63	17,144.10	9,495.91	266.544	301.657	264.626	180.542	100%
<b>FIXED ASSETS</b>	<b>93,689.90</b>	<b>86,711.72</b>	<b>75,926.32</b>	<b>66,104.85</b>	<b>51,143.54</b>	<b>183.19</b>	<b>169.546</b>	<b>148.457</b>	<b>129.254</b>	<b>100%</b>
Non-Current Investments	18,520.26	13,495.83	9,675.84	9,050.75	9,213.69	201.008	146.476	105.016	98.2315	100%
Deferred Tax Assets [Net]	0	0	0	0	0					
Long Term Loans And Advances	977.81	925.89	979.21	1,409.35	1,141.43	85.6653	81.1167	85.788	123.472	100%
Other Non-Current Assets	3,870.60	3,423.28	3,089.64	2,706.74	2,341.13	165.33	146.223	131.972	115.617	100%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>117,363.49</b>	<b>104,878.34</b>	<b>89,992.63</b>	<b>79,288.38</b>	<b>63,856.48</b>	<b>183.793</b>	<b>164.241</b>	<b>140.93</b>	<b>124.167</b>	<b>100%</b>
<b>CURRENT ASSETS</b>										
Current Investments	5,168.89	5,371.52	5,417.58	5,344.86	5,083.76	101.675	105.66	106.566	105.136	100%
Inventories	29,575.00	35,514.71	28,763.90	19,325.99	20,443.62	144.666	173.72	140.699	94.5331	100%
Trade Receivables	6,832.38	6,340.31	6,869.99	3,934.19	5,667.79	120.548	111.866	121.211	69.4131	100%
Cash And Cash Equivalents	672.4	257.97	574.92	223.12	218.5	307.735	118.064	263.121	102.114	100%
Short Term Loans And Advances	171.46	155.18	126.33	409.86	850.83	20.1521	18.2387	14.8479	48.1718	100%
Other Current Assets	1,555.89	2,110.16	2,414.36	8,379.80	11,225.50	13.8603	18.7979	21.5078	74.6497	100%
<b>TOTAL CURRENT ASSETS</b>	<b>43,976.02</b>	<b>49,749.85</b>	<b>44,167.08</b>	<b>37,617.82</b>	<b>43,490.00</b>	<b>101.118</b>	<b>114.394</b>	<b>101.557</b>	<b>86.4976</b>	<b>100%</b>
<b>TOTAL ASSETS</b>	<b>161,339.51</b>	<b>154,628.19</b>	<b>134,159.71</b>	<b>116,906.20</b>	<b>107,346.48</b>	<b>150.3</b>	<b>144.05</b>	<b>124.98</b>	<b>108.91</b>	<b>100%</b>

## **INTERPRETATION –**

### **1. EQUITY AND LIABILITIES**

- Shareholder's Funds: There seems to be stability in the equity share capital, indicating no significant changes in the issuance of new shares. However, there is variation in reserves and surplus, possibly due to fluctuations in profits, dividends, or other adjustments.
- Non-Current Liabilities: Long-term borrowings show significant fluctuations, possibly due to changes in financing activities such as debt repayments or new borrowings. Deferred tax liabilities and other long-term liabilities also vary, reflecting changes in tax assessments or restructuring activities.
- Current Liabilities: Short-term borrowings, trade payables, and other current liabilities show fluctuations, possibly due to changes in working capital management, supplier terms, or short-term financing needs.

### **2. ASSETS**

Non-Current Assets: Tangible assets, intangible assets, and capital work-in-progress show fluctuations, indicating investments or divestments in fixed assets. Non-current investments also vary, possibly due to changes in investment strategies.

Current Assets: Inventory levels vary significantly, possibly due to changes in production, demand, or inventory management practices. Cash and cash equivalents show fluctuations, reflecting changes in liquidity management. Other current assets also vary, possibly due to changes in prepayments or accrued income.

## **CONCLUSION**

- The company's financial position appears to be dynamic, with fluctuations observed across various parameters.
- The stability in shareholder's funds suggests a consistent base of equity financing.
- Fluctuations in liabilities and assets indicate changes in the company's financing and investment activities.