

## A PROJECT REPORT ON COMPARATIVE ANALYSIS AT ZUARI CEMENT IN YERRAGUNTALA

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### Abstract

This project undertakes an abstracted comparative analysis to investigate and illuminate key aspects of zuari cement. By employing a systematic methodology, we aim to distill complex project elements into essential component, facilitating a nuanced understanding of similarities, differences, and underlying dynamics. This abstracted approach allows for a comprehensive examination of critical variables that influence the success and impact of zuari cement's. The comparative analysis integrates a multidisciplinary framework.

In summary, our abstracted comparative analysis approach at zuari cement's aims to provide a deeper and more holistic understanding, offering practical implications for project implementation, management, and future research endeavours in similar domains.

**Key words:** incomes, expenses, assets, liabilities.

### Introduction

Comparative statements are also called as comparative financial statements. the comparative financial statement is very comprehensive financial analysis software that performs a detail variance analysis of a company's income statements and balance sheets. The model employs the techniques of both comparative analysis and percentage analysis to achieve an in-depth examination of the company's financial position and performance. This analysis provides a detail break down of each component on the profit & loss statement and balance sheet. The user identifies the financial periods for each of the desired comparisons. The financial management software detects variance, discrepancies and undesirable trends allowing the user to identify adverse conditions and areas of opportunity.

The data from two or more periods are updated side by side, which is why it is also known as horizontal analysis. The advantage of such an analysis is that it helps investors to identify the trends of business, check a company's progress and also compare it with that of its competitors.

The financial data will be considered to be comparative only when the same set of accounting principles are being used for preparing the statements.

Types of comparative statements:

There are two types of comparative statements which are as follows

1. Comparative income statement
2. Comparative balance sheet.

### COMPARATIVE INCOME STATEMENT:

The income statement shows net profit or net loss of an account of operational activities of a business. The comparative income statement shows the absolute figures for two or more periods, the figures may change from one period to another period. The income statement designed in such a manner to interpret the figures of two periods and their percentage that's why it's helpful in deriving meaning full conclusions with comparison.

### COMPARATIVE BALANCE SHEET:

A comparative balance sheet is a type of comparative statement used by business owners, investors, and analysts to evaluate a firm's performance over time. Business owners use the

comparative report to make strategic business decisions. This statement prepared on two or more different dates can be used for comparing assets and liabilities and to find out any increase or decrease in these items. This is comparison facilities to form an opinion regarding the financial position of the concern.

Advantages of comparative balance sheet:

- It helps to identify trends and areas of weaknesses and strengths.
- It helps to understand fluctuations caused by seasons so that firm can make better-informed business decisions.
- Comparing balances from different periods, stake holders can assess how effectively the company is managing its resources and whether it is improving or declining over time.

Methodology analysis of comparative balance sheet:

1. In the first step changes in absolute figures increase or decrease should calculated.
2. In the second step % of changes should be calculated by using the formula.  
$$\text{Percentage (\% ) of change} = \frac{\text{change in amount}}{\text{Base year amount}} \times 100$$
3. After calculation of % of change interpretation should be made.

**Review of literature:**

- ❖ Financial ratios were utilized by HANNAN ET AL. (1979) to display Bangladesh Shilpa Bank's financial status and performance analysis. He demonstrated how financial analysis techniques may be applied to assess the performance and financial status of non-financial entities, including Development Financial entities (DFI), as well as financial institutions.
- ❖ HAJIHASSANI (2012), a comparison of financial performance in cement area in Iran. This study displayed comparison of monetary execution for the period study 2006 to 2009. It tends to be dissected comparison of financial performance of chosen cement organizations by utilizing different monetary proportions and proportions of cement organizations working in Iran.
- ❖ SAMUEL (2012) conducted an analysis of India cements ltd's financial performance across multiple dimensions, including profitability, liquidity, and turnover. The analysis determined that the company's overall performance is satisfactory.wen-cheng lin and colleagues.
- ❖ HARSHAD R. TANDEL (2013) analysed that the financial analysis of selected plastic manufacturing industrial units of Gujarat for the period 2000-01 to 2009-10. The main objective this study was to analysis and evaluate the financial performance with the help of composited such ratios like profitability, activity, liquidity and solvency. He judges the financial performance with the assistance of trend analysis and analysis of variance.
- ❖ ABDULLAH, N. & IKA, S. (2011) an analysis of Indonesia's Islamic and conventional banks' financial results in comparison. Selected financial statements from Indonesian Islamic commercial banks from 2000 to 2007 served as the basis for the data. Financial ratios, which were divided into categories for profitability, liquidity, risk, solvency, and efficiency, were used to convey financial performance metrics. Mann-Whitney was used to compare the financial performance of Islamic banks with conventional banks in order to evaluate the hypotheses. With the exception of liquidity, the study did not find any significant differences in the financial performance of Islamic banks and conventional banks overall. This suggested that when compared to regular banks, Islamic institutions are typically more liquid.

- ❖ GARGI (2019) conducted a study of nonperforming assets in selected commercial banks in India it is a comparative analysis. He suggested that the selected Public Sector Banks need to keep a close eye on the borrowers as well as they need to improve the NPAs management to survive and grow.

**Objectives:**

- To find out the percentage changes in financial events.
- To analyze the changes in various items those are reliable to the net sales.
- To identify similarities and differences.
- To find out various years of liabilities and assets in a comparative model.

**Need for the study:**

The main purpose of the study is to determine, forecast and evaluate the best of economic conditions and company's performance in future. The other purpose of this study is to analyze the comparative statement and then give information for financial managers to make through decisions about their business.

**Research methodology:**

**Introduction:**

Data collection is an essential stage in any project since it determines how precise the data can be obtained and how much time, money, and effort will be needed to get it. It is also a crucial step in research projects. You cannot perform the obtained data analysis without appropriate data available.

**Research design:**

The study that has been conducted is analytical in nature because the data that has been gathered is primarily from secondary sources, such as the organization's annual reports. The analysis of the data has been conducted.

**Sources of data:**

There are two types of data collection methods available:

1. Primary data collection
2. Secondary data collection

Primary data collection: The primary data is that data which is collected fresh and first hand for the first time which in nature. The primary data is collected through personal interaction with company's accounts manager to support the secondary data.

Secondary data: Data that is gathered by a party other than the primary user is referred to as secondary data. Social scientists frequently employ census data, data gathered by government agencies, records kept by organizations, and data initially gathered for other research projects as secondary data sources.

**Tools of analysis:**

The data related to the performance of zuari cement ltd from different activities i.e., operating, investing of financial activities has been carefully analyzed by using the financial tools.

The following tools can be used in connection with analysis, interpretations of financial statements.

1. Comparative income statement analysis.
2. Comparative balance sheet analysis.

**Comparative income statement of 2018-2019(in crores)**

Particulars	Mar-18	Mar-19	Change in amount	% changes of in amount
Sales	545.66	768.64	222.98	40.86%
(- )cost of goods sold	426.8	432.79	5.99	1.40%

<b>Gross profit(A)</b>	<b>118.86</b>	<b>335.85</b>	<b>216.99</b>	<b>182.5%</b>
<b>Less: operating expenses</b>				
Purchase of stock in trade	8.52	14.93	6.41	75.23%
Operating and direct expenses	264.21	368.58	104.37	39.50%
Changes in inventories	-263.1	-216.59	46.51	-17.67%
Employee benefit expenses	62.67	78.69	16.02	25.56%
Finance cost	92.15	113.18	21.03	22.82%
Depreciation and amalgamation expenses	19.99	20.92	0.93	4.65%
Other expenses	83.32	114.18	30.86	37.03%
<b>Total expenses(B)</b>	<b>267.76</b>	<b>493.89</b>	<b>226.13</b>	<b>84.45%</b>
<b>Operating profit(A-B)</b>	<b>-148.9</b>	<b>-158.04</b>	<b>-9.14</b>	<b>6.13%</b>
<b>Add: operating income</b>				
Other income	70.47	99.83	29.36	41.66%
<b>Profit/loss before tax</b>	<b>-78.43</b>	<b>-58.21</b>	<b>20.22</b>	<b>-25.78%</b>
Less: tax	3.28	-17.42	-20.7	-631.0%
<b>Net profit/loss after tax</b>	<b>-81.71</b>	<b>-40.79</b>	<b>40.92</b>	<b>-50.07%</b>

**Comparative income statement of 2019 and 2020 (in crores)**

<b>Particulars</b>	<b>Mar-19</b>	<b>Mar-20</b>	<b>Change in amount</b>	<b>% changes of in amount</b>
Sales	774.19	771.03	-3.16	-0.48%
(-)cost of goods sold	432.79	486.56	53.77	12.42%
<b>Gross profit(A)</b>	<b>341.4</b>	<b>284.47</b>	<b>-56.93</b>	<b>-16.67%</b>
<b>Less: operating expenses</b>				
Purchase of stock in trade	14.93	5.17	-9.76	-65.37%
Operating and direct expenses	368.58	209.61	-158.97	-43.13%
Changes in inventories	-216.59	-109.95	106.64	-49.23%
Employee benefit expenses	78.69	81.17	2.48	3.15%
Finance cost	113.18	160.33	47.15	41.65%
Depreciation and amalgamation expenses	20.92	25.47	4.55	21.74%
Other expenses	114.18	90	-24.18	-21.17%
<b>Total expenses(B)</b>	<b>493.89</b>	<b>461.8</b>	<b>-32.09</b>	<b>-6.49%</b>
<b>Operating profit(A-B)</b>	<b>-152.49</b>	<b>-177.33</b>	<b>-24.84</b>	<b>16.28%</b>
<b>Add: operating income</b>				
Other income	99.83	124.72	24.89	24.9%
<b>Profit/loss before tax</b>	<b>-52.66</b>	<b>-52.61</b>	<b>0.05</b>	<b>-0.09%</b>
Less: tax	-17.42	70.99	88.41	-507.5%
<b>Net profit/loss after tax</b>	<b>-35.24</b>	<b>-123.6</b>	<b>-88.36</b>	<b>250.73%</b>

**Comparative income statement of 2020-2021(in crores)**

Particulars	Mar-20	Mar-21	Change in amount	% changes of in amount
Sales	771.03	833.8	62.77	8.14%
(-)cost of goods sold	486.56	490.62	4.06	0.83%
<b>Gross profit(A)</b>	<b>284.47</b>	<b>343.18</b>	<b>58.71</b>	<b>20.63%</b>
<b>Less: operating expenses</b>				
Purchase of stock in trade	5.17	1.33	-3.84	-74.2%
Operating and direct expenses	209.61	79.27	-130.34	-62.1%
Changes in inventories	-109.95	27.73	137.68	-125.2%
Employee benefit expenses	81.17	71.27	-9.9	-12.19%
Finance cost	160.33	201.64	41.31	25.76%
Depreciation and amalgamation expenses	25.47	29.25	3.78	14.84%
Other expenses	90	107.72	17.72	19.68%
<b>Total expenses(B)</b>	<b>461.8</b>	<b>518.21</b>	<b>56.41</b>	<b>12.21%</b>
<b>Operating profit(A-B)</b>	<b>-177.33</b>	<b>-175.03</b>	<b>2.3</b>	<b>-1.29%</b>
<b>Add: operating income</b>				
Other income	124.72	148.74	24.02	19.25%
Exceptional items	-3.38	-21.72	-18.34	542.60%
<b>Profit/loss before tax</b>	<b>-55.99</b>	<b>-48.01</b>	<b>7.98</b>	<b>-14.25%</b>
Less: tax	70.99	-15.09	-86.08	-121.2%
<b>Net profit/loss after tax</b>	<b>-126.98</b>	<b>-32.92</b>	<b>94.06</b>	<b>-74.07%</b>

**Comparative income statement 2021-2022(in crores)**

Particulars	Mar-21	Mar-22	Change in amount	% changes of in amount
Sales	833.8	721.83	-111.97	-13.42%
(-)cost of goods sold	490.62	471.92	-18.7	-3.81%
<b>Gross profit(A)</b>	<b>343.18</b>	<b>249.91</b>	<b>-93.27</b>	<b>-27.17%</b>
<b>Less: operating expenses</b>				
Purchase of stock in trade	1.33	1.06	-0.27	-20.30%
Operating and direct expenses	79.27	89.99	10.72	13.52%
Changes in inventories	27.73	-27.92	-55.65	-200.68%
Employee benefit expenses	71.27	73.19	1.92	2.69%
Finance cost	201.64	264.29	62.65	31.07%
Depreciation and amalgamation expenses	29.25	22.71	-6.54	-22.35%
Other expenses	107.72	100.87	-6.85	-6.35%
<b>Total expenses(B)</b>	<b>518.21</b>	<b>524.19</b>	<b>5.98</b>	<b>1.15%</b>
<b>Operating profit(A-B)</b>	<b>-175.03</b>	<b>-274.28</b>	<b>-99.25</b>	<b>56.70%</b>

<b>Add: operating income</b>				
Other income	148.74	225.41	76.67	51.54%
Exceptional items	-21.72	0	21.72	-100%
<b>Profit/loss before tax</b>	<b>-48.01</b>	<b>-48.87</b>	<b>-0.86</b>	<b>1.79%</b>
Less: tax	-15.09	-9.78	5.31	-35.18%
<b>Net profit/loss after tax</b>	<b>-32.92</b>	<b>-39.09</b>	<b>-6.17</b>	<b>18.74%</b>

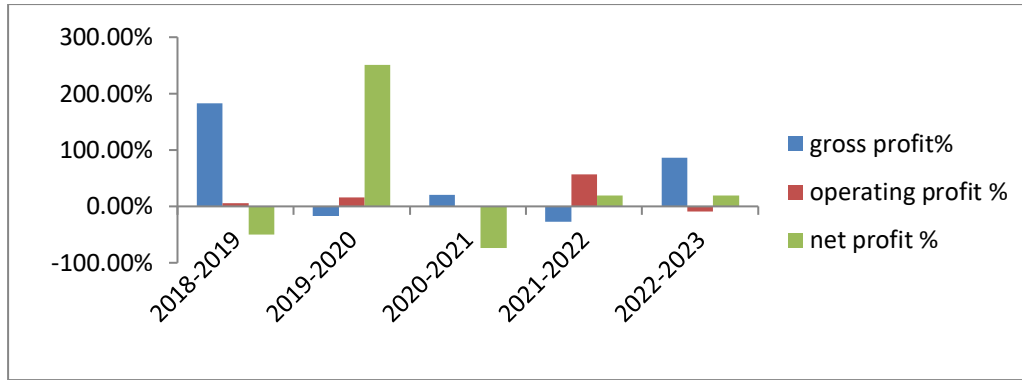
**Comparative income statement of 2022-2023(in crores)**

<b>Particulars</b>	<b>Mar-22</b>	<b>Mar-23</b>	<b>Change in amount</b>	<b>% of changes in amount</b>
Sales	721.83	955.14	233.31	32.32%
(-)-cost of goods sold	471.92	489.82	17.9	3.79%
<b>Gross profit(A)</b>	<b>249.91</b>	<b>465.32</b>	<b>215.41</b>	<b>86.19%</b>
<b>Less: operating expenses</b>				
Purchase of stock in trade	1.06	3.96	2.9	273.58%
Operating and direct expenses	89.99	104.1	14.11	15.67%
Changes in inventories	-27.92	150.36	178.28	-638.5%
Employee benefit expenses	73.19	89.69	16.5	22.54%
Finance cost	264.29	248.44	-15.85	-5.9%
Depreciation and amalgamation expenses	22.71	27.42	4.71	20.73%
Other expenses	100.87	89.4	-11.47	-11.37%
<b>Total expenses(B)</b>	<b>524.19</b>	<b>713.37</b>	<b>189.18</b>	<b>36.08%</b>
<b>Operating profit(A-B)</b>	<b>-274.28</b>	<b>-248.05</b>	<b>26.23</b>	<b>-9.56%</b>
<b>Add: operating income</b>				
Other income	225.41	182.31	-43.1	-19.12%
Exceptional items	0	0	0	0
<b>Profit/loss before tax</b>	<b>-48.87</b>	<b>-65.74</b>	<b>-16.87</b>	<b>34.52%</b>
Less: tax	-9.78	8.63	18.41	-188.24%
<b>Net profit/loss after tax</b>	<b>-39.09</b>	<b>-74.37</b>	<b>-35.28</b>	<b>90.25%</b>

**TABLE-1**

<b>Years</b>	<b>Gross profit%</b>	<b>Operating profit %</b>	<b>Net profit %</b>
<b>2018-2019</b>	182.50%	6.13%	-50.07%
<b>2019-2020</b>	-16.67%	16.28%	250.73%
<b>2020-2021</b>	20.63%	-1.29%	-74.07%
<b>2021-2022</b>	-27.17%	56.70%	18.74%
<b>2022-2023</b>	86.19%	-9.56%	19.25%

**GRAPH:**



#### **Interpretation:**

From the above graph the operating profits are increased in 2018-2021 and in 2022-23 the operating profits were decreased. The gross profit increased in 2018-19 and slowly decreased in 2019-20 and in 2021-2022 and after slowly in 2022-2023 it was increased. Net profit in the year 2019-20 is high and in 2018-2019 and in 2020-2021 the net profit was decreased into losses.

#### **Comparative balance sheet of 2018-2019(in crores)**

Particulars	Mar-18	Mar-19	Increase/ decrease in amount	% of increase/ decrease in amount
<b>Assets</b>				
Noncurrent assets	3024.91	2878.32	-146.59	-4.84%
Current assets	1173.02	1548.51	375.49	32.01%
<b>Total assets</b>	<b>4197.93</b>	<b>4426.83</b>	228.9	5.45%
<b>Liabilities and</b>				
Equity	2418.01	2178.79	-239.22	-9.89%
Noncurrent liabilities	770.5	1095.06	324.56	42.12%
Current liabilities	1009.42	1152.98	143.56	14.22%
<b>Total liabilities</b>	<b>4197.93</b>	<b>4426.83</b>	228.9	5.452%

#### **Comparative balance sheet of 2019-2020(in crores)**

Particulars	Mar-19	Mar-20	Increase/ decrease in amount	% of increase/ decrease in amount
<b>Assets</b>				
Noncurrent assets	2878.32	2279.06	-599.26	-20.81%
Current assets	1548.51	1661.93	113.42	7.32%
<b>Total assets</b>	<b>4426.83</b>	<b>3940.99</b>	-485.84	-10.97%
<b>Liabilities and</b>				
Equity	2178.79	1135.02	-1043.77	-47.90%
Noncurrent liabilities	1095.06	1445.71	350.65	32.02%
Current liabilities	1152.98	1360.25	207.27	17.97%
<b>Total liabilities</b>	<b>4426.83</b>	<b>3940.98</b>	-485.85	-10.97%



**Comparative balance sheet of 2020-2021(in crores)**

Particulars	Mar-20	Mar-21	Increase/ decrease in amount	% of increase/ decrease in amount
<b>Assets</b>				
Noncurrent assets	2279.06	3305.49	1026.43	45.03%
Current assets	1661.93	1688.42	26.49	1.59%
<b>Total assets</b>	<b>3940.99</b>	<b>4993.91</b>	1052.92	26.71%
<b>Liabilities</b>				
Equity and liabilities	1135.02	2005.73	870.71	76.71%
Noncurrent liabilities	1445.71	1682.28	236.57	16.36%
Current liabilities	1360.25	1305.9	-54.35	-3.99%
<b>Total liabilities</b>	<b>3940.98</b>	<b>4993.91</b>	1052.93	26.71%

**Comparative balance sheet of 2021-2022(in crores)**

Particulars	Mar-21	Mar-22	Increase/ decrease in amount	% of increase/ decrease in amount
<b>Assets</b>				
Noncurrent assets	3305.49	4324.27	1018.78	30.82%
Current assets	1688.42	1919.62	231.2	13.69%
<b>Total assets</b>	<b>4993.91</b>	<b>6243.89</b>	1249.98	25.03%
<b>Liabilities</b>				
Equity and liabilities	2005.73	2961.51	955.78	47.65%
Noncurrent liabilities	1682.28	1857.03	174.75	10.38%
Current liabilities	1305.9	1425.37	119.47	9.14%
<b>Total liabilities</b>	<b>4993.91</b>	<b>6243.91</b>	1250	25.03%

**Comparative balance sheet of 2022-2023(in crores)**

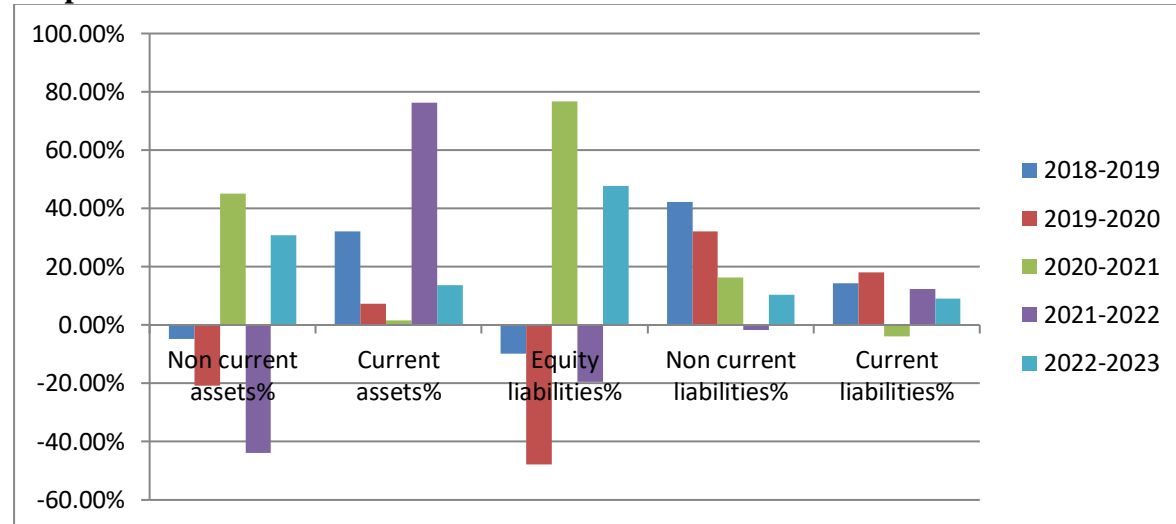
Particulars	Mar-22	Mar-23	Increase/ decrease in amount	% of increase/ decrease in amount
<b>Assets</b>				
Noncurrent assets	4324.27	2427.33	-1896.94	-43.86%
Current assets	1919.62	3381.71	1462.09	76.16%
<b>Total assets</b>	<b>6243.89</b>	<b>5809.04</b>	-434.85	-6.96%
<b>Liabilities</b>				
Equity and liabilities	2961.51	2381.79	-579.72	-19.57%
Noncurrent liabilities	1857.03	1826.27	-30.76	-1.65%
Current liabilities	1425.37	1600.98	175.61	12.32%
<b>Total liabilities</b>	<b>6243.91</b>	<b>5809.04</b>	-434.87	-6.96%



**Table -2**

Years	Noncurrent assets%	Current assets%	Equity liabilities%	Noncurrent liabilities%	Current liabilities%
2018-2019	-4.84%	32.01%	-9.89%	42.12%	14.22%
2019-2020	-20.81%	7.32%	-47.90%	32.20%	17.97%
2020-2021	45.03%	1.59%	76.71%	16.36%	-3.99%
2021-2022	-43.86%	76.16%	-19.57%	-1.65%	12.32%
2022-2023	30.82%	13.69%	47.65%	10.38%	9.14%

**Graph:**



**Interpretation:** From the above graph the Noncurrent liabilities are decreased in the year 2021-22. the assets and liabilities position is good in the year 2022-23. The current liabilities highly reduced in 2020-21 compared to previous year.

### Conclusion:

This helps the entrepreneur in grasping the patterns and estimating the business execution throughout various time spans. It provides a comparison of an element's monetary presentation over various periods, so you can decide patterns. From this review, I presume that monetary exhibition of zuari cement's is great.

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