

FINANCIAL STATEMENT ANALYSIS IN BHARAT HEAVY ELECTRICAL LIMITED.

Submitted in partial fulfillment of the requirements for the award of Degree
in

MASTER OF BUSINESS ADMINISTRATION

By

KARTHIK.S

Register No.41410162



DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

MAY 2023



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the Bonafide work of **KARTHIK.S** Register no. **41410162** who carried out the project entitled "**A Study on Financial statement analysis in Bharat Heavy Electrical Limited**" under my supervision from December 2022 to march 2023.

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DECLARATION

I **KARTHIK.S (41410341)** hereby declare that the Project Report entitled “**A study on Financial statement analysis on BHEL company**” done by me under the guidance of **DR. M. LAVANYA** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:06/05/2023

PLACE: Chennai



KARTHIK.S



BHARAT HEAVY ELECTRICALS LIMITED

(A Government of India Undertaking)

BOILER AUXILIARIES PLANT

RANIPET 632 406 TAMIL NADU INDIA

HUMAN RESOURCE DEVELOPMENT CENTRE

Certificate

Shri/Ms. **S.KARTHIK** Student of **MBA (FINANCE)**, **SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY, CHENNAI** undergone a Project on the title **FINANCIAL STATEMENT ANALYSIS DEPARTMENT FINANCE** from **26/12/2022** to **28/03/2023** (inclusive of both days) at Boiler Auxiliaries Plant, BHEL, Ranipet - 632 406, Tamil Nadu.

Date:



D. Ponsankar
DY. MANAGER / HRDC

D. PONSANKAR
Dy. MANAGER / HRM - P
BAP/BHEL/RANIPET

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my sincere thanks to **Dr.G. BhuvaneswariG ,MBA., PhD., Dean - School of Management Studies** and **Dr.A.Palani,M.COM.,M.B.A.,Ph.D., Head - School of Management Studies** for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep sense of gratitude to my Project Guide **DR.M.LAVANYA** for her valuable guidance, suggestions and constant encouragement paved way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the **School of Management Studies** who were helpful in many ways for the completion of the project.

KARTHIK.S

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ABSTRACT

This study aims to conduct a financial statement analysis of BHEL (Bharat Heavy Electricals Limited) company. BHEL is one of the leading engineering companies in India, specializing in power equipment manufacturing. The analysis includes the use of various financial ratios and tools to evaluate the company's financial performance and health over a five-year period.

The study examines BHEL's profitability, liquidity, solvency, efficiency, and market valuation ratios to provide insights into the company's financial strengths and weaknesses. The findings of this study can assist investors, stakeholders, and analysts in making informed decisions regarding BHEL's financial performance and future prospects.

This project is about the Financial statement analysis on Bharat Heavy Electrical Limited. By calculating the important key ratios of the company with the help of the financial statement for the 5 years, researchers analyze where the company is standing in the market in order to predict the future, the project deals with the competitors in the market. Finally, from the analysis and interpretation of the study, it has been concluded that the company's performance as it is improving by increasing its capital. Ratios are dynamic for every year.

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Analysis means establishing a meaningful relationship between various items of the two financial statements with each other in such a way that a conclusion is being drawn. By financial statements by means of two statements.

- Profit and loss account or Income Statement
- Balance Sheet or Position Statement

These are prepared at the end of a given period of time. They are the indicators of profitability and financial soundness of the business concern. The term financial analysis is also known as analysis and interpretation of financial statements. It refers to the establishing meaningful relationship between various items of the two financial statements i.e. Income statement and Position statement. It determines financial strength and weakness of the firm. Thus, the analysis and interpretation of financial statements is very essential to measure the efficiency, profitability, financial soundness and future prospects of the business units. Financial analysis serves the following purposes

The main objective of a business is to earn a satisfactory return on the funds invested in it. Financial analysis helps in ascertaining whether adequate profits are being earned on the capital invested in the business or not. It also helps in knowing the capacity to pay the interest.

Financial statements of the previous years can be compared and the trend regarding various expenses, purchases, sales, gross profits and net profit etc can be ascertained. Value of assets and liabilities can be compared and the future prospects of the business can be envisaged. The trend and other analysis of the business provides information indicating the growth potential of the business.

1.2. INDUSTRY PROFILE

One of the greatest challenges before the Government of India on attaining freedom in 1947 was to provide a strong base in infrastructure and capital goods for economic and industrial development. The Government under the leadership of Prime Minister, Pandit Jawaharlal Nehru realized that there should be a large manufacturing base and adequate technically qualified personnel for sustained economic growth.

The country's planners recognized that adequate supply of electric power was a precondition for long term industrial growth. This could be sustained only with a strong domestic power equipment industry. Accordingly, the Planning Commission recommended initiating steps towards setting up a factory for the manufacture of all types of heavy electrical equipment required for various projects.

As a result, the Government of India signed an agreement on 17th November, 1955, with Associated Electrical Industries (AEI), UK, for the establishment of a factory at Bhopal complete in all respects for the manufacture of heavy electrical equipment in India. The company was registered as Heavy Electricals (India) Limited (HE(I)L) in the Public Sector under the Ministry of Industry and Commerce on 29th August, 1956.

Substantial increase in demand for power generating capacity was expected in the subsequent Five year Plans being formulated by the Government of India, with the resolve to push the installed capacity in the country for power generation up to 1,00,000 MW by the turn of the century. Accordingly, a decision was taken by the Government to set up three more plants for the manufacture of heavy electrical equipment.

The first one was at Tiruchirappalli (Tamil Nadu) for high pressure boilers, the second one at Hyderabad (Telangana) for steam turbo generators and high-pressure pumps and compressors - both of these with collaboration from Czechoslovakia and the third plant at Haridwar (Uttarakhand) with erstwhile USSR collaboration for large steam turbo generating sets and motors and also hydro generating sets including turbines and generators.

These three newly conceived projects were part of Heavy Electricals (India) Limited for which the work was initiated at Bhopal. All the initial preparatory work was carried out from Bhopal till November 1964. Government decided to create a separate corporation for setting-up and managing these three units.

These three new plants went into production in the latter half of the sixties, focusing on generation equipment, in addition to the Bhopal plant, which had already been manufacturing thermal and hydro generator plants for customer orders from Electricity Boards.

The plants under BHEL also made rapid progress. However, there was considerable overlap as also complementarities in the product profile and technologies of the two corporations. There was urgent need for rationalization of product profile, standardization of designs and engineering practices. Integration of the corporations would result in synergy and optimal use of resources. The merged entity would also be better able to stand growing global competition. After due deliberations, Government of India in 1972, decided to merge the operations of the two corporations and create a truly modern global enterprise. Accordingly, HE(I)L and BHEL formally merged in January 1974.

The merged entity, BHEL systematically upgraded its facilities to manufacture thermal generating sets of individual capacities ranging from 30 MW to 210 MW, hydro generating plants of various ratings and transmission products up to 400 kV ratings. The organization began transforming itself from the production/operations management phase to strategic planning and management phase. BHEL with its team of 45,000 highly trained and widely experienced technicians and engineers, reached a turnover level of Rs. 230 crores by the year 1973-74.

The company contributed 910 MW of power generating equipment to India's capacity of 4,579 MW by end of Fourth Plan, in the mid-seventies. BHEL upgraded its products in association with global leaders to meet changing domestic needs and exports. This period also saw BHEL embarking on its overseas journey with the execution of the first export order for Malaysia.

Even in the early years, BHEL realized that the future business growth could only come through providing total service to customer by developing system integration and service capability. The successful integration of the two corporations created stronger engineering enterprise to meet greater future challenges. Equally important was creation of in-house visioning and long-term planning capability to meet technology and market changes.

After intense consultations with the stakeholders and benchmarking with global leaders, the company brought-out a Corporate Plan in March 1974. This was a major step in the history of BHEL and galvanized the organization for rapid growth and development. It laid the foundation for creating a truly global enterprise and was a landmark in the corporate history of India. As envisaged in the Corporate Plan of transformation from "Production Orientation" to "Engineering, Development and Market Orientation", the strategic initiatives of functional orientation, rationalization and standardization of products, development of basic R&D, vertical integration, system sales, business expansion through acquisition, thrust on exports and strengthening customer service capability, among others were implemented.

As per the plan, the second-generation manufacturing units were set up as Transformer Factory at Jhansi, Central Foundry Forge Plant at Haridwar, and Seamless Steel Tube Plant at Tiruchirappalli to meet the objective of expansion and vertical integration.

Further diversification was achieved in 70's with the acquisition of Radio and Electrical Manufacturing Company (REMCO) rechristened as the Electronics Division to give fillip to the control electronics business. In line with the Government directives to ensure supplies of BHEL generating and transmission equipment for power stations including nuclear power generating plants, industries and Indian Railways, various important steps were initiated with the formation of an Engineering Committee to rationalize the engineering procedures to result in a unified design for all products under BHEL banner. The company's pioneering efforts in adopting information technology helped speedy adoption of unified systems in all the plants.

1.3.Company Profile:



- **QUALITY POLICY**

In its quest to be global engineering enterprise, BHEL pursues continuous improvement in the quality of its product, services and performance leading to customer delight through commitment, innovation & teamwork of all employees.

- **VISION OF THE COMPANY**

A global engineering enterprise provident solution for a better tomorrow.

- **MISSION OF THE COMPANY**

Providing sustainable business solutions in the fields of energy, industry and infrastructure.

ABOUT BHEL RANIPET

Boiler Auxiliaries Plant (BAP), the 13th manufacturing unit of BHEL was set up at Ranipet in 1980 as a part of the 4000MW expansion of the High-pressure Boiler Plant, Trichy, BAP at Ranipet was set up as a spin-off plant for the manufacture of boiler auxiliaries viz. Electrostatic Precipitators (EPS), Air Pre-Heaters (APH) and Fans.

Over the years, the following products are also added to BAP's portfolio: Steel Chimneys, gates and Dampers, RO based Desalination (for Industrial and Potable application), Flue Gas conditioning Systems (FGC), Flue Gas Desulphurization Systems (FGD), Wind Electric Generators (WEG) and Missile Launchers for Defence.

The Company has been a fore runner in creating history with its State-of-the-art Design facilities, Research and development capabilities, modernized manufacturing facilities

with sophisticated Metrology laboratory and NDT facilities to meet the growing demand for Quality power.

The company has an extensive outsourcing facility which makes it possible to grow consistently over the years. The company nourishes 400 ancillary small-scale units by off-loading structural fabrication and machining jobs through annual rate contracts. The company is also an ISO 9001, ISO 14001, ISO 27001 and OHSAS 18001 company, and has the unique distinction of becoming the first unit of its whole corporation to upgrade to ISO 9001:2015 Quality Management System.

BHEL BAP

- ❖ Boiler Auxiliaries Plant (BAP), the 13th manufacturing unit of BHEL was set up at Ranipet in 1980.

- ❖ BAP at Ranipet was set up as a by-product plant for the manufacture of boiler auxiliaries.

- ❖ The total capacity of BAP is 57000tons/year.

- ❖ The main products ESP (Electrostatic Precipitator), APH (Air Pre-Heater), FANS and Dampers & Gates.

- ❖ The BHEL Bap is accredited by ISO 90001, ISO 14001, ISO 27001 and OHSAS 18001.

- ❖ BAP is the first unit of its whole corporation to upgrade to ISO 9001:2015 Quality Management System.

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1.4. COMPANY OBJECTIVES

Business mission: To maintain a leading position as suppliers of quality Equipment systems and services in the field of conversion, Transmission, Utilization and conservation of energy for application in the area of Electric Power Transportation Oil and Gas exploration and Industries. To utilize company's capabilities and resources to expand business into allied areas and other 80 priority sectors of the economy like Defense, Communication and Electronics.

Growth: To ensure steady growth by enhancing the competitive edge BHEL in existing business, new areas and international operations.

Profitability: To provide a reasonable and adequate return on capital employed primarily through improvements in operation, efficiency, capacity, utilization and productivity and general adequate internal resources to Finance the Company's Growth.

Customer focus: To build a high degree of customer confidence by providing increased value of his money through international standards of produce quality, performance and superior customer service.

1.5.VARIOUS DEPARTMENT OF BHEL BAP

- **MARKETING:**

- They participate in various tenders and get orders from the customers.
- Follows indirect marketing.
- Business to business.

- **COMMERCIAL:**

- Initiates the process by marketing contracts with the customers.
- Plans & Execute the operation by releasing the work orders.
- Monitoring & Controlling the work.

- **ENGINEERING:**

- Design the each and every products using softwares.
- Prepare drawings in both 2D & 3D format.
- Preparing bill of Material (BOM) for every products.

- **OPERATION PLANNING & CONTROL:**

- Verify the product diagrams & BOM.
- Prepare work schedule based on priority & sequence of operation.
- Create work order number for every products.

- **MATERIAL PLANNING:**

- Responsible for availability of material at right time, price, quantity & quality.
- Prepare indents (purchase Requirement Slip)
- Calculated Purchase Schedule & EOQ.

- **PURCHASE:**

- Received the indents from MPL department.
- Send an enquiry to all the verified suppliers.
- Evaluates the Quotation send by the suppliers.
- Place the purchase order.

- **STORES:**

- Maintains the materials in proper conditions until they are sent to shop floor.
- Checks Re-Order level and safety stocks.
- Materials are sent to shop floor area.

- **PRODUCTION:**

- BHEL BAP has 10 production bays.
- When the work order is released, workmen start actual production.
- Shop engineers guide the workmen using product drawings.

- **QUALITY:**

- BHEL BAP is very much focused on maintaining & improving its product quality.
- They follow QA & QC methods in every stage of production.
- For quality testing BHEL follows various NDT tests.

- **SHIPPING:**

- Transporting the finished goods to the respective site through Road & Railways.
- For overseas projects, they use ship or Airways.
- BHEL collects 60-65% of product cost from the customers, when the transportation starts.

- **FINANCE & ACCOUNTING:**

- Maintaining Medical Bills.
- Travelling and Daily allowances.
- Payroll Management.
- Provident fund Trust

1.6.VALUE AND NATURE OF THE COMPANY

Governance-We are stewards of our shareholders' investments and we take that responsibility very seriously. We are accountable and responsible for delivering superior results that make a difference in the lives of the people we touch.

Respect-We value the unique contribution of each individual. We believe in respect for human dignity and we respect the need to preserve the environment around us.

Innovation- Improved processes, better services and management practices.

Teamwork-We work together as a team to provide the best solutions services to our customers. Through quality relationships with all stakeholders, deliver value to our customers.

Excellence- To deliver and demonstrate excellence in whatever we do.

Loyalty-We are loyal to our customers, to our company and to each other.

Integrity-We work with highest ethical standards and demonstrate a behaviour that is honest, decent, and fair. We are dedicated to the highest levels of personal and institutional integrity.

1.7.OBJECTIVES OF STUDY:

PRIMARY OBJECTIVES

- To identify the financial strengths and weaknesses of the organization

SECONDARY OBJECTIVES

- To calculate the important financial ratio of the organisation as a part of the ratio analysis thereby to understand the changes the needs and trends in the firm's financial position.
- To assess the performance of **BHEL** on the basis of earnings and also evaluate the solvency position of the company.
- To give the appropriate suggestions to the investors. To help them to make more informed decisions.

1.8. NEED OF STUDY:

- Financial performance of an enterprise will affect other types of performance and also the productivity of finances is good, the productivity of men and material would be good.
- Moreover the study of non-economic and qualitative performance, which studies the non-economic factors like customer satisfaction, citizen satisfaction etc.

1.9. SCOPE OF STUDY:

The scope and period of the study is being restricted to the following.

- The scope is limited to the operations of the BHEL.
- The information is obtained from the primary and secondary data was limited to the BHEL
- The profit and loss, the balance sheet was on the last six years.
- Comparison analysis was done by comparison of sister units.

CHAPTER 2

2.1.REVIEW OF LITERATURE

Maria Zain (2018), in this article he discusses about the return on assets is an important percentage that shows the company's ability to use its assets to generate income. He said that a high percentage indicates that company's is doing a good utilizing the company's asset to generate income. He notices that the following formula is one method of calculating the return on assets percentage. $\text{Return on Assets} = \text{Net Profit} / \text{Total Assets}$. The net profit figure that should be used is the amount of income after all expenses, including taxes.

James Clausen (2018), in this article expresses about the liquidity ratio. He Pronounce that it is analysis of the financial statements is used to measure company performance. It also analyses of the income statement and balance sheet. Investors and lending institutions will often use ratio analyses of the financial statements to determine a company's profitability and liquidity. If the ratios indicate poor performance, investors may be reluctant to invest. Therefore, the current ratio or working capital ratio, measures current assets against current liabilities

Gopinathan Thachappilly (2018), in his studies, states that the Liquidity Ratios help Good Financial. He knows that a business has high profitability, it can face short-term financial problems and its funds are locked up in inventories and receivables not realizable for months. Any failure to meet these can image its reputation and creditworthiness and in extreme cases even lead to bankruptcy .

Jo Nelgadde (2018), in this thesis, he briefly discusses about the asset management ratio. It divided into different types of categories. He states that about the used to analyze accounts receivable and other working capital figures to identify significant changes in the company's operations and financial accounts. He said that there are two categories about this ratio such as account receivable turnover and average age of account receive.

Al-Aameri and Alrikabi (2019) was focusing on one of the important techniques in financial analysis, namely, the financial ratios, for the purpose evaluating the performance of petroleum projects company, and to find out the main strength and

weakness points, so as to suggest the remedial actions for treatment of negative points and enhance the positive one. The papers contains detail study for the data included in financial statements to explain the financial performance of the company, and that will help the management for planning the future according to the previous performance, and also contain the converting process of the data of financial statements to meaningful information through several techniques, the financial statement analysis among them.

Lucia Jenkins (2019), Understanding the use of various financial ratios and techniques can help in gaining a more complete picture of a company's financial outlook. He thinks the most important thing is fixed cost and variable cost. Fixed costs are those costs that are always present, regardless of how much or how little is sold. Some examples of fixed costs include rent, insurance and salaries. Variable costs are the costs that increase or decrease in ratios proportion to sales.

Elizabith & Greg, (2019) showed that all financial performance measures as interest margins, return on assets, and capital adequacy are positively correlated with customer service quality scores. Many researchers have been too much focus on asset and liability management in the banking sector, (Arzu & Gokhan, 2019) discussed the asset and liability management in financial crisis. They argued that an efficient asset-liability management requires maximizing bank's profit as well as controlling and lowering various risk, and their study showed how shifts in market perceptions can create trouble during crisis.

Medhat, (2019) used multiple regression analysis and correlations to test the financial performance of Omani Commercial banks. He used the ROA and the interest income as performance proxies (dependent variables), and the bank size, the asset management and the operational efficiency as independent variables. He found positive strong correlation between financial performance and operational efficiency and a moderate correlation between ROA and bank size.

Khan (2019) found that the bank with higher total capital, deposits, credits, or total assets does not always mean that has better profitability performance. According to Dr. M. Ravichandran the financial performance can be measured by using various financial tools such as profitability ratio, solvency ratio, comparative statement, etc. Based on the analysis, findings have been arrived that the company has got enough

funds to meet its debts & liabilities, the income statement of the company shows sales of the company increased every year at good rate and profit also increased every year.

M. Ganga (2020) on the evaluation of financial performance of Equitas Micro Finance Private Limited in Chennai. According to them financial analysis is important to plan and control the firm's financial resources. They adopted various research techniques to find the evaluation of financial performance of the organization. They found that the managers must concentrate on gray area which would be useful for future growth of the company.

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Gopinathan Thachappilly (2020), in this article he discusses about the Financial Ratio Analysis for Performance evaluation. Its analysis is typically done to make sense of the massive number of numbers presented in company financial statements. It helps evaluate the performance of a company, so that investors can decide whether to invest in that company. Here we are looking at the different ratio categories in 10 separate articles on different aspects of performance such as profitability ratios, liquidity ratios, debt ratios, performance ratios investment evaluation ratios.

Daniel Quan.C (2019), Sheridan Titman Commercial Real Estate Prices and Stock Market Returns: An International Analysis Pages 21-34 | Published online: 02 Jan 2019 This study examines the relation between stock returns and changes in property values and rents based on data from 17 countries. Although we find no relation between real estate values and rents and stock returns in the United States, we find significant relations in a number of other countries. When the data are pooled, the relation between stock returns and both value changes and changes in rental rates is very strong.

Bismark Maka1, Dr. N. Suresh (2018) in their article "Review of financial performance analysis of corporate organizations" examined that, a standard shift to financial performance analysis which inspects the internal KPIs like current ratio, quick ratio,

net profit margin, working capital ratio etc on the overall financial performance of the firms will supplement financial performance literature both in industry and academia. This approach will later complement in making decisions with respect to business planning, budgeting processes and investment decision making. Since the performance of internal KPIs are trackable and measurable; their significant contribution to the overall achievement of the goals of the company can be ascertained. Hence the key indicators which led to the non achievement of financial goals can be determined and new structure can be modeled to arrest the financial under performance.

Shaikh Salman Masood (2020) in his study Financial Statement Analysis of Tata Motors Limited carried out for the period 2017, 2018, 2019 has noticed abnormal amounts of debt of tata motors and pointed out their lack of ability to pay contractual payments. Out of the 3 financial years, 2017 had the highest quick and current ratios indicating the firm's highest liquidity. It has decreased ever since.

Bhupender Kumar Som¹, Himanshu Goel² (2020) in their journal "Ratio Analysis: A Study on Financial Performance of Tata Motors", reviewed the 40 financial performance of Tata Motors from 2016-2020. The results reveal the Return on capital employed and Net worth were at all time low. The current ratio of the firm were to be considered a matter of concern for the investors as it directly influences the company's financial performance. The company seemed to produce good results in 2019, before the pandemic, may be due to the expected reasons such as voluntary retirement scheme and sell-off noncore assets which worked well in favor of the company.

V. Gokulapriya (2020) in her journal "A STUDY ON FINANCIAL PERFORMANCE OF MARUTI SUZUKI MOTORS" concluded that the firm should increase their profitability level by considering the internal and external 41 factors even though the the firm's profitability is satisfactory. The firm should invest more in their current assets as there seems to be a fluctuation in liquidity position.

Biswajit Rout **Abinash Dash *Baisali Das (2020)** in their journal "A Study on Financial Statement Analysis of Maruti Suzuki India Limited Company" reviewed the financial performance of the firm from 2009-2019. They concluded that the prosperity of Maruti Suzuki has been wealthy for the last 10 years. It was found to be in a

gradually increasing manner regarding the Net Sales and Net Profits of the company since 2009 onwards.

Sudarshan Kumar (2020) in his article "A study on evaluation of financial performance of Maruti Udyog Ltd " analyzed that Maruti Suzuki has demonstrated that it is consistently ahead of its rivals as a result of continuous developments. What's more, mechanical upgrades. The organization has set a benchmark of greatness due to the Exploration and Development movement as Maruti Suzuki accepts that this action will empower the organization to offer better and climate cordial items than clients with complete fulfillment. Maruti Suzuki's ecological execution is truly uncountable. Thinking about the developing vehicle contamination, the organization presented a progressed KSeries motor in its vehicles which brought about a decrease of CO, THC and NOx discharges by right around 50%. To the extent financial execution is concerned, Maruti Suzuki's last not many year's measurements of Domestic deals, Fare, portrays that still Maruti Suzuki is the head of Indian Automobile sector.

B Navaneetha, R Padmasri and A Pavithira (2018) in their study "A ratio analysis of Maruti Suzuki India Ltd " have concluded that MSIL is following a 42 conservative working capital policy as it maintains minimum level of liquidity. Companies with low liquidity ratios have a higher risk of meeting its current obligations. In the case of MSIL the fall in the liquidity ratios is offset by the rise in profitability ratios. The company allocates more funds on investments to have an edge over the competitors. MSIL is the king of the Indian automotive industry. MSIL has been consistently surviving in the industry with the effective growth rate which is evidenced by high profit earning capacity.

MD Qamar Azam and MD Abrar Alam (2020) in their study "FINANCIAL RATIOS AND ANALYSIS OF TATA MOTORS" found out that the Overall Z score of Tata motors is lies between 0.71 to 2.44, lowest in 2015. Company needs serious studies. We can say that its main reason is company's working capital to total assets is negative during the periods. It's all profitability ratios are under the average and negative during the years. Debt to total assets is approx. 60-70% which is above the average. Debt to equity ratio is moving between 1.5 to 2.2 which is bad for any company. In the case of the liquidity ratios which are very low relatively to industry. On

an average tata motors financial ratios indicates that its financial conditions are under performance.

Gahlot, Kishan Lal (2017) in his Analysis of financial statement of Rajasthan tourism Development Corporation, analyzed the origin and growth of tourism industry at national and international level. He made significant remarks about the various policies framed by the Indian Government towards the tourism sector. The study undertook the period of 2005-2006 to 2014-2015 by using the financial indicators of solvency, working capital, cash flow etc with the help of accounting ratios and trend analysis. The study conclude that overall there is a fluctuating trend in working capital and cash flow.

K.Geethanjali&Dr.S.Santhakumari (2019)- Investors perception towards online trading in Coimbatore .This research is a descriptive research study in which convenient sampling techniques is used. This survey is used to select the sample size ,validity and reliability of the questionnaire 391 samples are selected for the study.

Dr.U.Thasli, Ariff, M.Nandhini and T.Pavithra (2019)-An investors perception towards online trading . The study aims to identify the preference of the respondent towards online trading in Udumalpet Talak . In this study questionnaire was collected from 100investors.The findings were analyzed using scaling technique and simple percentage .

C.Navya ,CH.Deepthi (2019) –Investors attitude towards online trading .It aims that studying the investor's perception of online trading in share markets and helps to find out the present level of service provided by identifying the area which require attention for improving its services.

Dr.IqbalThonseHawaldar, Dr.Habeeb Ur Rahiman (2019) – Investors perception towards stock market. This study is to understand the different personal factors affecting their investment decision and the different factor influencing various categories of investment. Chisquare test was used as a tool to arrive at a decision regarding the association between two variables.

Dr. N. Sakthivel, A. Saravanakumar (2018)-Investors satisfaction on online share trading and technical problem faced by the investors. Investors satisfaction on online

share trading based on brokerage houses were analyzed using percentage analysis. Primary data were collected from 620 respondents through questionnaire.

Dr.PMohanraj, P Kowsalya (2018)- A Study on the investor perception on karvy stock brokering in Coimbatore district .This study helps to find out the service quality issues. primary data is collected from 100 respondents and it is 8 descriptive research design. Primary data is collected from convenience sampling techniques. Dr.N.Sakthivel , A. Saravanakumar – Investor's preference towards online share trading at NSE .Primary data is collected from 620 respondents using questionnaire .It is suggested that all other brokerage house in the study should design and improve their services in terms of procedures,facilities and benefits .

V.Pavithra, Mr William Robert (2017) A study on customers perception towards online trading in retail brokerage Chennai.This study influence the stock and investmentstrategies in retail brokerage. In this primary data is collected from 100 respondents through questionnaire using convince sampling techniques.

Tom Mulegi (2017) Financial ratio analysis is important to the management, Owners ,Customers, Suppliers, Competitors and regulatory agencies. Each having their views in applying financial statement Analysis in their evaluations and making judgements about the financial health of organization.

Myskovia .R. (2017) In a financial performance , especially financial ratio analysis have become important financial decision support information used by firm , management and other stakeholders to assess financial stability and growth potential.

Chnar abdullah rashid (2018) Ratio analysis can be seen as useful tools to serve companies and investors for the process of analysing and comparing relationships between difference pieces of financial information across the companies history. Liquidity can be seen as a financial concept which means the amount of money is has to be available for investment.

Saigeetha.S. (2017) For financial analysis , ratio analysis is the widely-useful tool. quantitative are numerical relationship between 2 variables is the reference of the firm. ratio. Ratio analysis systematic use of ratio which is used to determine current financial condition of the firm.

Kapil khatte (2018) Financial performance refers to the degree to which financial objective being or has been accomplished. It is the process of measuring the result of a firm policies and operations in monetary terms. R.malini (2019) Financial is considered to be the lifeblood of every business organization. Financial is a anchor of economics considered with providing funds to individuals, business governments.

K.indhira (2017) Ratio analysis is the process of determining and interpreting numerical relationship based on financial statement. Ratio analysis is a powerful tool of financial analysis.

Bismark Maka (2018) Financial performance often used by shareholders or investors to proxy company performance, in the general sense, signifies the extent to which firm's financial goals are being met or have been achieved.

J.pavithra (2017) Finance is rightly termed as the science of money, as it is the lifeblood of business. financial is vital for the even running of the business. the process of recognizing the financial strengths and weakness of the firm by properly-establish relationship between the items of the balance sheet and profit and loss account.

R.Ramachandiran (2019) Financial performance analysis is the process of identifying the financial strength and weakness of the properly establishing relationship between the items of balance sheet and profit and loss account.

G.Gowsalya.RS.(2017) Financial performance is the process of evaluating the common parts of the financial statement to obtain a better understanding of the firm's positions and performance.

Anish ali (2020) Relative and absolute analysis of financial statement measure the financial performance of the business organization. The horizontal and vertical analysis reveals the success and failure of the business organization of a concerned sector.

Gowthami (2019) Financial analysis in terms of profitability, solvency and efficiency is considered as the backbone of any sector. The study of the financial performance is important to know the operating and financial efficiency of the business enterprise.

Setyo riyanto, Yasinta asiani (2020) The purpose of this study is to assess the company's performance by using the financial ratio analysis of PT Indofood success

makmoor on the Indonesia stock exchange. One analysis that can be used to determine the company's financial situation is financial ratio analysis.

Eva patri priari (2019) A company's health assessment can be done by analyzing the financial statements to determine the performance of its finances. One of the analytical tools that can be used is the analysis of financial ratio. this research aims to analyze the financial performance of the firm. The method used for the data analysis using descriptive qualitative measurements liquidity ratio, solvency, profitability and activity ratio.

Siskawilly (2017) The aim of the research was to measure the performance of companies in the consumer goods sector listed in Indonesia Stock Exchange based on the result of the analysis of natural ratio against the respective finished goods statement of the company. Research method used in descriptive research by analyzing the financial statement using quantitative data and data analysis technique used by researchers are the financial ratios consisting of liquidity ratio solvency ratio activity ratio and profitability ratio.

Mukdad ibrahim (2019) Financial performance of the Emirates telecommunication group company, the largest provider of interest and telephonic services in the United Arab Emirates during the year. this paper empirically analyzes three groups of indicators profitability, liquidity and capital structure. Financial ratio analysis was performed using data provided by the Emirates telecommunications group company in its annual reports. Ratio analysis has consistently been recognized as the gold standard for investors interested in analyzing the financial performance of large institutions.

B.kishore (2018) As soon the bottom lines of domestic Bank comes under increasing pressure and the options for Organic growth exhaust themselves Indian banks will need to explore ways for inorganic expansion this in term is likely to only the force of consolidation in Indian banking.

Rohit (2018) Fast moving consumer goods industry plays an important role in economic development of a country. The system of India is featured by the large group of FMCG companies, serving many kinds of consumer durable goods for the people Hindustan Unilever Limited. Popularly known as HUL or HLL is one of the leading FMCG company in India. The information derived from these financial statements

were summarized and used to compute initial ratios for the five-year period financial statements and income statements of the Hindustan Unilever Limited and retail have been taken for database is Money control and Yahoo Finance.

Tn.Roopaa (2017) Financial ratio analysis is considered as a powerful tool to illustrate The relative measure of a firms strength and weakness and is an indicator of potential problem of different aspect of companies operation. The aim of this paper is to evaluate the financial performance with help of ratio analysis of the leading telecom giants in India viz, Airtel, BSNL, idea, Reliance communication and Tata communication. The key financial ratios used to estimate the financial behavior of telecom companies are profitability ratio, liquidity ratio, solvency ratios and efficiency ratio.

Endri endru (2020) Research was conducted to determine the company's financial performance in the food and beverage sector which was assessed based on financial ratio analysis. the focus of this research is financial performance which can be measured by four types of financial ratio analysis namely, liquidity, solvency, profitability and efficiency ratios.

Bhargabva pramod (2017) Ratio analysis now a day an important instrument for a critical review of the performance of a business. it helps the concern to analyze the financial data and provide information which is required to take decisions regarding inform investments and also help to understand financial position better. The financial analysis portrays the financial health of a company and helps the companies to improve their financial resources and manage generated funds efficiently. Information and technology industry has grown up extraordinarily in India during previous years. its contribution in economy has also increased with a huge margin. investment in IT industry is considered as a profitable and less risky investment destination in the Indian context.

CHAPTER 3

3.1. RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process, and analyse information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability. The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information

3.2. RESEARCH DESIGN:

- The research design applicable for the proposal study is of analytical.
- As the use of facts information are already available and analyses these to make a critical evaluation of the material

3.3.SOURCE OF DATA:

The data that is collected by someone other than the primary user. The common sources of secondary data that include censuses, information collected by the government departments, organizational records and data that was originally collected for other research purpose.

Five years annual report of BHEL from 2018-2022 Interaction with the related to finance department.

- SECONDARY DATA

3.4.TOOLS FOR ANALYSIS:

To analyses the performance of the BHEL Company, the researcher has identified ratios namely:

Current Ratio:

Current ratio is the ratio of current assets to current liabilities. Current assets are the assets that are expected to be realized in cash or sold or consumed during the normal operating cycle of the business or with in one year, which ever is longer, they include cash in hand and bank, bills receivable, net sundry debtors, stock of raw materials, finished goods and short term or temporary investments.

$$\text{CURRENT RATIO} = \text{CURRENT ASSETS} / \text{CURRENT LIABILITIES}$$

Quick Ratio:

Quick Ratio is used as a measure of the company's ability to meet its current obligations since bank overdraft is secured by the inventories, the other current assets must be sufficient to meet other current liabilities. It indicates whether the firm is in a position to pay its current liabilities within a month or immediately Liquid Assets includes: (a) Cash in hand (b) Cash at Bank (c) Short-term investments.

$$\text{QUICK RATIO} = \text{LIQUID ASSETS} / \text{CURRENT LIABILITY}$$

Cash Ratio:

Cash ratio is a liquidity measure that shows a company's ability to cover its short-term obligations using cash ratio and can only cash and cash equivalents. The cash ratio is derived by adding a company's total reserves of cash and near-cash securities and dividing that sum by its total current liabilities.

$$\text{CASH RATIO} = \text{CASH} / \text{CURRENT LIABILITIES}$$

INVENTORY TURNOVER RATIO:

Inventory turnover is a ratio showing how many times a company has sold and replaced inventory during a given period. A company can then divide the days in the period by the inventory turnover formula to calculate the days it takes to sell the inventory on hand. Calculating inventory turnover can help businesses make better decisions on pricing, manufacturing, marketing and purchasing new inventory

$$\text{INVENTORY TURNOVER RATIO} = \text{SALES} / \text{INVENTORY}$$

FIXED ASSET TURNOVER RATIO

The fixed asset turnover ratio (FAT) is, in general, used by analysts to measure operating performance. This efficiency ratio compares net sales (income statement) to fixed assets (balance sheet) and measures a company's ability to generate net sales from its fixed-asset investments, namely property, plant, and equipment (PP&E). The fixed asset balance is used as a net of accumulated depreciation.

$\text{FIXED ASSET TURNOVER RATIO} = \text{SALES} / \text{TOTAL FIXED ASSET}$

RETURN ON ASSET:

Return on assets is a profitability ratio that provides how much profit a Company can generate from its assets. In other words, return on assets (ROA) measures how efficient a company's management is in earning profit from their economic resources or assets on their balance sheet. ROA is shown as percentage, and the higher the number, the more efficient a company's management is at managing its balance sheet to generate profits.

$\text{RETURN ON ASSET} = \text{NET INCOME} / \text{TOTAL ASSET}$

RETURN ON EQUITY

The Return on Equity ratio essentially measures the rate of return that the owner common stock of a company receive on their shareholdings. Return on equity signifies how good the company is in generating returns on the investment it received from its shareholders.

$\text{RETURN ON EQUITY} = \text{NET INCOME} / \text{TOTAL EQUITY}$

DEBT TO ASSET RATIO

The Debt-to-assets ratio analyses a company's balance sheet. The calculation includes long-term and short-term debt (borrowings maturing within one year) of the company. It also encompasses all assets-both tangible and intangible. It indicates how much debt is used to carry a firm's assets, and how those assets might be used to service debt. It, therefore, measures a firm's degree of leverage.

$\text{DEBT TO ASSET RATIO} = \text{TOTAL DEBT} / \text{TOTAL ASSET}$

DEBT TO EQUITY RATIO

Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage and is calculated by dividing a company's total liabilities by its shareholder equity. D/E ratio is an important metric in corporate finance. It is a measure of the degree to which a company is financing its operations with debt rather than its own resources. Debt to-equity ratio is a particular type of gearing ratio.

$\text{DEBT TO EQUITY RATIO} = \text{TOTAL LIABILITY} / \text{TOTAL EQUITY}$

INVENTORY HOLDING PERIOD

The inventory holding period shows the number of days on average that a business holds inventory. To calculate the inventory holding period we divide inventory by cost of sales and multiply the answer by 365 for the holding period in days, or by 12 for the holding period in months.

$\text{INVENTORY HOLDING PERIOD} = \text{DAYS IN A YEAR} / \text{INVENTORY TURNOVER RATIO}$

CASH TURNOVER RATIO

The cash turnover ratio is an efficiency ratio that reveals the number of times that cash is turned over in an accounting period. The cash turnover ratio is calculated as revenue divided by cash and cash equivalents. The cash turnover ratio is ideal for Companies that do not offer credit sales.

$\text{CASH TURNOVER RATIO} = \text{REVENUE} / \text{CASH AND CASH EQUIVALENTS}$

CASH TO CURRENT ASSETS RATIO

The cash asset ratio is the current value of marketable securities and cash, divided by the company's current liabilities. Also known as the cash ratio, the cash asset ratio compares the amount of highly liquid assets (such as cash and marketable securities) to the amount of short-term liabilities. This figure is used to measure a firm's liquidity or its ability to pay its short-term obligations.

$\text{CASH TO CURRENT ASSET RATIO} = \text{CASH} / \text{CURRENT ASSET}$

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1.1. Current ratio:

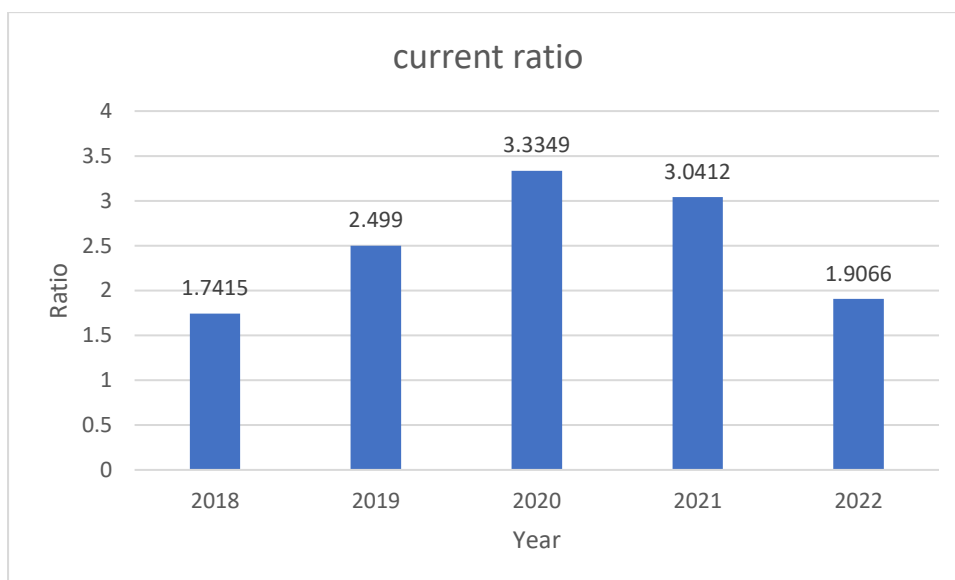
Table showing current ratio for 5 years

Table No: 4.1.1

Particulars	2018	2019	2020	2021	2022
CURRENT RATIO= CURRENT ASSET/CURRENT LIABILITY					
current asset	280642.6	284269.44	277503.44	239313.63	225273.95
current liability	161141.63	113752.77	83211.11	78688.63	118154.1
current ratio	1.74158968	2.499011145	3.33493256	3.04127331	3.04127331

Chart showing current ratio for 5 years

Chart No: 4.1.1



INTERPRETATION

From the balance sheet the past 5 years of the current ratio was 2018- 1.74158968, 2019- 2.499011145, 2020- 2.499011145, 2021- 3.04127331, 2022- 3.04127331. The minimum ratio was registered as 1.74158968 in the year 2018 and the maximum ratio was registered as 3.04127331 in the year 2020.

4.1.2 Quick Ratio:

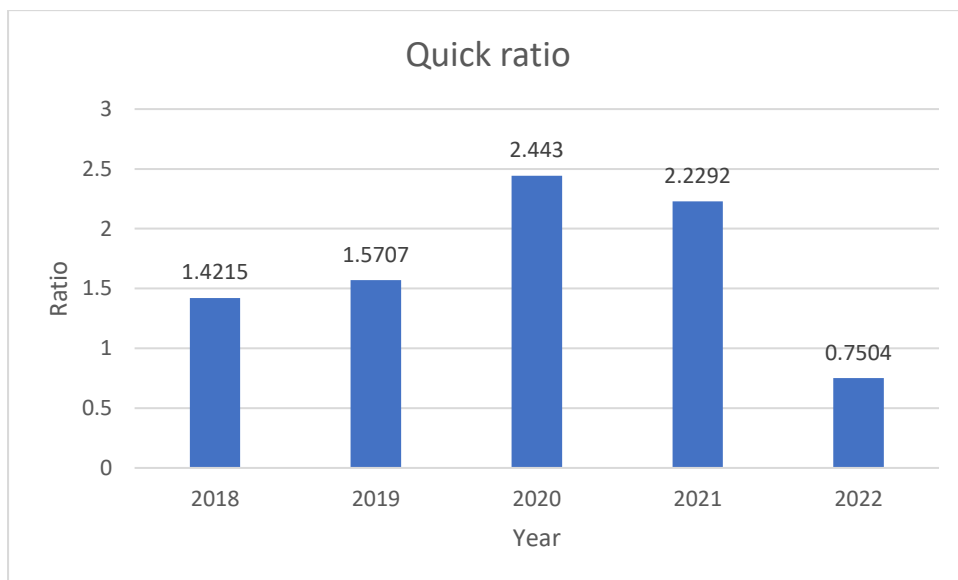
Table showing current ratio for 5 years

Table No: 4.1.2

Particulars	2018	2019	2020	2021	2022
QUICK RATIO = CURRENT ASSET-INVENTORY/CURRENT LIABILITY					
current asset	280642.6	284269.44	277503.44	239313.63	225273.95
Inventory	51565.45	105588.87	74210.81	63893.56	67822.04
current liability	161141.63	113752.77	83211.11	78688.63	118154.1
quick ratio	1.42158888	1.57077995	2.4430948	2.2292937	0.7504139

Chart showing current ratio for 5 years

Chart No: 4.1.2



INTERPRETATION

From the balance sheet the past 5 years of the Quick ratio was 2018- 1.42158888, 2019- 1.57077995, 2020- 2.4430948, 2021- 2.2292937, 2022- 0.7504139. The minimum ratio was registered as 0.7504139 in the year 2022 and the maximum ratio was registered as 2.4430948 in the year 2020.

4.1.3. CASH RATIO:

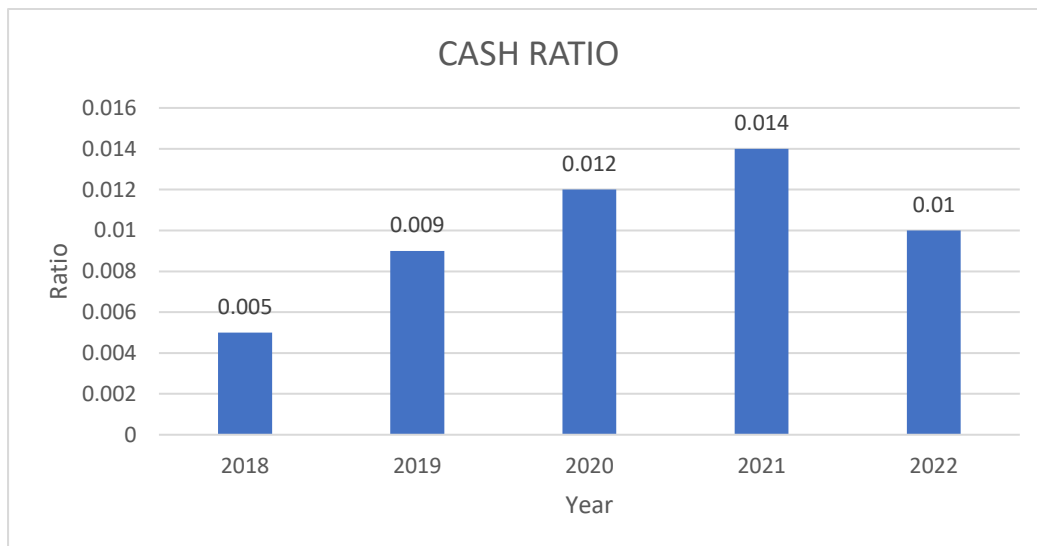
Table showing current ratio for 5 years

Table No: 4.1.3

Particulars	2018	2019	2020	2021	2022
CASH RATIO = CASH AND CASH EQUIVALENTS/TOTAL CURRENT ASSET					
cash and cash equivalents	834.15	1028.27	1065.99	1148.88	1265.54
current liability	161141.63	113752.77	83211.11	78688.63	118154.1
cash ratio	0.0051765	0.0090395	0.0128107	0.0146003	0.0107109

Chart showing current ratio for 5 years

Chart No: 4.1.3



INTERPRETATION

From the balance sheet the past 5 years of the Cash ratio was 2018- 0.0051765, 2019- 0.0090395, 2020- 0.0128107, 2021- 0.0146003, 2022- 0.0107109. The minimum ratio was registered as 0.0051765 in the year 2018 and the maximum ratio was registered as 0.0146003 in the year 2021.

4.1.4. INVENTORY TURNOVER RATIO:

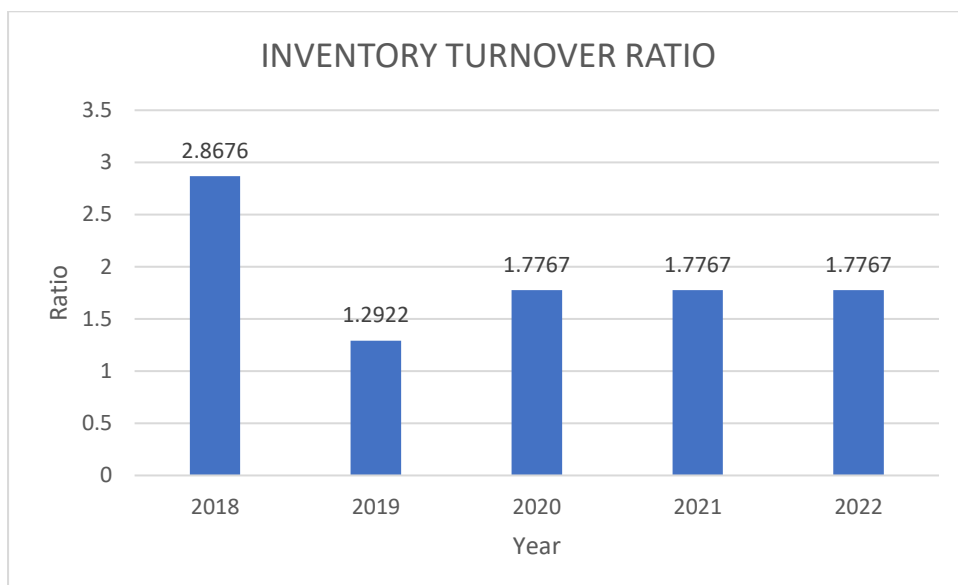
Table showing current ratio for 5 years

Table No: 4.1.4

Particulars	2018	2019	2020	2021	2022
INVENTORY TURNOVER RATIO= SALES/INVENTORY					
sales	147872.95	136445.47	131854.87	120834.99	150484.24
Inventory	51565.45	105588.87	74210.81	63893.56	67822.04
Inventory turnover ratio	2.867674965	2.867674965	1.776761	1.89119201	2.218810286

Chart showing current ratio for 5 years

Chart No: 4.1.4



INTERPRETATION

From the balance sheet the past 5 years of the Inventory turnover ratio was 2018- 2.867674965, 2019- 2.867674965, 2020- 1.776761, 2021- 1.89119201, 2022- 2.218810286. The minimum ratio was registered as 2.867674965 in the year 2019 and the maximum ratio was registered as 2.867674965 in the year 2021.

4.1.5. FIXED ASSET TURNOVER RATIO

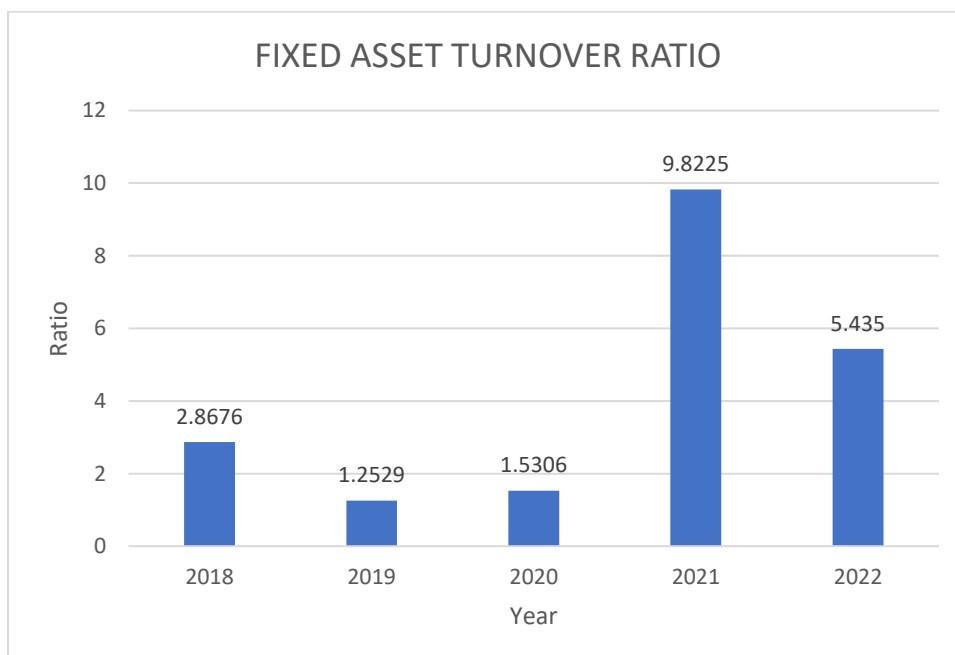
Table showing current ratio for 5 years

Table No: 4.1.5

Particulars	2018	2019	2020	2021	2022
FIXED ASSET TURNPVER RATIO= SALES/TOTAL FIXED ASSET					
sales	147872.95	136445.47	131854.87	120835	150484.24
fixed asset	51565.45	108895.89	86141.93	12301.74	27687.78
Fixed asset turnover ratio	2.867674965	1.2529901	1.53067	9.822593	5.4350417

Chart showing current ratio for 5 years

Chart No: 4.1.5



INTERPRETATION

From the balance sheet the past 5 years of the Fixed asset turnover ratio was 2018- 2.867674965, 2019- 1.2529901, 2020-1.53067, 2021- 9.822593, 2022- 5.4350417. The minimum ratio was registered as 1.2529901 in the year 2019 and the maximum ratio was registered as 9.822593 in the year 2021.

4.1.6. RETURN ON ASSET:

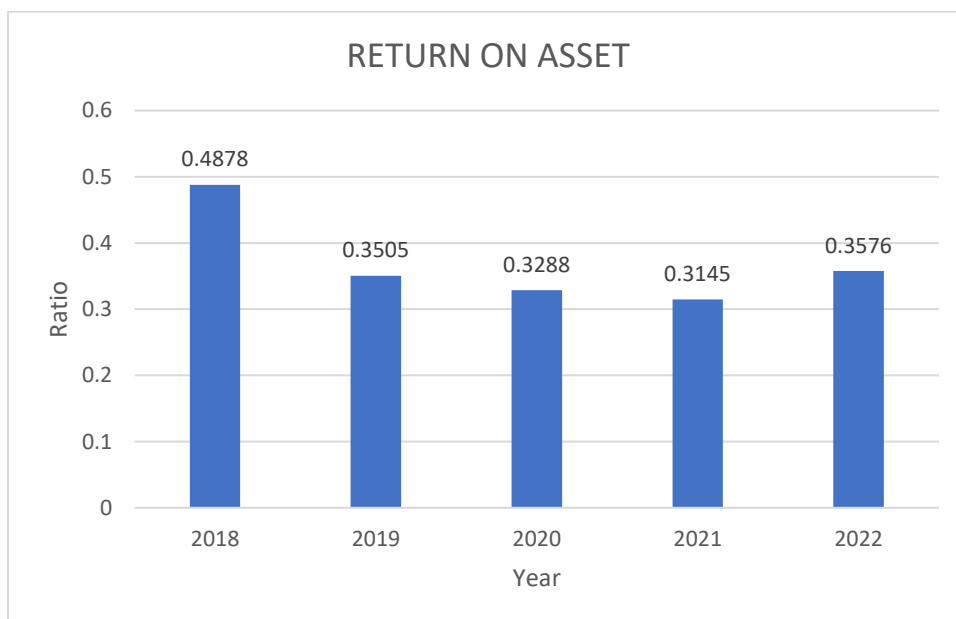
Table showing current ratio for 5 years

Table No: 4.1.6

Particulars	2018	2019	2020	2021	2022
RETURN ON ASSET= NET INCOME/TOTAL ASSET					
net income	214319.63	160692.88	139217.2	129363.67	158846.42
total asset	439358.9	458456.81	423291.9	411313.77	444200.01
return on asset	0.487800816	0.350508219	0.328891718	0.314513346	0.357601118

Chart showing current ratio for 5 years

Chart No: 4.1.6



INTERPRETATION

From the balance sheet the past 5 years of the Fixed asset turnover ratio was 2018- 0.487800816, 2019- 0.350508219, 2020- 0.328891718, 2021- 0.314513346, 2022- 0.357601118. The minimum ratio was registered as 0.314513346 in the year 2021 and the maximum ratio was registered as 0.487800816 in the year 2018.

4.1.7. RETURN ON EQUITY

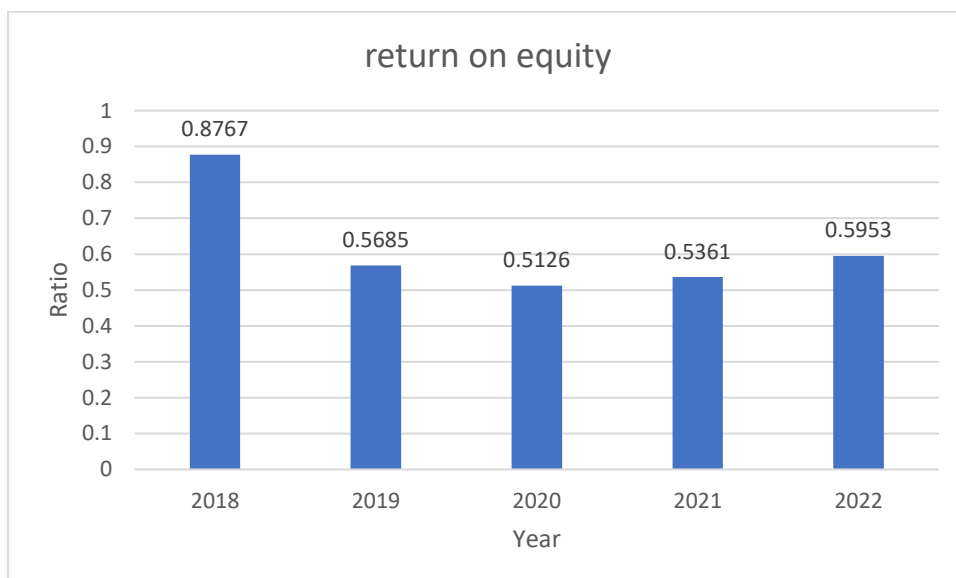
Table showing current ratio for 5 years

Table No: 4.1.7

Particulars	2018	2019	2020	2021	2022
RETURN ON EQUITY = NET INCOME/TOTAL EQUITY					
net income	214319.63	160692.88	139217.2	129363.67	158846.42
total equity	244435.48	282612.27	271556.93	241264.29	266806.47
return on equity	0.87679428	0.568598384	0.512663035	0.536190706	0.595361949

Chart showing current ratio for 5 years

Chart No: 4.1.7



INTERPRETATION

From the balance sheet the past 5 years of the Return on equity was 2018- 0.87679428, 2019- 0.568598384, 2020- 0.512663035, 2021- 0.536190706, 2022- 0.595361949. The minimum ratio was registered as 0.512663035 in the year 2020 and the maximum ratio was registered as 0.87679428 in the year 2018.

4.1.8. DEBT TO ASSET RATIO

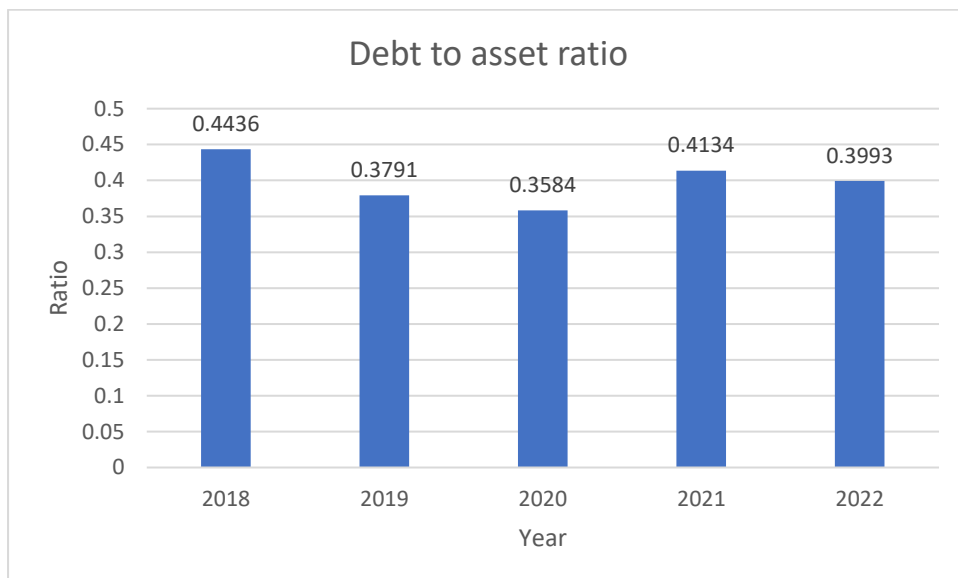
Table showing current ratio for 5 years

Table No: 4.1.8

Particulars	2018	2019	2020	2021	2022
DEBT TO ASSET RATIO = TOTAL DEBT/TOTAL ASSET					
total liability	194923.42	173844.54	151734.97	170049.48	177393.54
total asset	439358.9	458456.81	423291.9	411313.77	444200.01
debt to asset ratio	0.4436542	0.379195022	0.35846415	0.4134301	0.3993551

Chart showing current ratio for 5 years

Chart No: 4.1.8



INTERPRETATION

From the balance sheet the past 5 years of the Debt to asset ratio was 2018- 0.4436542, 2019- 0.379195022, 2020- 0.35846415, 2021- 0.4134301, 2022- 0.3993551. The minimum ratio was registered as 0.35846415 in the year 2020 and the maximum ratio was registered as 0.4436542 in the year 2018.

4.1.9. DEBT TO EQUITY RATIO

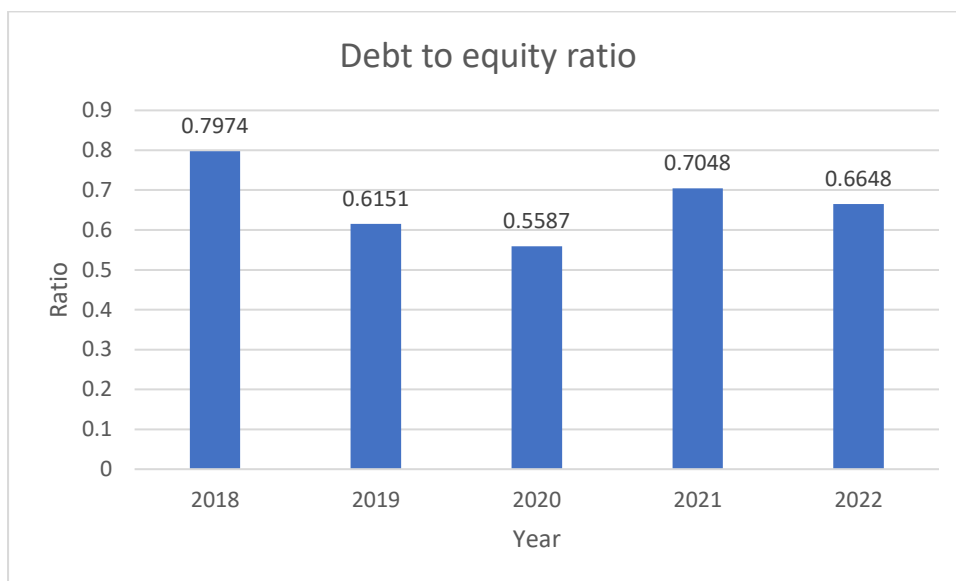
Table showing current ratio for 5 years

Table No: 4.1.9

Particulars	2018	2019	2020	2021	2022
DEBT TO EQUITY RATIO = TOTAL LIABILITY/TOTAL EQUITY					
total liability	194923.42	173844.54	151734.97	170049.48	177393.54
total equity	244435.48	282612.27	271556.93	241264.29	266806.47
debt to equity ratio	0.7974432	0.61513444	0.5587593	0.70482656	0.6648772

Chart showing current ratio for 5 years

Chart No: 4.1.8



INTERPRETATION

From the balance sheet the past 5 years of the Debt to equity ratio was 2018- 0.7974432, 2019- 0.61513444, 2020- 0.5587593, 2021- 0.70482656, 2022- 0.6648772. The minimum ratio was registered as 0.5587593 in the year 2020 and the maximum ratio was registered as 0.7974432 in the year 2018.

4.1.10. INVENTORY HOLDING PERIOD

Table showing current ratio for 5 years

Table No: 4.1.10

Particulars	2018	2019	2020	2021	2022
INVENTORY HOLDING PERIOD = DAYS IN A YEAR/INVENTORY TURNOVER RATIO					
days in a year	365	365	365	365	365
inventory turnover ratio	2.86767496	1.292233452	1.77676096	1.891192007	2.218810286
inventory holding period	127.2808129	282.4567027	205.4299978	192.9999696	164.5025725

Chart showing current ratio for 5 years

Chart No: 4.1.10



INTERPRETATION

From the balance sheet the past 5 years of the Inventory holding period was 2018- 127.2808129, 2019- 282.4567027, 2020- 205.4299978, 2021- 192.9999696, 2022- 164.5025725. The minimum ratio was registered as 127.2808129 in the year 2018 and the maximum ratio was registered as 282.4567027 in the year 2019.

4.1.11. CASH TURNOVER RATIO

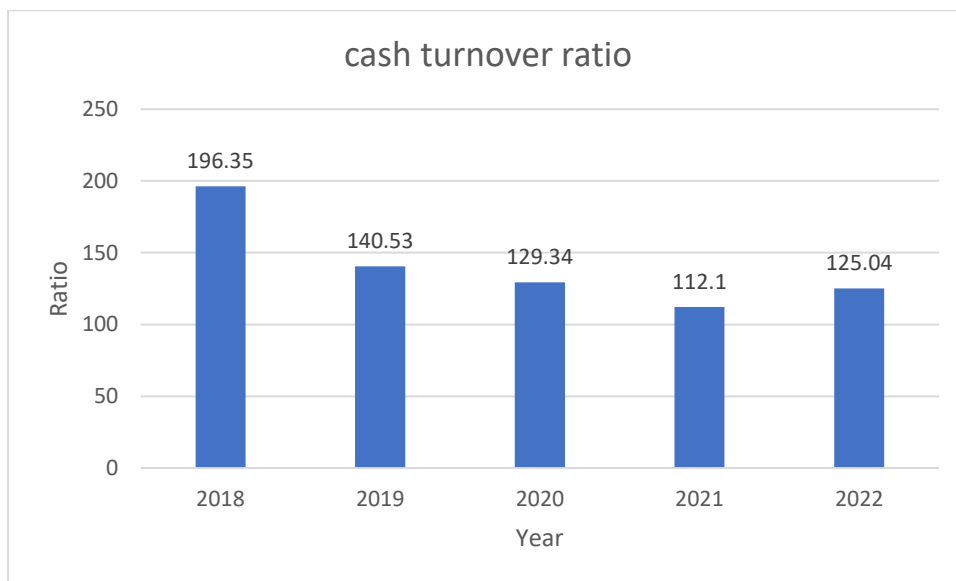
Table showing current ratio for 5 years

Table No: 4.1.11

Particulars	2018	2019	2020	2021	2022
CASH TURNOVER RATIO= REVENUE/CASH AND CASH EQUIVALENTS					
revenue	163787.13	144512.51	137882.48	128790.34	158254.64
cash and cash equivalents	834.15	1028.27	1065.99	1148.88	1265.54
cash turnover ratio	196.35213	140.53946	129.346879	112.100776	125.049102

Chart showing current ratio for 5 years

Chart No: 4.1.11



INTERPRETATION

From the balance sheet past 5 years of the Cash turnover ratio was 2018- 196.35213, 2019- 140.53946, 2020- 129.346879, 2021- 112.100776, 2022- 125.049102. The minimum ratio was registered as 112.100776 in the year 2021 and the maximum ratio was registered as 196.35213 in the year 2018.

4.1.12. CASH TO CURRENT ASSETS RATIO

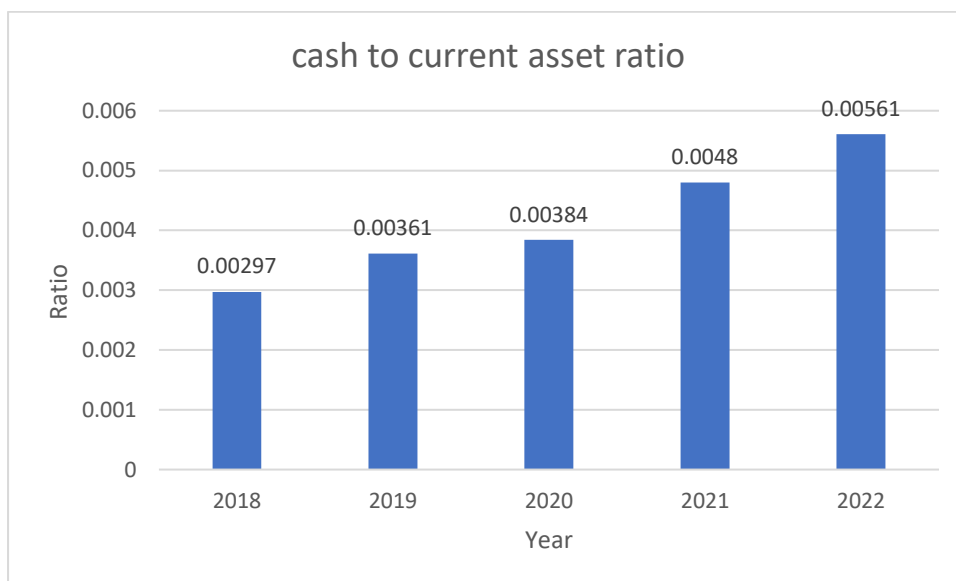
Table showing current ratio for 5 years

Table No: 4.1.12

Particulars	2018	2019	2020	2021	2022
CASH TO CURRENT ASSET RATIO = CASH/CURRENT ASSET					
cash	834.15	1028.27	1065.99	1148.88	1265.54
current asset	280642.6	284269.44	277503.44	239313.63	225273.95
cash to current asset ratio	0.00297229	0.00361724	0.00384136	0.004800729	0.005617782

Chart showing current ratio for 5 years

Chart No: 4.1.12



INTERPRETATION

From the balance sheet past 5 years of the Cash to current asset ratio was 2018- 0.00297229, 2019- 0.00361724, 2020- 0.00384136, 2021- 0.004800729, 2022- 0.005617782. The minimum ratio was registered as 0.00297229 in the year 2018 and the maximum ratio was registered as 0.005617782 in the year 2022.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1. FINDINGS

The research work provides the key findings according to the data analysis.

- The company has made its current ratio good in the year 2020 with 3.334932 which indicates that the rate at which the company restock items is well balanced with their sales, comparing with the previous years which is below the ideal ratio.
- By comparing all the 4 years 2018 has the low liquidity position to meet its short term obligations with its most liquid assets.
- Fixed Asset turnover ratio good in the year 2021 with 9.822593 which indicates that the rate at which the company restock items is well balanced with their sales.
- Return on Asset good in the year 2018 with 0.487800816 which indicates that the rate at which the company restock items is well balanced with their sales, comparing with the previous years.
- Return on equity good in the year 2018 with 0.87679428 which indicates that the rate at which the company restock items is well balanced with their sales, comparing with the previous years which is below the ideal ratio.
- Debt to equity ratio good in the year 2018 with 0.7974432 which indicates that the rate at which the company restock items is well balanced with their sales.
- By comparing all the four years, 2019 has the lowest inventory holding period, which indicates the demand has been increased for company's products.
- By comparing all the 4 years, there has been a fluctuation and decrease in the ratio of, from 2018(196.35213) to 2022(125.049102), which indicates that the company is not working in consistent improvement of its policies.
- By comparing all the 4 years, there has been an increase in cash to current asset ratio, which indicates a positive sign showing, the company's most liquid assets represent a larger portion of its total current assets.

5.2 SUGGESTIONS & RECOMMENDATIONS

- The Company may look into maintain the balanced Inventory turnover ratio. A low inventory turnover ratio might be a sign of weak sales or excessive inventory.
- The company may look into measure how to wisely use the Equity. It indicates that the company did not use the capital efficiently invested by the shareholders.
- The company has better inventory holding period this indicates good efficiency since it indicates that less time is required for the stock to be realised as sales income. Company makes more sales in a shorter period.
- Company may look into measures how to increase in cash turnover. The fall in cash turnover indicates that company is not efficient, and it takes too long before it makes a complete cycle of cash flow in the economy.
- Company may look to maintain the cash. Thus low cash to current asset signifies that there isn't enough money in the business for paying off debts when they become due.

5.3. LIMITATIONS OF THE STUDY

The limitations of the study are as follows

- The study is covered only to the past Financial Viability of Ellipso Logistics.
- Some of the data has not given by the company due to maintenance of financial secrecy.
- So the study cannot be covered to all the areas. The financial data cannot be estimated accurately for the future period due to the financial crisis.

5.4. CONCLUSION

Based on the financial performance analysis of BHEL, the following conclusions can be drawn:

This study on financial statement analysis in BHEL Company has provided valuable insights into the financial health and performance of the company. The study employed ratio analysis, trend analysis, and common size analysis to analyze the financial statements of the company for the last five years. The results of the study suggest that the company's financial performance has improved in recent years, with an increase in revenue, net profit, and return on equity.

However, the study also revealed some areas of concern, such as declining gross profit margins and increasing debt levels. It is recommended that the company take steps to address these issues and improve its financial position further. The study also highlighted the importance of financial statement analysis as a tool for evaluating the financial performance of companies. Overall, this study provides useful information for stakeholders, including investors, creditors, and managers, to make informed decisions regarding the company's financial position and future prospects. It is hoped that the study will inspire further research into financial statement analysis in other companies and industries.

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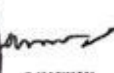
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ANNEXURE I – BALANCESHEET

Bharat Heavy Electricals Limited		BAP-3820		 (₹ in Lakhs)	
BALANCE SHEET as at March 31, 2019					
Particulars	Note	As at March 31, 2019		As at March 31, 2018	
A. ASSETS					
1 Non-current assets					
(a) Property, plant and equipment	3		10510.28		10498.43
(b) Capital work-in-progress	3		441.71		230.38
(c) Intangible assets	4		733.88		918.88
(d) Intangible assets under development	4		277.00		
(e) Financial assets					
(i) Investments	6				
(ii) Trade receivables	6	28218.93		14883.70	
(iii) Loans	7	77.92		87.39	
(iv) Other financial assets	8		28294.86		14971.09
(f) Deferred tax assets (net of liabilities)	9				
(g) Other non-current assets	10		131829.88		84812.82
Total non-current assets			172187.37		111431.88
2 Current assets					
(a) Inventories	11		105588.87		51586.45
(b) Financial assets					
(i) Investments	12				
(ii) Trade receivables	13	108995.89		158920.02	
(iii) Cash and cash equivalents	14	0.95		1.12	
(iv) Bank balances other than (iii) above	15				
(v) Loans	16	258.47		291.72	
(vi) Other financial assets	17	771.80	109928.11	631.31	158354.17
(c) Current tax assets (net of provisions)	18		165.89		54.09
(d) Other current assets	19		68589.57		99058.89
Total current assets			284289.64		289642.80
Inter division accounts (Dr. bal.)	20c				47284.72
Funds to & from corp. off -CCC A/c (Dr. bal.)	20e				
Total assets			456456.81		439358.90
B. EQUITY AND LIABILITIES:					
1 Equity					
(a) Equity share capital	20				
(b) Other equity (refer to SOCIE)	1	209818.07		240406.84	
(c) Funds from head office	20a	3301.70		3301.70	
Total equity			213117.77		243708.34
Inter division accounts (Cr Bal)	20b		69439.60		
Funds to & from corp. off -CCC A/c (Cr. Bal)	20d		54.90		727.14
Total equity			282612.27		244435.48
2 Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	21	984.28		449.25	
(ii) Trade payables	22				
(i) Total outstanding dues of micro enterprises and small enterprises other than micro enterprises and small enterprises					
(iii) Other financial liabilities	23	10.00	974.28	10.88	460.23
(b) Provisions	24		32597.10		32875.45
(c) Other non-current liabilities	25		26520.38		446.11
Total non-current liabilities			60991.77		33781.79
3 Current liabilities					
(a) Financial liabilities					
(i) Borrowings	26				
(ii) Trade payables	27				
(i) Total outstanding dues of micro enterprises and small enterprises		11415.44		1964.51	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		41451.75		73181.82	
(iii) Other financial liabilities	28	9322.94	62190.13	6584.22	81740.86
(b) Provisions	29		15529.73		16232.80
(c) Other current liabilities	30		36932.91		63168.19
Total current liabilities			113752.77		161141.83
Total liabilities			173844.54		194923.42
Total equity and liabilities			456456.81		439358.90
Significant Accounting policies					
2					
The accompanying Notes form an integral part of the Financial Statement					
43,44					
As per our report of even date For M SRINIVASAN & ASSOCIATES Chartered Accountants <i>P. Muralidaran</i> R MURALIDARAN Partner MEMBERSHIP NO:028141		For Bharat Heavy Electricals Limited Unit: BAP RANIPET <i>K. Kalaiselvan</i> K. KALAISELVAN EXECUTIVE DIRECTOR (Head of Unit)			
		 S KANNAN GM(FINANCE) (Head of Finance)			
Place: RANIPET Date: 29-APRIL-2019					

Bharat Heavy Electricals Limited			
Balance sheet as at March 31, 2020		Unit Name	BAP-3228
		(- In Lakhs)	
Particulars	Note	As at March 31, 2020	As at March 31, 2019
A. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	9572.03	10510.25
(b) Capital work-in-progress	3	195.48	441.71
(c) Intangible assets	4	1027.92	733.88
(d) Intangible assets under development	4		277.00
(e) Financial assets			
(i) Investments	5		28216.83
(ii) Trade receivables	6	18038.93	77.92
(iii) Loans	7	92.87	
(iv) Other financial assets	8	16728.60	28294.85
(f) Deferred tax assets (net of liabilities)	9		
(g) Other non-current assets	10	115104.23	131929.66
Total non-current assets		145788.46	172187.37
2 Current assets			
(a) Inventories	11	74210.51	96816.14
(b) Financial assets			
(i) Investments	12		
(ii) Trade receivables	13	58141.83	106898.69
(iii) Cash and cash equivalents	14	2.11	0.95
(iv) Bank balances other than (iii) above	15		
(v) Loans	16	907.44	256.47
(vi) Other financial assets	17	158.55	771.80
(c) Current tax assets (net of provisions)	18	848.18	100926.11
(d) Other current assets	19	115234.42	165.89
Total current assets		277593.44	284883.34
Inter division accounts (Dr. bal.)	20c		
Funds to & from corp. off -CCC A/c (Dr. bal.)	20e		
Total assets		423291.90	457070.71
B. EQUITY AND LIABILITIES:			
1 Equity			
(a) Equity share capital	20		210245.30
(b) Other equity (refer to SOGIE)	1	184678.07	3301.70
(c) Funds from head office	20a	3301.70	
Total equity		187979.77	213547.00
Inter division accounts (Cr. Bal)	20b	81966.85	69439.60
Funds to & from corp. off -CCC A/c (Cr. Bal)	20d	1581.21	54.99
Total equity		271455.83	283041.59
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	724.59	964.28
(ii) Trade payables	22		
due of micro enterprises and small			
due of creditors other than micro			
enterprises and			
(iii) Other financial liabilities	23	724.59	10.00
(b) Provisions	24	35834.65	674.28
(c) Other non-current liabilities	25	32184.62	32781.77
Total non-current liabilities		68523.89	26526.39
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26		
(ii) Trade payables	27		
due of micro enterprises and small		6858.53	11415.44
due of creditors other than micro			
enterprises and			
(iii) Other financial liabilities	28	29583.01	41451.75
(b) Provisions	29	4890.23	9322.94
(c) Other current liabilities	30	16222.97	62190.13
Total current liabilities		26855.37	15529.73
Total liabilities		83211.11	36032.91
Total equity and liabilities		423291.90	457070.71
Significant Accounting policies			
2			
The accompanying Notes form an integral part of the Financial Statements			
43, 44			
As per our report of even date			
For M/s M. Srinivasan & Associates			
Chartered Accountants			
FRN : 004050S			
For Bharat Heavy Electricals Limited			
Unit: BAP RANIPET			
M Srinivasan			
Partner			
Membership No. 022959			
S Kannan			
GM(FINANCE)			
(HEAD OF FINANCE)			
C Murthy			
Executive Director			
(HEAD OF UNIT)			
Place : Ranipet			
Date : 28-MAY-2020			



Bharat Heavy Electricals Limited

Balance sheet as at March 31, 2021

Unit : BAP-3820

(₹ in Lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3a	8260.73	9672.03
(b) Capital work-in-progress	3b	299.66	195.48
(c) Intangible assets	4a	1097.48	1027.82
(d) Intangible assets under development	4b		
(e) Financial assets			
(i) Investments	5		
(ii) Trade receivables	6	12301.74	18635.93
(iii) Loans	7	69.30	92.87
(iv) Other financial assets	8	12371.04	18728.80
(f) Deferred tax assets (net of liabilities)	9		
(g) Other non-current assets	10	149971.23	116164.23
Total non-current assets		172000.14	145788.46
2. Current assets			
(a) Inventories	11	63893.56	74210.81
(b) Financial assets			
(i) Investments	12		
(ii) Trade receivables	13	53564.73	82248.48
(iii) Cash and cash equivalents	14	1.23	2.11
(iv) Bank balances other than (iii) above	15		
(v) Loans	16	1029.82	907.44
(vi) Other financial assets	17	119.06	158.55
(c) Current tax assets (net of provisions)	18	5.72	848.18
(d) Other current assets	19	120699.51	119127.87
Total current assets		239313.63	277503.44
Inter division accounts (Dr. bal.)	20c		
Funds to & from corp. off -CCC A/c (Dr. bal.)	20e		
TOTAL ASSETS		411313.77	423291.90




பொ.ரகுராமன்
 பொ.ரகுராமன் / P. Raguraman
 महाप्रबंधक एवं प्रमुख / GM & Head
 वीरचईरवा / वीरचई, रानीपेट / BHEL / BAP, Ranipet.



Bharat Heavy Electricals Limited
B. EQUITY AND LIABILITIES:
1. Equity

(a) Equity share capital	20			
(b) Other equity (refer to SOCIE)	1	138890.57		184678.07
(c) Funds from head office	20a	3301.70		3301.70
Total		142182.27		187979.77
Inter division accounts (Cr Bal)	20b	99056.09		81995.85
Funds to & from corp. off -CCC A/c (Cr. Bal)	20d	16.93		1681.31
Total equity		241264.29		271556.93

Liabilities
2. Non-current liabilities

(a) Financial liabilities				
(i) Borrowings	21	440.09		724.59
(ii) Trade payables	22			
(i) Total outstanding dues of micro enterprises and small enterprises				
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3181.00		
(iii) Other financial liabilities	23	335.01	3956.70	724.59
(b) Provisions	24		36459.31	35834.85
(c) Other non-current liabilities	25	50944.84		32164.62
Total non-current liabilities		91360.85		68523.86

3. Current liabilities

(a) Financial liabilities				
(i) Borrowings	26			
(ii) Trade payables	27			
(i) Total outstanding dues of micro enterprises and small enterprises		8610.40		6859.53
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		25907.64		29583.01
(iii) Other financial liabilities	28	2190.39	38798.43	4690.23
(b) Provisions	29		16736.49	15222.97
(c) Other current liabilities	30	25153.71		26855.37
Total current liabilities		78588.63		83211.11

Total liabilities		170049.48		151734.97
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TOTAL EQUITY AND LIABILITIES		411313.77		423291.90
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Basis of preparation, measurement and Significant Accounting policies

2

The accompanying Notes are an integral part of the Financial Statements

 As per our report of even date
 For M/s Gopalalier and Subramanian
 Chartered Accountants
 FRN:000960S

 For Bharat Heavy Electricals Limited
 Unit: BAP, Ranipet

K.K.A. Ramanujan

K.K.A. Ramanujan
 Partner
 Membership No. 209498
 UDIN: 21209498AAAABW7267
 Place : Ranipet
 Date : April 29, 2021

K Balasubramanian

K Balasubramanian
 AGM/Finance
 Head of Finance

P Raguraman

P Raguraman
 GM & Head
 Head of Unit

Bharat Heavy Electricals Limited - Boiler Auxiliaries Plant(BAP)-3820		Balance sheet as at March 31, 2022		Unit BAP-3820		BHEL		(₹ in Lakhs)	
Particulars	Not e	As at March 31, 2022		As at March 31, 2021					
ASSETS									
1. Non-current assets									
(a) Property, plant and equipment	3a	7787.93				8260.73			
(b) Capital work-in-progress	3b	377.64				299.66			
(c) Intangible assets	4a	976.29				1097.48			
(d) Intangible assets under development	4b								
(e) Financial assets									
(i) Investments	5								
(ii) Trade receivables	6	21199.91				12301.74			
(iii) Loans	7								
(iv) Other financial assets	8	67.79		21267.70		69.30		12371.04	
(f) Deferred tax assets (net of liabilities)	9								
(g) Other non-current assets	10	188516.50				149971.23			
Total non-current assets		218926.06				172000.14			
2. Current assets									
(a) Inventories	11	67822.04				63893.56			
(b) Financial assets									
(i) Investments	12								
(ii) Trade receivables	13	27687.78				53564.73			
(iii) Cash and cash equivalents	14	0.55				1.23			
(iv) Bank balances other than (iii) above	15								
(v) Loans	16								
(vi) Other financial assets	17	1265.54		28953.97		1148.88		54714.84	
(c) Current tax assets (net of provisions)	18			13.28				5.72	
(d) Other current assets	19	128484.66				120699.51			
Total current assets		225273.95				239313.63			
Inter division accounts (Dr. bal.)	20c								
Due to & from corp. off -CCC A/c (Dr. bal.)	20e								
TOTAL ASSETS		444200.01				411313.77			



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राजीव सिंह / Rajeev Singh
महाप्रबंधक (प्रशासकीय) / GM Incharge
वीएचईएल / वीएपी, रानीपेट / BHEL / BAP, Ranipet

Bharat Heavy Electricals Limited - Boiler Auxiliaries Plant(BAP)---3820		Office	
Balance sheet as at March 31, 2022		Uni BAP---3820	
		(₹ in Lakhs)	
EQUITY AND LIABILITIES:			
1. Equity			
(a) Equity share capital	20		138890.57
(b) Other equity (refer to SOCIE)	1	136318.95	3301.70
(c) Funds from Head office	20a	3301.70	142192.27
Total		139620.65	142192.27
Inter division accounts (Cr Bal)	20b	127175.92	99056.09
Funds to & from corp. off -CCC A/c (Cr. Bal)	20d	9.90	15.93
Total equity		266806.47	241264.29
Particulars	Not e	As at March 31, 2022	As at March 31, 2021
2. Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	21	165.86	440.09
(ii) Trade payables	22		
(i) Total outstanding dues of micro enterprises and small enterprises		112.83	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3520.62	3181.00
(iii) Other financial liabilities	23	18.18	3817.49
(b) Provisions	24	35217.20	335.61
Other non-current liabilities	25	20204.75	3956.70
Total non-current liabilities		59239.44	36459.31
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26		
(ia) Lease Liabilities	28	437.76	388.95
(ii) Trade payables	27		
(i) Total outstanding dues of micro enterprises and small enterprises		4983.33	8610.40
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		33846.98	25997.64
(iii) Other financial liabilities	28	2374.93	41645.00
(b) Provisions	29	15410.79	1801.44
Other current liabilities	30	61098.31	36798.43
Total current liabilities		118154.10	16736.49
Total liabilities		177393.54	78688.63
TOTAL EQUITY AND LIABILITIES		444200.01	411313.77
Basis of preparation, measurement and Significant Accounting policies		2	
The accompanying Notes are an integral part of the Financial Statements			
For our report of even date			
For M/s Gopalayer and Subramanian			
Chartered Accountants			
FRN: 008960S			
22289498AIAUBV138			
Partner K K A Ramanujam			
Membership No. 20949			
Office: Rasipet			
Date: April 28, 2022			
Boiler Auxiliaries Plant			
21/4/22			
28/4/22			
Shri Rajeev Singh			
GM I/c			

ANNEXTURE II – RESEARCH ARTICLE

FINANCIAL STATEMENT ANALYSIS IN BHARAT HEAVY ELECTRICAL LIMITED

Karthik.S, P.G scholar, MBA department, Sathyabama University
DR. Lavanya, professor, MBA department, Sathyabama University

Abstract: The purpose of this research is to analyse the financial statements of the BHEL (Bharat Heavy Electricals Limited) organisation. One of the top engineering firms in India and a leader in the production of power equipment is BHEL. In order to assess the company's financial performance and health over a five-year period, a number of financial ratios and techniques are used in the study. The profitability, liquidity, solvency, efficiency, and market value parameters of BHEL are examined in the research to shed light on the company's financial strengths and shortcomings. The study's results can help analysts, investors, and stakeholders make knowledgeable judgements about BHEL's financial performance and prospects going forward.

Introduction:

Financial analysis is often referred to as financial statement analysis and interpretation. It refers to creating a meaningful connection between numerous components of the Income statement and Position statement, the two financial statements. It establishes the firm's financial strength and weakness. In order to assess the effectiveness, profitability, financial soundness, and future prospects of the business units, it is crucial to analyse and analyse financial accounts. The following objectives are served by financial analysis. The primary goal of a business is to provide a respectable return on the capital put in it. Financial analysis is useful in determining whether or not the firm is making enough money on the capital that has been put in it. Knowing your ability to pay interest is another benefit.

Objectives of study:

- To determine the organization's financial strengths and weaknesses.
- Calculating the organization's key financial ratios as part of the ratio analysis can help you better understand how the firm's financial situation has changed over time and what resources are still needed.
- To analyse the solvency status of the organisation as well as the performance of BHEL based on earnings.
- To make the right recommendations to investors. to assist them in making more intelligent selections.

Needs of study:

- An organization's financial success will impact other performance factors, and if finances are productive, people and materials will also be productive.
- In addition, there is the examination of non-economic and qualitative performance, which examines non-economic elements like citizen and customer satisfaction, among others.

Scope of study:

The following are the study's restricted scope and timeframe.

- The focus is only on BHEL activities.
- The information was only gleaned from BHEL's primary and secondary data.
- The balance sheet and profit and loss were for the previous six years.
- Sister unit comparisons were used in comparison analysis.

Review of literature:

V. Gokulapriya (2020) in her journal “A STUDY ON FINANCIAL PERFORMANCE OF MARUTI SUZUKI MOTORS” concluded that the firm should increase their profitability level by considering the internal and external 41 factors even though the the firm’s profitability is satisfactory. The firm should invest more in their current assets as there seems to be a fluctuation in liquidity position.

K.Geethanjali&Dr.S.Santhakumari (2019)- Investors perception towards online trading in Coimbatore .This research is a descriptive research study in which convenient sampling techniques is used. This survey is used to select the sample size ,validity and reliability of the questionnaire 391 samples are selected for the study.

Dr.U.Thasli, Ariff, M.Nandhini and T.Pavithra (2019)-An investors perception towards online trading . The study aims to identify the preference of the respondent towards online trading in Udumalpet Talak . In this study questionnaire was collected from 100investors.The findings were analyzed using scaling technique and simple percentage .

C.Navya ,CH.Deepthi (2019) –Investors attitude towards online trading .It aims that studying the investor’s perception of online trading in share markets and helps to find out the present level of service provided by identifying the area which require attention for improving its services.

Dr.IqbalThonseHawaldar, Dr.Habeeb Ur Rahiman (2019) – Investors perception towards stock market. This study is to understand the different personal factors affecting their investment decision and the different factor influencing various categories of investment. Chisquare test was used as a tool to arrive at a decision regarding the association between two variables.

Dr. N. Sakthivel, A. Saravanakumar (2018)-Investors satisfaction on online share trading and technical problem faced by the investors. Investors satisfaction on online share trading based on brokerage houses were analyzed using percentage analysis. Primary data were collected from 620 respondents through questionnaire.

Research Methodology:

Research methodology refers to the exact steps or methods used to find, choose, analyse, and evaluate material about a subject. In a research article, the methodology section enables the reader to assess the general validity and dependability of a study. a method for gathering data and information to aid in commercial decision-making. The approach may incorporate material from publications, interviews, surveys, and other research methods, as well as both current and historical data.

Research Design:

- Research design is appropriate for the proposed study.
- It makes use of already-available facts and information and examines them to produce a critical assessment of the content.

Source of data:

- The information gathered by a user besides the main one. The typical sources of secondary data are censuses, data gathered by government agencies, records kept by organisations, and data that was initially gathered for another study purpose.
- BHEL's 2018–2022 five-year annual report interaction with the department that deals with finances.
 - Secondary Data

Tools for data analysis:

- Current ratio
- Quick ratio
- Inventory turnover ratio
- Fixed asset turnover ratio
- Return on equity

Data analysis and interpretation:

Current ratio :

Particulars	2018	2019	2020	2021	2022
CURRENT RATIO= CURRENT ASSET/CURRENT LIABILITY					
current asset	280642.6	284269.44	277503.44	239313.63	225273.95
current liability	161141.63	113752.77	83211.11	78688.63	118154.1
current ratio	1.74158968	2.499011145	3.33493256	3.04127331	3.04127331

INTERPRETATION

From the balance sheet the past 5 years of the current ratio was 2018- 1.74158968, 2019- 2.499011145, 2020- 2.499011145, 2021- 3.04127331, 2022- 3.04127331. The minimum ratio was registered as 1.74158968 in the year 2018 and the maximum ratio was registered as 3.04127331 in the year 2020.

Quick ratio:

Particulars	2018	2019	2020	2021	2022
QUICK RATIO = CURRENT ASSET-INVENTORY/CURRENT LIABILITY					
current asset	280642.6	284269.44	277503.44	239313.63	225273.95
Inventory	51565.45	105588.87	74210.81	63893.56	67822.04
current liability	161141.63	113752.77	83211.11	78688.63	118154.1
Quick ratio	1.42158888	1.57077995	2.4430948	2.2292937	0.7504139

INTERPRETATION

From the balance sheet the past 5 years of the Quick ratio was 2018- 1.42158888, 2019- 1.57077995, 2020- 2.4430948, 2021- 2.2292937, 2022- 0.7504139. The minimum ratio was registered as 0.7504139 in the year 2022 and the maximum ratio was registered as 2.4430948 in the year 2020.

Inventory turnover ratio:

Particulars	2018	2019	2020	2021	2022
INVENTORY TURNOVER RATIO= SALES/INVENTORY					
sales	147872.95	136445.47	131854.87	120834.99	150484.24
Inventory	51565.45	105588.87	74210.81	63893.56	67822.04
Inventory turnover ratio	2.867674965	2.867674965	1.776761	1.89119201	2.218810286

INTERPRETATION

From the balance sheet the past 5 years of the Inventory turnover ratio was 2018- 2.867674965, 2019- 2.867674965, 2020- 1.776761, 2021- 1.89119201, 2022- 2.218810286. The minimum ratio was registered as 1.776761 in the year 2020 and the maximum ratio was registered as 2.867674965 in the year 2019.

Fixed asset turnover ratio:

Particulars	2018	2019	2020	2021	2022
FIXED ASSET TURNPVER RATIO= SALES/TOTAL FIXED ASSET					
sales	147872.95	136445.47	131854.87	120835	150484.24
fixed asset	51565.45	108895.89	86141.93	12301.74	27687.78
Fixed asset turnover ratio	2.867674965	1.2529901	1.53067	9.822593	5.4350417

INTERPRETATION

From the balance sheet the past 5 years of the Fixed asset turnover ratio was 2018- 2.867674965, 2019- 1.2529901, 2020-1.53067, 2021- 9.822593, 2022- 5.4350417. The minimum ratio was registered as 1.2529901 in the year 2019 and the maximum ratio was registered as 9.822593 in the year 2021.

Return on equity:

Particulars	2018	2019	2020	2021	2022
RETURN ON EQUITY = NET INCOME/TOTAL EQUITY					
net income	214319.63	160692.88	139217.2	129363.67	158846.42
total equity	244435.48	282612.27	271556.93	241264.29	266806.47
return on equity	0.87679428	0.568598384	0.512663035	0.536190706	0.595361949

INTERPRETATION

From the balance sheet the past 5 years of the Return on equity was 2018- 0.87679428, 2019- 0.568598384, 2020- 0.512663035, 2021- 0.536190706, 2022- 0.595361949. The minimum ratio was registered as 0.512663035 in the year 2020 and the maximum ratio was registered as 0.87679428 in the year 2018.

Findings:

The research work provides the key findings according to the data analysis.

- The company has made its current ratio good in the year 2020 with 3.334932 which indicates that the rate at which the company restock items is well balanced with their sales, comparing with the previous years which is below the ideal ratio.
- By comparing all the 4 years 2018 has the low liquidity position to meet its short term obligations with its most liquid assets.
- Fixed Asset turnover ratio good in the year 2021 with 9.822593 which indicates that the rate at which the company restock items is well balanced with their sales.
- Return on equity good in the year 2018 with 0.87679428 which indicates that the rate at which the company restock items is well balanced with their sales, comparing with the previous years which is below the ideal ratio.

- By comparing all the 4 years, there has been a fluctuation and decrease in the ratio of, from 2018(196.35213) to 2022(125.049102), which indicates that the company is not working in consistent improvement of its policies.
- By comparing all the 4 years, there has been an increase in cash to current asset ratio, which indicates a positive sign showing, the company's most liquid assets represent a larger portion of its total current assets.

Conclusion

- Generates greater revenue in a shorter amount of the financial performance and health of the BHEL Company were insightfully examined in this study on financial statement analysis. In order to analyse the company's financial statements for the previous five years, the research used ratio analysis, trend analysis, and common size analysis. The study's findings indicate that the business's financial performance has improved recently, as seen by a rise in revenue, net profit, and return on equity.
- But the investigation also uncovered several areas that warrant worry, such falling gross profit margins and rising debt levels. The corporation should take action to deal with these problems and further strengthen its financial situation. The study also emphasised the use of financial statement analysis as a method for assessing.

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